

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

ON APPEAL

FROM THE FULL COURT OF
THE SUPREME COURT OF QUEENSLAND
No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY
GENERATING BOARD

Appellant

— and —

NEW HOPE COLLIERIES PTY. LTD.

Respondent

RECORD OF PROCEEDINGS

PART I

WALTONS & MORSE,
Plantation House,
31/35 Fenchurch Street,
LONDON, EC3M 3NN.
Solicitors for the Appellant

GABRIELLE PRENTICE,
Bristol House,
80A Southampton Row,
LONDON, WC1B 4BA.
Solicitors for the Respondent

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

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BETWEEN:

THE QUEENSLAND ELECTRICITY
GENERATING BOARD

Appellant

– and –

NEW HOPE COLLIERIES PTY. LTD.

Respondent

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ERRATUM

The document commencing at p.550 and headed "Reasons for Judgment (McPherson, J.)" should be headed "Formal Judgment".

The document commencing at p.553 and headed "Formal Judgment" should be headed "Reasons for Judgment (McPherson, J.)".

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Appeal No. 10 of 1984

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

ON APPEAL

FROM THE FULL COURT OF
THE SUPREME COURT OF QUEENSLAND
No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY
GENERATING BOARD

Appellant

– and –

NEW HOPE COLLIERIES PTY. LTD.

Respondent

RECORD OF PROCEEDINGS

PART I

WALTONS & MORSE,
Plantation House,
31/35 Fenchurch Street,
LONDON, EC3M 3NN.
Solicitors for the Appellant

GABRIELLE PRENTICE,
Bristol House,
80A Southampton Row,
LONDON, WC1B 4BA.
Solicitors for the Respondent

Writ of Summons (Endorsement of Claim Only)
28th February 1983

IN THE SUPREME COURT)
OF QUEENSLAND)

1983 No. 9021

BETWEEN

10

THE QUEENSLAND ELECTRICITY GENERATING BOARD
Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.
Defendant

20

ELIZABETH THE SECOND, by the Grace of God Queen of Australia and Her Other Realms and Territories, Head of the Commonwealth.

30

TO NEW HOPE COLLIERIES PTY. LTD. of 13-17 Lowry Street, Ipswich in the State of Queensland. We command you that within eight (8) days after the service of this writ on you, inclusive of the day of such service, you do cause an appearance to be entered for you in Our Supreme Court of Queensland, at Brisbane, in an action at the suit of THE QUEENSLAND ELECTRICITY GENERATING BOARD of 255 Adelaide Street, Brisbane in the State of Queensland; and take notice that in default of your so doing the plaintiff may proceed therein, and judgment may be given in your absence.

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WITNESS - The Honourable Sir Walter Campbell Chief Justice of Queensland, at Brisbane, the 28th day of February, in the year of Our Lord One thousand nine hundred and eighty-three.

For the Registrar

LBUCKMASTER

Senior Clerk

Issued by

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N.B.-This writ is to be served within twelve calendar months from the date thereof, or, if renewed, within twelve calendar months from the date of the last renewal, including the day of such date, and not afterwards. Appearance to this writ may be entered by the Defendant either personally or by solicitor at the Registry of the Supreme Court at Brisbane.

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In the Supreme Court of Queensland
No. 1
Writ of Summons
(Endorsement of Claim Only)
28th February 1983
(Contd.)

No. of 1983

IN THE SUPREME COURT
OF QUEENSLAND

The plaintiff's claim is for:-

1. A declaration that in the events that have happened and on the proper construction of the agreement CS-29-2 dated 12th July, 1978 between the Plaintiff and the Defendant, the Defendant is not obliged to arbitrate any terms, conditions or price of or in respect of the supply of coal by the Defendant to the Plaintiff prior to the 31st day of December, 1982;
2. A declaration that the Queensland Coal Board or its properly qualified nominee either be appointed the arbitrator, or alternatively, has the inherent jurisdiction to determine the price of coal payable by the Plaintiff to the Defendant for or in respect of any coal to be delivered by the Defendant to the Plaintiff after the 1st day of January, 1983, or otherwise under the agreement;
3. An injunction to restrain the Defendant from arbitrating or seeking to arbitrate any matter either in dispute or alleged to be in dispute between the Plaintiff and the Defendant save for that referred to in paragraph 2 hereof;
4. All such further and other or consequential orders as to the Court may seem meet;
5. Costs.

THE QUEENSLAND ELECTRICITY
GENERATING BOARD } Writ of Summons
-v-
NEW HOPE
COLLIERIES PTY. LTD.

WILLIAMS & WILLIAMS

Solicitors for plaintiff
255 Adelaide Street
BRISBANE 4000

Telephone No. 221.7899
LGW

By authority: The Law Book Company Limited

THIS WRIT was issued by WILLIAMS & WILLIAMS
of 255 Adelaide Street, Brisbane,
agent for whose address for service is
solicitors for the plaintiff who reside at 255 Adelaide Street,
Brisbane in the State of Queensland

10
20
30
day of
Indorsed the
day of
19
day of
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This writ was served by me on the defendant at

IN THE SUPREME COURT

10

OF QUEENSLAND

No. 902 of 1983

BETWEEN:

QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

20

NEW HOPE COLLIERIES PTY. LTD.

Defendant

AMENDED STATEMENT OF CLAIM

(Amended pursuant to leave granted by the Honourable
Mr. Justice McPherson the seventh day of April, 1983)

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Delivered the twenty-first eighth day of March

April, 1983

1. The Plaintiff is a Body Corporate constituted
by Sub-Section 80(1) of the Electricity Act 1976 -
1980.

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2. The Defendant is a company incorporated in
Queensland having its registered office at 13 - 17
Lowry Street, Ipswich in the said State.

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3. On 12 July, 1978 the Plaintiff entered into an
agreement with the Defendant (~~"the Agreement"~~) to
purchase certain quantities of coal of a particular
quality at prices and upon conditions therein provided
for. That agreement was varied by further Agreement of
the parties on 15 August 1978, 5 June 1980, 20 October,
1981 and 1 December 1982. The Plaintiff will refer to

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the terms and conditions of the original Agreement as so varied ("the Agreement") upon the trial of this action for their full meaning and effect.

4. Pursuant to the Agreement, the Defendant supplied quantities of coal to the Plaintiff during the period commencing on 1 January, 1978 and terminating on 31 December, 1982, and continues to supply coal to the Plaintiff. The total amount of coal supplied in the period from 1 January, 1978 to 31 December, 1982 is approximately ~~2,014,000~~ 2,014,323 tonnes, and delivery of coal by the Defendant to the Plaintiff is continuing at a monthly rate of about ~~33,214~~ 33,333 tonnes.

5. The Plaintiff accepted the said coal in terms of the Agreement and made payment therefor to the Defendant in accordance with the terms of the Agreement.

6. Total payments by the Plaintiff to the Defendant for the period from 1 January, 1978 to 31 December 1982 were approximately ~~\$63,000,000.00~~ \$63,628,968.00 and currently monthly payments are approximately ~~\$1,284,000.00~~ \$1,281,654.00.

7. The Agreement provided, as to the price to be paid for the coal, inter alia, the following:-

"8.1 Unless otherwise provided herein, the Base Price per tonne to be paid by the Generating Board to the Company for Coal of Basic Standard Quality shall be in accordance with the Scale of Base Prices stated in Schedule C."

"8.3 The Scale of Base Prices relates to the costs of labour, materials and supplies, and all other cost factors incurred by the Company in the production and supply of the Coal applying at the Base Date.

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The Components of the Base Prices applicable to each cost factor, for the various quantities and Base Prices stated in Schedule C, are stated in Schedule D. All the prices in the Scale of Base Prices shall be subject to increase or decrease for changes in costs as specified in clause 9".

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"9.1

It is a fundamental condition of this Agreement that the escalation provisions shall properly reflect the effects of changes in costs on the cost of producing and supplying Coal under the Agreement. If the formulae employed are not properly reflecting such changes or if indices used for the purposes of this Clause cease to be available or continue to be unavailable for a period of six months, a review of the price variation provisions shall take place upon request by either party. Where the parties agree to an alteration it will be incorporated in the Agreement and will apply thenceforth. In any event such review shall take place at not more than five yearly intervals. Should the award working hours be reduced from 35 hours per week, then such review shall be undertaken forthwith, especially to assess the impact on non labour components."

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8. The amounts paid by the Plaintiff to the Defendant in the period 1 January, 1978 to 31 December, 1982 were the amounts payable in accordance with the provisions of the Agreement.

9. On 14 July 1982 the Defendant by notice in writing purported to request that a review of the price variation provision take place in accordance with clause 9.1 of the Agreement.

10. The Defendant gave a notice dated 23 December, 1982 to the Plaintiff of a dispute in the terms following:-

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"TO: QUEENSLAND ELECTRICITY GENERATING BOARD
Coal Supply Agreement CS/29/2 as varied
between Queensland Electricity Generating
Board and New Hope Collieries Pty. Ltd.

*In the Supreme
Court of
Queensland*
No. 2
Amended Statement
of Claim
8th April 1983
(Contd.)

TAKE NOTICE that certain questions, disputes or differences having arisen between the Generating Board and New Hope Collieries Pty. Ltd. upon or in relation to or in connexion with the said agreement which question dispute or difference cannot be resolved by the Generating Board and New Hope Collieries Pty. Ltd. NEW HOPE COLLIERIES PTY. LTD. (pursuant to clause 13 of the said agreement) HEREBY GIVES NOTICE and calls for the point or points at issue nominated in the schedule hereto to be referred to arbitration.

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THE SCHEDULE

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(a) Whether the escalation provisions of the said agreement during all or part of that period of the said agreement until 31st December, 1982 properly reflected the effects of changes in costs on the cost of producing and supplying coal under the said agreement during such periods and, if not, in whole or in part, the manner and extent to which such escalation provisions have failed to properly reflect the effects of changes in costs on the cost of producing and supplying coal under the said agreement during such periods.

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(b) Whether there should be any and if so what alterations in the price variation provisions of the said agreement in respect of all or part of that period of the agreement until 31st December, 1982.

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DATED the 23rd day of December, 1982.

NEW HOPE COLLIERIES PTY. LTD.

by its Solicitors
SEYMOUR NULTY & CO.

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The address for service of New Hope Collieries Pty. Ltd. is at 9th floor, Citicorp House, Cnr. Queen and George Streets, Brisbane."

11. The Plaintiff says that upon the proper construction of the Agreement the Defendant is not entitled to have determined any of the matters and

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questions referred to in the notice set out in paragraph 10 hereof.

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12. At all material times it was the duty of the Plaintiff pursuant to Section 99 of the Electricity Act 1976 - 1980 to supply electricity in bulk to Electricity Boards and any other Electricity Authority.

13. In pursuance of that statutory duty at all material times the Plaintiff supplied electricity in bulk as aforesaid.

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14. At all material times the Plaintiff was entitled to charge and charged money for the supply of electricity.

~~15. From time to time the Plaintiff fixed and recovered charges for electricity so supplied.~~

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From time to time the State Electricity Commission of Queensland, pursuant to paragraph 64(1)(a) and sub-section 68(3) of the said Act, fixed the charges to be made by the Plaintiff for the electricity so supplied and the Plaintiff recovered such charges in accordance with the Act.

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~~16. The charges were fixed upon the basis (inter alia) of the cost of coal as notified by the Defendant to the Plaintiff and adjusted from time to time.~~

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In connection with the fixing of charges by the said Commission in accordance with sub-section 68(3) of the said Act, the Plaintiff furnished to the said Commission, pursuant to Section 70 of the said Act, information as to the costs of production of electricity prepared upon the basis (inter alia) of the cost of coal as notified by the Defendant to the

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Plaintiff and adjusted from time to time.

*In the Supreme
Court of
Queensland*
No. 2
Amended
Statement of
Claim
8th April 1983
(Contd.)

17. There is no basis upon which the Plaintiff could increase such charges and recover such increased charges now.

18. In notifying as aforesaid the Defendant represented to the Plaintiff that the cost adjusted as aforesaid was the whole cost of the coal.

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AND the Plaintiff claims:-

(a) A Declaration that upon proper construction of the Agreement, no review of the price variation provisions in clause 9.1 of the Agreement can affect any liability of the Plaintiff to make a payment to the Defendant in respect of coal delivered prior to the completion of such review.

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(b) A Declaration that no review of the said price variation provisions alters or increases the liability of the Plaintiff to make payments to the Defendant in respect of coal delivered prior to 31 December, 1982.

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(c) In the alternative to (a) and (b) above, a Declaration that the Defendant is not entitled pursuant to any such review to any alteration or increase in the liability of the Plaintiff to make any payment to the Defendant in respect of coal delivered by the Plaintiff to the Defendant prior to 14 July, 1982 or alternatively such other date as is fixed by

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In the Supreme
Court of
Queensland

No. 2
Amended
Statement of
Claim
8th April 1983
(Contd.)

the Court.

Williams & Williams

Solicitors for the Plaintiff

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NOTICE

The Defendant is required to plead to the within
Statement of Claim prior to ~~28 March~~ 14 April, 1983
otherwise the Plaintiff may obtain judgment against it.
This pleading was settled by ~~Mr. Callinan of Queens~~
~~Counsel and Messrs. Russell and Campbell of Counsel.~~

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No. 3
Further and Better
Particulars of
Statement of
Claim
3rd May 1983

No. 3

Further and Better Particulars of Statement of Claim
3rd May 1983

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IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

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NEW HOPE COLLIERIES PTY. LTD.

Defendant

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FURTHER AND BETTER PARTICULARS
DELIVERED PURSUANT TO THE ORDER OF
HIS HONOUR MR. JUSTICE McPHERSON
MADE THE 18TH DAY OF APRIL, 1983

The following are the particulars of Paragraph 15 of
the Plaintiff's amended Statement of Claim delivered on
the 8th day of April, 1983.

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1. The process and methods of charge for

electricity supplied in bulk by the Plaintiff to Electricity Boards on and after the 1st day of July, 1977 as determined by the State Electricity Commission of Queensland on the 21st day of July, 1977 pursuant to the Electricity Act 1976 and gazetted in the Queensland Government Gazette published on the 23rd day of July, 1977 were:-

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Demand Rate - \$5.25 per kilowatt per month.

Energy Rate - 0.8982 cents per kilowatt hour.

The Demand Charge for each month shall be calculated on the following demands:-

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The South East Queensland Electricity Board 1 085 000 kilowatts

The South West Queensland Electricity Board 126 000 kilowatts

The Wide Bay Burnett Electricity Board 78 000 kilowatts

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The Capricornia Electricity Board 130 000 kilowatts

The Mackay Electricity Board 60 000 kilowatts

The North Queensland Electricity Board 132 000 kilowatts

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The Far North Queensland Electricity Board 76 000 kilowatts

2. The process and methods of charge for electricity supplied in bulk by the Plaintiff to Electricity Boards on and after the 1st day of July, 1978 as determined by the State Electricity Commission of Queensland on the 6th day of July, 1978 pursuant to the Electricity Act 1976 and gazetted in the Queensland Government Gazette published on the 8th day of July,

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1978 were:

Demand Rate - \$5.65 per kilowatt per month

Energy Rate - 0.8890 cent per kilowatt hour

The Demand Charge for each month shall be
calculated on the following demands:-

| | | |
|----|--|---------------------|
| 10 | The South East Queensland Electricity Board | 1 205 000 kilowatts |
| | The South West Queensland Electricity Board | 130 000 kilowatts |
| | The Wide Bay Burnett Electricity Board | 84 000 kilowatts |
| 20 | The Capricornia Electricity Board | 158 000 kilowatts |
| | The Mackay Electricity Board | 98 000 kilowatts |
| | The North Queensland Electricity Board | 141 000 kilowatts |
| | The Far North Queensland Electricity Board | 83 000 kilowatts |

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3. The process and methods of charge for
electricity supplied in bulk by the Plaintiff to
Electricity Boards on and after the 1st day of July,
1979 as determined by the State Electricity Commission
of Queensland on the 31st day of May, 1979 pursuant to
40 the Electricity Act 1976 and gazetted in Queensland
Government Gazette published on the 4th day of June,
1979 were:-

Demand Rate - \$6.35 per kilowatt per month

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Energy Rate - 0.9680 cent per kilowatt hour

The Demand Charge for each month shall be
calculated on the following demands:-

| | | |
|--|--|---------------------|
| | The South East Queensland Electricity Board | 1 274 000 kilowatts |
|--|--|---------------------|

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| | |
|---|-------------------|
| The South West Queensland Electricity Board | 140 000 kilowatts |
| The Wide Bay Burnett Electricity Board | 93 000 kilowatts |
| The Capricornia Electricity Board | 183 000 kilowatts |
| The Mackay Electricity Board | 97 000 kilowatts |
| The North Queensland Electricity Board | 139 000 kilowatts |
| The Far North Queensland Electricity Board | 87 000 kilowatts |

In the Supreme Court of Queensland
 No. 3
 Further and Better Particulars of Statement of Claim
 3rd May 1983
 (Contd.)

4. The process and methods of charge for electricity supplied in bulk by the Plaintiff to Electricity Boards on and after the 1st day of July, 1980 as determined by the State Electricity Commission of Queensland on the 5th day of June, 1980 pursuant to the Electricity Act 1976 - 1980 and gazetted in the Queensland Government Gazette published on the 7th day of June, 1980 were:-

Demand Rate - \$6.40 per kilowatt per month

Energy Rate - 1.0680 cent per kilowatt hour

The Demand Charge for each month shall be calculated on the following demands:-

| | |
|---|---------------------|
| The South East Queensland Electricity Board | 1 401 000 kilowatts |
| The South West Queensland Electricity Board | 154 000 kilowatts |
| The Wide Bay Burnett Electricity Board | 94 000 kilowatts |
| The Capricornia Electricity Board | 201 000 kilowatts |
| The Mackay Electricity Board | 96 000 kilowatts |

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| | |
|---|-------------------|
| The North Queensland Electricity Board | 137 000 kilowatts |
| The Far North Queensland Electricity Board | 93 000 kilowatts |

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5. The process and methods of charge for electricity supplied in bulk by the Plaintiff to Electricity Boards on and after the 1st day of July, 1981 as determined by the State Electricity Commission of Queensland on the 3rd day of June, 1981 pursuant to the Electricity Act 1976 - 1980 and gazetted in the Queensland Government Gazette published on the 13th day of June, 1981 were:-

Demand Rate - \$7.45 per kilowatt per month

Energy Rate - 1.1256 cent per kilowatt hour

The Demand Charge for each month shall be calculated on the following demands:-

| | |
|--|---------------------|
| The South East Queensland Electricity Board | 1 463 000 kilowatts |
| The South West Queensland Electricity Board | 153 000 kilowatts |
| The Wide Bay Burnett Electricity Board | 97 000 kilowatts |
| The Capricornia Electricity Board | 221 000 kilowatts |
| The Mackay Electricity Board | 98 000 kilowatts |
| The North Queensland Electricity Board | 143 000 kilowatts |
| The Far North Queensland Electricity Board | 99 000 kilowatts |

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4. The process and methods of charge for electricity supplied in bulk by the Plaintiff to Electricity Boards on and after the 1st day of July, 1982 as determined by the State Electricity Commission

of Queensland on the 9th day of June, 1982 pursuant to the Electricity Act 1976 - 1980 and gazetted in the Queensland Government Gazette published on the 12th day of June, 1982 were:-

Demand Rate - \$9.33 per kilowatt per month

Energy Rate - 1.4027 cent per kilowatt hour

The Demand Charge for each month shall be calculated on the following demands:-

| | | |
|---|---------------------|----|
| The South East Queensland Electricity Board | 1 516 000 kilowatts | |
| The South West Queensland Electricity Board | 155 000 kilowatts | 20 |
| The Wide Bay Burnett Electricity Board | 107 000 kilowatts | |
| The Capricornia Electricity Board | 234 000 kilowatts | |
| The Mackay Electricity Board | 101 000 kilowatts | 30 |
| The North Queensland Electricity Board | 144 000 kilowatts | |
| The Far North Queensland Electricity Board | 100 000 kilowatts | |

DATED this THIRD day of MAY, 1983.

Williams & Williams

Solicitors for the Plaintiff

In the Supreme Court of Queensland

No. 3
Further and Better
Particulars of
Statement of
Claim
3rd May 1983
(Contd.)

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IN THE SUPREME COURT

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OF QUEENSLAND

No. 902 of 1983

BETWEEN:

QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

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AMENDED DEFENCE AND COUNTERCLAIM

Delivered the 29th 12th 16th day of March, April June,
1983

AMENDED DEFENCE
AND COUNTERCLAIM

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1. The Defendant admits the facts alleged in paragraphs 1 and 2 of the amended Statement of Claim.

2. As to the facts alleged in paragraph 3 of the amended Statement of Claim the Defendant:-

(a) Admits the Agreement dated 12th July, 1978 referred to therein; and

(b) ~~Alleges that since the making of such Agreement, some of the terms thereof have been varied by agreement between the Plaintiff and the Defendant.~~

SEYMOUR NULTY &
CO., Solicitors,
9th floor,
Citicorp House,
Cnr. Queen and
George Streets,
BRISBANE.

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Tel: 221 5033

CLS:CMD
CS8 15jun83[iii]
[DefNHCQEGB]

(b) Admits that the said Agreement was varied by agreements in writing between the Plaintiff and the Defendant dated the 15th August, 1978, and the 5th June, 1980 and the 20th October, 1981;

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(c) Admits that the Defendant executed an instrument dated 1st December, 1982 but denies

that the said agreement dated 12th July, 1978 was varied.

3. As to the facts alleged in paragraphs 4, 5, and 6 of the amended Statement of Claim the Defendant:-
- (a) Admits and alleges that pursuant to the Agreement as so varied it has supplied coal to the Plaintiff since 1st January, 1978 and continues to supply coal to the Plaintiff; 10
- (b) Admits and alleges that the quantity of coal so supplied by it during the period from 1st January, 1978 to 31st December, 1982 was 2,014,323 tonnes; 20
- (c) Admits and alleges that since 31st December, 1982 the monthly rate of such supply by it has been 33,333 tonnes;
- (d) Admits and alleges that the coal so supplied was accepted by the Plaintiff in terms of the Agreement as so varied; 30
- (e) Admits and alleges that the price paid by the Plaintiff for coal so supplied in the period 1st January, 1978 to 31st December, 1982 was a price calculated in terms of the Agreement as so varied; 40
- (f) Admits and alleges that the amounts paid by the Plaintiff to the Defendant for the coal so supplied during the period 1st January, 1978 to 31st December, 1982 was \$63,628,968.00;
- (g) Admits and alleges that the monthly rate at which the Plaintiff has paid the Defendant for coal supplied since 31st December, 1982 has 50

been \$1,281,654.00;

(h) Save as aforesaid does not admit the facts
alleged therein.

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4. The Defendant admits that the Agreement as so
varied contained, inter alia, the provisions alleged in
paragraph 7 of the amended Statement of Claim.

5. As to paragraph 8 of the amended Statement of
Claim, the Defendant admits that the prices paid by the
Plaintiff to the Defendant were calculated in
accordance with the provisions of the Agreement as so
varied.

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6. As to paragraphs 9, 10 and 11 of the amended
Statement of Claim:-

(a) The Defendant admits that on 14th July, 1982
it gave to the Plaintiff a notice in the
following terms:-

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"TO: THE QUEENSLAND ELECTRICITY GENERATING
BOARD a Statutory Corporation created pursuant
to the Electricity Act 1976 of 255 Adelaide
Street, Brisbane.

Re: Coal Supply Agreement CS/29/2

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NEW HOPE COLLIERIES PTY. LTD. a company duly
incorporated in Queensland and having its
registered office at 13 - 17 Lowry Street,
Ipswich refers to the above Coal Supply
Agreement dated the 12th day of July, 1978
made between it of the One Part and you, THE
QUEENSLAND ELECTRICITY GENERATING BOARD of the
Other Part, and in particular clause 9 thereof
AND HEREBY REQUESTS a REVIEW OF THE PRICE

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VARIATION PROVISIONS contained therein.

- This request is made because the escalation provisions contained in such contract do not properly reflect the effects of changes in costs on the cost of producing and supplying coal under such Agreement and/or because the formulae employed in such contract are not properly reflecting such changes". 10
- (b) After the giving of such notice the Plaintiff and the Defendant failed to agree on whether during the period from 1st July, 1978 to 31st December, 1982 the escalation provisions properly reflected the effects of changes in costs on the cost of producing and supplying coal under such Agreement as so varied and failed to agree on whether there should be any and if so what alterations in the price variation provisions of the Agreement as so varied in respect of all or part of such period. 20
- (c) Clause 13.1 of the Agreement as so varied provided that:- 30
- "13.1 If at any time any questions, dispute or difference whatsoever shall arise between the Generating Board and the Company upon, or in relation to, or in connexion with the Agreement, which cannot be resolved by the contracting parties within a period of 3 months either party may as soon as reasonably 40
- 50

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practicable thereafter by notice in writing to the other party specify the nature of such question, dispute or difference, and call for the point or points at issue to be referred to Arbitration."

(d) Further or alternatively:-

(i) The Defendant contends and the Plaintiff denies; and

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(ii) It is the fact;

that during the period 1st July, 1978 to 31st December, 1982 the escalation provisions of the Agreement as so varied did not properly reflect the effects of changes in costs on the cost of producing and supplying coal under the Agreement as so varied.

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(e) In consequence of the matters hereinbefore set out, the Defendant, on 23rd December, 1982:

(i) Was entitled to give; and

(ii) Gave;

the notice referred to in paragraph 10 of the amended Statement of Claim.

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7. As to paragraphs 12 and 13 of the amended Statement of Claim, the Defendant:-

(a) Admits that at all material times it was, pursuant to Section 99(a) of the Electricity Act 1976 as amended from time to time, a power, function or duty of the Plaintiff to supply electricity in bulk to Electricity Boards and any other Electricity Authority as

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- therein defined;
- (b) Admits that at all material times the Plaintiff did supply electricity in bulk to certain Electricity Boards and Electricity Authorities as defined in the said Act. 10
8. As to paragraph 15 of the amended Statement of Claim the Defendant:-
- ~~(a) Denies that the Plaintiff had power to fix charges for electricity supplied by it to the Electricity Boards and other Electricity Authorities;~~ 20
- (a) Alleges that the said Act required that the prices for the supply of such electricity by those fixed by The State Electricity Commission of Queensland pursuant to Section 64(1)(a) thereof or by The Industrial Court of Queensland pursuant to Sections 75 and 76 thereof; 30
- ~~(b) Alleges that the said Act required that the prices for the supply of such electricity be those fixed by The State Electricity Commission of Queensland pursuant to Section 64(1)(a) thereof or by The Industrial Court of Queensland pursuant to Sections 75 and 76 thereof;~~ 40
- (b) Admits that payments were made to the Plaintiff by Electricity Boards and other Electricity Authorities for electricity supplied in bulk to them by the Plaintiff. 50

*In the Supreme
Court of
Queensland*

No. 4
Amended Defence
and Counterclaim
16th June 1983
(Contd.)

(c) Otherwise does not admit the allegations therein.

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9. As to paragraph 17 of the amended Statement of Claim:-

(a) If, by reason of the operation of the Agreement as so varied, further amounts become payable by the Plaintiff to the Defendant in respect of the price of coal already supplied by the Defendant thereunder, such expenditure is by reason of Section 228(2) of the said Act, to be met by the Plaintiff from its Operating Fund established under Section 227(1)(a) of the Act.

20

(b) Section 71 of the said Act requires that the price payable to the Plaintiff for electricity supplied in bulk to any Electricity Authority under the Act be altered from time to time to ensure to the Plaintiff sufficient monies with all other receipts of the Plaintiff required to be paid into such Operating Fund to pay inter alia the amounts which in accordance with the said Act are to be met from the Operating Fund.

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10. The Defendant denies the facts alleged in paragraph 18 of the amended Statement of Claim.

11. Save as aforesaid the Defendant does not admit the facts alleged in the amended Statement of Claim.

AND BY WAY OF COUNTERCLAIM:

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12. The Defendant repeats and relies upon:-

(a) The facts alleged in the amended Statement of Claim and admitted in the amended Defence; and

(b) The facts alleged in the amended Defence.

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13. The Defendant is entitled to have the questions, disputes or differences set out in the notice referred to in paragraph 6(a) of the amended Defence referred to arbitration pursuant to clause 13.1 of the Agreement as so varied.

14. Clause 13.2 of the Agreement as so varied provides that:-

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"13.2 Arbitration shall be effected:

(i) By an Arbitrator agreed upon between the parties, or failing agreement upon such an Arbitrator;

(ii) By an Arbitrator appointed by the Committee of the Southern Queensland Branch for the time being of The Australasian Institute of Mining and Metallurgy, provided always that in any case wherein the question, dispute or difference involves a matter of law, the person to be appointed by the said Committee shall be a barrister at law practising in Brisbane."

30

15. The Plaintiff and the Defendant have failed to agree upon the appointment of an arbitrator in terms of clause 13.2(i) of the Agreement as so varied.

15A. The Plaintiff has:-

(a) Refused to take any steps to seek, or join

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with the Defendant in seeking, the appointment
by the Committee of the Southern Queensland
Branch for the time being of the Australian
Institute of Mining and Metallurgy of an
arbitrator in terms of clause 13.2(i) of the
Agreement as so varied; and

(b) Requested and encouraged the said Committee
not to appoint any such arbitrator.

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16. On or about 28th February, 1983 and by reason
of the matters referred to in paragraph 15A(b) hereof
the Committee of the Southern Queensland Branch for the
time being of the Australasian Institute of Mining and
Metallurgy refused to appoint an arbitrator pursuant to
clause 13.2(ii) of the Agreement as so varied.

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17.(a) By notice in writing pursuant to Section 17 of
the Arbitration Act 1973 served on the
Plaintiff on 15th February, 1983, the
Defendant requested the Plaintiff to concur in
appointing an arbitrator to arbitrate upon the
questions, disputes or differences, the
subject of the notice referred to in paragraph
6(a) of the amended Defence.

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(b) The Plaintiff has refused to concur in any
such appointment.

18. Clause 2.5 of the Agreement as so varied
provides that:-

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"2.5 The general terms of this Agreement
apply to the quantity of coal agreed to be
purchased by the Generating Board under this
Agreement whereas the Base Prices and

- provisions for Variation in Prices for Changes in Costs apply only to purchases in the first five year period from 1 January, 1978 to 31 December, 1982. The Base Price and provisions for variations in prices for changes in costs for purchases after 31 December, 1982 shall be agreed by the parties prior thereto in accordance with clause 8." 10
19. Clause 8.7 of the Agreement as so varied provides that:- 20
- "8.7 The terms of supply of additional quantities beyond the initial five year period (from the commencement date to 31 December, 1982) shall be finalised before 31 December, 1981. The new pricing structure to apply to such additional quantities shall reflect all the changes in costs to the Company including economies resulting from the amortisation of capital items still in use, technological advances, and items of expenditure not repeated including the restoration of any open cut workings for which special allowances have been made in the Base Price, as well as changes in costs resulting from changes in mining conditions, new mining plant, and the scale of operations. The Generating Board shall have the right to satisfy itself that the new pricing structure reasonably reflects all such factors." 30 40 50
20. The terms of supply of coal under the

Agreement as so varied for the period after 31st December, 1982:-

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- (a) Were not agreed between the Plaintiff and the Defendant before 31st December, 1981; and
- (b) Have not yet been resolved between the Plaintiff and the Defendant.

21. On 7th January, 1983 the Defendant gave to the Plaintiff notice pursuant to clause 13.1 of the Agreement as so varied in the following terms:-

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TO: QUEENSLAND ELECTRICITY GENERATING BOARD .
"Coal Supply Agreement CS/29/2 as varied
between Queensland Electricity Generating
Board and New Hope Collieries Pty. Ltd.

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TAKE NOTICE that certain questions, disputes or differences having arisen between the Generating Board and New Hope Collieries Pty. Ltd. upon or in relation to or in connexion with the said agreement which question, dispute or difference cannot be resolved by the Generating Board and New Hope Collieries Pty. Ltd. NEW HOPE COLLIERIES PTY. LTD. (pursuant to clause 13 of the said agreement) HEREBY GIVES NOTICE and calls for the point or points at issue nominated in the schedule hereto to be referred to arbitration.

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THE SCHEDULE

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The terms of supply of the additional quantities of coal after 31st December, 1982 and, in particular, but without limitation the manner and extent to which the price or prices for such additional quantities of coal shall reflect all the changes in costs to NEW HOPE COLLIERIES PTY. LTD. including economies resulting from

the amortisation of capital items still in use, technological advances, and items of expenditure not repeated, including the restoration of any open-cut workings for which special allowances have been made in the Base Price, as well as changes in costs resulting from changes in mining conditions, new mining plant and the scale of operations".

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22. The Plaintiff and the Defendant have failed to agree upon the appointment of an arbitrator in terms of clause 13.2(i) of the Agreement as so varied to arbitrate upon the matters the subject of the notice referred to in paragraph 21 hereof.

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22A. The Plaintiff has:

(a) Refused to take any steps to seek, or join with the Defendant in seeking, the appointment by the Committee of the Southern Queensland Branch for the time being of the Australian Institute of Mining and Metallurgy of an arbitrator in terms of clause 13.2(1) of the Agreement as so varied in respect of the matters the subject of the notice referred to in paragraph 21 hereof; and

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(b) Requested and encouraged the said Committee not to appoint any such arbitrator.

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23. On or about 28th February, 1983 and by reason of the matters referred to in paragraph 22A(b) hereof the Committee of the Southern Queensland Branch for the time being of the Australasian Institute of Mining and Metallurgy refused to appoint an arbitrator pursuant to clause 13.2(ii) of the Agreement as so varied to arbitrate upon the matters the subject of the notice

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referred to in paragraph 21 hereof.

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24.(a) By notice in writing pursuant to Section 17 of the Arbitration Act 1973 served on the Plaintiff on 15th February, 1983, the Defendant requested the Plaintiff to concur in appointing an arbitrator to arbitrate upon the questions, disputes or differences the subject of the notice referred to in paragraph 21 of the amended Defence.

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(b) The Plaintiff has refused to concur in any such appointment

AND the Defendant claims:-

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1.(a) A declaration that the Defendant is entitled to have determined by arbitration pursuant to the Agreement as so varied the questions, disputes or differences set out in the notice referred to in paragraph 6(a) of the amended Defence;

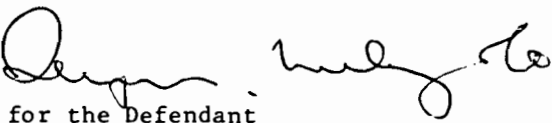
(b) An order appointing an arbitrator to arbitrate such questions, disputes or differences.

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(c) Alternatively to 1(a) and 1(b), a declaration that the Plaintiff is obliged to do all that is reasonably necessary to ensure that the Committee of the Southern Queensland Branch for the time being of the Australian Institute of Mining and Metallurgy appoints a person to act in accordance with clause 13.1 of the Agreement as so varied in respect of the questions, differences or disputes set out in the notice referred to in paragraph 6(a) of

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- the Amended Defence herein.
- 2.(a) A declaration that the Defendant is entitled to have determined by arbitration pursuant to the Agreement as so varied the questions, disputes or differences set out in the notice referred to in paragraph 21 of the amended Defence. 10
- (b) An order appointing an arbitrator to arbitrate such questions, disputes or differences.
- (c) Alternatively to 2(a) and 2(b), a declaration that the Plaintiff is obliged to do all that is reasonably necessary to ensure that the Committee of the Southern Queensland Branch for the time being of the Australian Institute of Mining and Metallurgy appoints a person to act in accordance with clause 13.1 of the Agreement as so varied in respect of the questions, differences or disputes set out in the notice referred to in paragraph 21 of the Amended Defence herein. 20
- 
Solicitors for the Defendant 40
- This pleading was settled by Messrs. D.F. Jackson Q.C. and J.D.M. Muir of Counsel.
- The Plaintiff is required to answer the within amended Defence and Counterclaim on or before the ~~13th~~ 16th ~~April,~~ June, 1983, otherwise the pleadings upon the amended Statement of Claim will be deemed to be closed and the Defendant, NEW HOPE COLLIERIES PTY. LTD. may obtain judgment upon the counterclaim. 50

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IN THE SUPREME COURT

OF QUEENSLAND

No. 902 of 1983

BETWEEN: QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND: NEW HOPE COLLIERIES PTY. LTD.

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Defendant

AMENDED REPLY AND ANSWER

(Amended pursuant to leave granted by Order of the Honourable Mr. Justice McPherson on the seventh day of April 1983 and further amended pursuant to leave granted by the Honourable Mr. Justice McPherson on 1 June 1983 and further amended pursuant to leave granted by the Honourable Mr. Justice McPherson on 15 June 1983)

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Delivered the ~~Sixth Fourteenth~~ Seventeenth day of April June 1983

AMENDED REPLY
AND ANSWER

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1. The Plaintiff admits the facts alleged in the Amended Defence and Counterclaim in so far as the same comprise admissions of the facts alleged in the Amended Statement of Claim.

1A. The Plaintiff denies:-

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WILLIAMS & WILLIAMS,
SOLICITORS,
NATIONAL BANK HOUSE,
CREEK & ADELAIDE
STREETS,
BRISBANE, QLD. 4000

Telephone: 221 7899

- (a) the allegations contained in paragraphs 15A(b) and 22A(b) of the Amended Defence and Counterclaim;

(b) that the Committee of the Southern Queensland Branch for the time being of the Australian Institute of Mining and Metallurgy refused to appoint an arbitrator pursuant to Clause 13.2(ii) of the Agreement as so varied by reason of the matters referred to in paragraph 15A(b) of the Amended Defence and Counterclaim.

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2. As to paragraph 6 of the Amended Defence and Counterclaim:-

(a) the Plaintiff admits the allegations contained in sub-paragraphs (a), (b) and (c) thereof;

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~~(b) the Plaintiff does not admit the allegations contained in sub-paragraph (d) thereof;~~

(b) the Plaintiff admits that the Defendant contends and that it is the fact that during the period 1st July, 1978 to 31st December, 1982 the escalation provisions of the Agreement as so varied did not properly reflect the effects of changes in costs on the cost of producing and supplying coal under the Agreement as so varied.

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~~(c) the Plaintiff denies the allegations contained in sub-paragraph (e) thereof, save~~

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~~to the extent that the allegations contained
therein repeat the allegation contained in
paragraph 10 of the Statement of Claim.~~

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(c) the Plaintiff admits that the Defendant
delivered to the Plaintiff a notice in the
form of the notice set out in paragraph 10 of
the Amended Statement of Claim but denies
that the Defendant was entitled to give such
notice.

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3. As to paragraph 9 of the Amended Defence and
Counterclaim, the Plaintiff was required to meet,
and met, the expenditure referred to in paragraph
9(a) of the Amended Defence and Counterclaim from
its Capital Works Fund established under
paragraph 227(1)(c) of the said Act.

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4. The Plaintiff further admits:-

(a) the allegations contained in paragraphs 14,
18, 19 and 20 of the Amended Defence and
Counterclaim;

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(b) that notices purporting to be the notices
referred to in paragraphs 17 and 21 and
sub-paragraph 24(a) of the Amended Defence
and Counterclaim were delivered to the
Plaintiff;

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(c) that it has failed to agree upon or concur in

the appointment of an arbitrator in respect
of the matters purportedly referred by the
Defendant to arbitration;

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(d) that the Committee of the Southern Queensland
branch for the time being of the Australasian
Institute of Mining and Metallurgy has not
appointed an arbitrator in respect of any of
the matters purported to be referred to
arbitration by the Defendant.

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5. Save as aforesaid, the Plaintiff denies each and
every of the allegations contained in the Amended
Defence and Counterclaim.

6. At all material times it was the obligation of
the Plaintiff to conduct its operations
efficiently and economically and in such a manner
as to avoid waste and extravagance, and to do
whatever was practicable to ensure that
reasonable value was obtained for moneys expended
by it pursuant to section 99A of the said Act and
by virtue of its function as a public statutory
corporation.

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7. In compliance with its obligation, the Plaintiff
from time to time

(i) ranked in order of preferred use the
generating facilities operated by it which
orders as determined from time to time are

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hereinafter referred to as "the merit
orders";

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(ii) determined the sources of supply of coal,
fuel and other requirements for the
generation of electricity by its said
facilities which determinations are
hereinafter referred to as "the purchase
decisions"; and

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(iii) made upon its insurers and settled
insurance claims for increased costs of
working upon occurrences of machinery
breakdown based upon differential
generating costs of its said facilities
which settlements are hereinafter referred
to as "the settlements".

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8. In fixing the merit orders, and making the
purchase decisions, the Plaintiff acted so as to
procure the most efficient and economical
operations of its facilities having regard to
inter alia the costs involved in such operation.

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9. In having regard to the costs so involved and in
effecting the settlements, the Plaintiff relied
upon, inter alia, the prices of coal as notified
by the Defendant to the Plaintiff from time to
time in pro-forma invoices and adjusted from time
to time in final invoices submitted pursuant to

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clause 8.11 of the Agreement ("the prices").

10. If the prices payable by the Plaintiff for the coal delivered by the Defendant are liable to be increased beyond the prices so notified by the Defendant to the Plaintiff (which is denied), the merit orders and purchase decisions will not have been such as to obtain the most reasonable value for moneys expended and will not have been the most economical merit orders and purchase decisions at the time when they were respectively fixed and made in (inter alia) the following respects:
- (i) In or about September 1979, the Plaintiff determined the merit order of its generating facilities placing the Swanbank Power Station ahead of the Collinsville Power Station and ahead of the Gladstone Power Station at full output. The determination was based upon established incremental costs per megawatt hour of \$6.17 for the Swanbank A facility, \$5.67 for the Swanbank B facility, \$6.81 for the Collinville facility, and \$6.87 for the Gladstone Power Station at full output. Had the price per tonne for coal delivered to the Plaintiff's Swanbank facility exceeded that notified by the Defendant to the Plaintiff by an amount greater than
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approximately \$0.27, the Plaintiff would
have had economic cause to vary the merit
order.

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(ii) On or about 30th June, 1981, the Plaintiff
notified the Defendant of its requirements
of coal to be supplied in the calendar
year commencing 1 January, 1981 pursuant
to the Agreement. Such quantity as
notified exceeded the quantity of coal
which the Plaintiff was then required to
purchase from the Defendant. At the time
of such notification, there were available
for purchase by the Plaintiff in the
calendar year commencing 1 January, 1981
quantities of coal which other suppliers
who had offered coal to the Plaintiff at
prices which, taking into account delivery
costs, were equal to or less than those
notified to the Plaintiff by the Defendant
which coal the Plaintiff determined not to
acquire, preferring upon the basis of the
prices so notified to acquire coal from
the Defendant.

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11. If the prices payable by the Plaintiff for the
coal delivered by the Defendant are liable to be
increased beyond the prices so notified by the
Defendant to the Plaintiff (which is denied), the
Plaintiff would have effected the settlements

only upon terms which reflected such greater
prices, and *inter alia*.

10

On 12 August 1978 a plant breakdown of Unit 5 at
Collinsville B Power Station caused by ingress of
water into the turbine which in turn caused the
shaft to bend resulted in energy that would have
been supplied by this plant being supplied
elsewhere. Until 15 October 1980 when the
equipment was recommissioned the excess
production costs of this energy and its source
for the period of the breakdown was claimed on
the Plaintiff's insurers. The Plaintiff's
insurers met the claim, in return the Plaintiff
signed a release that the amount paid was in full
satisfaction and discharge of all claims under
the policy.

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| <u>Period of Breakdown</u> | <u>Particulars</u> <u>Plants which</u> <u>supplied short-</u> <u>fall in energy</u> | <u>Additional</u> <u>Production</u> <u>Cost</u> |
|-------------------------------------|--|---|
| <u>12/8/79 -</u> <u>15/10/80</u> | <u>Gladstone</u> <u>Swanbank B</u> <u>Swanbank A</u> <u>Collinsville A</u> <u>Tennyson A</u> <u>Tennyson B</u> <u>Bulimba</u> <u>Gas Turbines</u> | <u>\$1,002,247</u> |

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The amount paid to the Plaintiff was \$902,247
under the policy being total cost of replacement
energy less \$100,000 deductible in accordance
with the policy.

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12. The Plaintiff further repeats and relies upon the facts set out in paragraphs 12 to 18 inclusive of the Amended Statement of Claim.

20

13. By reason of the matters set out in paragraph 6 to 12 hereof, the Defendant is estopped and precluded from asserting any right to any additional payment for the coal delivered by the Defendant to the Plaintiff or alternatively:-

(a) that coal delivered prior to 31 December 1982; or

(b) that coal delivered prior to 14 July 1982.

30

WILLIAMS & WILLIAMS
Solicitors for the Plaintiff

NOTICE

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If the Defendant does not plead to the within Amended Reply and Answer then at the expiration of fourteen days the pleadings will be deemed to be closed and all material statements of fact in the Amended Reply and Answer will be deemed to have been denied and put in issue.

50

This pleading was settled by Messrs. Callinan Q.C.,
Russell and Campbell of Counsel.

CCQEGBJ

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Notice of Trial - 6th June 1983

IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983.

BETWEEN:

10

QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

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TAKE NOTICE of the Trial of this action before His Honour Mr. Justice Bruce McPherson, the Commercial Causes Judge, on the 20th day of June, 1983.

Trial by Jury has not been required.

30

DATED this 6th day of June 1983.

NOTICE OF TRIAL

Seymour, Nulty & Co.
Solicitors for the Defendant

TO: The abovenamed Plaintiff QUEENSLAND ELECTRICITY GENERATING BOARD

AND TO: Its Solicitors, Messrs. Williams & Williams of 18th floor, National Bank Building, 255 Adelaide Street, Brisbane.
SEYMOUR NULTY & CO., Solicitors,
9th Floor,
Citicorp House,
Cnr. Queen &
George Streets,
BRISBANE.

Phone: 221 5033

CLS:CMD
SCDS8 31may83

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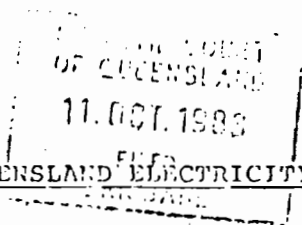
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No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983

IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:



10

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

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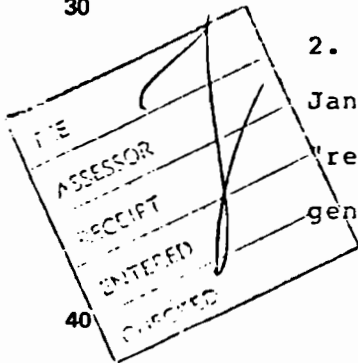
I DAVID JOHN BAGULEY of 3 Malata Close, Westlake in the State of Queensland, Engineer make oath and say as follows:

AFFIDAVIT OF
DAVID JOHN BAGULEY
(Filed on behalf of the Plaintiff)

1. I am the Operations Resources Engineer of the Plaintiff herein.

30

2. The Plaintiff maintained during the period from 1 January 1978 to 31 December 1982 (hereinafter called the "relevant period") approximately 10 coal-fired electricity generating facilities situated at and known as:-



- Gladstone
- Callide
- Collinsville A
- Collinsville B
- Swanbank A
- Swanbank B
- Tennyson A
- Tennyson B
- Bulimba B
- Howard

WILLIAMS & WILLIAMS
Solicitors
National Bank House
255 Adelaide Street
BRISBANE 4000.

David John Baguley

FIRST SHEET

[Signature]
A Justice of the Peace

Telephone: 221.7899 Deponent
GNM.

60

3. Demand for electricity during a typical weekly period rises and falls depending upon the time of day, the day of the week, and industry requirements. For example, demand requirements rise early in the morning, then decline, and rise again from 6 o'clock to 8 o'clock in the evening in order to cope with domestic requirements. This was the situation during the relevant period.

10

4. The total generating capacity of the Plaintiff has been designed with the end in view of meeting these peak requirements and to have available excess capacity to deal with reductions in generating capacity due to causes such as machinery breakdown and maintenance during peak periods.

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5. As a result, during peak periods when all equipment is functioning and at other periods there is and was at all material times during the relevant period excess generating capacity available within the system maintained by the Plaintiff.

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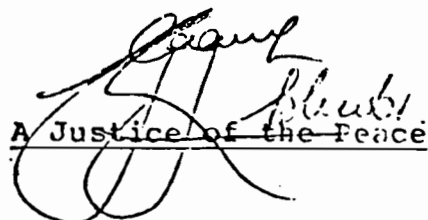
6. Due to factors associated with each generating facility such as its location, the efficiency of its plant and the cost of supplies of fuel, the unit cost of electricity produced by the various generating facilities operated by the Plaintiff differed at all material times during the relevant period.

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Deponent

SECOND SHEET


A Justice of the Peace

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7. In order to generate the total requirement of electricity at the lowest possible cost, the Plaintiff sought at all material times during the relevant period to place maximum dependence upon those generating facilities which produced electricity at the lowest cost and only used those facilities having a higher unit cost of production when the facilities with lower unit costs of production were unable to supply the necessary requirements of electricity by reason of lack of capacity, mechanical problems or other unavailability for use.

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8. In order to implement this policy, it was necessary for the Plaintiff to rank its generating facilities in order of preferred use. This ranking was and is known to the Plaintiff's officers as the merit order of the facilities (henceforth referred to as "the merit order").

30

9. The principal factors taken into account in fixing the merit order were and are fuel costs and cost of transmission. The latter cost basically represents losses of electricity which have occurred during its transmission from the point of generation to the point of use.

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10. The merit order is varied from time to time and decisions based upon it are made frequently. The facts disclosed in paragraphs 11 to 19 hereof provide one example


Deponent

THIRD SHEET


A Justice of the Peace

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of such a decision, and the implications of the merit order in the context of such a decision.

In the Supreme Court of Queensland

No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)

11. During the financial year 1979/80, the Gladstone and Swanbank generating facilities of the Plaintiff provided 66% of its generating capability, and generated 79.5% of the actual output of the Plaintiff. In practice, the critical decision to be made in fixing the merit order of the Plaintiff was then, and remains, a question of which of the surplus available generating capacities of its Gladstone and Swanbank facilities should be utilised.

10

20

12. In September 1979, the department of which I am and was then the officer in charge initiated a review of the then existing merit order. In performing that review, a marginal cost per tonne of coal delivered to Swanbank of \$13.47 per tonne was taken into account. This figure was based upon the prices then being paid by the Plaintiff for fuel, as advised to us by the suppliers in the West Moreton region, which included the Defendant in this action and its wholly owned subsidiary companies. The Defendant and its subsidiary companies supplied approximately 46.7% of the coal acquired by the Plaintiff in that region for Swanbank Power Station in 1979/80.

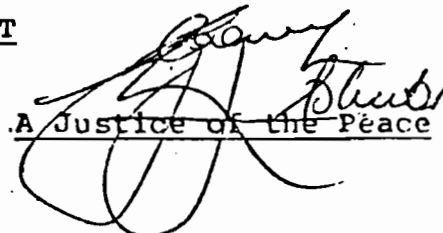
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Deponent

FOURTH SHEET


A Justice of the Peace

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13. In making these calculations the comparable figure in respect of coal supplied from the Callide coalfields to the Plaintiff's generating facility at Gladstone was \$12.54 per tonne.

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14. Now produced before me and marked with the letter "A" is a true copy of a Schedule detailing the incremental coal cost taken into account in the review of the merit order.

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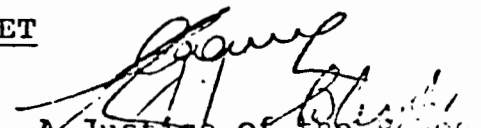
15. As will appear, the marginal delivered cost of coal from the Callide fields to the Plaintiff's Gladstone generating facility was slightly less than the marginal delivered cost of coal from West Moreton coalfields to the Swanbank generating facility. However an effective marginal cost of \$6.87 per megawatt hour of electricity existed in relation to the Gladstone facility in distinction to slightly lower marginal costs from the Swanbank facility, due to increased transmission losses in respect of power generated in the Gladstone generating facility, as a result of its increased distance from the places in which the electricity was actually used.

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16. Now produced before me and marked with the letter "B" is a true copy of a report dated 5 October 1979 prepared for me by officers of my department which, based on marginal


Deponent

FIFTH SHEET


A Justice of the Peace

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costs of energy, recommended a change of merit order as the most economic method of generating electricity at that time. The recommendation contained in the report was adopted and acted on by the Plaintiff.

In the Supreme
Court of
Queensland
No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

17. If the marginal cost of coal deliveries from the West Moreton fields to the Plaintiff had then exceeded \$13.67 per tonne, this decision to change the merit order and increase coal consumption at the Plaintiff's Swanbank A generating facility in preference to stockpiling coal on an auxiliary stockpile would not have represented the most efficient manner of generation of electricity.

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18. A comparison of January 1979 West Moreton contract prices with the base price components listed in Schedule D of the Coal Supply Agreements between the Plaintiff and the West Moreton Collieries indicates that an 11.38% increase in average prices produces a corresponding 11.95% increase in marginal prices. Thus a 40 cent per tonne increase in marginal prices corresponds to a 70 cent per tonne increase in average prices and a \$1.50 per tonne increase in the average price of coal from the mines owned by the Defendant and its subsidiary companies.

30

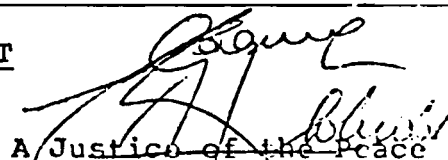
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19. Now produced before me and marked with the letters "C1" and "C2" are copies of letters from the Defendant and its subsidiary companies in which a claim is made for an

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Deponent

SIXTH SHEET


A Justice of the Peace

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[Handwritten signatures and initials]

increase of the base price of coal supplied. The claimed increases represent an average increase per tonne of ~~\$3.23~~ \$4.56 per tonne for the Defendant and ~~\$7.46~~ \$3.23 per tonne for its subsidiary companies for the period to 31 July 1981, ~~\$10.24~~ \$10.18 per tonne for the Defendant and ~~\$10.24~~ \$10.24 per tonne for its subsidiary companies for the period from 31 July 1981 to 31 July 1982 and ~~\$7.46~~ \$7.46 per tonne for the Defendant and ~~\$4.55~~ \$4.55 per tonne for its subsidiary companies for the period to 31 December 1982.

20

20. In 1980 and 1981, my functions as an officer of the Plaintiff included the evaluation of tenders for the supply of coal.

30

21. On 12 August 1980, by Invitation to Tender Specification No. CS/26, a copy of which is now produced before me and marked with the letter "D", the State Electricity Commission called for tenders for the supply of coal for the Brisbane power stations operated by the Plaintiff from the period 1 January 1983 for a period of 7 years.

40

22. As appears from the said Specification, the consequence of acceptance of a tender would have been the entry into of a coal supply contract between the successful tenderer and the Plaintiff.

50

[Signature]
Deponent

SEVENTH SHEET

[Signature]
A Justice of the Peace

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23. My department was responsible for evaluating, in conjunction with the State Electricity Commission, the tenders received, which included one from the Defendant herein.

*In the Supreme
Court of
Queensland*

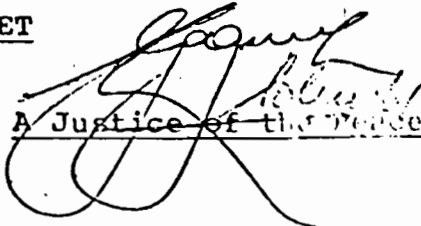
No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

24. All of the prices submitted by way of tender (including the prices submitted by the Defendant which was an undelivered cost of \$23.23 per tonne) were less than the prices then advised to the Plaintiff as the prices payable in respect of coal delivered from the West Moreton field by the Defendant herein, and several of them were lower also to the prices then advised to the Plaintiff in respect of coal delivered from the West Moreton field by the subsidiary companies of the Defendant which were then respectively \$30.29 per tonne and \$25.26 per tonne.

25. At the time tenders were submitted, a number of the tenderers indicated with their tenders that they would be able to commence the supply of coal to the Plaintiff somewhat earlier than the time specified in the tender specification. Now produced before me and marked with the letter "E" is a copy of a letter from the Managing Director of Allied Queensland Coal Fields Limited, wherein that company offered to supply a quantity of coal earlier than the date contained in the specification.


Deponent

EIGHTH SHEET


A Justice of the Peace

26. As part of the functions of my department it was necessary to cost insurance claims made by the Plaintiff on its insurers for replacement energy.

10 27. Such a claim arises where a machinery breakdown occurs and, as a result, it is necessary to generate the electricity at another facility. By reason of the Plaintiff's merit order system, this almost always means that the electricity so generated will be more expensive to produce.

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28. The Plaintiff effects insurance in respect of these breakdowns designed to compensate it for the additional cost of production of such energy. Now produced before me and marked with the letter "F" is a true copy of one such policy, which was the subject of a claim in 1979.

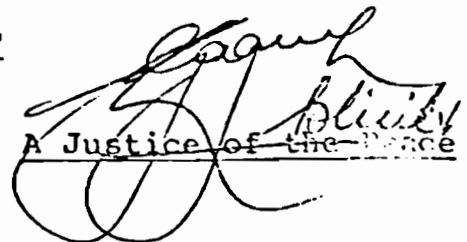
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29. Now produced before me and marked with the letter "G" are the Cost of Plant Outage Reports in relation to the claim for repairs to the Plaintiff's Collinsville B generating facility. As appears from those Reports, which were prepared by officers of my department, a substantial proportion of the electricity required to be made up was made up from the Plaintiff's Swanbank generating facility.

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Deponent

NINTH SHEET


A Justice of the Peace

60

30. Item 9 in each such Report lists the cost of replacement energy for the period, to which the Reports relate, which cost is calculated taking into account the cost of fuel for the facilities generating the replacement energy.

In the Supreme Court of Queensland
No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)

10

31. Now produced before me and marked with the letter "B" is a copy of the letter whereunder settlement of the insurance claim was agreed by the Plaintiff, showing that the insurer now has received a complete discharge and that the compensation paid to the Plaintiff has been calculated upon the basis of the costing figures supplied in the Reports which are Exhibit "G" hereto.

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32. All the facts and circumstances herein deposed to are within my own knowledge save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my Affidavit.

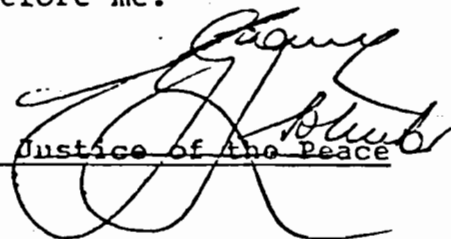
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SWORN by the abovenamed
Deponent at BRISBANE
in the State of QUEENSLAND
this FOURTEENTH day
of JUNE 1983,
before me:

)
)
)
)
)
)
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A Justice of the Peace

50

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In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

10

IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

20

Plaintiff

AND:


NEW HOPE COLLIERIES PTY. LTD.

Defendant

30

This is the exhibit marked with the letter "A" mentioned and referred
to in the Affidavit of DAVID JOHN BAGULEY sworn herein before me
this ^{14th} day of JUNE 1983.

40


Solicitor

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60

ANALYSIS OF POWER STATION MERIT ORDER BASED ON MID 1979 COAL PRICES

| Station | Source | Tonnage kt | Mine Costs | | | | Trans- port Costs \$/t | Delivered Coal Cost | | Energy Cost @ Power Stn. | | Penalty Factor | Energy Cost @ Load Centre | | Merit Order | | | |
|---------------------|---------------------|---------------|------------|-------|------------------|-----------------|---------------------------------|------------------------|---------------|-----------------------------|-----------------|-------------------|------------------------------|---------------|-------------|--------|---------|--------|
| | | | Fixed | | Variable \$/t | Average \$/t | | Variable \$/t | Total \$/t | Per MWh \$/MWh | Total \$/MWh | | Inc. \$/MWh | Av. \$/MWh | Incremental | | Average | |
| | | | \$'000 | \$/t | | | | | | | | | | | @ P.S. | @ L.C. | @ P.S. | @ L.C. |
| Gladstone | Blackwater | 1 900 | 3 300 | 1.74 | 2.70 | 4.44 | 5.50 | 8.20 | 9.94 | 2.84 | 3.44 | 1.2 | 3.41 | 4.13 | 1 | 1 | 1 | 1 |
| | Callide | 550 | 736 | 1.34 | 8.24 | 9.58 | 4.30 | -12.54 | 13.88 | 5.73 | 6.34 | 1.2 | -6.87 | 7.61 | 4 | 6 | 3 | 3 |
| | Third Source | | | | | | | | | | | | | | | | | |
| Callide | Callide | 600 | 804 | 1.34 | 8.24 | 9.58 | - | 8.24 | 9.58 | 4.54 | 5.28 | 1.25 | 5.68 | 6.60 | 2 | 3 | 2 | 2 |
| Collins- ville B | Collins- ville B | 370 | 1 000 | 2.70 | 13.90 | 16.60 | 0.40 | 14.30 | 17.00 | 6.08 | 7.23 | 1.12 | 6.81 | 8.1 | 5 | 5 | 4 | 4 |
| Collins- ville A | Collins- ville A | | | 2.70 | 13.90 | 16.60 | 0.40 | 14.30 | 17.00 | 6.47 | 7.69 | 1.12 | 7.25 | 8.61 | 7 | 7 | 5 | 5 |
| Swanbank B | West Moreton | 1 561 | 17 300 | 11.08 | 12.94 | 24.03 | 0.53 | 13.47 | 24.56 | 5.67 | 10.33 | 1.0 | 5.67 | 10.33 | 3 | 2 | 6 | 6 |
| Swanbank A | West Moreton | | | | 12.94 | 24.03 | 0.53 | 13.47 | 24.56 | 6.17 | 11.24 | 1.0 | -6.17 | 11.24 | 6 | 4 | 7 | 7 |
| Tennyson B | West Moreton | 84 | 930 | 11.08 | 12.94 | 24.03 | 3.00 | 15.94 | 27.03 | 8.12 | 13.78 | 1.0 | 8.12 | 13.78 | 8 | 8 | 8 | 8 |
| Tennyson A | West Moreton | | | | 12.94 | 24.03 | 3.00 | 15.94 | 27.03 | 9.35 | 15.85 | 1.0 | 9.35 | 15.85 | 9 | 9 | 9 | 9 |
| Bulinba B | West Moreton | | | | 12.94 | 24.03 | 4.00 | 16.94 | 28.03 | 9.93 | 16.44 | 1.0 | 9.93 | 16.44 | 10 | 10 | 10 | 10 |

Exhibit "A"

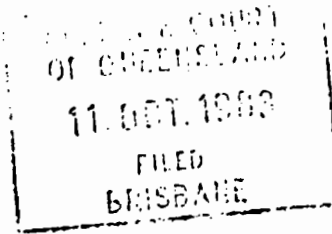
- Notes:
1. The Incremental Delivered Coal Cost is the variable component of the mine costs plus the transport costs.
 2. The cost of energy production at the power station is based on the unit heat rate at 80% Capacity Factor.
 3. The penalty factors are those applying for energy supplied to the Southern Region.

APPENDIX 1

In the Supreme
Court of
Queensland
No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)



G53.251.5

5 October 1979

TO: PLANNING & PERFORMANCE
INVESTIGATIONS ENGINEER

10

FROM: GENERATION OPERATIONS FEWSTER

MANAGEMENT OF SWANBANK COAL STOCKPILE

1. The amount of coal currently held on stock at Swanbank Power Station is approximately 540 000 tonnes, with approximately 10 000 tonnes being held in the bunkers.
2. The forecast weekly deliveries of coal to Swanbank Power Station from now until the miners' Christmas holidays will be 36 Ktonnes/week.
3. Measures to ensure a high level of generation at Swanbank B have been taken to optimise system operating costs, however it is not likely even with Swanbank B at high load levels that the weekly burn of Swanbank coal will exceed the delivery rate of 36 Ktonnes/week and the stockpile at Swanbank can be expected to continue growing by up to 2 000 tonnes/week until Christmas.
4. Swanbank staff consider that the burning of the Tarong coal currently held on stock at Swanbank will release only a further 15 Kt of stockpiling capacity for storage of West Moreton coal and hence the upper limit of 550 Kt of coal storage at Swanbank is likely to be exceeded before Christmas 1979.
5. The alternatives are -
 - (i) Create an auxiliary stockpile and reclaim this stockpile at a convenient date
 - (ii) Load up Swanbank A units currently on line before loading Gladstone units above minimum load in order to consume the coal that would be used to form the auxiliary stockpile of alternative (i).

../2

Exhibit "B"

Alternative (i)

The station estimate of the cost of stockpiling Swanbank coal is 45 cents/tonne (See Appendix 2).

In the Supreme Court of Queensland

No. 7
Affidavit of David John Bagdey with Exhibits
14th June 1983
(Contd.)

Alternative (ii)

Loading Swanbank A out of merit to consume the West Moreton coal that would be expected to form the auxiliary stockpile will result in further energy being transferred from Gladstone, but in this case to Swanbank A.

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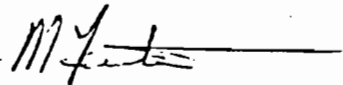
Based on incremental prices and heat rates and accounting for transmission penalty factors, the cost of operating Swanbank A ahead of Gladstone is negligible. (See Appendix 1).

5. Conclusion

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If there is no other alternative at Swanbank other than to double handle coal, given the current order of merit, it will be more economic to load up Swanbank A units ahead of Gladstone units over the morning and evening peaks rather than create an auxiliary stockpile at Swanbank.

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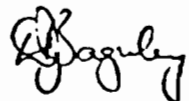
GENERATION OPERATIONS FEWSTER

1. Performance Engineer
2. Super. Eng. State Control

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Further to our discussions of 4th October the relative costs of consuming Callide coal at Gladstone and consuming West Moreton coal at Swanbank 'A' have been examined. This report shows that it is preferable to load Swanbank 'A' units which are already on line rather than to load Gladstone units above minimum load, in order to avoid double handling at Swanbank. It is recommended that this procedure be adopted, within the other constraints of System Operations, to allow the coal stocks at Swanbank to remain manageable and prevent the formation of an auxiliary stockpile.

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 9/10/79.

Fistone

9/10/79
Exhibit "B"

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In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

APPENDIX 1

10 Refer: Attachment 1 of Appendix G of Folio 39 on
File G53.251.5

Energy content of Callide coal at Gladstone = 2.30 MWhrs/Tonne

20 Energy content of West Moreton coal at Swanbank A = 2.28 MWhrs/Tonne

Cost of burning 1 tonne of West Moreton coal at Swanbank A = \$13.47

Cost of burning 1.08 tonnes of Callide coal at Gladstone * - = \$13.42

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* Note: Callide coal burnt at Gladstone has a 1% better energy content than West Moreton coal burnt at Swanbank A. At an interconnector transfer level of 400 MW the incremental power losses are 9%, hence 9% more coal will be required to be burnt at Gladstone to produce the equivalent energy at the load centre than
40 at Swanbank.

Hence based on equivalent energy production at the load centre 1.08 tonnes of coal at Gladstone will need to be consumed for every tonne of coal at Swanbank A.

Exhibit "B"

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IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

20

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

This and the preceding 3 pages is the exhibit marked with the letter "B" mentioned and referred to in the Affidavit of DAVID JOHN BAGULEY sworn herein before me this ^{14th} day of JUNE 1983. 30


Solicitor

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IN THE SUPREME COURT

OF QUEENSLAND

10

No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

20

This is the exhibit marked with the letter "C1" mentioned and referred
to in the Affidavit of DAVID JOHN BAGULEY sworn herein before me this

14th day of *JUNE* 1983.

30


Solicitor

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In the Supreme
Court of
Queensland

3rd March, 1983

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

The Secretary,
Queensland Electricity Generating Board,
255 Adelaide Street,
BRISBANE, Q. 4000

Dear Sir,

Re: Contract CS29/2

10

We refer to previous correspondence and claims arising in this matter and now enclose copies of the schedules updating the final 5 months ending 31st December, 1982.

The schedules have been compiled in accordance with the previous methods of calculation and have been subject to an over-view and checking by Messrs. Spry Walker & Co.

The claim as summarised is now set out hereunder:

20

- | | | |
|----|--|----------------|
| 1. | Claim for period 2nd April, 1979 to 31st July, 1981 as per Schedule 11 of our letter of 17th June, 1982 - | \$4,093,000.00 |
| 2. | Claim for year ended 31st July, 1982 as per Schedule 11 submitted with our letter of 18th November, 1982 - | \$3,864,000.00 |
| 3. | Claim for 5 months ended 31st December, 1982 - As set out on the enclosed Schedule 11 - | \$1,475,000.00 |

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\$9,432,000.00

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You will be aware that the Company has had to fund very large sums of money to assist its day to day operations while it has not been receiving full reimbursement in respect of increased costs of mining which have not been recouped under the escalation formula of the above contract. We submit that, not only as a matter of fact but also as one of principle, interest is applicable on a day to day basis in respect of the claim submitted and must be recognised as a cost up to the time of settlement of this now long outstanding matter.

Please advise should you require any further information in respect of this claim.

Yours faithfully,
NEW HOPE COLLIERIES PTY.LTD

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P.W.J. McMANUS
Deputy General Manager
(Finance & Administration)

Exhibit "C1"

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IN THE SUPREME COURT

10

OF QUEENSLAND

No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

20

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

This is the exhibit marked with the letter "C2" mentioned and referred to in the Affidavit of DAVID JOHN BAGULEY sworn herein before me this

14th day of *JUNE* 1983.


Solicitor

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3rd March, 1983

EXHIBIT "C2"

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

The Secretary,
Queensland Electricity Generating Board,
255 Adelaide Street,
BRISBANE, Q. 4000

Dear Sir,

10

Re: Contract CS29/3

We refer to previous correspondence and claims arising in this matter and now enclose copies of the schedules updating the final 5 months ending 31st December, 1982.

The schedules have been compiled in accordance with the previous methods of calculation and have been subject to an over-view and checking by Messrs. Spry Walker & Co.

20

The claim as summarised is now set out hereunder:

1. Claim for period 1st July, 1978 to 31st July, 1981
as per Page 4 of our letter of 10th May, 1982 - \$3,721,949.00
2. Claim for year ended 31st July, 1982 as per
Schedule A submitted with our letter of 2nd
December, 1982 - \$1,949,069.00
3. Claim for 5 months ended 31st December, 1982 -
As set out on the enclosed Schedule E - \$ 809,475.00

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\$6,480,493.00

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You will be aware that the Company has had to fund very large sums of money to assist its day to day operations while it has not been receiving full reimbursement in respect of increased costs of mining which have not been recouped under the escalation formula of the above contract. We submit that, not only as a matter of fact but also as one of principle, interest is applicable on a day to day basis in respect of the claim submitted and must be recognised as a cost up to the time of settlement of this now long outstanding matter.

Please advise should you require any further information in respect of this claim.

Yours faithfully,
SOUTHERN CROSS COLLIERIES

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P.W.J. McMANUS
Deputy General Manager
(Finance & Administration)

Exhibit "C2"

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THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
SPECIFICATION NO. CS/26
FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS
1983 TO 1993

*In the Supreme
Court of
Queensland*
No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

10

- PREAMBLE -

As a result of new power intensive industry being established in the State, increased output will be required from existing power stations during the 1980's, including the Brisbane power stations at Tennyson and Bulimba.

20

It is now expected that at least 1 750 000 tonnes of coal will be required by the Brisbane power stations from 1983 to 1990, and firm arrangements are to be made for the supply and transport of this coal to the power stations.

30

Accordingly, tenders are being called for the supply of between 350 000 tonnes and 1 750 000 tonnes of coal over approximately seven years from 1 January, 1983, with an option to continue the arrangements for a further three years.

40

It is the Commission's intention that following consideration of tenders received in accordance with this Specification No. CS/26 that Agreements will be entered into with one or more Tenderers for an aggregate of contract tonnages of 1 750 000 tonnes.

50

Tenders are being invited for the supply of coal from sources close to Brisbane. The Specification herein is intended to provide an equitable basis for tendering, and will form the basis of an Agreement for the supply of coal to The Queensland Electricity Generating Board, primarily for use at Tennyson and Bulimba Power Stations.

Conditions of Tendering and the required Forms of Tender are outlined herein.

Exhibit "D"

60

*In the Supreme
Court of
Queensland*

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
SPECIFICATION NO. CS/26
FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS
1983 TO 1993

- CONDITIONS OF TENDERING -

10

1. One copy of this Specification is being made available to Companies registering with the Commission an interest in tendering for the supply of coal to Brisbane power stations in the period 1983 to 1993.

20

2. Tenders are invited to be submitted up to 3 p.m. on Thursday, 13 November, 1980, for coal from sources close to Brisbane to be supplied in accordance with this Specification No. CS/26 for use primarily at Tennyson and Bulimba Power Stations in Brisbane.

30

3. A tenderer shall submit all details requested or called for in the Specification and Schedules and the Form of Tender, as summarised in the Section :

"Information to be Supplied with Tender"

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4. A tenderer shall also complete the Tender Form and the undertaking to enter into Agreement with the Commission, its assigns or successor, at any time up to 30 May, 1981, to supply coal in accordance with the Specification at the price and terms offered, and incorporating such other terms and conditions as shall be mutually agreed upon.

50

5. A tender shall not be withdrawn unless at least 21 days' notice in writing shall have previously been given to the Commission.

60

6. A tender shall be submitted in triplicate with the "Original" clearly identified and containing full details of the Specification, the Tender, the completed Schedules, a covering letter with a statement outlining any

Exhibit "D"

departures from the Specification, and a copy of any diagrams referred to in the Tender. In the event of any discrepancy between the "Original" and a copy of the Tender, the information in the "Original" shall be accepted as correct and shall prevail over statements contained in the copy.

In the Supreme Court of Queensland
No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)

7. Tenders lodged in sealed packages endorsed :-

10

"Tender for the Supply of Coal for Brisbane Power Stations, 1983 to 1993 - Specification No. CS/26", and delivered to :-

The Secretary,
The State Electricity Commission of Queensland,
Cnr. Gregory Terrace and Warry Street,
BRISBANE. Q. 4001

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will not be opened prior to 3 p.m. on Thursday, 13 November, 1980.

8. A tenderer shall upon request of the Secretary of the Commission furnish to it such evidence as the Commission may reasonably require of his ability financially to execute the contract if his tender is accepted by the Commission.

30

9. The Commission shall not be bound to accept the lowest or any tender.

40

10. A tender shall not be deemed to be accepted unless and until a notice in writing of such acceptance is handed to him or is posted to him at the address appearing in the tender or at the address subsequently furnished by the tenderer to the Commission as being the address to which such notice should be directed. The date of the notice of acceptance shall be deemed to be the date of acceptance of the tender.

50

11. The Commission will not be responsible for, nor pay for, any expenses or losses which may be incurred by a tenderer in the preparation of his tender.

Exhibit "D"

60

In the Supreme
Court of
Queensland

1. SCOPE

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

10

This Specification is for the setting aside of defined reserves of coal and for the supply to the Commission or its assignee, hereinafter referred to as "the Purchaser", of a contract tonnage of between 350 000 tonnes and 1 750 000 tonnes of coal primarily for use at Tennyson and Bulimba Power Stations, over approximately seven years from 1 January, 1983, with an option to continue the arrangements for a further three years.

20

Offers are invited for alternative Contract Tonnages within the range of 350 000 tonnes and 1 750 000 tonnes which offer particular economies and benefits in the price of coal to the Purchaser.

30

Coal may be offered from sources close to Brisbane, bearing in mind that the coal is required primarily for use in the Tennyson and Bulimba Power Stations in Brisbane.

40

Subject to satisfactory arrangements being made to set aside the necessary defined reserves of coal for the express purpose of supplying coal for State electricity generation purposes, the Purchaser will enter into contract with a selected Tenderer, hereinafter referred to as "the Company", for the Company to deliver the subject coal to the Purchaser and for the Purchaser to make payment for coal delivered in accordance with the Agreement made pursuant to this Specification.

50

More than one contract may be entered into pursuant to this Specification, it being envisaged that contracts will be entered into for an aggregate of contract tonnages of 1 750 000 tonnes.

60

Coal is to be delivered into rail wagons, river barge or road transport, suitable for conveyance to the Tennyson and Bulimba Power Stations, in accordance with the Agreement.

Exhibit "D"

Tenders submitted in accordance with this Specification will be assessed on the basis of the minimum cost of coal based on the gross heat value of the coal delivered into coal bunkers at the Tennyson and Bulimba Power Stations.

In the Supreme Court of Queensland

No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)

10

2. COAL QUANTITIES AND RATES OF DELIVERY

Offers are invited for the supply to the Purchaser over a period of approximately seven years of Contract Tonnages of up to 1 750 000 tonnes of coal, and such smaller quantities as it may be economic for individual companies to produce, with provision for the supply at the option of the Purchaser of an additional quantity equivalent to three-sevenths of the Contract Tonnage over a further three years, such tonnages being based on a gross heat value of 24.0 gigajoules/tonne.

20

Offers to supply coal must be made in conjunction with the setting aside in accordance with Section 4 of defined reserves of proven, recoverable coal sufficient to ensure the availability of coal adequate to provide for the Contract Tonnage and the option to continue the arrangements for a further three years under an Agreement pursuant to this Specification.

30

The probable Annual Purchase for each year of the Contract Term shall be one-seventh of the initial Contract Tonnage.

40

Offers shall be made on the basis of Warranted Annual Production Capability of at least 120% of the Probable Annual Purchase.

Tenders shall state the Maximum Tonnage Equivalence offered for purchase in each Year of a possible Contract Term, being not less than specified above, and shall complete the warranty of Annual Production Capability in the form of Schedule No. 1.

50

Deliveries of coal in any Year shall be not more than the Warranted Production Capability or less than 90% of the Probable Annual Purchase, subject to penalty as set out herein.

Exhibit "D"

60

*In the Supreme
Court of
Queensland*

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

3. TERM

Subject to default under the terms of an Agreement made pursuant to this Specification, such Agreement shall remain in force until the Company has supplied to the Purchaser and the Purchaser has purchased from the Company the Contract Tonnage, and any additional contract tonnage required to be purchased by the Purchaser in accordance with Section 15 of this Specification, or negotiated as an amendment or variation to such Agreement.

10

4. SETTING ASIDE OF COAL RESERVES

Ample reserves of proven recoverable coal shall be offered to be set aside for the express purpose of supplying coal for State electricity generation purposes, being sufficient to provide for the Contract Tonnage and the option to continue the arrangements for three further years in accordance with Section 15.

20

The quantity of coal to be set aside shall be at least 145% of the Contract Tonnage.

30

It is the intention of the Commission that a defined area, or clearly identified coal reserves, will be set aside expressly for use as outlined above to give effect to a clear and unambiguous setting aside of the stated quantity of proven recoverable coal reserves.

40

Tenderers shall clearly define the area or the coal resource offered to be so set aside and state in the form of Schedule No. 2 the total in-situ proven recoverable coal reserves to be so set aside.

50

The Company shall be responsible for ensuring that at any time and from time to time sufficient in-situ proven recoverable coal reserves remain so set aside to provide for the remainder of the obligations of the Company under an Agreement pursuant to this Specification.

Exhibit "D"

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5. COAL RESOURCE INFORMATION

*In the Supreme
Court of
Queensland*

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

Details shall be supplied of the coal resource to be developed for the purpose of this Specification, sufficient to illustrate to the satisfaction of the Commission its suitability for development as proposed. The information to be supplied shall include :-

10

(i) A description of the location of the coal deposit with respect to the nearest population centres, main roads, rail facilities, river barge loading facilities, water and electricity supplies, and full particulars of mining or exploration titles held by the Company.

20

(ii) An overall description of the geology of the area, details of the geotechnical properties of proposed open-cut mine areas and any major faulting occurring in the defined coal bearing areas.

(iii) Comprehensive geological reports substantiating the adequacy of the in-situ reserves in areas of economic interest, separated into measured and indicated categories as defined by the Queensland Mines Department's parameters for the calculation of reserves, reports to be accompanied by plans and cross-sections showing exploratory drill holes with associated depths of overburden, interburden and intersected coal seams; details also on the quantities of overburden/interburden to be removed in the case of open-cut reserves and the in-situ reserves on a seam-by-seam basis, in the form of Schedule No. 3.

30

40

(iv) Details of the extent of exploration and investigations still to be carried out to accurately determine the limits of mining of areas of economic interest.

50

(v) Details and plans illustrating the full extent of the coal seams and seam sections proposed to be
Exhibit "D"

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*In the Supreme
Court of
Queensland*

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

mined together with raw coal analyses for individual seam sections and typical mining sections as outlined in Schedule No. 4.

10

(vi) Should beneficiation be necessary, reports containing washability data and size separation information (if applicable) in sufficient detail to identify coal preparation alternatives and possible product coal qualities; the presentation of coal preparation data should be in the form of Schedule No. 5.

20

(vii) Coal and coal ash analyses, as shown in Schedule No. 6, on the selected product coal from selected bore cores, preferably on a grid basis; mean values, standard deviations and total range of results for each coal property to be reported in the form of Schedule No. 7.

30

(viii) The quality range of the raw and selected product coal, demonstrated by isoquality plans and frequency distribution curves for each property of the coal.

6. PLAN FOR MINING

40

Tenderers shall submit for each alternative offered, descriptions of the proposed mining development together with details of plant and capital requirements, infrastructure requirements, manpower requirements, and production tonnages and coal qualities expected each year of the proposed Contract Term. Should the development be a combined open-cut and underground mining operation the tenderer should clearly state the production sequence from each operation to meet the product tonnages and coal qualities nominated.

50

Such descriptions and details shall comprise the proposed plan for mining and shall be sufficient to satisfy the Commission of the feasibility of the proposed development and the anticipated tonnages and coal quality.

Exhibit "D"

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The successful tenderer will not be bound by this plan for mining except in respect of the tonnage and quality commitments of the proposed Coal Supply Agreement. The successful tenderer shall, however, be required to advise the Commission of major changes in the plan for mining and the Commission shall be entitled to satisfy itself that the changes in the plan will not jeopardise the Company's ability to perform under the Agreement nor significantly reduce the recovery of mineable coal reserves as originally planned.

In the Supreme Court of Queensland
No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)

10

Descriptions and details comprising the plan for mining shall include :-

(i) Details of tonnages and quality of coal expected to be produced on a Year-by-Year basis, in the form of Schedule No. 8.

20

(ii) Itemisation of mining plant, infrastructure, and capital requirements over the mine plan period, in the form of Schedules Nos. 9 and 10.

30

(iii) Manpower requirements, new population estimates and employee housing proposed over the mine plan period, in the form of Schedule No. 11.

7. COMMENCEMENT OF REGULAR DELIVERIES

Regular deliveries of coal to be supplied in accordance with this Specification shall commence on 1 January, 1983 or as otherwise agreed and incorporated in an Agreement pursuant to this Specification. Substantially equal daily deliveries of coal, at a rate which when taken over a twelve month period would yield a total delivery of at least 90% of the Probable Annual Purchase shall commence on 1 January, 1983.

40

50

Contract Years shall be calendar years and the first Year shall commence on 1 January, 1983.

Exhibit "D"

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In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

8. NOTIFICATION OF QUANTITIES AND DELIVERY OF COAL

Not later than six months before the commencement of each Year, the Purchaser shall, by notice to the Company :-

- (i) nominate subject to the limits set out in Section 2 the tonnage equivalence of coal to be delivered in such Year;
- (ii) propose for the approval of the Company the tonnage equivalence of coal to be delivered in each half of such Year; and
- (iii) advise the Company of the estimated requirements of coal to be delivered in each of the five Years following the Year in relation to which the notice is given.

The Firm Purchase for a particular Year which is required to be delivered by the Company and purchased by the Purchaser subject to penalties as outlined in Section 16.2 and Section 16.1 respectively, shall be the tonnage equivalence nominated by the Purchaser in accordance with (i) above or, in the event of failure to give such notice, the tonnage equivalence of the Probable Annual Purchase.

Subject to the provisions of Clause 16.1, the Purchaser shall take and pay for all coal offered for delivery by the Company in any Year up to the Firm Purchase.

The Firm Deliveries for each half of such Year which are required to be delivered by the Company and Purchased by the Purchaser, subject to penalties as set out in Section 16.2 and Section 16.1 respectively, shall be the tonnage equivalence as proposed by the Purchaser in accordance with (ii) above subject to the agreement of the Company or, in the event of agreement not being reached prior to three months before the commencement of such Year 50% of the Firm Purchase for such Year.

Exhibit "D"

Coal supplied in accordance with this Specification shall be delivered by the Company and accepted by the Purchaser by means of a loading plant, provided and operated by the Company and suitable for delivery of coal either onto automotive trucks, rail wagons, river barge or other forms of conveyance.

In the Supreme Court of Queensland
No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)

Deliveries of coal to the Purchaser shall in any half year as far as is reasonably practicable be :-

10

- . in the case of rail or barge conveyance, at equal weekly delivery rates, and
- . in the case of other forms of conveyance from the mine, at a daily rate equal to the Firm Deliveries divided by the number of working days in that quarter.

20

The Company shall be responsible for maintaining at the mine an adequate stockpile of product coal available for delivery to the Purchaser to maintain continuity of deliveries subject to penalty for Seller's Tonnage Shortfalls as outlined in Section 16.2. Such stockpile shall, however, provide for at least three weeks' deliveries at times of normal production and Tenderers shall allow for product coal stockpiling at least at this level.

30

Tenderers shall state in the form of Schedule No. 12 the maximum product stockpile capacity and the normal production stockpile level proposed, together with the normal working shifts for delivery of coal.

40

9. QUALITY OF COAL

Coal quality must be suitable for burning in the spreader stoker boilers in the Brisbane Metropolitan Power Stations.

50

There is only limited scope to handle departures from coal specifications as variations in the properties of coal supplied have a major effect on the performance, capability and reliability of the plant.

Exhibit "D"

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In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

Tenderers are invited to nominate Standard Coal Properties based on blending or beneficiating to maintain the properties of the coal delivered in accordance with this Specification within reasonable limit of the standard value and within the following limits of acceptability beyond which coal cannot be accepted :-

10 Gross Heat Value : not less than 23.0 gigajoules/tonne

Ash Content : not greater than 30% (as-received basis);

Volatile Matter Content : not less than 20% (dry ash-free basis)

20

Sulphur Content : not greater than 1% (as-received basis);

Free Moisture Content : not greater than 7%

30

Tenderers shall nominate in the form of Schedule No. 13 Standard Coal Properties comprising gross heat value, ash content, total moisture content, sulphur content, volatile matter content, top size and fines content on an as-sampled basis plus ash fusibility and Hardgrove Grindability Index.

40

The successful tenderer will be required to exercise all reasonable endeavours consistent with good mining practices, to maintain delivered coal no poorer in quality than the Standard Coal Properties and to maintain free moisture content as low as practicable.

50

The Standard Gross Heat Value, Standard Ash Content and Standard Total Moisture Content shall be the basis of price of coal and price variations for varying coal quality, as provided in Sections 10 and 12.

In addition to price variations resulting from departures from the Standard values of gross heat value, ash content and total moisture content, deliveries of coal may be suspended

Exhibit "D"

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if, in the reasonable opinion of the Purchaser at any time or from time to time, any stated coal property assessed on the same basis as the Standard departs from the Standard set out in Schedule No. 13 as follows :-

In the Supreme Court of Queensland
No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983

- . Gross Heat Value : by more than 1.0 gigajoule/tonne below Standard, or less the limit of acceptability of 23.0 gigajoules/tonne. (Contd.) 10
- . Ash Content : by more than 5% of ash above Standard, or greater than the limit of acceptability of 30%. 20
- . Total Moisture Content : by more than 3% of moisture above Standard, or greater than 7% of free moisture above the air-dried moisture content of the same coal. 30
- . Sulphur Content : greater than the limit of acceptability of 1.0%. 30
- . Volatile Matter Content : less than the equivalent of the limit of acceptability of 20% (air-dried basis). 40

Tenderers shall set out in the form of Schedule No. 13 the Suspension Limits in accordance with the preceding. Subject to agreement on the Suspension Limits set out in Schedule No. 13, these limits will be the basis of suspension of deliveries under a Coal Supply Agreement entered into pursuant to this Specification. 40

During a suspension of deliveries the Purchaser shall promptly after receiving any representations from the Company, re-assess the quality of coal ready for delivery taking into account in good faith the representations of the Company. When any such re-assessment in the reasonable opinion of the Purchaser indicates that coal ready for 50

Exhibit "D"

*In the Supreme
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No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

delivery once again is likely to be within all of the Suspension Limits set out in Schedule No. 13, the Purchaser shall immediately permit a re-commencement of deliveries as provided herein.

Coal sizing shall be to a top size of 50 mm with a minimum of fines, preferably not more than 15% minus 3 mm, and not to exceed 20% minus 3 mm at any time.

10

The Company shall keep the Purchaser informed on matters which may affect the quality of coal delivered to the Purchaser, and shall comply with any reasonable request for additional information or investigation relating to the quality of coal, so long as the Purchaser reimburses the Company for any expense that is incurred by the Company additional to that which would have been incurred but for such request.

20

The Purchaser or his agents may at any reasonable time inspect the mine facilities and operations including drilling and quality control operation.

30 10. QUANTITY AND QUALITY DETERMINATION

The detailed arrangements for quantity and quality determination of the coal delivered in accordance with this Specification will be dependent on the method of delivery of coal to the Purchaser.

40

Accordingly, offers of coal shall be submitted on the basis that the weight on which payment is to be based shall be ascertained by :

(a) in the case of deliveries by rail wagons, from a certified weighbridge owned and operated by Queensland Railways;

50

(b) in the case of deliveries by automotive truck, from a certified weighbridge owned and operated by the Department of Transport;

Exhibit "D"

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(c) in the case of deliveries by river barge, from a certified weigher at the power station;

In the Supreme Court of Queensland

No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)

or by other means as shall be mutually agreed from time to time.

In respect to weighing, the equipment will be in accordance with the requirements of the Inspector of Weights and Measures and all matters in relation to the accuracy of weighing shall be subject to his adjudication.

10

The quantity of coal delivered by the Company to the Purchaser on each day on which deliveries are made shall be determined using the specified weighing equipment or such other means as shall be agreed from time to time. The Purchaser shall promptly notify the Company of the determined quantity.

20

The Purchaser shall be responsible for obtaining samples as closely as possible representative of a full day's delivery to the Purchaser. The Purchaser shall carry out the sampling and analysis of such samples as required hereunder.

30

All sampling and analysis for the purposes of this Agreement shall be undertaken in accordance with Australian Standards 1676-1975, to the reference standard of precision, K 152, K 164 - 1967 and 1038 and British Standard 1293, or as otherwise agreed from time to time.

40

The details of the weighing, sampling and analysing procedures and the manner in which the results will be recorded shall be mutually agreed and shall be incorporated in the Agreement pursuant to this Specification.

Surface moisture and residual moisture determinations shall be carried out on each day's sample. A representative portion of each day's air-dried sample shall then be set aside to form part of a composite sample for analysis as outlined below.

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Exhibit "D"

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In the Supreme
Court of
Queensland

No. 7
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John Baguley
with Exhibits
14th June 1983
(Contd.)

In each month, the representative daily samples shall be made into composite samples representative of up to five periods of approximately an equal number of working days, and normally from at least four day's deliveries. (These are nominally weekly samples). Not less than three suitable portions shall be prepared from each composite sample, one for the purpose of quality determination by the Purchaser, one to be made available for collection by the Company if required for its own analyses, and the other portion to be held for possible independent analysis for four weeks from the date on which the Purchaser notifies the Company in writing of the quality determination for that period.

10

As soon as practicable after the preparation of each composite sample, the Purchaser shall determine the ash content and the gross heat value of a representative portion and advise the Company of these determinations and also the moisture determinations in that period as well as the calculated as-sampled gross heat value and ash content applicable to the tonnage represented by the composite sample.

20

30

The results of analyses so determined shall be averaged arithmetically to determine the monthly average coal properties for the determination of coal quality price adjustments described in Section 13. In the case of gross heat value and ash content, the average quality shall be determined on the basis of composite sample analyses and in the case of moisture on the basis of daily sample analyses.

40

Ash and moisture content shall be expressed to the nearest 0.1 per cent in individual analyses and averages thereof. Should the calculated average fall exactly midway between two such percentages, then the nearest even one-tenth of a percent shall be accepted. Gross heat value shall be expressed to the nearest 0.02 gigajoule/tonne with 0.01 gigajoule/tonne rounded up, for individual analyses and averages thereof.

50

Exhibit "D"

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In the event of short periods of unavailability of the sampling equipment, the monthly average coal properties shall be calculated from those results which are available, provided that results are available for not less than one-third of the normal daily deliveries and not more than four consecutive daily results are omitted.

In the Supreme Court of Queensland

No. 7
Affidavit of David John Baguley with Exhibits
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(Contd.)

10

In the event of a disagreement with the determination of any coal properties apart from total moisture content, the Company shall notify the Purchaser in writing within two weeks of the Generating Board's written advice of such determination. In that event, the third portion shall be made available to a mutually agreed independent laboratory for umpire analysis, and in the event that the umpire's determination is outside the between-laboratory tolerance of the Purchaser's original determination the umpire's determination shall be adopted. The costs incurred in carrying out any umpire's determination shall be borne by the Company, unless the umpire's determination is adopted as above, in which case the Purchaser will bear the costs of the umpire's analysis.

20

30

The Company shall be entitled to any reasonable inspection or check on the weighing, sampling or testing facilities, and to have reasonable access for witnessing the weighing, sampling and analysis of coal.

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11. PRICE OF COAL

The price of coal to the Purchaser shall be subject to escalation to properly reflect the effects of changes in costs on the cost of producing and delivering coal to the Purchaser under an Agreement pursuant to this Specification.

10

Tenderers shall state in the form of Schedule No. 14 the single Base Price per tonne equivalent for the particular Contract Tonnage offered, related to the cost of labour, materials, and all other factors of production applying at a Base Date of 30 June, 1980 which shall be the Base Date for price escalation purposes.

20

The components included in the Base Price for labour, materials, statutory charges and capital shall be stated in the form of Schedule No. 14.

30

The Contract Price for coal delivered in any month shall be the sum of components of the Base Price each adjusted for changes in costs in accordance with Section 12, and the price payable by the Purchaser shall be the Contract Price adjusted in accordance with Section 13 to reflect variations in the quality of coal delivered in the particular month.

40

The Commission is prepared to allow certain latitude in the formulation of the pricing structure where advantage to the Purchaser in the price of coal results. Tenderers shall give complete details of any alternative pricing structure.

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12. VARIATION IN PRICE WITH CHANGES IN COSTS

In the Supreme Court of Queensland

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Tenders shall be submitted on the basis that escalation provisions properly reflect the effects of changes in costs on the cost of producing and delivering coal to the Purchaser in accordance with an Agreement made pursuant to this Specification. Further, if either party to such Agreement at any time claims by Notice to the other party that formulae employed for such purposes are not satisfying this stated basis, then the parties shall promptly meet and agree upon changes to the escalation provisions to give effect to this stated basis and an amendment to the Agreement shall be made accordingly subject to Section 16.8.

10

Where agreement is not reached the matter shall be decided by arbitration.

20

The Contract Price for coal delivered in a particular month shall be the sum of the components of the Base Price set out in Schedule No. 14 after adjustment so as to reflect cost changes. A schedule of adjusted components of the Contract Price shall be prepared each month based on variations up to the last day of the preceding month and applicable from the first day of the particular month.

30

In accordance with the preceding, Tenderers are requested to submit offers on the following basis :

12.1 LABOUR COMPONENT

40

The adjusted labour component of the Contract Price for a particular month shall be the labour component of the Base Price multiplied by the ratio of the Labour Index as at the last day of the preceding month and the Labour Index as at the Base Date.

50

The Labour Index shall be calculated from the labour rates for a prescribed working week for specified numbers of selected labour classifications, the labour rates including amounts payable under relevant industrial awards, including

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overtime, plus allowances for over-award payments, public holidays, annual leave, sick leave, pension fund, worker's compensation, payroll tax and any other significant direct or indirect element of labour costs, generally in the form of Schedule No. 15.

10 The selected labour classifications and specified numbers of each classification shall be representative of the work force involved in the production of coal for the Purchaser.

20 No variation, increase or cost arising from any registered or unregistered Industrial Agreement or Consent Award made by the Company shall be included in any factor in the Labour Index except as provided by amendment to the Coal Supply Agreement made in accordance with Section 16.8. The Purchaser shall not, however, withhold agreement to such an amendment where the Agreement or Consent Award is consistent with typical conditions of employment in the coal mining industry in Queensland.

30 Alternatively, an index published by the Australian Bureau of Statistics may be acceptable as the Labour Index.

12.2 MATERIALS COMPONENT

40 The adjusted materials component of the Contract Price for a particular month shall be the materials component of the Base Price multiplied by the Materials Index as at the last day of the preceding month.

50 The Materials Index shall be based on indices published monthly by the Australian Bureau of Statistics, weighted to be representative of materials cost escalation in the production of coal for the Purchaser, each term being a ratio of a published index as at the last day of the preceding month and the index as at the Base Date, multiplied by a fractional weighting.

The Materials Index shall be detailed in the form of Schedule No. 16.

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12.3 STATUTORY CHARGES COMPONENTS

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The adjusted statutory charges component of the Contract Price for a particular month shall be calculated as a cost per tonne on the basis of the actual change in statutory charges; applicable on the last day of the preceding month, including royalties, excise, levies, and other similar charges, from the statutory charges applicable as at the Base Date.

10

Where a change in statutory charge involves a new or additional periodic charge, the contribution to the adjusted statutory charges component shall be calculated on the basis of the annual equivalent of the new charge divided by the average annual deliveries for the remainder of the Contract Term.

20

12.4 CAPITAL

The Capital Component of the Base Price shall include depreciation and amortisation of capital items required for the Contract Term and shall be of the order of 20% of the Base Price.

30

At the commencement of coal deliveries, being the Commencement Date, the adjusted capital component of the Contract Price, applicable to the first month's deliveries, shall be the capital component of the Base Price multiplied by the Initial Capital Index as at the last day of the preceding month.

40

The Initial Capital Index shall be based on indices published monthly by the Australian Bureau of Statistics, selected and weighted to be representative of the capital cost escalation of mine services, plant and facilities involved in the production of coal for the Purchaser, each term being a ratio of a published index as at the last day of the preceding month and the index as at the Base Date, multiplied by fractional weightings adding up to unity to reflect 100% capital cost escalation up to the commencement of coal deliveries.

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The Initial Capital Index shall be detailed in the form of Schedule No. 17.

10

From the commencement of coal deliveries the capital component of the Contract Price shall remain fixed for the Contract Term at the adjusted capital component applicable to the first month's deliveries after the commencement of coal deliveries.

13. VARIATION OF PRICE WITH COAL QUALITY

20

The Contract Price of coal for any month shall be varied to reflect variations in gross heat value, ash content and total moisture content from the Standard Coal Quality as follows :

13.1 GROSS HEAT VALUE

30

If the calculated monthly average gross heat value of coal delivered in any month varies from the Standard Gross Heat Value as stated in Schedule No. 13, the Contract Price for coal delivered in that month shall be multiplied by the ratio of the calculated monthly gross heat value and the Standard Gross Heat Value.

13.2 ASH CONTENT

40

If the calculated monthly average ash content of coal delivered in any month varies from the Standard Ash Content as stated in Schedule No. 13, then, in addition to any other price variation which may apply, the price determined in accordance with Sub-Section 13.1 shall be :-

50

- (i) adjusted up or down as the case may require by 0.10% of the Contract Price for such month for each 0.10% of ash (fractions pro rata) by which the calculated monthly average ash content varies from the Standard Ash Content, provided that an upward adjustment pursuant to this Sub-Section 13.2 shall not exceed 2% of the Contract Price; and

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- (ii) adjusted down by an additional 0.15% of the Contract Price for such month for each 0.10% of ash (fractions pro rata) by which the calculated monthly average ash content exceeds 2% of ash content above the Standard Ash Content.

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13.3 MOISTURE CONTENT

If the calculated monthly average total moisture content in any month varies from the Standard Total Moisture Content as stated in Schedule No. 13 then, in addition to any other price variation which may apply, the price determined in accordance with Clause 13.2 shall be :

20

- (i) adjusted up or down as the case may require by 0.10% of the Contract Price for such month for each 0.10% of moisture (fractions pro rata) by which the calculated monthly average total moisture content varies from the Standard Total Moisture Content, provided that an upward adjustment pursuant to this Sub-Section 13.3 shall not exceed 2% of the Contract Price; and

30

- (ii) adjusted down by an additional 0.30% of the Contract Price for such month for each 0.10% of moisture (fractions pro rata) by which the calculated monthly average total moisture content exceeds 2% of moisture content above the Standard Total Moisture Content.

40

14. PAYMENT

The Company shall submit to the Purchaser at any time after the end of each month an invoice for coal delivered during that month.

The amount payable for coal delivered in a particular month for the purpose of monthly invoices shall be calculated on the basis of the aggregate quantities of coal delivered for the relevant month as notified in accordance with Section 10 at the price payable for the relevant month determined in accordance with Section 11.

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The Purchaser shall pay such invoice by the end of the month in which the invoice is submitted or within fourteen days after receipt of the invoice whichever is the later date.

10

If any published index or determination, or the amount of any cost, charge, royalty or other expense required to calculate the Contract Price is not known when any invoice is being calculated, the Company shall apply the latest available index or determination or the latest available amount of such cost, charge, royalty or other expense and the Purchaser shall pay the amount of the invoice so calculated. The Company shall debit or credit the difference between the previously invoiced amount and the amount due from or to the total of the first monthly invoice after the time at which such index, determination, cost, royalty or other expense becomes known.

20

30

All payments in accordance with this Specification shall be made to the party concerned or its bank account at the place in Queensland from time to time notified by that party.

40

If after reasonable consultation with the Company the Purchaser is of the opinion that the amount of any invoice rendered by the Company pursuant to this Section exceeds the amount actually owing by the Purchaser to the Company in accordance with the Coal Supply Agreement, the Purchaser may withhold payment of 50% of the amount in dispute. In the event of such withholding, the Purchaser shall at the due date of payment notify the Company of the reasons for its opinion in reasonable detail. Withholding as aforesaid shall be deemed to be a dispute to which Section 16.5 applies, and the parties shall not unreasonably delay the resolution of the matter.

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15. OPTION TO PURCHASE ADDITIONAL QUANTITIES

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At any time up to 31 December, 1988, the Purchaser may opt to extend the arrangements for the supply of coal under an Agreement pursuant to this Specification for a further three years.

This option may be exercised by a Notice delivered by the Purchaser to the Company not later than 31 December, 1988, nominating an additional Contract Tonnage of up to three-sevenths of the initial Contract Tonnage, to be supplied over a period of three years immediately following the initial Contract Term.

20

Such additional Contract Tonnage shall be treated as an extension of the arrangements for the supply of the initial Contract Tonnage and be subject to the terms of the Agreement for the supply of the initial Contract Tonnage pursuant to this Specification.

30

16. OTHER PROVISIONS

Provisions will also be made for the following in any Coal Supply Agreement pursuant to this Specification.

16.1 BUYER'S TONNAGE SHORTFALL

40

Subject to Force Majeure and except as hereinafter provided, the Purchaser shall take and pay for suitable coal presented for delivery by the Company under an Agreement pursuant to this Specification.

The Purchaser may, however, by giving three months' notice to the Company, defer up to 20% of purchases over a notified period, based on the Firm Purchase notified in accordance with Section 8, and pay to the Company for each tonne of coal so deferred up to a maximum of 20% of the prevailing Contract Price per tonne of coal being supplied under the Coal Supply Agreement, to defray expenses incurred by the Company in deferring such deliveries, such deferral

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of purchases being conditional on the Contract Tonnage being purchased by the Purchaser and the Contract Term not being extended by more than the period necessary to supply such deferred deliveries at a rate equivalent to the Probable Annual Purchase.

16.2 SELLER'S TONNAGE SHORTFALL

If the Company fails to deliver at least 90% of the Firm Deliveries for any half year, as determined in accordance with Section 8, the Purchaser may purchase make-up coal from alternative sources to make up this deficiency, and may hold the Company liable for any additional costs incurred by the Purchaser in obtaining this coal, up to 90% of the Firm Deliveries.

Subject to the provisions of Force Majeure, and up to a maximum liability for each tonne of coal deficiency equal to the prevailing Contract Price per tonne of the coal being supplied under the Agreement, the Company will be liable for any additional cost incurred by the Purchaser in obtaining suitable make-up coal, calculated on an equivalent heat basis.

16.3 BREACHES OF CONTRACT

The Purchaser may require the Company under a Coal Supply Agreement made pursuant to this Specification to provide proof from time to time that firm orders have been placed for the plant and machinery required to supply the Contract Tonnages at the rates corresponding to the Maximum Tonnage Equivalence set out in the Schedule of Probable Annual Purchases and that the suppliers of such plant and machinery have contracted to manufacture and erect such plant and machinery so that it will be operating and producing coal in accordance with the production capabilities, rates of delivery and times specified in the Agreement.

In addition to the Company's liability under the Agreement in respect of Seller's Tonnage Shortfalls, the Purchaser may require the Company to provide proof that it has taken adequate steps to ensure that it will be in a position to

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supply the Contract Tonnages at the rates corresponding to the Maximum Tonnage Equivalence set out in the Schedule of Probable Annual Purchases at the specified times for the remainder of the Agreement.

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If the Company shall refuse or fail to give the proof referred to in either of the above paragraphs, the Purchaser may subject to the provisions of Force Majeure and without prejudice to the rights he might otherwise have against the Company, give notice in writing to the Company to withdraw such refusal or make good such failure.

Should the Company fail to comply within 14 days of such notice, the Purchaser shall be at liberty either to cancel the Agreement or at the Company's risk to do or cause to be done such things as the Purchaser shall think fit to secure a reliable supply of coal to the Brisbane power stations.

Acceptance by the Purchaser of any proof mentioned above shall not absolve the Company of any responsibility under the Agreement.

16.4 FORCE MAJEURE

Should the Purchaser or the Company be delayed in or prevented from carrying out its obligations under the Coal Supply Agreement whether in whole or in part by reason of force majeure then upon such party giving notice in accordance with the requirements of this Section the obligations of such party in so far as they are affected by such force majeure shall be suspended during the continuance of any delay or prevention so caused, but for no longer, provided that the effect of such force majeure is eliminated as far as practical with all reasonable dispatch.

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The term "force majeure" shall include :-

- (a) Strikes, illegal stoppages or labour or union organised reduction of production;
- (b) Interference or restraint by or act of any Government or Semi-Governmental authority or body;
- (c) Lock outs;
- (d) Fires, floods, explosions, and mine collapses, which could not reasonably have been prevented by the affected party;
- (e) Civil commotion, insurrection or riots, acts of sabotage terrorism or any similar act by one or more persons;
- (f) Acts of war whether declared or not;
- (g) Storm or tempest;
- (h) Breakdown of any facilities or machinery;
- (i) Unavailability of essential equipment, supplies or services; and

any other cause, event or circumstance whether of the kind herein mentioned or otherwise, not within the control of the party claiming suspension, which by the exercise of due diligence such party is unable to prevent or overcome.

In the event that either party is unable to or likely to be unable to carry out its obligations hereunder because of force majeure such party shall promptly notify the other party giving particulars of the relevant cause.

Subject to the preceding, any undelivered coal which would have been delivered hereunder but for an event of force majeure shall not be cancelled under this Agreement but shall still be delivered but at such time as may be mutually agreed between the Purchaser and the Company.

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16.5 ARBITRATION

If at any time any question, dispute or difference whatsoever shall arise between the Purchaser and the Company upon, or in relation to, or in connection with the Coal Supply Agreement, then the parties hereto shall forthwith confer in good faith in an endeavour to settle it, but if they fail to agree within two months after first conferring or if either party refuses to confer either party may as soon as reasonably practicable thereafter by notice in writing to the other party specify the nature of such question, dispute or difference and call for the point or points at issue to be referred to Arbitration.

Arbitration shall be effected :-

- (i) by an Arbitrator agreed upon between the parties; or failing agreement upon such an Arbitrator within thirty (30) days after the date of the notice referred to above,
- (ii) by an Arbitrator appointed by the President for the time being of the Institution of Engineers Australia provided always that in any case wherein the question, dispute or difference involves mainly a matter of law, the said President shall, after consultation with the President for the time being of the Bar Association in Queensland, appoint a Barrister-at-law of not less than seven (7) years standing and practising in Brisbane.

The submission to Arbitration shall be deemed to be an agreement to arbitrate within the meaning of the Arbitration Act of 1973.

Subject to the provisions of the Arbitration Act of 1973, the award of the Arbitrator shall be final and binding on the parties.

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Pending decision on awards hereunder the parties shall **EXHIBIT "D"**
so far as it is reasonably practicable so to do continue
to perform and comply with their respective rights and
obligations under the Agreement.

16.6 COMPLIANCE WITH MINING LAWS AND PRACTICES

This Specification and any consequent Coal Supply Agreement
shall be read and construed and have operation and effect
so as not to reduce or limit the operation and effect
of the Coal Industry (Control) Acts, 1943 to 1969.

Attention is drawn to the requirements of the Department
of Mines and the Queensland Coal Board with regard to the
issue of a Coal Mining Lease and permission to open or
re-open a coal mine.

16.7 ASSIGNMENT

The Purchaser or the Company may assign the whole or any
part or parts of its rights or obligations under the Coal
Supply Agreement to any person or corporation provided that
the person to whom such rights or obligations are assigned
first executes a guarantee in a form approved by the other
party to the Agreement, the Commission and the Queensland
Coal Board, guaranteeing the performance of all its
obligations by the assignee.

16.8 AMENDMENT TO AGREEMENT

No modification or amendment of the Coal Supply Agreement
shall be valid or binding on either the Purchaser or the
Company unless it is made in writing in the English language
and duly signed and sealed by the parties and approved in
writing by the Commission and the Queensland Coal Board.

Exhibit "D"

EXHIBIT "D"

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
SPECIFICATION NO. CS/26
FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993

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- INFORMATION TO BE SUPPLIED WITH TENDER -

Following is a summary of details requested in the Specification and required to be supplied with each alternative tender.

1. Statement outlining any departures from the Specification.
2. Clear Definition of the area and extent of coal reserves to be set aside as outlined in Section 4 and Schedule No. 2.
3. Descriptions of the coal resource information, as outlined in Section 5.
4. Descriptions of the proposed method of mining and coal preparation, as outlined in Section 6.
5. Copies of any diagram referred to in the tender.
6. A statement setting out briefly the relevant experience of the tenderer and the resources at the tenderer's disposal for undertaking the works as outlined in the Specification.
7. Details of the tenderer's associated overseas and local companies, the extent of foreign ownership and the extent of ownership by other Australian mining companies.
8. All the information necessary to complete the following Schedules.

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THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
SPECIFICATION NO. CS/26
FOR THE SUPPLY OF COAL FOR PRISMANE POWER STATIONS 1983 TO 1993

- SCHEDULES -

SCHEDULE NO.

- | | |
|----|---|
| 1 | Warranty of Annual Production Capability. |
| 2 | Coal Reserves to be Set Aside. |
| 3 | Coal Reserves. |
| 4 | Preliminary Bore Core Data. |
| 5 | Coal Preparation Data. |
| 6 | Individual Core Product Coal & Coal Ash Properties. |
| 7 | Average Coal & Coal Ash Properties. |
| 8 | Production Schedule. |
| 9 | Mining Equipment Capital. |
| 10 | Capital Expenditure Summary |
| 11 | Manpower, New Population and Housing Summary. |
| 12 | Coal Stockpiling & Delivery Capabilities. |
| 13 | Standard Coal Properties & Suspension Limits. |
| 14 | Tender Price and Composition of Tender Price. |
| 15 | Labour Index. |
| 16 | Materials Index. |
| 17 | Initial Capital Index. |

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EXHIBIT "D" THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
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SCHEDULE NO.1 : WARRANTY OF ANNUAL PRODUCTION CAPABILITY

Based on :-

- . Contract Tonnage of : tonnes
 - . Standard Gross Heat Value (as sampled) of :GJ/tonne
 (1 tonne = gigajoules)
- Warranted Annual Production Capability tonnes

| CONTRACT YEAR | MAXIMUM TONNAGE AVAILABLE FOR PURCHASE (tonnes at gigajoules/tonne) |
|---------------|--|
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |
| 6 | |
| 7 | |
| 8 | |
| 9 | |
| 10 | |

And I/We do hereby agree and undertake that on entering into a Coal Supply Agreement with the Commission its assigns or successors in accordance with this Specification and Schedules and documents forming part of this Tender, and incorporating any variations as will be mutually agreed upon, that I/We shall do or have done such as is necessary to ensure that not less than the lesser of the Warranted Annual Production Capability stated above or the Maximum Tonnage Available for Purchase for a particular Year as stated above shall be available for Purchase by the Commission its assigns or successors in accordance with that Agreement.

NAME OF TENDERER

SIGNATURE FOR AND
 ON BEHALF OF TENDERER

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FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993

SCHEDULE NO.2 : COAL RESERVES TO BE SET ASIDE

Based on :-

- . Contract Tonnage of :tonne
 - . Standard Gross Heat Value (as sampled) of :GJ/tonne
- (1 tonne = gigajoules)

Defined Area Offered to be Set Aside : (List attachments
clearly defining
area and extent of
reserves to be set
aside)

Total In-situ Proven Recoverable
Coal Reserves in Defined Area : m³
..... tonnes

Total In-situ Proven Recoverable
Coal Reserves Required :

- for Contract Tonnage : tonnes
- for Contract Tonnage
plus Option : tonnes
- .. based on gross heat
value (as received) of :GJ/tonnes

NAME OF TENDERER

SIGNATURE FOR AND
ON BEHALF OF TENDERER

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 FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993
 SCHEDULE NO.3 : COAL RESERVES

Deposit: _____

Seam: _____

| Depth (m) | Coal Reserves (tonnes x 10 ⁶) | | | | Overburden/Interburden Volume (m ³ x10 ⁶) | | | | Overburden to Coal Ratio (m ³ /tonne) | |
|---------------------|---|-------------------|---------------|------------|--|-------------|-------------|------------|--|------------|
| | Measured | Indicated Class 1 | Total (M + I) | | Overburden | Interburden | Total | | Incremental | Cumulative |
| | | | Incremental | Cumulative | | | Incremental | Cumulative | | |
| <u>Open-Cut:</u> | | | | | | | | | | |
| <20 | | | | | | | | | | |
| 20-30 | | | | | | | | | | |
| 30-40 | | | | | | | | | | |
| 40-50 | | | | | | | | | | |
| 50-60 | | | | | | | | | | |
| 60-70 | | | | | | | | | | |
| >70 | | | | | | | | | | |
| Total | | | | | | | | | | |
| <u>Underground:</u> | | | | | | | | | | |
| <100 | | | | | | | | | | |
| 100-200 | | | | | | | | | | |
| 200-300 | | | | | | | | | | |
| >300 | | | | | | | | | | |
| Total | | | | | | | | | | |

NAME OF TENDERER :

SIGNATURE FOR AND ON BEHALF OF TENDERER:

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SCHEDULE NO. 4
PRELIMINARY BCRE CORE DATA

DEPOSIT:

| SITE NO. | HOLE NO. | CORE DIAMETER | CORE RECOVERY | SAMPLE NO. | THICKNESS OF SECTION | FROM | TO | SEAM NAME | RAW COAL ANALYSIS | | | | | |
|----------|----------|---------------|---------------|------------|----------------------|------|----|-----------|-----------------------|-----|-------------|--------------|--------------|-----|
| | | | | | | | | | Air Dried Basis (ADB) | | | | | |
| | | | | | | | | | MOIST-URE | ASH | VOL. MATTER | FIXED CARBON | SPEC. ENERGY | CSN |
| | | | | | | | | | | | | | | |
| | | | | | m | m | m | | % | % | % | % | GJ/T | - |
| | | | | | | | | | | | | | | |

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NAME OF TENDERER

SIGNATURE FOR AND ON BEHALF OF TENDERER

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SCHEDULE NO. 5 : COAL PREPARATION DATA

DEPOSIT: SEAM:

| | | | | | | | |
|--------------------------|------|--|--|--|--|--|--|
| SITE NUMBER | | | | | | | |
| BOREHOLE NUMBER | | | | | | | |
| SAMPLE NUMBER | | | | | | | |
| SEAM THICKNESS | m | | | | | | |
| FROM | m | | | | | | |
| TO | m | | | | | | |
| SIZE FRACTION | | | | | | | |
| - RAW COAL | % | | | | | | |
| RAW COAL ANALYSIS (ADB) | | | | | | | |
| MOISTURE | % | | | | | | |
| ASH | % | | | | | | |
| SPEC. ENERGY | GJ/T | | | | | | |
| C.S.N. | | | | | | | |
| SIZE FRACTION | | | | | | | |
| SEPARATION DENSITY | | | | | | | |
| MASS YIELD | % | | | | | | |
| S.E. YIELD | % | | | | | | |
| WASH COAL ANALYSIS (ADB) | | | | | | | |
| MOISTURE | % | | | | | | |
| ASH | % | | | | | | |
| SPEC. ENERGY | GJ/T | | | | | | |
| C.S.N. | | | | | | | |

NAME OF TENDERER
 SIGNATURE FOR AND
 ON BEHALF OF
 TENDERER

In the Supreme
 Court of
 Queensland
 No. 7
 Affidavit of David
 John Baguley
 with Exhibits
 14th June 1983
 (Contd.)

Exhibit "D"

In the Supreme
 Court of
 Queensland
 No. 7
 Affidavit of David
 John Baguley
 with Exhibits
 14th June 1983
 (Contd.)

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
 SPECIFICATION NO. CS/ 26
 FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993
SCHEDULE NO. 6 INDIVIDUAL CORE PRODUCT COAL AND COAL ASH PROPERTIES

| | | | | | | |
|---|------|--|--|--|--|--|
| SITE NUMBER | | | | | | |
| BORHOLE NUMBER | | | | | | |
| SAMPLE NUMBER | | | | | | |
| CORE DIAM | mm | | | | | |
| SEAM THICKNESS | mm | | | | | |
| FROM | mm | | | | | |
| TO | mm | | | | | |
| FRACTION ANALYSED | | | | | | |
| YIELD | % | | | | | |
| DATE OF CORING | | | | | | |
| MOIST. HOLD CAPACITY AT 30°C, 97% R.H. | % | | | | | |
| <u>AIR DRIED ANALYSES</u> | | | | | | |
| PROXIMATE | | | | | | |
| MOISTURE | % | | | | | |
| ASH | % | | | | | |
| VOL. MATTER | % | | | | | |
| FIXED CARB. | % | | | | | |
| SPEC. ENERGY | GJ/T | | | | | |
| SULPHUR | | | | | | |
| TOTAL | % | | | | | |
| PYRITES | % | | | | | |
| SULPHATE | % | | | | | |
| ORGANIC | % | | | | | |
| PHOSPHOROUS | % | | | | | |
| CHLORINE | % | | | | | |
| CARBON DIOXIDE | % | | | | | |
| ARSENIC (As ₂ O ₃) | ppm | | | | | |

Exhibit "D"

SCHEDULE NO.6 (CONTD.) INDIVIDUAL CORE PRODUCT COAL AND COAL ASH PROPERTIES

| | | | | | | | |
|--------------------------------|------|--|--|--|--|--|--|
| <u>DRY ASH FREE ANALYSES</u> | | | | | | | |
| VOL. MATTER | % | | | | | | |
| FIXED CARB. | % | | | | | | |
| SPEC. ENERGY | CJ/T | | | | | | |
| <u>ULTIMATE</u> | | | | | | | |
| CARBON | % | | | | | | |
| HYDROGEN | % | | | | | | |
| NITROGEN | % | | | | | | |
| SULPHUR | % | | | | | | |
| OXYGEN (DIFF) | % | | | | | | |
| <u>SPECIFIC GRAVITY</u> | | | | | | | |
| <u>CRUCIBLE SWELL NUMBER</u> | | | | | | | |
| <u>HARDGROVE GRIND. INDEX</u> | | | | | | | |
| <u>ASH FUSIBILITY TEMPS</u> | | | | | | | |
| <u>REDUCING ATMOS.</u> | | | | | | | |
| DEFORINATION | °C | | | | | | |
| SPHERICAL | °C | | | | | | |
| HEMISPHERE | °C | | | | | | |
| FLOW | °C | | | | | | |
| <u>OXIDISING ATMOS.</u> | | | | | | | |
| DEFORINATION | °C | | | | | | |
| SPHERICAL | °C | | | | | | |
| HEMISPHERE | °C | | | | | | |
| FLOW | °C | | | | | | |
| <u>COAL ASH ANALYSES</u> | | | | | | | |
| SiO ₂ | % | | | | | | |
| Al ₂ O ₃ | % | | | | | | |
| Fe ₂ O ₃ | % | | | | | | |
| TiO ₂ | % | | | | | | |
| Mn ₂ O ₄ | % | | | | | | |
| CaO | % | | | | | | |
| MgO | % | | | | | | |
| Na ₂ O | % | | | | | | |
| K ₂ O | % | | | | | | |
| P ₂ O ₅ | % | | | | | | |
| SO ₃ | % | | | | | | |
| B ₂ O ₃ | % | | | | | | |

Exhibit "D"

NAME OF TENDERER

.....

In the Supreme Court of Queensland
 No. 7
 Affidavit of David John Baguley with Exhibits
 14th June 1983
 (Contd.)

In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
SPECIFICATION NO. CS/26

EXHIBIT "D"

FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993

SCHEDULE NO. 7 : AVERAGE COAL AND COAL ASH PROPERTIES

| AREA : TONNAGE IN AREA : | | | | | | |
|---|-----------|-----------------------------|------|-----------------------|----------|----------|
| PROPERTY | STATISTIC | No. of Samples Tested | Mean | Standard Deviation | Range | |
| | | | | | Lo Value | Hi Value |
| MOIST. HOLD CAPACITY AT 30°C, 97% R.H. | % | | | | | |
| <u>AIR DRIED ANALYSES</u> | | | | | | |
| PROXIMATE | | | | | | |
| MOISTURE | % | | | | | |
| ASH | % | | | | | |
| VOL. MATTER | % | | | | | |
| FIXED CARB. | % | | | | | |
| SPEC. ENERGY | GJ/T | | | | | |
| SULPHUR | % | | | | | |
| PHOSPHOROUS | % | | | | | |
| CHLORINE | % | | | | | |
| CARBON DIOXIDE | % | | | | | |
| ARSENIC (As O) | ppm | | | | | |
| <u>DRY ASH FREE ANALYSES</u> | | | | | | |
| VOL. MATTER | % | | | | | |
| FIXED CARB. | % | | | | | |
| SPEC. ENERGY | GJ/T | | | | | |
| ULTIMATE | | | | | | |
| CARBON | % | | | | | |
| HYDROGEN | % | | | | | |
| NITROGEN | % | | | | | |
| SULPHUR | % | | | | | |
| OXYGEN (DIFF) | % | | | | | |
| SPECIFIC GRAVITY | | | | | | |
| CRUCIBLE SWELL NUMBER | | | | | | |
| HARDGROVE GRIND. INDEX | | | | | | |
| ASH FUSIBILITY | | | | | | |
| FLOW TEMP. (RED. ATMOS) °C | | | | | | |
| DEF. TEMP. (OX. ATMOS) °C | | | | | | |
| SLAGGING INDEX °C | | | | | | |
| <u>COAL ASH ANALYSES</u> | | | | | | |
| SiO ₂ | % | | | | | |
| Al ₂ O ₃ | % | | | | | |
| Fe ₂ O ₃ | % | | | | | |
| TiO ₂ | % | | | | | |
| Mn ₃ O ₄ | % | | | | | |
| CaO | % | | | | | |
| MgO | % | | | | | |
| Na ₂ O | % | | | | | |
| K ₂ O | % | | | | | |
| P ₂ O ₅ | % | | | | | |
| SO ₃ | % | | | | | |
| B ₂ O | % | | | | | |

NAME OF TENDERER

SIGNATURE FOR AND
ON BEHALF OF TENDERER

Exhibit "D"

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
 SPECIFICATION NO. CS/26
 FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993
 SCHEDULE NO.8 : PRODUCTION SCHEDULE
 Based on: Contract Tonnage of : tonnes at GJ/tonne

| Contract Year | Raw Coal Mined (t x 10 ⁶) | Product Coal (tonnes x 10 ⁶) | | | | Production Coal Properties (as received) | | | | | | |
|---------------|---------------------------------------|--|-------------|--|--|--|------------------|-----------------------------|----------------------|------------------------------|----------------------|---------------------------|
| | | Total Production | Total Sales | To Stockpile Incremental Cumulative | | Gross Heat Value GJ/t | Ash Content % | Total Moisture Content % | Sulphur Content % | Volatile Matter Content % | Slagging Index °C | Hargrove Grind Index - |
| 1 | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | |
| TOTALS | | | | | | | | | | | | |

NAME OF TENDERER :
 SIGNATURE FOR AND ON
 BEHALF OF TENDERER :

In the Supreme Court of Queensland
 No. 7
 Affidavit of David John Baguley with Exhibits
 14th June 1983
 (Contd.)

In the Supreme Court of Queensland
 No. 7
 Affidavit of David John Baguley with Exhibits
 14th June 1983
 (Contd.)

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
 SPECIFICATION NO. CS/26
 FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993
 SCHEDULE NO. 9 : MINING EQUIPMENT CAPITAL

Based on : Contract Tonnage of : tonnes at GJ/tonne
 Base Date of 30 June, 1980

| Details of Capital Expenditure | * No. | Unit Price | Incidence of Expenditure on Mining Plant and Equipment (\$ x 10 ³) | | | | | | | | | | | | | |
|--------------------------------|-------|------------|--|------|------|------|------|------|------|------|------|------|------|-------|--|--|
| | | | Yr-2 | Yr-1 | Yr-1 | Yr-2 | Yr-3 | Yr-4 | Yr-5 | Yr-6 | Yr-7 | Yr-8 | Yr-9 | Yr-10 | | |
| Exhibit "D" | | | | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | | | | |

*Indicate Maximum Fleet No.

NAME OF TENDERER :
 SIGNATURE FOR AND ON BEHALF OF TENDERER :

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THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
 SPECIFICATION NO. CS/26
 FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993
SCHEDULE NO. 10 : CAPITAL EXPENDITURE SUMMARY
 Based on : Contract Tonnage of : tonnes atGJ/tonne
 Base Date of 30 June, 1980

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| Details of Capital Expenditure | Incidence of Capital Expenditure (\$ x 10 ³) | | | | | | | | | | | | |
|--------------------------------|--|------|------|------|------|------|------|------|------|------|------|------|-------|
| | Yr-3 | Yr-2 | Yr-1 | Yr-1 | Yr-2 | Yr-3 | Yr-4 | Yr-5 | Yr-6 | Yr-7 | Yr-8 | Yr-9 | Yr-10 |
| Total Mining Equipment | | | | | | | | | | | | | |
| Total Infrastructure | | | | | | | | | | | | | |
| Coal Preparation Plant | | | | | | | | | | | | | |
| Mine Site Facilities | | | | | | | | | | | | | |
| Other Establishment Costs | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | |

NAME OF TENDERER :

In the Supreme Court of Queensland
 No. 7
 Affidavit of David John Baguley with Exhibits
 14th June 1983
 (Contd.)

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
SPECIFICATION NO. CS/26
FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993
SCHEDULE NO. 11 : MANPOWER, NEW POPULATION AND HOUSING SUMMARY
Based on : Contract Tonnage of : tonnes at GJ/tonne

| | Incidence of Staff and Housing Requirements | | | | | | | | | | |
|--------------------------------|---|------|------|------|------|------|------|------|------|------|-------|
| | Yr-1 | Yr-1 | Yr-2 | Yr-3 | Yr-4 | Yr-5 | Yr-6 | Yr-7 | Yr-8 | Yr-9 | Yr-10 |
| <u>Manpower Requirements</u> | | | | | | | | | | | |
| - Senior Staff | | | | | | | | | | | |
| - Supervisory & Service | | | | | | | | | | | |
| - Wages Employees | | | | | | | | | | | |
| - Absentee Allowance | | | | | | | | | | | |
| - Total Employees | | | | | | | | | | | |
| - Sub-Contract Staff | | | | | | | | | | | |
| <u>Manpower Recruitment :</u> | | | | | | | | | | | |
| - Recruited Locally | | | | | | | | | | | |
| - Additional to Area | | | | | | | | | | | |
| New Population Estimate | | | | | | | | | | | |
| Company Housing Proposed | | | | | | | | | | | |
| Other Company Accommodation | | | | | | | | | | | |

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NAME OF TENDERER :
SIGNATURE FOR AND
ON BEHALF OF
TENDERER :

EXHIBIT "D"

Exhibit "D"

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND

SPECIFICATION NO. CS/26

FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993

SCHEDULE NO. 12 : COAL STOCKPILING & DELIVERY CAPABILITIES

10

Based on :-

- . Contract Tonnage of : tonnes
- . Standard Gross Heat Value (as sampled) of :GJ/tonne

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| | |
|---|--|
| Maximum Product Stockpile Capacity (tonnes) | |
| Normal Product Stockpile Level (tonnes) | |
| Normal Shift-Working Basis for Coal Delivery to Purchaser (shifts per week) | |

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NAME OF TENDERER

SIGNATURE FOR AND ON BEHALF OF TENDERER

In the Supreme Court of Queensland
 No. 7
 Affidavit of David John Baguley with Exhibits
 14th June 1983
 (Contd.)

In the Supreme
Court of
Queensland
No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
SPECIFICATION NO. CS/26
FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993

SCHEDULE NO. 13 : STANDARD COAL PROPERTIES
& SUSPENSION LIMITS

Based on :-

Contract Tonnage of tonnes

| <u>Coal Property</u> | <u>Units</u> | <u>Standard</u> | <u>Suspension Limi</u> |
|---|--------------|-----------------|------------------------|
| Gross Heat Value (as sampled) :- | | | |
| Ash Content (at Standard Total Moisture) :- | | | |
| Total Moisture Content (as sampled) :- | | | |
| Sulphur Content (at Standard Total Moisture) :- | | | |
| Volatile Matter Content (at Standard Total Moisture) :- | | | |
| Product Top Size :- | | | |
| % Product minus 3 mm :- | | | |
| Ash Fusibility Slagging Index (Reducing Atmos) (0.8 x Def. + 0.2 x Hemi) :- | | | |
| Hardgrove Grindability Index :- | | | |

NAME OF TENDERER

SIGNATURE FOR &
ON BEHALF OF
TENDERER

Exhibit "D"

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND SPECIFICATION NO. CS/ 26 FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993

SCHEDULE NO.14 : TENDER PRICE AND COMPOSITION OF TENDER PRICE

Based on :-

- . Contract Tonnage of :tonnes
. Standard Gross Heat Value (as sampled) of:.....GJ/tonne (1 tonne =gigajoules)

BASE DATE : ...30 June, 1980.....

BASE PRICE : \$...../tonne equivalent

COMPOSITION OF BASE PRICE :-

Table with 2 columns: Component, Base Price per Tonne. Rows include Labour, Materials, Statutory Charges, and Capital.

TOTAL BASE PRICE

NAME OF TENDERER :.....
SIGNATURE FOR AND ON BEHALF OF TENDERER :.....

Exhibit "D"

In the Supreme
Court of
Queensland
No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
SPECIFICATION NO. CS/26
FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993

SCHEDULE NO.15 : LABOUR INDEX

Based on :-

- . Contract Tonnage of :tonnes
- . Standard Gross Heat Value (as sampled) of:GJ/tonne
- . Base Date of 30 June, 1980

| Labour Classification | A | B | C | D | E |
|--|-----|-----|-----|-----|-----|
| - Award | | | | | |
| - Classification Reference | | | | | |
| - Award Rate for Award Hrs. | | | | | |
| Prescribed Working Week | | | | | |
| - Award Hours | | | | | |
| - Overtime Hours | | | | | |
| - % on Afternoon Shift | | | | | |
| - % on Night Shift | | | | | |
| Total Award Wage for prescribed working week | | | | | |
| Loadings for :- | | | | | |
| . Over Award Payments | | | | | |
| . Public Holidays | | | | | |
| . Annual Leave | | | | | |
| . Sick Leave | | | | | |
| . Pension Fund | | | | | |
| . Workers' Compensation | | | | | |
| . Payroll Tax | | | | | |
| Labour Rates per week per man | | | | | |
| Number Employed | | | | | |
| Total Labour Rates per week | (a) | (b) | (c) | (d) | (e) |
| LABOUR INDEX : (a)+(b)+(c)+(d)+(e) | | | | | |

NAME OF TENDERER :

SIGNATURE FOR AND ON
BEHALF OF TENDERER :

Exhibit "D"

EXHIBIT "D"

In the Supreme
Court of
Queensland
No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
SPECIFICATION NO. CS/26
FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 199

SCHEDULE NO. 16 : MATERIALS INDEX

Based on :-

Contract Tonnage of : tonnes
Standard Gross Heat Value (as sampled) of GJ/tonne
Base Date of 30 June, 1980

MATERIALS INDEX

| Item | Contribution to Materials Component of Base Price (\$/tonne) (%) | A.B.S. Index Proposed (example only) |
|---------|---|--|
| . | (A%) | I ₁ |
| . | (B%) | I ₂ |
| . | (C%) | I ₃ |
| . | (D%) | I ₄ |
| . TOTAL | Matl. Comp. B (100%) | |

Typical Materials Index :-

$$\text{Matl. Comp}_B \left(\frac{A}{100} \cdot \frac{I_1}{I_{1B}} + \frac{B}{100} \cdot \frac{I_2}{I_{2B}} + \frac{C}{100} \cdot \frac{I_3}{I_{3B}} + \frac{D}{100} \cdot \frac{I_4}{I_{4B}} \right)$$

..... where suffix "B" refers to Base Date of 30 June, 1980.

NAME OF TENDERER :

SIGNATURE FOR AND
ON BEHALF OF TENDERER :

Exhibit "D"

In the Supreme Court of Queensland
 No. 7
 Affidavit of David John Baguley with Exhibits
 14th June 1983
 (Contd.)

THE STATE ELECTRICITY COMMISSION OF QUEENSLAND
 SPECIFICATION NO. CS/26
 FOR THE SUPPLY OF COAL FOR BRISBANE POWER STATIONS, 1983 TO 1993

SCHEDULE NO.17 : INITIAL CAPITAL INDEX

Based on :-

- . Contract Tonnage of :tonnes
- . Standard Gross Heat Value (as sampled) of:.....GJ/tonne
- . Base Date of 30 June, 1980

INITIAL CAPITAL INDEX

| Capital Item | Capital Cost Estimate as at \$ | Conversion Factor | Contribution to Capital Component of Base Price (\$/tonne) (%) | A.B.S. Index & Weighting Proposed (Example only) |
|------------------------------|--------------------------------|-------------------|--|--|
| . Mining Plant and Equipment | | | (A%) |) I ₁ x 0.2) I ₂ x 0.8 |
| . Civil Construction Works | | | (B%) |) I ₃ x 0.5) I ₄ x 0.5 |
| . Other | | | (C%) | I ₅ x 1.0 |
| . TOTAL | | | Cap. Comp (100%) | |

Typical Initial Capital Index :-

$$\text{Cap. Comp}_B \left(\frac{A}{100} \left(0.2 \frac{I_1}{I_{1B}} + 0.8 \frac{I_2}{I_{2B}} \right) + \frac{B}{100} \left(0.5 \frac{I_3}{I_{3B}} + 0.5 \frac{I_4}{I_{4B}} \right) + \frac{C}{100} \frac{I_5}{I_{5B}} \right)$$

..... where suffix "B" refers to Base Date of 30 June, 1980.

NAME OF TENDERER :

SIGNATURE FOR AND ON BEHALF OF TENDERER :

Exhibit "D"

In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

IN THE SUPREME COURT

OF QUEENSLAND

No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

This and the preceding 52 pages is the exhibit marked with the letter
"D" mentioned and referred to in the Affidavit of DAVID JOHN BAGULEY
sworn herein before me this 14th day of JUNE 1983.


Solicitor

ALLIED QUEENSLAND COALFIELDS LTD.

9/10/81
M. Howard
IJS/BE

FOURTH FLOOR,
300 QUEENSTREET, BRISBANE, QLD 4001
11 OCT 1981
FILED
BRISBANE
RECEIVED
13 OCT 1981
Q.E.G.B.
CENTRAL
RECORDS

TEL: 225 7418, 225 5277
G.P.O. BOX 1192, BRISBANE, Q. 4001
AUSTRALIA

October 8th, 1981.

Mr. I. Rasmussen,
Queensland Coal Board,
G.P.O. Box 384,
BRISBANE 4001.

| |
|------------------------|
| Q.E.G.B. OFFICIAL FILE |
| 653-57-80 |
| COPY ON FILE NO. |
| 653-277-15 |
| D BAGULEY |
| |
| |
| |

Dear Ivor,

Thank you for your letter of October 6th, regarding the supply of 50,000 tonnes of coal from Aberdare Colliery to the Metropolitan Power Stations. We confirm that the price will be \$29.00 per tonne at pithead and at the specification as agreed of 22% ash.

With regard to transportation of coal, it was never our intention to be involved in the contracting of coal hauliers, but what we do require is control over when the coal is actually transported from our premises. As you know, we are transporting considerable amounts of coal for the export market, and our main concern with regard to the trucking of coal for the Power Stations is that one should not interfere with the other. The point of Aberdare having control over both trucking operations was suggested in order to avoid any congestion which may occur with the use of truck loading facilities. As we see it, with proper liaison between Aberdare Collieries and both sets of trucking contractors, this congestion can be avoided. The point must be made, however, to the power stations that their trucking arrangements must be approved by Aberdare Collieries.

With regard to the supply of coal we would expect to deliver 10,000 tonnes early December and 10,000 tons every two months thereafter.

We look forward to hearing officially from the Power Stations and in drawing up a formal contract for the 50,000 tonne sale.

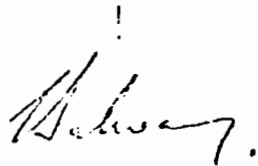
As discussed with you previously, we are still in a position to supply a further 50,000 tonnes next year, either to the local or overseas market. At the moment we are talking to overseas parties who are interested in purchasing coal for cement manufacture. We would prefer to sell the coal locally, if possible,

*In the Supreme
Court of
Queensland*
No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

but would be interested only really in long term contracts. If you have anything in mind for this production we would be pleased to hear from you.

Thank you very much for the assistance you have given us in this matter.

Regards,



Ian J. Salway,
General Manager.

IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

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This and the preceding one page is the exhibit marked with the letter
"E" mentioned and referred to in the Affidavit of DAVID JOHN
BAGULEY sworn herein before me this ^{14th} day of JUNE
1983.

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Solicitor

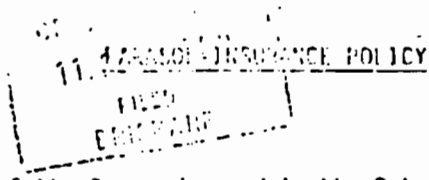
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In the Supreme Court of Queensland

No. 7 Affidavit of David John Baguley with Exhibits 14th June 1983 (Contd.)




in consideration of the Insured named in the Schedule hereto having paid or agreed to pay to the Insurance Company of North America (Australia) Ltd. (hereinafter called the "Insurer") the premium mentioned in the schedule.

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The Insurer agrees to pay to the Insured the amount of loss, damage or liability to the extent and in the manner hereinafter provided up to an amount not exceeding the limit of liability stated in the Schedule.

In witness hereof the authorised representative of the Insurer has hereunto subscribed his name this 4th day of November 1979.

20

| <u>Insurer</u> | <u>Percentage</u> | <u>Signature</u> |
|---|-------------------|--|
| Insurance Company of North America (Australia) Ltd. | 100% |  JNA. Carbon 9/11/79 |

30

Policy 391 FF 801341

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Exhibit "F"

60



THE SCHEDULE

| | | |
|---|---|----|
| <u>INSURED:</u> | The Queensland Electricity Generating Board and/or Utah Development Co. Ltd. and/or State Government Insurance Office (Queensland) and/or Contractors and Sub-Contractors for their respective rights and interests. | 10 |
| <u>REGISTERED OFFICE:</u> | National Bank House, 255 Adelaide Street, Brisbane. | |
| <u>PERIOD OF INSURANCE:</u> | (a) From 1 July 1979 to 1 July 1982 both days at 4.00 p.m. Local Standard Time. (b) Any subsequent period for which the Insured shall pay and the Insurers shall agree to accept a renewal premium. | 20 |
| <u>PREMIUM:</u> | \$1,335,000 which includes Fire Services Levy. Payable in equal annual instalments. First Annual premium \$445,000. Stamp Duty \$10,000. | 30 |
| <u>LIMIT OF LIABILITY:</u> | It is hereby declared and agreed that the Insurers shall be liable for Loss, Damage or Destruction, Costs and/or Expenses and Increased Cost of Working (a) Only in excess of the Limit of Liability under the Underlying Insurances nominated below or (b) In the event of the loss damage or destruction not being covered by the said Underlying Insurances this Section shall operate as if it was an Underlying Insurance subject to an excess of \$100,000. PROVIDED THAT in no case shall Insurers be called upon to contribute more than \$20,000,000 any one location any one event. | 40 |
| <u>LIMIT OF LIABILITY UNDERLYING INSURANCES</u> | (a) \$10,000,000 each and every loss or series of losses, destruction or damage, costs and/or expenses arising out of the one event or proximate cause in respect of Industrial Special Risks Policy. | 50 |

Exhibit "F"

*In the Supreme
Court of
Queensland*

**No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)**



(b) \$1,000,000 each and every loss or series of losses, destruction or damage, costs and/or expenses arising out of the one event or proximate cause in respect of Construction Material Damage Policy.

(Handwritten signature)

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Exhibit "F"



In the Supreme Court of Queensland

No. 7 Affidavit of David John Baguley with Exhibits 14th June 1983 (Contd.)

INSURING CLAUSES



RISKS COVERED:

All risks of Physical Loss, Destruction and/or Damage, including Costs and Expenses and Increased Cost of Working resulting therefrom in connection with "The Property Insured" arising from any cause whatsoever subject to the conditions and exclusions herein stated.

10

LOCATION:

Anywhere in Australia where "The Property Insured" is located or is in transit, other than by 'ocean transit'.

20

THE PROPERTY INSURED:

The undermentioned interests, the Insured's own, in trust or on commission or for which they are responsible, comprising:-

SECTION 1

Buildings, Mobile and Non-Mobile Plant and Equipment and all other property of every description, including Earthworks and all property in course of construction and/or erection.

30

SECTION 2

The Cost of Removal of Debris, Demolition or any Temporary Repairs necessary (including the Insured's Legal Liability for the cost of Removal of Debris, Demolition and Temporary Repairs in regard to adjoining premises, roadways, railways or waterways, as well as on site), consequent upon the loss the destruction of or damage to the property insured hereunder, provided such loss or damage is covered hereunder or would be covered but for the application of any policy excess.

40

PROVIDED ALWAYS THAT such is not recoverable under any other Policy of Insurance.

50

Exhibit "F"

60

*In the Supreme
Court of
Queensland*

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)



SECTION 3:

Expenses necessarily and reasonably incurred for the sole purpose of expediting reinstatement, replacement or repair of the property insured additional to the Insurers' liability for physical loss or damage or destruction recoverable under this Policy, including all increased and abnormal costs of working deemed necessary by the Insured.

10

SECTION 4:

The additional costs and expenditure as deemed necessary by the Insured, incurred in consequence of the loss damage or destruction in respect of the increase in cost of working for the purpose of maintaining the normal levels of generation of electricity.

20

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Exhibit "F"

SPECIAL CLAUSES



In the Supreme Court of Queensland

No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)



A. REINSTATEMENT AND REPLACEMENT VALUE CONDITIONS

In the event of The Property Insured being destroyed or damaged the basis upon which the amount payable is to be calculated shall be an amount equivalent to the cost of reinstatement of the property destroyed or damaged. For the purpose of this insurance "Reinstatement" shall mean -

10

(a) Where property is destroyed, the rebuilding of the property, if a building, or in the case of other property, its replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new.

(b) Where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

20

The property destroyed or damaged may be reinstated or replaced upon any other site wheresoever situate in the absolute discretion of the Insured and in any form or manner suitable to the requirements of the Insured subject to the liability of the Insurer not being thereby increased.

Provided that when any property so damaged or destroyed is not actually replaced or repaired the basis of Cash Payment shall be the replacement and reinstatement of the insured property so damaged or destroyed calculated in accordance with the terms of this Special Clause A.

30

When any property insured is damaged or destroyed in part only, the liability of the Insurer shall not exceed the sum representing the cost which the Insurer could have been called upon to pay for reinstatement if such property had been wholly destroyed.

No payment beyond the amount which would have been payable under the Policy if this Special clause had not been incorporated therein shall be made until at the option of the Insured -

40

(a) in the event of reinstatement and replacement being proceeded with -

the cost of reinstatement of a sum equal to the calculated cost of reinstatement shall have been actually incurred by reinstatement or replacement as aforesaid;

or

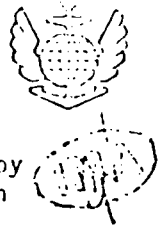
(b) in the event of reinstatement and replacement not being effected -

50

Exhibit "F"

In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)



the cost of reinstatement or replacement shall have been actually assessed and agreed by the Board and the Assessor appointed by the Insurers. Should agreement on the assessed figure not be reached, then an arbitrator shall be appointed by mutual agreement between the parties, and the decision of such arbitrator shall be final and binding on both parties.

10 B. EXTRA COST OF REINSTATEMENT

It is hereby agreed that the Insurance by this Policy extends to include the extra cost of reinstatement, including demolition, of the Insured property necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, subject always to the following special provisions and subject also to the terms and conditions of this Policy except insofar as the same may be varied hereby.

20 Special Provisions to Special Clause B

1. The work of reinstatement (which may be carried out wholly or partially upon another site if the aforesaid Act, By-Law or Regulation of any Municipal or other Statutory Authority so necessitate, subject to the liability of the Insurers not being thereby increased) must be commenced and carried out with reasonable despatch, failing which the Insurers shall not be liable to make any payment beyond the amount which would have been payable under this Policy if this Clause had not been incorporated herein.

30 2. The amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation, By-Law or requirement with which the Insured had been required to comply prior to the happening of the destruction or damage.

C. PROFESSIONAL FEES

40 This insurance includes an amount in respect of Architects, Surveyors, Legal, Consulting Engineers and other Professional Fees necessarily incurred in the reinstatement of the property insured consequent upon its destruction or damage but not for preparing any claim it being understood that the amount payable for such fees shall not exceed the amounts authorised under the Scales of the various Institutions regulation such fees prevailing at the time of the destruction or damage.

D. LOSS SETTLEMENT CLAUSE

It is understood and agreed that, in the case of loss or damage to property insured hereunder, the basis of settlement shall be as follows:-

50 (a) On raw materials or supplies at the replacement cost.

Exhibit "F"



- (b) On manuscripts, plans, patterns and mechanical drawings and other documents at the replacement cost in accordance with Reinstatement and Replacement Conditions but not for the value to the Insured of the information contained therein.
- (c) On all other property in accordance with and subject to the Reinstatement and Replacement Value Conditions incorporated herein.

10

E. SALVAGE AND RECOVERY CLAUSE

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

F. ALL OTHER PROPERTY CLAUSE

20

The term "all other property" referred to in Section 1 of the Property Insured is understood to include:-

Personal Property of the Insured's visitors, Board Members and Employees' Effects (other than whilst in or about residential quarters of the Board Members or Employees) insofar as the same are not otherwise insured.

G. LOSS PAYABLE CLAUSE

30

All losses under this Policy shall be adjusted with and payable to The Queensland Electricity Generating Board whose release shall constitute a valid discharge of Insurer's obligation in respect of such losses.

H. HIRED AND LEASED PROPERTY

The Insurance granted on property described in Sections 1 and 2 of the Property Insured extends to include such property not operated by or not under the control of the Insured whilst hired or leased out by the Insured, provided such property is subject to the Insured's Conditions of Hire.

40

50

Exhibit "F"

60

*In the Supreme
Court of
Queensland*

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983

EXCLUSIONS



(Contd.)

This Insurance does not cover:-

- 10 (a) Loss, destruction or damage caused by or resulting from wear, tear or gradual deterioration, inherent vice or latent defect, error or omission in design, plan, specifications or failure of design faulty materials or faulty workmanship but this exclusions shall be limited to the part immediately effected and shall not apply to any other part or parts lost or damaged in consequence thereof.
- (b) Loss destruction or damage to aircraft or waterborne craft.
- 20 (c) Loss destruction or damage directly or indirectly occasioned by happening through or in consequence of war, invasion, acts of foreign enemies, hostilities, (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or occasioned by permanent dispossession resulting from confiscation or commandeering or requisition or nationalisation or destruction of or damage to property by or under the order of any Government or Public or Local Authority.
- (d) Loss, destruction or damage directly or indirectly caused by or arising from or in consequence of or contributed to by:-
- 30 (i) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only, combustion shall include any self sustaining process of nuclear fission.
- (ii) Nuclear weapons materials.
- 40
- 50
- 60

Exhibit "F"



CONDITIONS

- 1. On the happening of any loss or damage likely to produce a claim hereunder, the Insured shall forthwith give notice thereof to the Insurer through Sedgwick Pty. Ltd., Queensland Division, Brisbane, Queensland.

10

The Insured shall also at all times at their own expense produce, procure and give to the Insurer all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the liability of the Insurer as may be reasonably required by or on behalf of the Insurer.

- 2. The Insured, at the expense of the Insurer, do, and concur in doing, and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary if required before or after their indemnification by the Insurer.

20

- 3. If, at the time of any destruction or damage to any property hereby insured, there be any other concurrent and participating Insurance or Insurances, whether effected by the Insured or by any other person or persons, covering any of the property, the Insurer shall not be liable to pay or contribute more than their rateable proportion of such destruction or damage, provided always however that the Insurer shall not be liable to pay or contribute to any loss, destruction or damage, for which valid and collectable Insurance exists under any Contractors' "All Risks" Insurance in which the interest of the Insured are included, except to the extent that such loss, destruction or damage is not recoverable thereunder.

30

- 4. In the event of cancellation or non-renewal, this Insurance shall remain in force in connection with Contracts awarded or projects commenced prior to effective date of cancellation or non-renewal subject to payment of an additional premium calculated at the rate of .105 per centum on the declared value of Power Station work completed and .025 per centum on the declared value of other work completed subject to cancellation or non-renewal. It being understood and agreed that such cover shall continue until such time as all contracts and/or projects achieve a stage of final completion.

40

- 5. All amounts shown herein are Australian Currency and all premium and loss payments shall be in this currency.

- 6. It is hereby declared and agreed that all losses under this Policy will be adjusted by M.B.S.-Pumfreys.

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Exhibit "F"

60

In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

10

IN THE SUPREME COURT

OF QUEENSLAND

No. 502 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

20

Plaintiff

AND:


NEW HOPE COLLIERIES PTY. LTD.

Defendant

30

This and the preceding 9 pages is the exhibit marked with the letter
"F" mentioned and referred to in the Affidavit of DAVID JOHN BAGULEY
sworn herein before me this 14th day of JUNE 1983.

40


Solicitor

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60

"G"

QUEENSLAND ELECTRICITY GENERATING BOARD

STATE OF QUEENSLAND
11 OCT. 1983
FRID
BRISBANE

DATE: 20.2.1981

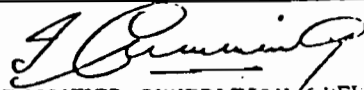
10

TO: CHIEF ADMINISTRATION OFFICER

FROM: ACTING CHIEF ENGINEER GENERATION OPERATIONS

COST OF PLANT OUTAGE REPORT

| PLANT | Collinsville 'B' | |
|---|--|----|
| 1. Cause of outage | Ingress of water to H.P. Turbine resulting in bending and cracking of Turbine shaft | 20 |
| 2. Period of outage to be costed | 11 August to 15 October 1980 | |
| 3. Is the outage to be claimed against insurance? | Yes | |
| 4. Availability of other major plant | See Appendix 1 attached | 30 |
| 5. System Restrictions affecting costs (see 10) | i) Central Queensland coal miners strike finally resolved 9 September. ii) Major partial outages at Gladstone. iii) Coal handlers strike at Swanbank and Collinsville 4 to 7 October | |
| 6. Estimated energy that would have been supplied by this plant | 57 000 MWh | 40 |
| 7. Actual energy supplied | 0.0 MWh | |
| 8. Plant which supplied shortfall in energy | Swanbank 'A' and 'B' Tennyson 'A' and 'B' Bulimba 'B' Gas Turbines | |
| 9. Cost of normal replacement energy for period | \$215 595.00 | |
| 10. Other than normal replacement energy costs caused by outage | N/A | 50 |
| 11. Total Costs | \$215 595.00 | |
| 12. Progressive Total | \$1 002 247.00 | |


A/CHIEF ENGINEER GENERATION OPERATIONS
Exhibit "G"

60

In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

DATE: 5. 9. 1980

TO: CHIEF ADMINISTRATION OFFICER
FROM: A/CHIEF ENGINEER GENERATION OPERATIONS

10

COST OF PLANT OUTAGE REPORT

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| PLANT | COLLINSVILLE 'B' |
|---|---|
| 1. Cause of outage | INGRESS OF WATER TO TURBINE |
| 2. Period of outage to be costed | 15 JUNE - 10 AUGUST 1980 |
| 3. Is the outage to be claimed against insurance? | YES |
| 4. Availability of other major plant | 1 UNIT AT CALLIDE ON SCHEDULED OVERHAUL FOR WHOLE PERIOD; NO. 2 UNIT SWANBANK 'B' ON OVERHAUL FOR PART OF PERIOD. |
| 5. System Restrictions affecting costs (see 10) | NONE. |
| 6. Estimated energy that would have been supplied by this plant | 41 896 MW hrs |
| 7. Actual energy supplied | 0.0 MW hrs |
| 8. Plant which supplied shortfall in energy | GLADSTONE SWANBANK TENNYSON |
| 9. Cost of normal replacement energy for period | \$109 476.00 |
| 10. Other than normal replacement energy costs caused by outage | |
| 11. Total Costs | \$109 476.00 |
| 12. Progressive Total | \$786 652.00 |

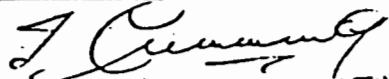

A/CHIEF ENGINEER GENERATION OPERATIONS

Exhibit "G"

60

In the Supreme Court of Queensland

No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

DATE: 9 July 1980

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

10

FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| | | |
|---|--|----|
| PLANT | Collinsville 'D' | |
| 1. Cause of outage | Ingress of water to turbine. | 20 |
| 2. Period of outage to be costed | 6 April to 14 June 1980. | |
| 3. Is the outage to be claimed against insurance? | Yes | |
| 4. Availability of other major plant | Gladstone No. 4) Scheduled Swanbank No. 1) overhaul | 30 |
| 5. System Restrictions affecting costs (see 10) | None | |
| 6. Estimated energy that would have been supplied by this plant | 21 750 MW hrs | |
| 7. Actual energy supplied | 0.0 MW hrs | 40 |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank Tennyson Bulimba | |
| 9. Cost of normal replacement energy for period | \$ 86 739.00 | |
| 10. Other than normal replacement energy costs caused by outage | - | 50 |
| 11. Total Costs | \$ 86 739.00 | |
| 12. Progressive Total | \$677 176.00 | |

*handed
back to 15.7.80*

Exhibit "G"

[Signature]
(-.) PERFORMANCE ENGINEER

60

In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

DATE: 16 April 1983

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

10 FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE - B |
|---|--|
| 1. Cause of outage | Ingress of water to turbine |
| 2. Period of outage to be costed | 16th to 22nd of March 1980 |
| 3. Is the outage to be claimed against insurance? | YES |
| 4. Availability of other major plant | #4 Unit Gladstone } scheduled maintenance #1 Unit Swanbank B } #2 Unit Gladstone - forced out of service |
| 5. System Restrictions affecting costs (see 10) | - |
| 6. Estimated energy that would have been supplied by this plant | 6 869.5 Mw hrs. |
| 7. Actual energy supplied | 0.0 Mw hrs. |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank A & B Tennyson |
| 9. Cost of normal replacement energy for period | \$19 659.00 |
| 10. Other than normal replacement energy costs caused by outage | - |
| 11. Total Costs | \$19 659.00 |
| 12. Progressive Total | \$559 889.00 |

50

copy inserted to Exhibit 15.7.83 JH.

[Signature]

PERFORMANCE ENGINEER
Exhibit "G"

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~~EXAMINED~~
QUEENSLAND ELECTRICITY GENERATING BOARD

DATE: 6 May 1980

10

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | Collinsville - B | |
|---|--|----|
| 1. Cause of outage. | Ingress of water to H.P. Turbine | 20 |
| 2. Period of outage to be costed | 23 March to 5 April 1980 | |
| 3. Is the outage to be claimed against insurance? | Yes | |
| 4. Availability of other major plant | #4 Gladstone) Scheduled #1 Swanbank B) overhaul #2 Gladstone - forced out of service. | 30 |
| 5. System Restrictions affecting costs (see 10) | No claim for replacement power costs made for the period of industrial dispute, 26 - 28 March. | |
| 6. Estimated energy that would have been supplied by this plant | 30 548.0 MW hrs 10 416 | 40 |
| 7. Actual energy supplied | 0.0 MW hrs | |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank Tennyson | |
| 9. Cost of normal replacement energy for period | \$30 548.00 | |
| 10. Other than normal replacement energy costs caused by outage | - | 50 |
| 11. Total Costs | \$30 548.00 | |
| 12. Progressive Total | \$590 437.00 | |

*copy sent
Adgwick
11.6.80*

M. J. ...
(S.) PERFORMANCE ENGINEER
Exhibit "G"

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In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

DATE: 14 APRIL 1980

10 TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE B |
|---|---|
| 1. Cause of outage | Ingress of water to turbine. |
| 2. Period of outage to be costed | 9th to 15th March |
| 3. Is the outage to be claimed against insurance? | YES |
| 4. Availability of other major plant | # 4 Unit Gladstone } scheduled # 2 Unit Swanbank B } maint- # 2 Unit Gladstone } enance. -forced out of service. |
| 5. System Restrictions affecting costs (see 10) | - |
| 6. Estimated energy that would have been supplied by this plant | 6908 Mw hrs. |
| 7. Actual energy supplied | 0.0 Mw hrs. |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank B Swanbank A |
| 9. Cost of normal replacement energy for period | \$17 772.00 |
| 10. Other than normal replacement energy costs caused by outage | - |
| 11. Total Costs | \$17 772.00 |
| 12. Progressive Total | \$540 230.00 |

David John Baguley

R. P. Thorne
PERFORMANCE ENGINEER
Exhibit "G"

QUEENSLAND ELECTRICITY GENERATING BOARD

DATE: 14 APRIL 1982

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

FROM: PERFORMANCE ENGINEER

10

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE - B |
|---|--|
| 1. Cause of outage | Ingress of water to turbine |
| 2. Period of outage to be costed | 3rd February to 8th March |
| 3. Is the outage to be claimed against insurance? | YES |
| 4. Availability of other major plant | 1 Gladstone unit } Out of service 1 Swanbank unit } on scheduled maintenance. |
| 5. System Restrictions affecting costs (see 10) | - |
| 6. Estimated energy that would have been supplied by this plant | 21820.0 Mw hrs. |
| 7. Actual energy supplied | 0.0 Mw hrs. |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank A Tennyson A & B |
| 9. Cost of normal replacement energy for period | \$78 326.00 |
| 10. Other than normal replacement energy costs caused by outage | - |
| 11. Total Costs | \$78 326.00 |
| 12. Progressive Total | \$522 458.00 |

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Copy sent to ...

P.B. Brown
PERFORMANCE ENGINEER
Exhibit "G"

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In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

DATE: 3/4/80

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

10 FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE 'B' |
|---|---|
| 1. Cause of outage | Ingress of water to turbine. |
| 2. Period of outage to be costed | 30th December to 2nd February |
| 3. Is the outage to be claimed against insurance? | Yes |
| 4. Availability of other major plant | 1 Gladstone unit out of service for whole period. 1 Callide unit out of service from 7th Jan. to 20th Jan. 1980. |
| 5. System Restrictions affecting costs (see 10) | - |
| 6. Estimated energy that would have been supplied by this plant | 18 340 Mwhs |
| 7. Actual energy supplied | 0 Mwhs |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank A Tennyson B |
| 9. Cost of normal replacement energy for period | \$53 132.00 |
| 10. Other than normal replacement energy costs caused by outage | - |
| 11. Total Costs | \$ 53 132.00 |
| 12. Progressive Total | \$444 132.00 |

Copy sent to Mr. Baguley

P. E. Baguley
PERFORMANCE ENGINEER
Exhibit "G"

QUEENSLAND ELECTRICITY GENERATING BOARD

DATE: 11 February 1983

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

10

FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE 'B' | |
|---|--|----|
| 1. Cause of outage | Ingress of water to turbine causing bending & cracking of H.P. turbine shaft. | 20 |
| 2. Period of outage to be costed | 2nd December 1979 to 29th December 1979 | |
| 3. Is the outage to be claimed against insurance? | Yes | |
| 4. Availability of other major plant | Gladstone out of service for whole period. Swanbank A out of service to 18th December 1979. | 30 |
| 5. System Restrictions affecting costs (see 10) | - | |
| 6. Estimated energy that would have been supplied by this plant | MWhs 14 800 GWh's | |
| 7. Actual energy supplied | 0 GWh's MWh's | 40 |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank A & B Tennyson A & B | |
| 9. Cost of normal replacement energy for period | \$72 800 | |
| 10. Other than normal replacement energy costs caused by outage | - | |
| 11. Total Costs | \$72 800 | 50 |
| 12. Progressive Total | \$391 000.00 | |

P. B. Baguley
PERFORMANCE ENGINEER
Exhibit "G"

In the Supreme
Court of
Queensland

QUEENSLAND ELECTRICITY GENERATING BOARD

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

DATE: 29/1/80

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

10

FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE 'B' |
|---|--|
| 1. Cause of outage | Ingress of water to turbine causing bending and cracking of the H.P. turbine shaft. |
| 20 2. Period of outage to be costed | 28 October 1979 1 December 1979 |
| 3. Is the outage to be claimed against insurance? | Yes |
| 4. Availability of other major plant | Plant at Gladstone, Collinsville, Callide and Swanbank A was out of service. |
| 30 5. System Restrictions affecting costs (see 10) | With units out of service at Gladstone, Collinsville, Callide, Swanbank A the replacement power for Collinsville B will be supplied to a greater extent by Tennyson A & B than previously anticipated. |
| 6. Estimated energy that would have been supplied by this plant | 19 900 MWH's |
| 7. Actual energy supplied | - |
| 40 8. Plant which supplied shortfall in energy | Swanbank B Swanbank A Tennyson B Tennyson A |
| 9. Cost of normal replacement energy for period | \$99 500 |
| 10. Other than normal replacement energy costs caused by outage | - |
| 11. Total Costs | \$99 500 |
| 50 12. Progressive Total | \$318 200 |

P. E. Brome

PERFORMANCE ENGINEER

Exhibit "G"

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QUEENSLAND ELECTRICITY GENERATING BOARD

*In the Supreme
Court of
Queensland*

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

10/11/83

22 November 1979

10

TO: PLANNING & PERFORMANCE
INVESTIGATIONS ENGINEER

FROM: GENERATION OPERATIONS FEWSTER

REPLACEMENT POWER COSTS - COLLINSVILLE B

1. The major factors affecting the cost of replacement power during the forced outage of Collinsville B power station are:-

20

(a) Scheduled Overhauls at Gladstone

It is anticipated that one unit at Gladstone will be on scheduled overhaul up until Christmas 1979.

If Collinsville B had been available, it would be required to produce more energy than normal because of the current scheduled overhaul at Gladstone.

30

(b) Scheduled Overhauls at Swanbank A

During a scheduled outage of a unit at Gladstone, up to 40% of the energy normally generated by this unit would be produced by Swanbank A Units.

A major overhaul of No. 1 turbine at Swanbank B planned for early 1980 has necessitated the completion of all Swanbank A overhauls prior to the Christmas break. This means that, at any point in time prior to Christmas, no more than 5 Swanbank A Units will be available to supply system power requirements. This reduction in capacity combined with the overhaul of the Gladstone unit means that a significant amount of the replacement power for the Collinsville B Unit which, under other circumstances, could be expected to be supplied by Swanbank A is having to be produced at greater cost at Tennyson B.

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Tennyson B coal costs are being evaluated on a replacement coal cost basis i.e. West Moreton coal plus delivery charges to Tennyson.

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Exhibit "G" .. /2

60

In the Supreme Court of Queensland

No. 7 Affidavit of David John Baguley with Exhibits 14th June 1983 (Contd.)

10

(c) Low Blackwater Coal Railings to Gladstone

Blackwater coal railings to Gladstone continue to be below budget resulting in increasing costs of the coal being consumed at Gladstone.

Since energy production at Gladstone is cheaper than at Collinsville B any contribution of Gladstone to Collinsville B's replacement energy will offset the cost of producing replacement energy at costlier stations such as Swanbank and Tennyson. This effect is however being reduced as the average cost of the coal consumed at Gladstone increases due to the reduced Blackwater railings.

20

2. It is anticipated however, that the future cost of replacement power of Collinsville B will decrease due to:-

- (a) The seasonal reduction in peak load requirements.
- (b) The recent change in scheduling philosophy, to equalise the incremental cost of energy production at the major load centre.

30

The consequential shifting of energy production from Gladstone to Swanbank will leave Gladstone with an excess of spare generation, which will probably result in Gladstone supplying a greater portion of the replacement energy of Collinsville B than was previously the case. This should result in reduced claims on the Board's Insurers from November onwards.

40

GENERATION OPERATIONS FEWSTER

Reference Performance Eng / C.F.F.D. Lab

Herewith background information to the costing of replacement power for Collinsville 'B' outage.

50

C.A.O. For your information David Lab "11"

Exhibit "G"

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QUEENSLAND ELECTRICITY GENERATING BOARD

736/52/01

DATE: 16/11/79

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

10

FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE 'B' |
|---|---|
| 1. Cause of outage | Ingress of water to turbine causing bending & cracking of the H.P. turbine shaft. |
| 2. Period of outage to be costed | 30 September 1979 27 October 1979 |
| 3. Is the outage to be claimed against insurance? | YES |
| 4. Availability of other major plant | Plant at Gladstone, Collinsville & Swanbank A remained on scheduled annual overhaul. |
| 5. System Restrictions affecting costs (see 10) | The majority of the replacement power could normally be expected to be met by the 6th unit at Swanbank however since a Sw. 'A' unit is on overhaul this energy is being taken up by Tennyson B at a lower efficiency & higher replacement coal price. |
| 6. Estimated energy that would have been supplied by this plant | 16 500 MWhrs |
| 7. Actual energy supplied | - |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank A & B Tennyson B |
| 9. Cost of normal replacement energy for period | \$66 000 |
| 10. Other than normal replacement energy costs caused by outage | - |
| 11. Total Costs | \$66 000 |

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12. *Impression Total* \$218,700

Performance
PERFORMANCE ENGINEER
Exhibit "G"

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In the Supreme Court of Queensland

No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

A36/52/01

DATE: 12 November 1979

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

FROM: PERFORMANCE ENGINEER

10

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE 'B' |
|---|---|
| 1. Cause of outage | Bent and cracked shaft due to ingress of water into turbine. |
| 2. Period of outage to be costed | 16 September 1979 to 29 September 1979 |
| 3. Is the outage to be claimed against insurance? | Yes |
| 4. Availability of other major plant | No. 3 Unit Gladstone on scheduled overhaul. No. 1 Unit Collinville on annual overhaul. No. 2 Unit Collinville, 12MW only available burning oil. |
| 5. System Restrictions affecting costs (see 10) | Limitation of power transfer from Northern Region to Central Region lifted on 19 September due to completion of stringing the second circuit of Nebo to Moranbah transmission line. |
| 6. Estimated energy that would have been supplied by this plant | 11600 MWhrs |
| 7. Actual energy supplied | 0 MWhrs |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank Tennysen |
| 9. Cost of normal replacement energy for period | \$28 000 |
| 10. Other than normal replacement energy costs caused by outage | \$ 2 650 |
| 11. Total Costs | \$30 650 |
| 12. Progressive Total | \$152 700 |

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P. V. ... Exhibit "G"

PERFORMANCE ENGINEER

Eng. This report was prepared using standard method approved by the assessors. A standard cost using current prices will be computed for future use. P.R. ...

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QUEENSLAND ELECTRICITY GENERATING BOARD

A36/52/01

10

12 October 1979

Noted 15/10
[Signature]
Secretary for nothing.

TO: CHIEF ADMINISTRATION OFFICER

FROM: CHIEF ENGINEER GENERATION OPERATIONS

20

DAMAGE TO COLLINSVILLE NO. 5 UNIT

Generation Operations Department has been calculating on a daily basis the cost of replacement energy caused by the outage of No. 5 Unit at Collinsville. Weekly summaries have been prepared for the 5 weeks up to 15 September 1979. As the Claims Deductible of \$100 000 for replacement energy costs has now been exceeded (by approximately \$20 000), it may be an opportune time for the Insurance Brokers to examine our methods of calculation so that there will be no problems in the future when the claim is made.

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[Signature]

D.M. Cole

CHIEF ENGINEER GENERATION OPERATIONS

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Exhibit "G"

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In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

A36/52/01
DATE: 2/10/79

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER.

FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE B |
|---|--|
| 1. Cause of outage | Ingress of water to turbine. |
| 2. Period of outage to be costed | 9 September 1979 to 15 September 1979 |
| 3. Is the outage to be claimed against insurance? | Yes |
| 4. Availability of other major plant | No. 3 Unit Gladstone & No. 1 Unit Collinsville A on scheduled overhaul. All other major plant available. |
| 5. System Restrictions affecting costs (see 10) | Limitation on power transfer from Central to Northern Region. |
| 6. Estimated energy that would have been supplied by this plant | 5 800 MWhrs |
| 7. Actual energy supplied | 0 MWhrs |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank Collinsville A Tennyson B |
| 9. Cost of normal replacement energy for period | \$15 350 |
| 10. Other than normal replacement energy costs caused by outage | \$18 350 |
| 11. Total Costs | \$33 700 |

Performance
PERFORMANCE ENGINEER
Exhibit "G"

QUEENSLAND ELECTRICITY GENERATING BOARD

A36/52/01

DATE: 2/10/79

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

10

FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE B |
|---|---|
| 1. Cause of outage | Ingress of water to turbine. |
| 2. Period of outage to be costed | 2 September 1979 to 8 September 1979 |
| 3. Is the outage to be claimed against insurance? | Yes |
| 4. Availability of other major plant | No. 3 Unit Gladstone on scheduled overhaul. No. 1 Unit Collinsville commenced overhaul otherwise all major plant available. |
| 5. System Restrictions affecting costs (see 10) | Limitation on power transfer from Central to Northern Region due to stringing of second circuit of Nebo to Moranbah transmission line |
| 6. Estimated energy that would have been supplied by this plant | 5 800 MWhrs |
| 7. Actual energy supplied | 0 MWhrs |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank Collinsville A Tennysen B |
| 9. Cost of normal replacement energy for period | \$14 750 |
| 10. Other than normal replacement energy costs caused by outage | \$19 300 |
| 11. Total Costs | \$34 050 |

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[Signature]
PERFORMANCE ENGINEER
Exhibit "G"

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In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

736/52/01
DATE: 2/10/79

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

10 FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE B |
|---|---|
| 1. Cause of outage | Ingress of water resulting in the turbine shaft being bent and cracked. |
| 2. Period of outage to be costed | 26 August 1979 to 1 September 1979 |
| 3. Is the outage to be claimed against insurance? | Yes |
| 4. Availability of other major plant | All major plant available up to 30 August. Gladstone No. 3 Unit commenced overhaul on 31 August. Note: No.1 Collinsville still O/S |
| 5. System Restrictions affecting costs (see 10) | Limitation on power transfer from Central Region to Northern Region due to stringing of second circuit on Nebo to Moranbah transmission line. |
| 6. Estimated energy that would have been supplied by this plant | 5 000 MWhrs |
| 7. Actual energy supplied | 0 MWhrs |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank B Swanbank A Collinsville A Tennyson B |
| 9. Cost of normal replacement energy for period | \$12 600 |
| 10. Other than normal replacement energy costs caused by outage | \$14 200 |
| 11. Total Costs | \$26 800 |

P. B. Brown
PERFORMANCE ENGINEER
Exhibit "G"

QUEENSLAND ELECTRICITY GENERATING BOARD

No. 7
Affidavit of David John Baguley with Exhibits
14th June 1983
(Contd.)

A3G/52/01
DATE: 31.8.79

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

10

FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE B |
|---|---|
| 1. Cause of outage | Bent shaft caused by ingress of water into turbine. |
| 2. Period of outage to be costed | 19 August 1979 to 25 August 1979 |
| 3. Is the outage to be claimed against insurance? | Yes |
| 4. Availability of other major plant | No.1 Unit Collinsville out of service otherwise all major plant available. |
| 5. System Restrictions affecting costs (see 10) | Limitation on power transfer from Central Region to Northern Region due to stringing of second circuit on the Nebo to Moranbah transmission line. |
| 6. Estimated energy that would have been supplied by this plant | 4 500 MWhrs |
| 7. Actual energy supplied | 0 MWhrs |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank B Swanbank A |
| 9. Cost of normal replacement energy for period | \$12 300 |
| 10. Other than normal replacement energy costs caused by outage | \$ 4 200 |
| 11. Total Costs | \$16 500 |

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P. B. Brown

PERFORMANCE ENGINEER
Exhibit "G"

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In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

A36/52/01

DATE: 31.8.79

TO: CHIEF ENGINEER GENERATION OPERATIONS
CHIEF ADMINISTRATION OFFICER

FROM: PERFORMANCE ENGINEER

COST OF PLANT OUTAGE REPORT

| PLANT | COLLINSVILLE B |
|---|--|
| 1. Cause of outage | Bent shaft caused by ingress of water into turbine. |
| 2. Period of outage to be costed | 12 August 1979 to 18 August 1979 |
| 3. Is the outage to be claimed against insurance? | Yes |
| 4. Availability of other major plant | No. 1 Unit at Collinsville out of service otherwise all major plant available. |
| 5. System Restrictions affecting costs (see 10) | Limitation on power transfer from Central Region to Northern Region, due to stringing of second circuit on the Nebo to Moranbah transmission line. |
| 6. Estimated energy that would have been supplied by this plant | 4 800 MWhrs |
| 7. Actual energy supplied | 0 MWhrs |
| 8. Plant which supplied shortfall in energy | Gladstone Swanbank B Swanbank A |
| 9. Cost of normal replacement energy for period | \$11 000 |
| 10. Other than normal replacement energy costs caused by outage | - |
| 11. Total Costs | \$11 000 |

P. E. Brennan

PERFORMANCE ENGINEER

Exhibit "G"

IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

20

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

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This and the preceding 19 pages is the exhibit marked with the letter
"G" mentioned and referred to in the Affidavit of DAVID JOHN BAGULEY
sworn herein before me this ^{14th} day of JUNE 1983.


Solicitor

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In the Supreme Court of Queensland

No. 7 Affidavit of David John Baguley with Exhibits 14th June 1983 (Contd.)

INSURANCE COMPANY OF NORTH AMERICA (AUSTRALIA) LTD.

Our Ref. 1Q1022 436-3

"H" MBS - Purifreys (Qld) MBS Loss Adjusters

Supreme Court of Queensland 11. OCT. 1983 FILED BRISBANE

CHARTERED LOSS ADJUSTERS BRISBANE 57-111 BRISBANE QUEENSLAND AUSTRALIA PHON 0712211672

DECLARATION OF LOSS This Form is issued without admission of liability and is subject to acceptance by the Insurers.

10

IAN WILSON, Secretary of THE QUEENSLAND ELECTRICITY GENERATING BOARD Address GPO Box 1424, Brisbane, Qld. 4001

do solemnly and sincerely declare that at or about 11.20 o'clock p.m. on the 11th day of August 1979

a (1) breakdown of C.A. Parsons 60 MW Steam Turbine occurred at Collinsville Power Station, North Queensland

occasioned to the best of my belief by (2) thermal shock from carry-over of water from boiler, probably due to operator error in failure to shut "A" side atomizer or spray valve after boiler flame out.

That the property as specified in annexed schedule and insured under Policy No. damaged and additional costs of generating was (3) electricity were incurred according to the values stated herein and we claim nine hundred and two thousand two hundred and forty-seven dollars (\$902,247) in respect thereof.

That there was no insurance other than the above-named current on or extending to the said property, or any part of it, at the time of the occurrence except Nil

That the property was owned by the Board at the date of the occurrence and that no other party had any interest therein except (4) Nil

That the Board have not previously made a claim on any insurance company in respect of loss by machinery breakdown save and except as known to Insurers

That the annexed schedule is a true and faithful account of the actual loss sustained by the Board under the circumstances named above, without including any profit or advantage of any kind.

That all the conditions and warranties of the Policy have been complied with.

That we have in no manner caused the said loss, or by any fraud or wilful misrepresentation sought unjustly to benefit thereby; and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the 'Oaths Act of 1867'.

Taken and Declared at Brisbane this 23rd day of June in the year of our Lord one thousand nine hundred and eighty-one

Signature: [Signature] I. Wilson

Before me [Signature] -104-

Exhibit "H" Please complete back sheet

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| DESCRIPTION OF PROPERTY OR ITEMS | Amount of claim. |
|---|------------------|
| TO CONSEQUENTIAL LOSS BY MACHINERY BREAKDOWN AS HEREUNDER: | |
| Section 4 - Additional costs incurred in consequence of the machinery breakdown of CA Parsons 60 MW Steam Turbine for the purpose of maintaining normal levels of generation of electricity | 1,002,247 |
| Less Excess | 100,000 |
| | <u>902,247</u> |
| Less Interim Payments | 400,000 |
| | <u>\$502,247</u> |

Subject to the approval of Insurance Company of North America (Australia) Ltd. and to the terms and conditions of the Policy, we acknowledge having previously received amounts totalling \$400,000 and hereby agree to accept the sum of \$502,247 in full satisfaction and discharge of all claims under the Consequential Loss Policy arranged by Sedgwick Pty. Ltd. arising from the machinery breakdown to the CA Parsons 60 MW Steam Turbine which occurred at Collinsville Power Station on or about the 11th day of August, 1979.

For and on behalf of
THE QUEENSLAND ELECTRICITY GENERATING BOARD


.....
I. Wilson
Secretary

I, the undersigned _____ hereby acknowledge that the sum insured under Insurance Policy No. _____ is reduced and shall remain reduced by the sum of _____ pending reinstatement to the full monetary extent of the insurance which was existent under the said policy immediately prior to the loss referred to on the reverse side hereof.

Signature _____

Witness _____

Date _____

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In the Supreme
Court of
Queensland

No. 7
Affidavit of David
John Baguley
with Exhibits
14th June 1983
(Contd.)

10

IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

20

NEW HOPE COLLIERIES PTY. LTD.

Defendant

30

This and the preceding one page is the exhibit marked with the
letter "H" mentioned and referred to in the Affidavit of DAVID
JOHN BAGULEY sworn herein before me this 14th day of JUNE
1983.


Solicitor

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Affidavit of Norman Ross Walker with Exhibits - 15th June 1983

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983

IN THE SUPREME COURT OF QUEENSLAND

11.OCT.1983 FILED BRISBANE

No. 802 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

10

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

I NORMAN ROSS WALKER of 11 Balmore Street, Indooroopilly, Brisbane in the State of Queensland, Corporate Economist, being duly sworn make oath and say as follows:-

20

AFFIDAVIT OF NORMAN ROSS WALKER (Filed on behalf of Plaintiff)

1. I am the Chief Finance Officer of the Plaintiff.

2. It is the responsibility of the department of the Plaintiff of which I am the senior officer to prepare annual budget forecasts for the Plaintiff in each financial year, which runs from 1 July in each year to the next succeeding 30 June.

30

3. The budgetary process of the Plaintiff requires that five years forecasts of operating results are produced annually on a rolling five yearly basis. Pursuant to sub-section 70(1) of the Electricity Act those five yearly forecasts are submitted to the State Electricity Commission to be used by it in determining the bulk supply prices. Once those determinations have been made, the revenue available for the annual operating budget for the first year of each forecast period is finalised.

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WILLIAMS & WILLIAMS Solicitors National Bank House 255 Adelaide Street BRISBANE 4000 Telephone: 221.7899 LGW:GNM

Handwritten signature and stamp area with labels: I, DIRECTOR, CLIENT, REFERRED, EM

FIRST SHEET

Deponent (Signature)

A Justice of the Peace (Signature)

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4. The submissions in relation to the five yearly forecasts of operating results are submitted to the State Electricity Commission in April in each year. Bulk supply prices are gazetted in May/June in each year.

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5. Now produced before me and marked with the letters "A1", "A2", "A3", "A4" and "A5" respectively are copies of letters from the Plaintiff to the State Electricity Commission dated 28 April 1978, 3 April 1979, 31 March 1980, 1 April 1981 and 6 April 1982, together with their enclosures, which are the five yearly forecasts and reports thereon prepared during the period from 1 January 1978 to 31 December 1982.

20

6. As appears from the item in relation to fuel on pages 4 to 5 of the 1982 budget submission, to which the corresponding item in the forecasts for prior years are in this respect similar, the total cost of coal consumed by the Plaintiff is one of the expenses contained in the submission to the Commission.

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7. The accounting procedures adopted by the Plaintiff are such that the estimate there quoted and the corresponding estimates in the forecasts of previous years includes the prices of coal estimated to be payable by the Plaintiff pursuant to its various coal supply agreements in the ensuing year.

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Deponent

SECOND SHEET


A Justice of the Peace

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8. If the anticipated costs of acquisition of coal from the Defendant in this action had been greater than those anticipated by the Plaintiff at the time of submission of the five forecasts herein referred to, the anticipated costs of fuel consumption shown in each of the forecasts would have been increased.

9. In calculating the anticipated cost of coal consumed in each of the said forecasts, the Plaintiff proceeded upon the assumption that the escalation provisions contained in the various coal supply agreements would apply in determining the actual cost of the coal consumed. If it were the position, as the Defendant contends, that the Board was subject to a greater liability in respect of the purchase of coal from the Defendant, the cost of coal consumed shown in the forecasts would in each case have been increased.

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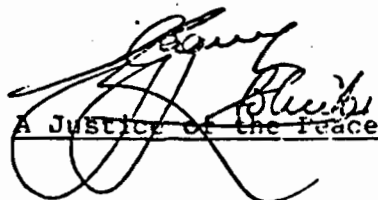
30

10. I verily believe that in determining the bulk supply tariff for electricity, the State Electricity Commission took into account the submissions contained in the forecasts.

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THIRD SHEET


Deponent


A Justice of the Peace

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In the Supreme
Court of
Queensland

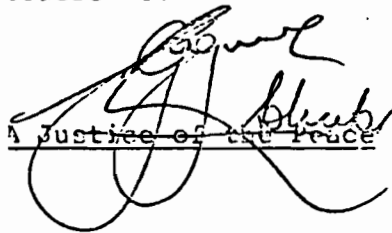
No. 8
10 Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

11. All the facts and circumstances herein deposed to are within my own knowledge save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my Affidavit.

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SWORN by the abovenamed
Deponent at BRISBANE
in the State of QUEENSLAND
this FIFTEENTH day
of JUNE 1983,
before me:

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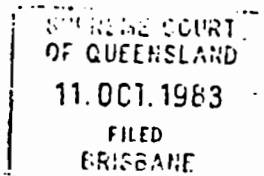

A Justice of the Peace

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184/14/2/Cb.A. (U)
E2460/ADP

28 April 1978

*In the Supreme
Court of
Queensland*

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

The Secretary,
The State Electricity Commission
of Queensland,
P.O. Box 10,
BRISBANE. QLD. 4001

Dear Sir,

A Five Years Forward Forecast of Operating Results
and Information Required for Bulk Supply Determination

The following information is submitted for your information in accordance with your request in your letter of 25 October, 1977. The letter referred to guideline relating to budget requirements and in particular certain information was requested in Item 3.

1. Nine Month Review of the Budget 1977/78

The statements of actual results to 31 March 1978 are included in this review and the forecast results for the year ending 30 June 1978 are compared with the budget for the year. Individual budgets of antecedent authorities for bulk supply purposes for the 1977/78 year are not available for comparison.

The expenditure associated with 275kV transmission is not identified separately and as advised to your Budgets Officer this information is not available on this occasion.

Details of the basis on which receipts from Q.A.L. and Utah are calculated are included in the Statement of Information referred to later.

2. Preliminary Operating Fund Budget 1978/79

This budget supplies the detailed information requested in section A(1) in Item 3.

3. Five Years Forecast of Operating Results 1978/79 - 1982/83

This forecast is submitted to meet the requirements set out in sections A(1) and A(11).

4. Statement of Information Required for Bulk Supply Determination

The information in this statement is referenced to the sections in Item 3 of your letter.

The enclosed review, budget and forecasts were submitted to the meeting of the Board held on 28 April 1978.

If there is any further information or explanation you require would you please let us know.

Yours faithfully,



I. Wilson
SECRETARY

Encl.

ENQUIRIES - Mr. Keith Ernst
Telephone 228 2356

Exhibit "A1"

In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

184/14/2

THE QUEENSLAND ELECTRICITY GENERATING BOARD
STATEMENT OF INFORMATION REQUIRED FOR FULL
SUPPLY DETERMINATION 1978/79

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(1) (a) The sales of energy to Electricity Boards and consumers supplied from the main coastal grid are shown in Appendix 1. The unit of energy is a giga watt/hour.

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(1) (b) Standard weather maximum demand.
Please refer to the Statewide Demand Balance (Appendix 5).

(1) (c) Maximum demands at the time of system maximum demand.
Please refer to the Statewide Demand Balance (Appendix 5).

(1) (d) Units generated and sent out from Board power stations are shown in Appendix 2.

30

(1) (e) It is estimated that the following units will be purchased in each of the years 1977/78 to 1982/83 from
Somerset Dam (Brisbane City Council) 4 GWh
Sugar Mills 15 GWh

(1) (f) Standard weather maximum demand at power stations for the system at the time of system maximum demand.

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(1) (g) Maximum demand at time of maximum demand.
Please refer to the Statewide Demand Balance (Appendix 5).

(1) (h) Energy loss in main transmission and associated transformers expressed as a percentage of energy sent out of power stations.

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| <u>Year</u> | <u>Loss</u> |
|-------------|-------------|
| 1978/79 | 6.04% |
| 1979/80 | 6.19% |
| 1980/81 | 7.19% |
| 1981/82 | 7.41% |
| 1982/83 | 7.44% |

(1) (i) Please refer to Statewide Demand Balance. (Appendix 5).

Exhibit "A1"

60

- (i)(j) The receipts from Queensland Alumina Limited are based on -
- . the adjusted firm notified demand as at February, 1978.
 - . the estimated energy consumption as shown in Appendix 1.
 - . the charges for demand and energy escalated, in accordance with the Agreement between the Board and the Company, to the end of February, 1978.

10

20

The receipts from Utah have been calculated as though the energy was supplied to Mackay and Capricornia Electricity Boards i.e. at bulk supply tariffs. This demand has been charged at \$5.25 per KW/month and energy at the rate of 0.8982 cents per KWh.

Capital charges for the year 1978/79 and subsequent years have been estimated in the dissection requested and are shown in the table below. No allowance has been made for capitalising interest on projects in course of construction.

30

Charges for Interest and Redemption
1977/78 - 1982/83

| | Interest | | Redemption | |
|---------|-------------|-------------|-------------|-------------|
| | Budget Year | Prior Years | Budget Year | Prior Years |
| | \$000 | \$000 | \$000 | \$000 |
| 1977/78 | | | | |
| 1978/79 | 6 160 | 43 300 | 572 | 6 327 |
| 1979/80 | 11 040 | 49 470 | 780 | 6 899 |
| 1980/81 | 8 150 | 60 510 | 422 | 7 630 |
| 1981/82 | 6 990 | 68 660 | 468 | 8 102 |
| 1982/83 | 8 460 | 75 640 | 585 | 8 570 |

40

- (i)(k) The estimate of cost of fuel consumed for the 1978/79 year is shown in Appendix 3 with details of the basis of the estimate. Estimates for the years 1979/80 - 1982/83 are shown in Appendix 4 and have been calculated with allowances of 5% for escalation of coal costs and 10% for fuel oil costs.

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- (i) (l) The total salaries and wages component in 1978/79, including provisions for long service superannuation etc. are listed below:

| | \$ |
|-------------------------------|----------------------|
| 10 Generation | 25,554,000 |
| Transmission | 3,045,300 |
| System Operations | 1,519,700 |
| Management and Administration | <u>3,167,800</u> |
| | <u>\$ 33,686,800</u> |

- (i) (m) In preparing estimates, particularly those relating to units sent out by individual power stations the following assumptions have been made regarding station operation.

20

(a) Commissioning

| | |
|----------------------|--------------|
| Gladstone No. 3 Unit | May 1978 |
| " No. 4 Unit | March 1979 |
| " No. 5 Unit | March 1981 |
| " No. 6 Unit | March 1982 |
| Wivenhoe No. 1 Unit | January 1983 |

(b) Re-commissioning

| | |
|-------------|--------------|
| Rockhampton | October 1978 |
| Eward | July 1980 |

30

These dates refer to the month in which it is assumed energy production will commence or cease.

- (i) (n) It is expected that the following additional bulk supply points will be installed in the years shown.

40

| | |
|------------------|---------------|
| T.15 Loganlea | December 1978 |
| T.30 Ashgrove | May 1979 |
| T.18 Mooloolabah | June 1979 |

50

Exhibit "A1"

60

APPENDIX 1

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Sales to Electricity Board areas and consumers supplied from main coastal grid 1977/78, 1978/79 and 1979/80 - 1982/83

| | GIGAWATT / HOURS | | | | | | |
|--|------------------|-------|---------|---------|---------|---------|---------|
| | 1977/78 | | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | 9 months | Year | | | | | |
| S.E.Q.E.B. | 3 888 | 5 256 | 5 676 | 6 002 | 6 423 | 6 872 | 7 353 |
| S.W.Q.E.B. (excl. Taroom Shire) | 347 | 470 | 503 | 508 | 534 | 560 | 585 |
| S.W.Q.E.B. (Taroom Shire) | 4 | 6 | 6 | 6 | 7 | 7 | 8 |
| W.B.-B.E.B. | 270 | 359 | 379 | 413 | 442 | 478 | 515 |
| C.E.B. (excl. Taroom Shire) | 476 | 642 | 659 | 707 | 737 | 803 | 838 |
| M.E.B. | 184 | 244 | 266 | 289 | 315 | 342 | 371 |
| N.Q.E.B. | 522 | 691 | 741 | 793 | 850 | 910 | 975 |
| F.N.Q.E.B. | 294 | 391 | 419 | 445 | 474 | 504 | 537 |
| UTAIL in N.Q. (to be included with M.E.B. and C.E.B. from 1978/79) | 226 | 305 | 320 | 350 | 420 | 470 | 470 |
| Q.A.L. | 387 | 522 | 532 | 568 | 601 | 644 | 587 |
| COMALCO | - | - | - | - | - | 333 | 999 |
| | 6 598 | 8 886 | 9 501 | 10 081 | 10 803 | 11 923 | 13 342 |

B(I-III)(a)

S.E.Q.E.B.
 S.W.Q.E.B. (excl. Taroom Shire)
 S.W.Q.E.B. (Taroom Shire)
 W.B.-B.E.B.
 C.E.B. (excl. Taroom Shire)
 M.E.B.
 N.Q.E.B.
 F.N.Q.E.B.
 UTAIL in N.Q. (to be included with M.E.B. and C.E.B. from 1978/79)
 Q.A.L.
 COMALCO

Exhibit "A1"

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OPERATING FUND BUDGET 1978/79

| STATION | UNITS SENT OUT (GWh) | UNITS GENERATED (GWh) | THERMAL EFF. (UG) % | COAL | | OIL | | | TOTAL FUEL COST \$ | |
|-----------------------|----------------------|-----------------------|---------------------|---------------------|------------|---------------------|--------------|---------|--------------------|--------------|
| | | | | CONSUMED (k tonnes) | H.V. MJ/kg | CONSUMED (k litres) | H.V. (MJ/kg) | COST \$ | | |
| | | | | | | | | | | COST \$ |
| N.O. Hydro | 543 | 547 | - | - | - | - | - | - | - | |
| Collinsville 'A' | 558 | 596 | 29.08 | 269 | 26.88 | 4,439,000 | 3768 | 45.4 | 445,000 | 4,884,000 |
| Collinsville 'D' | 253 | 271 | 31.34 | 114 | 26.99 | 1,881,000 | 1308 | 45.4 | 155,000 | 2,036,000 |
| Hackay G.T. | 2 | 2 | 17.82 | - | - | - | 1100 | 46.50 | 115,000 | 115,000 |
| Gladstone (Incl.G.T.) | 4885 | 5085 | 35.83 | 1850* | 27.2 | 19,054,000 | 20160 | 45.86 | 2,019,000 | 21,073,000 |
| Callide | 711 | 761 | 29.55 | 443 | 20.93 | 4,401,000 | 264 | 45.82 | 30,000 | 4,431,000 |
| Rockhampton | 9 | 10 | 17.68 | 8 | 26.1 | 138,000 | - | - | - | 138,000 |
| Rockhampton G.T. | 1 | 1 | 20.54 | - | - | - | 500 | 42.89 | 53,000 | 53,000 |
| Swanbank 'B' | 1871 | 2034 | 34.98 | 868 | 23.5 | 20,012,000 | 1790 | 44.78 | 184,000 | 20,196,000 |
| 'A' | 1032 | 1147 | 30.62 | 563 | 23.5 | 12,641,000 | 6830 | 44.78 | 700,000 | 13,341,000 |
| Tennyson 'B' | 108 | 117 | 25.81 | 68 | 24.0 | 1,522,000 | - | - | - | 1,522,000 |
| 'A' | 43 | 49 | 20.42 | 36 | 24.0 | 796,000 | - | - | - | 796,000 |
| Bulimba 'B' | 35 | 42 | 19.69 | 32 | 24.0 | 699,000 | - | - | - | 699,000 |
| Howard | 36 | 39 | 21.20 | 23 | 28.8 | 486,000 | - | - | - | 486,000 |
| Swanbank 'C' | 1.8 | 1.8 | 14.98 | - | - | - | 1200 | 43.03 | 122,000 | 122,000 |
| Middle Ridge | 3.2 | 3.2 | 13.51 | - | - | - | 2400 | 43.03 | 270,000 | 270,000 |
| Sugar Mills | 15 | 15 | - | - | - | - | - | - | - | - |
| Semerset Dam | 4 | 4 | - | - | - | - | - | - | - | - |
| TOTAL: | 10111 | | | | | | | | | \$70,162,000 |

Exhibit "A1"

* 1850 equivalent k tonnes (H.V. = 27.2 MJ/kg). It has been assumed that 200 k tonnes of Callide coal (H.V. = 20.7 MJ/kg) and 1700 k tonnes of Blackwater coal (H.V. = 27.2 MJ/kg) have been burnt. The delivered price of Callide coal is assumed to be \$11.60 per tonne.

APPENDIX 4

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Estimate of Cost of Fuel Consumed at Power Stations
(Excluding handling costs)
1979/80 - 1982/83

| Station(s) | 1979/80 | | 1980/81 | | 1981/82 | | 1982/83 | |
|---------------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| | Coal \$'000 | Oil \$'000 | Coal \$'000 | Oil \$'000 | Coal \$'000 | Oil \$'000 | Coal \$'000 | Oil \$'000 |
| Swanbank | 28 792 | 986 | 30 488 | 1 148 | 28 514 | 1 263 | 29 031 | 1 389 |
| Tennyson / Bulimba | 1 755 | - | 1 596 | - | 774 | - | 1 005 | - |
| Howard | 422 | - | - | - | - | - | - | - |
| Swanbank 'C' Middle Ridge | - | 242 | - | 134 | - | 88 | - | 97 |
| Gladstone | 26 824 | 2 656 | 32 147 | 3 175 | 39 760 | 4 331 | 48 473 | 5 379 |
| Callide | 3 936 | 65 | 4 057 | 86 | 4 033 | 111 | 4 633 | 87 |
| Rockhampton G.T. | - | 63 | - | 34 | - | 23 | - | 25 |
| Mackay G.T. | - | 128 | - | 140 | - | 155 | - | 170 |
| Collinsville | 6 803 | 680 | 6 960 | 733 | 6 915 | 774 | 7 673 | 887 |
| Total - Coal and Oil | 68 532 | 4 820 | 75 248 | 5 450 | 79 996 | 6 745 | 90 815 | 8 034 |
| Total - Fuel | 73 352 | | 80 698 | | 86 741 | | 98 849 | |

In the Supreme Court of Queensland

No. 8
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Exhibit "A1"

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

APPENDIX

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Units generated and sent out for each Power Station 1977/78, 1978/79 and 1979/80 - 1982/83

B(I-III)(d)

GIGAWATTHOURS

| | 1977/78 | | 1978/79 | | 1979/80 | | 1980/81 | | 1981/82 | | 1982/83 | |
|------------------|---------|----------|---------|----------|---------|----------|---------|----------|---------|----------|---------|----------|
| | Gen. | Sent Out | Gen. | Sent Out | Gen. | Sent Out | Gen. | Sent Out | Gen. | Sent Out | Gen. | Sent Out |
| Swanbank | 3 949 | 3 735 | 3 181 | 2 903 | 2 599 | 2 365 | 2 592 | 2 358 | 2 275 | 2 057 | 2 216 | 2 001 |
| Tennyson | 268 | 254 | 166 | 151 | 97 | 84 | 84 | 72 | 54 | 45 | 45 | 36 |
| Bullimba | 381 | 352 | 42 | 35 | | | | | | | | |
| Howard | 51 | 48 | 39 | 36 | 36 | 36 | - | - | - | - | - | - |
| Swanbank C | 19 | 18 | 5 | 5 | 6 | 6 | 3 | 3 | 2 | 2 | 2 | 2 |
| Middle Ridge | | | | | | | | | | | | |
| Gladstone | 2 573 | 2 488 | 5 085 | 4 885 | 6 629 | 6 387 | 7 514 | 7 246 | 9 249 | 8 925 | 10 880 | 10 504 |
| Gallide | 829 | 781 | 761 | 711 | 702 | 653 | 708 | 658 | 652 | 606 | 723 | 673 |
| Rockhampton | 104 | 99 | 10 | 9 | - | - | - | - | - | - | - | - |
| Rockhampton G.T. | 2 | 2 | 1 | 1 | - | - | - | - | - | - | - | - |
| N.Q. Hydro | 602 | 596 | 543 | 543 | 569 | 563 | 569 | 563 | 569 | 563 | 569 | 563 |
| Collinsville | 1 927 | 893 | 867 | 811 | 795 | 736 | 775 | 717 | 711 | 655 | 777 | 719 |
| Townsville | 5 | 5 | - | - | - | - | - | - | - | - | - | - |
| Mackay G.T. | 5 | 5 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| TOTAL | 9 715 | 9 276 | 10 706 | 10 092 | 11 435 | 10 832 | 12 247 | 11 619 | 13 514 | 12 856 | 15 214 | 14 500 |

Swanbank
Tennyson
Bullimba
Howard
Swanbank C
Middle Ridge
Gladstone
Gallide
Rockhampton
Rockhampton G.T.
N.Q. Hydro
Collinsville
Townsville
Mackay G.T.

Exhibit "A1"

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20

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APPENDIX 5.

Q.L.C.B. STATISTICAL DEMAND BALANCE - 5 YEAR FORECAST
1977/78 TO 1982/83 - MW

| | 1977/78 | | 1978/79 | | 1979/80 | | 1980/81 | | 1981/82 | | 1982/83 | |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | JULY 77 | JUNE 78 | JULY 78 | JUNE 79 | JULY 79 | JUNE 80 | JULY 80 | JUNE 81 | JULY 81 | JUNE 82 | JULY 82 | JUNE 83 |
| SUPPLY REGION | | | | | | | | | | | | |
| S.E.Q.L.B. | 76 | 80 | 80 | 85 | 85 | 90 | 90 | 95 | 95 | 101 | 101 | 114 |
| N.Q.L.B. | 123 | 141 | 141 | 151 | 151 | 162 | 162 | 173 | 173 | 185 | 185 | 198 |
| P.L.B. | 57 | 59 | 59 | 64 | 64 | 70 | 70 | 76 | 76 | 83 | 83 | 90 |
| U.I.A. | 52 | 52 | 52 | 64 | 64 | 68 | 68 | 84 | 84 | 92 | 92 | 92 |
| TRANS. FROM C.Q. TO S.Q. | 7 | 8 | 8 | 8 | 8 | 9 | 9 | 10 | 10 | 11 | 11 | 12 |
| TRANS. FROM S.Q. TO C.Q. | - | - | - | - | - | 1 | 1 | 2 | 2 | 3 | 3 | 4 |
| REGIONAL TOTAL | 313 | 340 | 340 | 372 | 372 | 400 | 400 | 440 | 440 | 475 | 475 | 510 |
| OTHER REGION | | | | | | | | | | | | |
| C.A.P. | 133 | 133 | 133 | 139 | 139 | 149 | 149 | 155 | 155 | 169 | 169 | 177 |
| C.A.L. | 82 | 82 | 82 | 82 | 82 | 86 | 86 | 70 | 70 | 75 | 75 | 80 |
| COALBURN | - | - | - | - | - | - | - | - | - | 80 | 80 | 140 |
| TRANS. FROM U.I.A. | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 | 7 | 8 | 8 | 8 |
| REGIONAL TOTAL | 190 | 201 | 201 | 207 | 207 | 222 | 222 | 232 | 232 | 332 | 332 | 425 |
| SUPPLY REGION | | | | | | | | | | | | |
| S.E.Q.L.B. | 1100 | 1122 | 1169 | 1189 | 1239 | 1257 | 1310 | 1345 | 1401 | 1438 | 1499 | 1540 |
| S.W.Q.L.B. | 125 | 123 | 128 | 130 | 136 | 131 | 137 | 138 | 144 | 145 | 151 | 152 |
| N.Q.L.B. | 81 | 79 | 79 | 84 | 84 | 91 | 91 | 98 | 98 | 106 | 106 | 114 |
| TRANS. FROM U.I.A. | 32 | 35 | 37 | 37 | 39 | 39 | 41 | 44 | 46 | 47 | 49 | 50 |
| TRANS. FROM S.Q. TO S.Q. | 7 | 62 | 62 | 81 | 81 | 81 | 81 | 117 | 117 | 126 | 126 | 154 |
| REGIONAL TOTAL | 1245 | 1421 | 1475 | 1521 | 1579 | 1599 | 1660 | 1742 | 1806 | 1862 | 1931 | 1960 |
| STATE TOTAL | 1850 | 1962 | 2016 | 2100 | 2138 | 2221 | 2282 | 2414 | 2478 | 2667 | 2738 | 2895 |

Note 1 The demands for July 1978 and June 1979 have been calculated by Electricity Boards and bulk supply customers. The demands for subsequent years have been calculated from the energy forecasts assuming that the load factors remain constant.

Note 2 The demand forecasts supplied by the Electricity Boards are maximum demands. No allowance has been made for diversity and the diversity factors which could be applied to each Board are only reasonably known for the Northern Region Boards. The total state demands are in general less than current S.E.C.Q. demand forecasts.

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(Contd.)

In the Supreme
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Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)



The Queensland Electricity Generating Board

BOARD MEMORANDUM

NO. 579

FILE NO. 184/14/2 -

10

MEETING DATE: 28th April, 1978

SUBJECT: FIVE YEAR FORECAST OF OPERATING RESULTS

In their letter of 25th October, 1977, The State Electricity Commission of Queensland forwarded a guide-line for budget presentation for the financial year 1978/79 and the ensuing four years.

20

By letter of 12th April, 1978 the Commission has requested submission of all budget information by 1st May, 1978.

A statement of the forecast operating results for the years 1978/79 to 1982/83 has been prepared and is submitted for the information of Members.

The figures for the year 1978/79 are those submitted to this meeting in the Preliminary Budget Statement - Operating Fund (Memorandum No. 536). The figures for the succeeding four years are the best estimates available and are based on -

30

- . Bulk supply prices gazetted for 1977/78
- . Annual escalation rates of -

| | |
|-----------|----|
| Labour | 8% |
| Materials | 5% |
- . Commencement of operation of Wivenhoe Power Station in January 1983

The increases in receipts and expenditure each year over the previous year on the above bases are -

40

| | <u>Percentage increase over previous year</u> | |
|-----------|---|--------------------|
| | <u>Receipts</u> | <u>Expenditure</u> |
| | % | % |
| 1978/79 * | (1.1) | 10.73 |
| 1979/80 | 2.84 | 11.12 |
| 1980/81 | 3.09 | 10.03 |
| 1981/82 | 7.27 | 7.86 |
| 1982/83 | 8.00 | 9.74 |

50

- * The decrease in receipts has been commented upon in the statements forming part of Memorandum No. 536.

Exhibit "A1"

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-2-

The overdraft balance at bank at the end of each year is shown for balancing purposes only and has not been carried forward year to year.

10

It is recommended that the Board approve the Five-Year Forecast of Operating Results required to be submitted to The State Electricity Commission of Queensland not later than 1st May, 1978.

James King
GENERAL MANAGER

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- 1. Item (07) *AM*
- 2. Item (D) *4/15*
- 2. C. Act. *el*

APPROVED
BOARD MEETING
held:
28 APR 1978
by authority
I. WILSON
SECRETARY

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40

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Exhibit "A1"

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In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83

OPERATING FUND

RECEIPTS

SALES OF ELECTRICITY :

Far North Queensland Electricity Board
North Queensland Electricity Board
Mackay Electricity Board
Large Mining Load (Utah Dev. Co.)
Capricornia Electricity Board
Large Mining Load (Utah Dev. Co.)
Wide Bay - Burnett Electricity Board
South East Queensland Electricity Board
South West Queensland Electricity Board
Queensland Alumina Limited
Comalco

Interest on Investments
Sale of Assets
Miscellaneous Receipts
Transfer of Bank Balance at 1 July

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| | FORECASTS | | | | |
|--|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | 8 551 | 8 786 | 9 045 | 9 315 | 9 611 |
| | 14 972 | 15 439 | 15 951 | 16 490 | 17 073 |
| | 6 169 | 10 705 | 11 392 | 11 931 | 12 191 |
| | 4 184 | - | - | - | - |
| | 14 109 | 16 755 | 17 201 | 17 951 | 18 266 |
| | 2 092 | - | - | - | - |
| | 6 318 | 8 623 | 8 884 | 9 207 | 9 542 |
| | 119 337 | 122 265 | 126 047 | 130 079 | 134 400 |
| | 12 510 | 12 555 | 12 797 | 13 031 | 13 291 |
| | 6 295 | 6 946 | 7 293 | 7 745 | 8 197 |
| | - | - | - | 8 031 | 19 053 |
| | 196 537 | 202 074 | 208 610 | 223 780 | 241 501 |
| | 1 700 | 1 800 | 1 580 | 1 710 | 1 920 |
| | 100 | 100 | 100 | 100 | 100 |
| | 150 | 150 | 150 | 150 | 150 |
| | 2 394 | - | - | - | - |
| | 200 881 | 204 124 | 210 440 | 225 740 | 24 330 |

\$

Exhibit "A1"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83

OPERATING FUND
DISBURSEMENTS (SUMMARY)

| | FORECASTS | | | | |
|---------------------------------------|------------|----------|----------|----------|----------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Generation | 106 131 | 112 580 | 123 500 | 133 336 | 149 326 |
| Purchase of Electricity in Bulk | 143 | 143 | 143 | 143 | 143 |
| Transmission | 5 994 | 6 549 | 7 201 | 7 909 | 8 589 |
| System Operations and Control | 1 940 | 2 160 | 2 577 | 2 792 | 3 021 |
| Management | 4 710 | 5 576 | 6 694 | 6 835 | 7 232 |
| Miscellaneous | 3 880 | 3 920 | 3 949 | 3 991 | 4 015 |
| Suspense Accounts | - | 550 | 550 | 550 | 550 |
| Capital Charges | 89 865 | 104 835 | 115 408 | 124 912 | 134 801 |
| Advances and Transfers to other Funds | - | - | - | - | - |
| | 212 663 | 236 313 | 260 022 | 280 458 | 307 777 |
| Balance at Bank - 30 June | (11 782) | (32 189) | (49 582) | (54 718) | (63 976) |
| | \$ 200 881 | 204 124 | 210 440 | 225 740 | 243 801 |

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with Exhibits
15th June 1983
(Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83
OPERATING FUND

GENERATION DISBURSEMENTS

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| | | FORECASTS | | | | |
|--|-----------------|-----------|---------|---------|---------|---------|
| | | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | Southern Region | 55 369 | 51 388 | 53 678 | 51 998 | 54 317 |
| | Central Region | 36 205 | 45 803 | 53 673 | 64 589 | 76 732 |
| | Northern Region | 14 557 | 15 389 | 16 149 | 16 749 | 18 276 |
| | | 106 131 | 112 580 | 123 500 | 133 336 | 149 325 |
| | \$ | | | | | |

Exhibit "A1"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83

OPERATING FUND

SUPPORTING DETAILS OF GENERATION DISBURSEMENTS
SOUTHERN REGION

| | FORECASTS | | | | |
|------------------------------------|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| <u>Direct Costs</u> | | | | | |
| Fuel Consumed (excluding handling) | 37 040 | 31 955 | 33 232 | 30 551 | 31 425 |
| Station Operation | 6 557 | 9 008 | 9 479 | 9 969 | 10 742 |
| Station Maintenance | 6 412 | 8 724 | 9 169 | 9 626 | 10 169 |
| Station Administration | 950 | 840 | 884 | 927 | 1 001 |
| | 50 959 | 50 527 | 52 764 | 51 073 | 53 337 |
| <u>Indirect Costs</u> | | | | | |
| | 4 410 | 861 | 914 | 925 | 980 |
| | 55 369 | 51 388 | 53 678 | 51 998 | 54 317 |

\$

Direct Costs

Fuel Consumed (excluding handling)

Station Operation

Station Maintenance

Station Administration

Indirect Costs

Exhibit "A1"

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THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING EXPENDITURE
1978/79 - 1982/83

OPERATING FUND

SUPPORTING DETAILS OF GENERATION DISBURSEMENTS

CENTRAL REGION

10

Direct Costs

Fuel Consumed (excluding handling)

Station Operation

Station Maintenance

Station Administration

20

Indirect Costs

30

| | FORECASTS | | | | |
|------------------------------------|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Fuel Consumed (excluding handling) | 25 695 | 33 544 | 39 499 | 48 258 | 58 537 |
| Station Operation | 3 612 | 5 204 | 5 820 | 6 585 | 7 151 |
| Station Maintenance | 4 018 | 5 856 | 7 021 | 8 232 | 9 281 |
| Station Administration | 406 | 640 | 687 | 746 | 806 |
| | 33 731 | 45 244 | 53 027 | 63 821 | 75 925 |
| Indirect Costs | 2 474 | 559 | 646 | 768 | 808 |
| | 36 205 | 45 803 | 53 673 | 64 509 | 76 733 |

\$

Exhibit "A1"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RISK, LRS
1978/79 - 1982/83
OPERATING FUND
SUPPORTING DETAILS OF GENERATION DISBURSEMENTS
NORTHERN REGION

| | FORECASTS | | | | 1982/83 \$'000 |
|------------------------------------|-----------|---------|---------|---------|-------------------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | |
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| <u>Direct Costs</u> | | | | | |
| Fuel Consumed (excluding handling) | 7 035 | 7 611 | 7 833 | 7 844 | 8 730 |
| Station Operation | 2 484 | 2 642 | 2 817 | 3 010 | 3 221 |
| Station Maintenance | 2 868 | 2 794 | 2 971 | 3 172 | 3 360 |
| Station Administration | 261 | 283 | 307 | 332 | 350 |
| | 12 648 | 13 330 | 13 928 | 14 358 | 15 690 |
| <u>Indirect Costs</u> | | | | | |
| | 1 909 | 2 059 | 2 221 | 2 391 | 2 580 |
| | 14 557 | 15 389 | 16 149 | 16 749 | 18 270 |

Direct Costs
 Fuel Consumed (excluding handling)
 Station Operation
 Station Maintenance
 Station Administration

Indirect Costs

Exhibit "A1"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83
OPERATING FUND

TRANSMISSION OPERATIONS DISBURSEMENTS

| | FORECASTS | | | | |
|-----------------|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Southern Region | 3 176 | 3 557 | 3 984 | 4 462 | 4 995 |
| Central Region | 1 000 | 1 081 | 1 174 | 1 274 | 1 361 |
| Northern Region | 1 818 | 1 911 | 2 043 | 2 173 | 2 312 |
| | 5 994 | 6 549 | 7 201 | 7 909 | 8 668 |
| | \$ | | | | |

Southern Region

Central Region

Northern Region

Exhibit "A1"

In the Supreme Court of Queensland

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 with Exhibits
 15th June 1983
 (Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83

OPERATING FUND
SUPPORTING DETAILS OF TRANSMISSION OPERATIONS DISBURSEMENTS
SOUTHERN REGION

| | FORECASTS | | | | |
|--|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | 877 | 982 | 1 100 | 1 232 | 1 379 |
| | 755 | 846 | 947 | 1 061 | 1 183 |
| | 35 | 40 | 45 | 50 | 56 |
| | 383 | 429 | 480 | 538 | 602 |
| | 443 | 497 | 556 | 623 | 698 |
| | 50 | 56 | 63 | 70 | 79 |
| | 2 543 | 2 850 | 3 191 | 3 574 | 4 002 |
| | 633 | 707 | 793 | 888 | 994 |
| | 3 176 | 3 557 | 3 984 | 4 462 | 4 996 |

Direct Costs

- Repairs and Maintenance -
- Substation Buildings and Plant
- Transmission Lines (Overhead)
- Transmission Lines (Underground)
- Communications Equipment
- Engineering Supervision and Clerical Assistance
- Replacement and Recovery of Assets

Indirect Costs

Exhibit "A1"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEARS FORECAST OF OPERATING RESULTS
 1978/79 - 1982/83

OPERATING FUND

SUPPORTING DETAILS OF TRANSMISSION OPERATIONS DISBURSEMENTS.

CENTRAL REGION

| | FORECASTS | | | | |
|---|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| <u>Direct Costs</u> | | | | | |
| Repairs and Maintenance - | | | | | |
| Substation Buildings and Plant | 266 | 286 | 309 | 332 | 357 |
| Transmission Lines (Overhead) | 216 | 230 | 246 | 263 | 281 |
| Transmission Lines (Underground) | 1 | 1 | 1 | 1 | 1 |
| Communications Equipment | - | - | - | - | - |
| Engineering Supervision and Clerical Assistance | 197 | 221 | 245 | 270 | 297 |
| Replacement and Recovery of Assets | 9 | 10 | 11 | 12 | 13 |
| | 689 | 748 | 812 | 878 | 949 |
| <u>Indirect Costs</u> | | | | | |
| | 311 | 333 | 362 | 396 | 432 |
| | 1 000 | 1 081 | 1 174 | 1 274 | 1 381 |
| | \$ | | | | |

Exhibit "A1"

In the Supreme
 Court of
 Queensland
 No. 8
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 (Contd.)

In the Supreme Court of Queensland

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(Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83

OPERATING FUND

SUPPORTING DETAILS OF TRANSMISSION OPERATIONS DISBURSEMENTS

NORTHERN REGION

| | FORECASTS | | | | |
|---|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Repairs and Maintenance - | | | | | |
| Substation Buildings and Plant | 423 | 446 | 472 | 500 | 525 |
| Transmission Lines (Overhead) | 487 | 516 | 554 | 590 | 622 |
| Transmission Lines (Underground) | - | - | - | - | - |
| Communications Equipment | 204 | 195 | 211 | 223 | 237 |
| Engineering Supervision and Clerical Assistance | 262 | 282 | 303 | 322 | 346 |
| Replacement and Recovery of Assets | 6 | 6 | 6 | 6 | 6 |
| | 1 382 | 1 445 | 1 546 | 1 641 | 1 743 |
| Indirect Costs | 436 | 466 | 497 | 532 | 569 |
| | 1 818 | 1 911 | 2 043 | 2 173 | 2 312 |

Direct Costs

Indirect Costs

Exhibit "A1"

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THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83

OPERATING FUND
SYSTEM OPERATIONS DISBURSEMENTS

| | FORECASTS | | | | |
|-----------------|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Southern Region | 1 312 | 1 458 | 1 818 | 1 969 | 2 130 |
| Central Region | 396 | 461 | 500 | 543 | 589 |
| Northern Region | 232 | 241 | 259 | 280 | 302 |
| | 1 940 | 2 160 | 2 577 | 2 792 | 3 021 |

\$

Southern Region

Central Region

Northern Region

Exhibit "A1"

*In the Supreme
 Court of
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In the Supreme Court of Queensland

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THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESOURCES
1978/79 - 1982/83

OPERATING FUND

SUPPORTING DETAILS OF SYSTEM OPERATIONS DISBURSEMENTS

SOUTHERN REGION

| | FORECASTS | | | | | |
|-----------------------|-----------|---------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 | |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| <u>Direct Costs</u> | | | | | | |
| <u>Operations</u> | 772 | 829 | 1 028 | 1 113 | 1 205 | |
| <u>Maintenance</u> | 237 | 301 | 436 | 473 | 512 | |
| | 1 009 | 1 130 | 1 464 | 1 586 | 1 717 | |
| <u>Indirect Costs</u> | | | | | | |
| | 303 | 328 | 354 | 383 | 413 | |
| | 1 312 | 1 458 | 1 818 | 1 969 | 2 130 | |
| | \$ | | | | | |

Direct Costs

Operations

Maintenance

Indirect Costs

Exhibit "A1"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83

OPERATING FUND

SUPPORTING DETAILS OF SYSTEM OPERATIONS DISBURSEMENTS

CENTRAL REGION

| | FORECASTS | | | | |
|----------------|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Operations | 217 | 266 | 288 | 311 | 335 |
| Maintenance | 63 | 69 | 77 | 86 | 95 |
| | 280 | 335 | 365 | 397 | 430 |
| Indirect Costs | 116 | 126 | 135 | 146 | 159 |
| | 396 | 461 | 500 | 543 | 589 |

\$

Direct Costs:
 Operations
 Maintenance

Indirect Costs

Exhibit "A1"

In the Supreme Court of Queensland
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 (Contd.)

In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83

OPERATING FUND

SUPPORTING DETAILS OF SYSTEM OPERATIONS DISBURSEMENTS

NORTHERN REGION

| FORECASTS | | | | | |
|-----------|---------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | 169 | 182 | 196 | 212 | 229 |
| | 1 | 1 | 1 | 1 | 1 |
| | 170 | 183 | 197 | 213 | 230 |
| | 62 | 58 | 62 | 67 | 72 |
| | 232 | 241 | 259 | 280 | 302 |

\$

Direct Costs

Operations

Maintenance

Indirect Costs

Exhibit "A1"

10

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30

EXHIBIT "A1"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83

OPERATING FUND

MANAGEMENT DISBURSEMENTS

Salaries
 Board Members' Fees and Expenses
 Rent and Maintenance of Office Premises
 Maintenance and Hire of Office Equipment, E.D.P. etc.
 Stationery, Printing and Sundry Office Equipment
 Telephone and Telex Charges
 Postages and Bank Charges
 Audit Fees
 Insurance (including Superannuation - Management Staff)
 Cleaning Offices and Grounds and Cost of Canteen Opers.
 Electricity
 Management Transport
 Advertising (Recruitment etc.)
 Legal Expenses
 Fuel and Travelling Expenses
 Sundry Management Expenses
 Overheads and Labour Oncosts
 Stores Oncost

Less: Credit for Charges to other Cost Sections within
 Operating and Capital Works Funds

\$

| | FORECASTS | | | | |
|--|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | 1 998 | 2 165 | 2 344 | 2 536 | 2 745 |
| | 29 | 31 | 32 | 34 | 36 |
| | 587 | 704 | 723 | 747 | 773 |
| | 773 | 1 236 | 2 054 | 1 874 | 1 930 |
| | 341 | 360 | 381 | 401 | 420 |
| | 167 | 178 | 191 | 204 | 216 |
| | 99 | 105 | 110 | 116 | 120 |
| | 115 | 122 | 128 | 134 | 141 |
| | 170 | 178 | 186 | 194 | 204 |
| | 98 | 121 | 131 | 141 | 151 |
| | 19 | 27 | 30 | 31 | 33 |
| | 103 | 114 | 123 | 132 | 141 |
| | 46 | 48 | 52 | 54 | 56 |
| | 15 | 16 | 17 | 18 | 19 |
| | 74 | 79 | 84 | 88 | 94 |
| | 76 | 81 | 85 | 90 | 95 |
| | 415 | 445 | 479 | 517 | 559 |
| | 5 | 6 | 5 | 7 | 6 |
| | 5 130 | 6 016 | 7 155 | 7 318 | 7 726 |
| | (420) | (440) | (461) | (483) | (505) |
| | 4 710 | 5 576 | 6 694 | 6 835 | 7 222 |

Exhibit "A1"

In the Supreme
 Court of
 Queensland
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 (Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83

OPERATING FUND

MISCELLANEOUS DISBURSEMENTS

MISCELLANEOUS COSTS

Organisation and Methods Section and
Employee Development - Management Training
University and other Cadetships
Public Relations Activities
Subscriptions and Contributions
(Tech. bodies)
Donations
E.S.A.A. (and like) Functions
Stocktaking adjustments and losses on stock
Precept - State Electricity Commission
Imprest Advances

| | FORECASTS | | | | |
|--|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$'000 | \$'000 | -\$'000 | \$'000 | \$'000 |
| | 201 | 217 | 232 | 250 | 269 |
| | 3 | 4 | 5 | 5 | 6 |
| | 179 | 191 | 203 | 217 | 231 |
| | 100 | 111 | 112 | 112 | 112 |
| | 10 | 10 | 10 | 10 | 10 |
| | 5 | 5 | 5 | 5 | 5 |
| | 13 | 13 | 13 | 13 | 13 |
| | 3 368 | 3 368 | 3 368 | 3 368 | 3 369 |
| | 1 | 1 | 1 | 1 | 1 |
| | 3 880 | 3 920 | 3 949 | 3 981 | 4 015 |
| | | | | | |
| | \$ | | | | |

Exhibit "A1"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING RESULTS
1978/79 - 1982/83
OPERATING FUND
SUSPENSE ACCOUNTS

| | FORECASTS | | | | |
|-----------------------------------|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| <u>SUSPENSE ACCOUNTS</u> | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Sundry Debtors | - | 50 | 50 | 50 | 50 |
| Salaries and Wages | - | 50 | 50 | 50 | 50 |
| Total Payments | 42 333 | 44 450 | 46 673 | 49 007 | 51 457 |
| Less Allocations | 42 333 | 44 450 | 46 673 | 49 007 | 51 457 |
| | - | - | - | - | - |
| <u>Transport and Plant Oncost</u> | | | | | |
| Total Charges | 1 345 | 819 | 885 | 956 | 1 022 |
| Less Allocations | 1 352 | 819 | 885 | 956 | 1 032 |
| | (7) | - | - | - | - |
| <u>Works Oncosts</u> | | | | | |
| Total Charges | 9 391 | 9 861 | 10 354 | 10 872 | 11 416 |
| Less Allocations | 9 398 | 9 861 | 10 354 | 10 872 | 11 416 |
| | (7) | - | - | - | - |
| <u>Stores Oncosts</u> | | | | | |
| Total Charges | 412 | 475 | 511 | 551 | 592 |
| Less Allocations | 412 | 475 | 511 | 551 | 592 |
| | - | - | - | - | - |
| <u>Workshops and Laboratory</u> | | | | | |
| Total Charges | 872 | 1 690 | 1 997 | 2 230 | 2 489 |
| Less Allocations | 858 | 1 120 | 1 497 | 1 730 | 1 969 |
| | 14 | 500 | 500 | 500 | 500 |
| | - | 550 | 550 | 550 | 550 |

Exhibit "A1"

In the Supreme Court of Queensland
 No. 8
 Affidavit of Norman Ross Walker
 with Exhibits
 15th June 1983
 (Contd.)

In the Supreme Court of Queensland
 No. 8
 Affidavit of Norman Ross Walker
 with Exhibits
 15th June 1983
 (Contd.)

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THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEARS FORECAST OF OPERATING REVENUES
1978/79 - 1982/83

OPERATING FUND
CAPITAL CHARGES

| | FORECASTS | | | | |
|--|-----------|---------|---------|---------|---------|
| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Depreciation</u> | 6 899 | 7 679 | 8 102 | 8 570 | 9 155 |
| <u>Redemption - Debenture and Other Loans</u> | | | | | |
| <u>Transfer to Special Fund for Capital Works (Net Depreciation)</u> | 31 400 | 33 900 | 37 000 | 38 900 | 39 500 |
| <u>Interest</u> | | | | | |
| <u>Debenture and Other Loans</u> | 49 460 | 60 510 | 68 660 | 75 650 | 84 100 |
| <u>Loan Raising Charges</u> | 1 320 | 1 800 | 975 | 1 080 | 1 350 |
| <u>Loan Management Expenses</u> | 440 | 600 | 325 | 360 | 450 |
| <u>Interest and Redemption - Special Security Deposits</u> | 346 | 346 | 346 | 346 | 346 |
| | 89 865 | 104 835 | 115 408 | 124 912 | 134 801 |

\$

Depreciation

Redemption - Debenture and Other Loans

Transfer to Special Fund for Capital Works (Net Depreciation)

Interest

Debenture and Other Loans

Loan Raising Charges

Loan Management Expenses

Interest and Redemption - Special Security Deposits

Exhibit "A1"

IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

20

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

This and the preceding 30 pages is the exhibit marked with the
letter "A1" mentioned and referred to in the Affidavit of
NORMAN ROSS WALKER sworn herein before me this ^{15th}
day of JUNE 1983.

30


Solicitor

40

50

60

In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

SUPREME COURT
OF QUEENSLAND
11. OCT. 1983
FILED
BRISBANE

184/15/2

3 April 1979

10

The Secretary,
The State Electricity Commission
of Queensland,
Warry Street,
NORTHBUDE VALLEY. 4006

Dear Sir,

BUDGET : OPERATING RESULTS 1979/80 - 1983/84

20

At its meeting held on 30 March 1979 the Board resolved -

"That the five year forecast of operating results for the years 1979/80 to 1983/84 be adopted and that the State Electricity Commission be requested to increase the bulk supply rates for sales of electricity to Electricity Boards for the year 1979/80 by 16%, or such other amount as the State Electricity Commission deems necessary."

30

For your information I attach a copy of the relevant memorandum and report.

Yours faithfully,



P.L. Gentner
ACTING SECRETARY

40

(Encls.)

50

DESPATCHED
- 4 APR 1979
CENTRAL
REGISTRY

Exhibit "A2"

60

The Queensland Electricity Generating Board

CEGB

BOARD MEMORANDUM

NO. 875

FILE NO. 184/15/2

MEETING DATE: 30 March 1979

SUBJECT: FIVE YEAR BUDGET FORECAST OF OPERATING RESULTS 1979/80-1983/84

10

An analysis has been carried out of the Board's operations over the next five years and the situation which is likely to result in our Operating Fund. A report on the review and the associated statements of receipts and expenditures are attached. It is important to bear in mind when reading the report and statements that costs have been escalated but revenue has not.

20

The report explains the more significant variations, with special emphasis on the variations between the 1978/79 Budget and the 1979/80 Forecast. As indicated in the report, the two most significant items of expenditure are capital charges and the cost of generation, mainly coal. Capital charges were about 36% of total expenditure in 1977/78, but have risen to about 42% in 1979/80. Both of these items are substantially outside our control.

The review shows that unless there is a change in the bulk supply rate, we can expect a deficit of about \$33 million at the end of June 1980, and an accumulated deficit of about \$317 million at the end of June 1984. It would appear that an increase in the bulk supply rate will be necessary.

30

Section 71 of the Electricity Act requires that the prices to be charged by the Generating Board shall from time to time be altered so as to ensure to the Board sufficient revenue to meet all costs and outgoings and provisions for depreciation, capital works and reserves. Section 245 of the Act refers to the variation of electricity charges and states, inter alia, that "when and so often as the Electricity Authority considers any variation in any such charges to be necessary or desirable, it may apply accordingly to the Commission".

40

It is recommended that the five year forecast of operating results for the years 1979/80 to 1983/84 be adopted and that the State Electricity Commission be requested to increase the bulk supply rates for sales of electricity to Electricity Boards by 16% for the year 1979/80.

50

EGC
ETC
Incl
JH
3-4

APPROVED
30 MAR 1979
SECRETARY

Sam Kay
GENERAL MANAGER
1. [unclear]
2. [unclear]

[Handwritten notes and signatures]

Exhibit "A2"

60

In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD

FIVE YEAR OPERATING FUND FORECAST 1979/80-1983/84

INTRODUCTION

- 10
1. In order to assess the direction in which the Board's finances are heading, a detailed analysis of receipts and payments for the next five years has been made. The statements derived therefrom are attached.
 2. The forecast for the first year of the period, although only a preliminary indication at this stage of our operating budget for 1979/80, is of considerable significance as the State Electricity Commission uses it in the process of determining the bulk supply rate, and hence our receipts for the year.

20 UNIFORM ASSUMPTIONS FOR ESTIMATING

3. In order to allow a valid compilation by the State Electricity Commission of the forecasts for the whole of the industry, the following common assumptions have been made:

Receipts from sales of electricity have been based on the gazetted bulk supply tariffs for 1978/79, and no provision has been made for any increases, other than for escalation, in the prices to be charged to Queensland Alumina Limited.

Escalations in labour, materials and interest costs as recommended by the State Electricity Commission for budget purposes at the following rates:

| | <u>1979/80</u> | <u>1980/81-1983/84</u> |
|----------------------------------|----------------|------------------------|
| Labour | 8% | 9% |
| Materials | 6% | 4.5% |
| Distillate | 15% | 13% |
| Interest - (Australian Loans) | 9.25% | 8.75% 9.5% 9.25% |

RECEIPTS

Sales of Electricity

- 50
4. The revenue from sales of electricity to the Electricity Boards has been calculated at current bulk supply rates on the energy and demand forecasts for the next five years obtained from the Boards.

Exhibit "A2"

5. Revenue from sales to Queensland Alumina has been escalated in accordance with the current agreement; no allowance has been made for a tariff increase.
6. The Comalco aluminium smelter is expected to have a demand of 184 MW by September, 1982 increasing to 276 MW at the start of 1984. The estimated receipts from sales to Comalco have been provided by the State Electricity Commission.
7. The sales growth over the years 1976/77 to 1977/78 and estimated for the years 1978/79 to 1983/84 is summarised in the following table and shown in more detail in Appendix I.

Energy Sales Forecasts

| Year | Sales GWh | Normal Growth % p.a. | Extra Growth % p.a. |
|-----------|-----------|----------------------|---------------------|
| Actual | | | |
| 1976/77 | 8 221 | | |
| 1977/78 | 8 846 | 7.6 | |
| Estimated | | | |
| 1978/79 | 9 301 | 4.8 | 0.3 |
| 1979/80 | 10 064 | 6.5 | 1.7 * |
| 1980/81 | 10 751 | 6.3 | 0.5 |
| 1981/82 | 11 613 | 6.5 | 1.5 * |
| 1982/83 | 13 497 | 6.1 | 10.1 ** |
| 1983/84 | 14 791 | 6.2 | 3.4 ** |

* New Mining Loads

** Comalco smelter

Other Revenue

8. Surplus funds available from time to time throughout the year are invested by the State Electricity Commission on the Board's behalf. The trend established in 1978/79 of undrawn loan funds held and invested by the Commission has been adopted.
9. Sales of assets in 1979/80 include \$600 000 from the sale of land at Brendale.
10. Revenue also includes rents charged to employees, commissions and sales of specifications.

Exhibit "A2"

In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

DISBURSEMENTS

Generation:

10 11. Generation costs have been derived from the forecast annual production at each of the Board's power stations. The forecasts of energy production have been derived from an operating schedule to achieve optimum economy, with each item of plant being utilised in its "merit order", after making allowances for routine maintenance, expected overall availability and system security. Any change from this schedule would result in increased generating costs.

12. The following programme for the start of significant commercial service of new plant has been adopted in preparing the estimates:

Gladstone No. 5 : March 1981
Gladstone No. 6 : March 1982
20 Wivenhoe No. 1 : January 1983
Wivenhoe No. 2 : April 1983

13. It has been assumed that Howard Power Station will be permanently taken out of service in June 1980 and that Bulimba "B" Power Station will temporarily cease generation after December 1980 but will be kept available for operation with reasonable notice.

Fuel

30 14. The cost of fuel consumed is the major item in generation expenditure. It is also an item which is extremely difficult to predict with an accuracy better than about 5% either way, mainly because of the variability in plant availability, hydro reserves, and coal heat values. Although the expenditure forecasts have been based on the most prudent estimates, variations in expenditure on fuel could have a severe effect on those forecasts, as illustrated by the following table:

40

| Year | Fuel Expenditure million \$ | Range of Variation million \$ |
|---------|-----------------------------|-------------------------------|
| 1979/80 | 89 | 9 |
| 1980/81 | 101 | 10 |
| 1981/82 | 109 | 11 |
| 1982/83 | 136 | 13 |
| 1983/84 | 156 | 15 |

50

Exhibit "A2"

60

15. In estimating the cost of fuel the following escalation rates have been used:

| | | |
|-----------|---|---------------------------------------|
| Coal | : | 7% |
| Transport | : | 10% |
| Oil | : | 15% (1979/80) 13% subsequent years |

10

Other Generating Costs

16. Other generating costs increases are due to the extra operating staff needed to meet the operation and maintenance requirements of the additional units at Gladstone Power Station. It has been assumed that any increase in the expenditure arising out of the commissioning of the Wivenhoe Power Station in 1983 will be compensated by the reduced work load at Swanbank.

Transmission

17. Expenditure on transmission maintenance is expected to increase sharply in 1979/80. Apart from escalation, the main increases arise from provision for:

20

- . payments in respect of flood damage remedial work, portion of which may be recovered by way of Government grant (\$220 000)
- . increased use of contractors together with increased day labour to catch up the backlog of maintenance deferred while line maintenance staff have been engaged on capital works (\$380 000)
- . increased maintenance following system growth, particularly on new communications, supervisory control and data acquisition equipment (\$380 000)
- . the augmentation of staff at Toowoomba (\$60 000).

30

18. Beyond 1979/80 provision has only been made for normal escalation.

System Operations

19. The principal causes of the increases in expenditure in System Operations in 1979/80 are:

40

- . back pay for 13 shift controllers for 18 months including overheads
- . filling two engineering positions which were vacant in 1978/79
- . increase in general maintenance costs associated with operation of Belmont Control Centre for a full year

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Exhibit "A2"

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(Contd.)

the training of controllers for the interim
Southern/Western Area Control Centre at
Tennyson and for the transfer of State Control
Centre to Belmont.

10

20. Apart from normal escalation the only special provision in subsequent years is for further controller training positions in 1983/84 to cover the transfer of the Southern/Western Area Control function from the interim Tennyson Centre to the new centre.

Management and Administration

21. The cost increases for 1979/80 are caused by increased E.D.P. costs (mainly consultant fees), some approved increases in establishment and higher insurance to take account of new projects. Subsequent years' increases are due to escalation only.

Capital Charges

20

22. This item accounts for almost half of the total increase in the Operating Fund estimates for 1979/80 over 1978/79. The increase is expected to be \$25.52 million, or 28% over last year. The major influences are:

- (a) Depreciation applied to redemption of loans increased by \$2.48 million due to -

30

- . the provision of principal repayments of \$1 750 000 on the indebtedness transferred to the Board from the State Electricity Commission in respect of construction at Wivenhoe.
- . the allowance for a full year's repayment of principal on the 1978/79 loan raisings and transfers from the Electricity Boards which should amount to approximately \$413 000.
- . an additional amount of \$322 000 being portion of the redemption on the 1979/80 loan raisings. Some of these loans are raised in the early part of the year and therefore require a repayment of principal during the year in which they are raised.

40

- (b) Depreciation transferred to Special Fund has been increased by \$4.47 million, this being the increase in the difference between the estimated total depreciation on the Board's assets and the amount to be applied towards redemption of existing loans. (It is estimated that the depreciation on the assets in service at 30 June 1979 will be \$39 902 000. This large increase over the previous year is the effect of the commissioning of Gladstone sets in addition to the commissioning of normal assets.)

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Exhibit "A2"

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(c) Interest on debenture and other loans has been increased by \$7.11 million. This interest is related to the allocation of loan funds to the Board by the Commission. For the purpose of these forecasts it has been assumed that the loan funds as shown in the Capital Works forecasts recently presented to the Board will be received.

10

The large increase is due to the allowance of a full year's interest on the \$58 million raised in 1978/79 together with interest for part of a year on the estimated loan raisings for 1979/80 which are expected to be \$70.5 million. In addition, allowance has been made for interest in respect of the \$7.9 million transferred from the Electricity Boards to this Board in 1978/79. These amounts have been partly offset by reductions due to the transfer of indebtedness to The South East Queensland Electricity Board in respect of the 110kV assets.

20

(d) Interest on Commonwealth advances for Gladstone Power Station has been estimated at \$8.9 million per annum, the first payments of which will be required in 1979/80.

(e) Loan raising expenses are based on the expected loan raisings for the year. The increase of \$1.56 million is associated with the raising of an additional \$121 million in 1979/80.

23. Capital charges will continue to be a major part of our expenditure over the next five years, increasing to just over 42% of total expenditure, as shown in the following table:

30

| Year | Capital Charges \$'000 | % Increase | % of Total Expenditure |
|-------------------|------------------------|------------|------------------------|
| Actual 1977/78 | 73 088 | - | 35.6 |
| Estimated 1978/79 | 87 907 | 20.3 | 40.4 |
| 1979/80 | 112 425 | 27.9 | 42.1 |
| 1980/81 | 124 352 | 10.6 | 41.5 |
| 1981/82 | 137 049 | 10.2 | 42.0 |
| 1982/83 | 148 164 | 8.1 | 39.9 |
| 1983/84 | 167 983 | 13.4 | 40.1 |

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Exhibit "A2"

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24. Increases in capital charges for subsequent years are expected to follow a similar pattern and due allowance has been made for this in the forecasts.

Suspense Accounts

25. With the exception of the anticipated movement in sundry debtor balances, these accounts are used to temporarily hold charges from clearing accounts and work centres until they are allocated over operating and construction accounts.
26. The increase in sundry debtors after 1978/79 provides for escalation on balances of accounts outstanding in June but not payable until July each year.

Advances and Transfers to Other Funds

27. In view of the forecast excess of expenditure over the receipts there has been no provision for any transfer other than the increase to the provision for long service leave to the Special Fund.
28. The transfer of net depreciation as a contribution to capital works is included in Capital Charges.

SUMMARY

29. The forecast position at 30th June 1980 shows a cash deficit of more than \$33 million if there is no change in the bulk supply rate, as shown in the following table:

1979/80 Operating Fund Estimates

| | Budget 1978/79 | | Estimates 1979/80 | Variation from Jan. 1979 Budget |
|--------------------------------------|----------------|----------------|----------------------|--|
| | July 1978 | Jan. 1979 | | |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance | 4 065 | (474) | - | 474 |
| <u>Add - Receipts</u> | <u>221 691</u> | <u>218 132</u> | <u>232 869</u> | <u>14 737</u> |
| | <u>225 756</u> | <u>217 658</u> | <u>232 869</u> | <u>15 211</u> |
| <u>Deduct Expenditure</u> | | | | |
| - Operating | 124 735 | 128 413 | 153 129 | 24 716 |
| - Capital Charges | 88 126 | 87 907 | 112 425 | 24 518 |
| Transfer to Special Fund | 12 895 | 1 338 | 1 150 | (188) |
| | <u>225 756</u> | <u>217 658</u> | <u>266 704</u> | <u>49 046</u> |
| Closing balance surplus (deficit) | <u>-</u> | <u>-</u> | <u>(33 361)</u> | <u>(33 361)</u> |

Exhibit "A2"

30. We are already aware of additional costs exceeding \$1 million in 1978/79 arising from delays through industrial action in the return to service of the Gladstone No. 1 Unit, but no allowance has been made in this present analysis for the effect of this on our budget. The most likely course of action will be to increase the deferral of payments from our capital works fund in 1978/79, thereby exacerbating the situation in 1979/80, and requiring either additional loan funds or greater transfers from current revenue in that year, the latter increasing the forecast deficit even further.

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31. Over the five-year period to 1983/84, we forecast that if there is no increase in the bulk supply rate the accumulated deficit will amount to about \$318 million, provided the escalation rates adopted for this analysis hold good. It therefore appears that in order to ensure sufficient revenue to meet all expenses and provisions, an increase is needed in the charges for electricity sold to the Electricity Boards.

32. Several options for the five-year period have been examined, the forecast results of five of which would be as shown in the table:

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- . Option 1 : no change
- . Option 2 : 15% tariff increase 1979/80, constant thereafter
- . Option 3 : 12% tariff increase 1979/80, 8% increase 1980/81, constant thereafter
- . Option 4 : 15% tariff increase 1979/80, 8% increase 1980/81, constant thereafter
- . Option 5 : 16% tariff increase 1979/80, 5% p.a. increase each subsequent year

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Accumulated Surplus (Deficit) for Various Options

| | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
|----------|------------|------------|------------|------------|------------|
| | million \$ | million \$ | million \$ | million \$ | million \$ |
| Option 1 | (33.36) | (82.30) | (142.47) | (219.55) | (317.36) |
| Option 2 | (.27) | (14.02) | (36.78) | (74.00) | (129.41) |
| Option 3 | (6.89) | (6.65) | (14.56) | (35.94) | (74.50) |
| Option 4 | (.27) | 7.57 | 7.74 | (5.03) | (34.43) |
| Option 5 | 1.93 | 4.14 | 13.54 | 27.56 | 45.65 |

40

33. Without a knowledge of the effect of these various options on the finances of the rest of the industry, it is difficult for this Board in isolation to select the most advantageous course of action. Nevertheless, it would seem prudent to endeavour to balance our budget as quickly as possible and

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something between Option 4 and Option 5 would achieve this aim - especially when the known further deterioration in the 1978/79 Operating Fund is taken into account. It should be noted that Options 4 and 5 escalate after 1979/80 at a lower rate than the average cost escalations. Since the charges for bulk electricity represent about half the Electricity Boards' revenue, an increase of 16% in the bulk supply tariff would be reflected as an increase of about 8% in retail tariffs.

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34. It will be seen from earlier comments in connection with the difficulty of forecasting the expenditure on fuel that our estimates vary by about \$9 million in 1979/80 through causes beyond our control. This represents a variation in the bulk supply rate of about 4% and it would be prudent to establish a Tariff Stabilisation Reserve. This matter is discussed in detail in a separate report. No provision has been made in our estimates for such a reserve, although it would be possible to do so from 1980/81.

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Exhibit "A2"

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THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 RECEIPTS AND BALANCES FOR THE YEARS 1979/80 TO 1983/84

Sheet:

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| Estimated Receipts to 30 June 1979 | Forecast | | | | |
|------------------------------------|----------|----------|-----------|-----------|-----------|
| | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 9 373 | 9 998 | 10 512 | 11 067 | 11 692 | 12 324 |
| 15 849 | 15 878 | 16 354 | 17 184 | 18 378 | 19 589 |
| 10 723 | 10 629 | 11 203 | 11 466 | 11 834 | 12 243 |
| 17 524 | 21 112 | 22 917 | 24 436 | 26 432 | 27 837 |
| 8 993 | 9 889 | 10 612 | 11 353 | 12 121 | 12 946 |
| 131 014 | 138 442 | 147 432 | 157 205 | 167 909 | 179 283 |
| 13 297 | 14 655 | 15 617 | 16 530 | 17 459 | 18 417 |
| 7 145 | 7 224 | 7 857 | 8 540 | 9 299 | 10 037 |
| | 1 737 | 5 265 | 5 991 | 6 720 | 7 467 |
| 213 918 | 229 633 | 247 769 | 263 832 | 280 785 | 298 333 |
| 3 812 | 2 268 | 2 401 | 2 243 | 3 203 | 4 355 |
| 75 | 700 | 100 | 100 | 100 | 100 |
| 77 | - | - | - | - | - |
| 250 | 268 | 269 | 277 | 279 | 284 |
| 218 132 | 232 869 | 250 539 | 266 452 | 281 467 | 291 076 |
| 474 | (33 835) | (48 943) | (60 183) | (77 080) | (97 408) |
| 217 658 | 266 704 | 299 482 | 326 615 | 371 587 | 413 482 |
| - | (33 361) | (62 304) | (142 467) | (219 533) | (317 359) |

Income:

Sales of Electricity

- The Far North Queensland Electricity Board
- The North Queensland Electricity Board
- The Mackay Electricity Board
- The Capricornia Electricity Board
- The Wide Bay - Burnett Electricity Board
- The South East Queensland Electricity Board
- The South West Queensland Electricity Board
- Queensland Alumina Limited - Gladstone
- Comalco Limited

Surplus Receipts

- Interest on Investments
- Sales of Assets
- Flood Damage and Other Grants
- Miscellaneous Receipts

TOTAL RECEIPTS

Product Surplus or add (Deficit) for year

Accumulated Deficit at 30 June

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In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1979/80 TO 1983/84

SUMMARY OF DISBURSEMENTS

| | Estimated Disbursements to 30 June 1979 | Forecast | | | | |
|---------------------------------------|---|----------|---------|---------|---------|---------|
| | | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Generation | 111 151 | 132 778 | 149 827 | 162 850 | 194 191 | 218 890 |
| Purchase of Electricity | 151 | 197 | 197 | 197 | 206 | 206 |
| Transmission | 5 649 | 7 228 | 7 770 | 8 355 | 9 104 | 9 653 |
| System Operations | 1 968 | 2 587 | 2 812 | 3 185 | 3 505 | 3 765 |
| Management and Administration | 9 150 | 10 318 | 13 106 | 13 301 | 14 395 | 15 809 |
| Capital Charges | 87 907 | 112 425 | 124 352 | 137 049 | 148 164 | 167 093 |
| Suspense Accounts | 344 | 13 | 50 | 50 | 50 | 50 |
| Advances and Transfers to Other Funds | 1 338 | 1 150 | 1 368 | 1 628 | 1 938 | 2 305 |
| | 217 658 | 265 701 | 299 482 | 326 615 | 371 553 | 410 842 |

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Sheet 7

Exhibit "A2"

THE QUEENSLAND ELECTRICITY GENERATING BOARD

FIVE YEAR FORECAST OF OPERATING RESULTS

DISBURSEMENTS FOR THE YEARS 1979/80 TO 1983/84

GENERATION OPERATIONS

Sheet 2.1

| Estimated Disbursements to 30 June 1979 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 74 643 | 89 000 | 101 000 | 109 000 | 136 000 | 156 000 |
| 18 231 | 18 053 | 20 843 | 23 062 | 25 051 | 27 163 |
| 16 212 | 19 894 | 21 877 | 24 050 | 25 917 | 27 972 |
| 1 964 | 2 071 | 2 278 | 2 470 | 2 652 | 2 811 |
| | 667 | 744 | 810 | 884 | 954 |
| 1 608 | 2 493 | 3 089 | 3 438 | 3 657 | 3 910 |
| 111 131 | 132 778 | 149 827 | 162 850 | 194 121 | 210 880 |

Direct Costs

- Fuel Consumed
- Station Operations
- Station Maintenance
- Station Administration

Indirect Costs

- Engineering Supervision and Clerical Assistance
- General Expenses and Administration

Exhibit "A2"

In the Supreme Court of Queensland

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with Exhibits
15th June 1983
(Contd.)**

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

Sheet 7.2

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1979/80 TO 1983/84
 PURCHASE OF ELECTRICITY

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| Estimated Disbursements to 30 June 1979 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 59 | 72 | 72 | 72 | 72 | 72 |
| 13 | 18 | 18 | 18 | 18 | 18 |
| 56 | 62 | 62 | 62 | 71 | 71 |
| 23 | 45 | 45 | 45 | 45 | 45 |
| 151 | 197 | 197 | 197 | 206 | 206 |

Northern Region Sugar Mills

Wide Bay - Burnett Sugar Mills

Central Region - Taroom Shire

Brisbane City Council - Somerset Dam

Exhibit "A2"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1979/80 TO 1983/84
TRANSMISSION OPERATIONS

Sheet 2.3

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| | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
| Estimated Disbursements to 30 June 1979 | | | | | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Direct Costs | | | | | |
| Repairs and Maintenance - | | | | | |
| Substation Buildings and Plant | 2 087 | 2 247 | 2 420 | 2 609 | 2 811 |
| Transmission Lines | 2 318 | 2 487 | 2 658 | 2 973 | 3 000 |
| Communication Equipment | 831 | 889 | 952 | 1 020 | 1 000 |
| Indirect Costs | | | | | |
| Engineering Supervision and Clerical Assistance | 1 372 | 1 493 | 1 635 | 1 768 | 1 924 |
| General Expenses and Administration | 618 | 654 | 690 | 731 | 770 |
| | 7 226 | 7 770 | 8 355 | 9 104 | 9 603 |

Direct Costs
 Repairs and Maintenance -
 Substation Buildings and Plant
 Transmission Lines
 Communication Equipment

Indirect Costs
 Engineering Supervision and Clerical Assistance
 General Expenses and Administration

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Exhibit "A2"

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1979/80 TO 1983/84
 SYSTEM OPERATIONS

Sheet 2.c

| | Forecast | | | | | 1953/84 \$'000 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 1979/80 \$'000 | 1980/81 \$'000 | 1981/82 \$'000 | 1982/83 \$'000 | 1983/84 \$'000 | |
| Estimated Disbursements to 30 June 1979 \$'000 | | | | | | |
| Direct Costs | | | | | | |
| Operations | 1 780 | 1 940 | 2 244 | 2 499 | 2 705 | |
| Maintenance | 719 | 770 | 833 | 893 | 951 | |
| Indirect Costs | | | | | | |
| General Expenses and Administration | 98 | 102 | 108 | 113 | 119 | |
| | 2 597 | 2 812 | 3 165 | 3 505 | 3 655 | |

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Direct Costs

Operations

Maintenance

Indirect Costs

General Expenses and Administration

Exhibit "A2"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1979/80 TO 1983/84
MANAGEMENT AND ADMINISTRATION

Sheet 2.5

10

| | Estimated Disbursements to 30 June 1979 | Forecast | | | | |
|---------------------------------|---|----------|---------|---------|---------|---------|
| | | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| General Management | 2 323 | 3 578 | 3 894 | 4 236 | 4 610 | |
| General Services | 2 172 | 3 235 | 3 162 | 3 407 | 3 673 | |
| Development and Recruitment | 109 | 262 | 278 | 294 | 311 | |
| Office Premises | 1 025 | 1 467 | 1 550 | 1 626 | 1 707 | |
| Office Equipment | 64 | 62 | 65 | 60 | 72 | |
| Communications and Stationery | 594 | 665 | 690 | 733 | 770 | |
| Insurance | 1 709 | 2 837 | 2 874 | 2 914 | 3 255 | |
| Transport and Sustainance Costs | 112 | 160 | 174 | 191 | 209 | |
| Professional Fees and Charges | 258 | 216 | 227 | 230 | 250 | |
| Miscellaneous | 704 | (1 699) | 379 | 600 | 1 041 | |
| | 9 150 | 13 318 | 13 301 | 14 305 | 15 029 | |

General Management

General Services

Development and Recruitment

Office Premises

Office Equipment

Communications and Stationery

Insurance

Transport and Sustainance Costs

Professional Fees and Charges

Miscellaneous

Exhibit "A2"

In the Supreme Court of Queensland

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 (Contd.)

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1979/80 TO 1983/84

Sheet 2.5

10

CAPITAL CHARGES

| Estimated Disbursements to 30 June 1979 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 6 127 | 8 612 | 12 381 | 15 889 | 18 453 | 22 973 |
| 26 817 | 31 290 | 28 534 | 26 945 | 28 352 | 25 515 |
| 102 | 108 | 115 | 122 | 130 | 139 |
| 666 | 666 | 666 | - | - | - |
| 52 615 | 59 729 | 70 481 | 81 648 | 88 708 | 106 017 |
| 345 | 338 | 331 | 324 | 316 | 309 |
| - | 8 900 | 9 900 | 9 900 | 9 900 | 9 900 |
| 1 110 | 2 709 | 1 854 | 2 120 | 2 191 | 3 005 |
| 125 | 73 | 90 | 101 | 114 | 127 |
| 87 907 | 112 425 | 124 352 | 137 049 | 148 164 | 167 583 |

Depreciation - Applied to Redemption of Loans

- Transfer to Special Fund for Capital Works

Redemption - Special Security Deposits Large Mining Loans

Amortisation of Pre-operating Costs - Gladstone Power Station

Interest - Debenture and other loans

- Security Deposits

- Commonwealth Advances - Gladstone Power Station

Loan Raising Expenses

Loan Management Expenses

Exhibit "A2"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1979/80 TO 1983/84

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SUSPENSE ACCOUNTS

| Estimated Disbursements to 30 June 1979 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 307 | 50 | 50 | 50 | 50 | 50 |
| | | | | | |
| 44 057 | 51 347 | 55 968 | 61 005 | 66 495 | 72 480 |
| 44 057 | 51 347 | 55 968 | 61 005 | 66 495 | 72 480 |
| - | - | - | - | - | - |
| | | | | | |
| 1 547 | 1 832 | 1 955 | 2 088 | 2 230 | 2 383 |
| 1 547 | 1 832 | 1 955 | 2 088 | 2 230 | 2 383 |
| - | - | - | - | - | - |
| | | | | | |
| 14 470 | 16 866 | 18 359 | 19 985 | 21 756 | 23 685 |
| 14 470 | 16 866 | 18 359 | 19 985 | 21 756 | 23 685 |
| - | - | - | - | - | - |
| | | | | | |
| 1 231 | 1 498 | 1 625 | 1 752 | 1 912 | 2 071 |
| 1 231 | 1 498 | 1 625 | 1 752 | 1 912 | 2 071 |
| - | - | - | - | - | - |
| | | | | | |
| 3 192 | 4 423 | 4 794 | 5 192 | 5 639 | 6 120 |
| 3 255 | 4 460 | 4 794 | 5 192 | 5 639 | 6 122 |
| 37 | (37) | - | - | - | - |
| 344 | 13 | 50 | 50 | 50 | 50 |

Sundry Debtors

Salaries and Wages
 Payments
 Allocations

Transport Working Account
 Charges
 Allocations

Labour Council
 Charges
 Allocations

Stores Operations
 Charges
 Allocations

Workshops and Scientific
 Laboratory Material Accounts
 Charges
 Allocations

Exhibit "A2"

In the Supreme
 Court of
 Queensland

No. 8
 Affidavit of
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 Walker
 with Exhibits
 15th June 1983
 (Contd.)

In the Supreme Court of Queensland
 No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1979/80 TO 1983/84

Sheet 2.9

ADVANCES AND TRANSFER TO OTHER FUNDS

| Estimated Disbursements to 30 June 1979 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 335 | 1 150 | 1 368 | 1 628 | 1 938 | 2 306 |
| 1 003 | 1 150 | 1 368 | 1 628 | 1 938 | 2 306 |
| 1 338 | 1 150 | 1 368 | 1 628 | 1 938 | 2 306 |

Transfers to Special Fund

Revenue transfer 1978/79

Provision for Long Service Leave

N.B. These transfers are additional to the transfer of the balance of depreciation to Special Fund (Sheet 2.6) as a contribution to Capital Works.

Exhibit "A2"

IN THE SUPREME COURT

OF QUEENSLAND

No. 902 of 1983

BETWEEN:

20

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

30

This and the preceding 20 pages is the exhibit marked with the letter
"A2" mentioned and referred to in the Affidavit of NORMAN ROSS WALKER
sworn herein before me this ^{15th} day of JUNE 1983.


Solicitor

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In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

RECEIVED
OFFICE OF THE CLERK
OF QUEENSLAND
11 OCT 1983
FILED
BRISBANE

184/16/2

31 March 1980

10

The Secretary,
The State Electricity Commission
of Queensland,
Warry Street,
FORTITUDE VALLEY. 4006

Dear Sir,

FIVE YEAR BUDGET FORECASTS OF OPERATING
RESULTS 1980/81-1984/85

20


I advise that a meeting of the Board held on Friday, 28 March 1980 the following resolution was passed -

"That the five year forecast of operating results for the year 1980/81-1984/85 be adopted and that the State Electricity Commission be requested to increase the bulk supply rates for sales of electricity to Electricity Boards by 9.6 percent for the year 1980/81."

30

For your information I attach a copy of the relevant Memorandum and report.

Yours faithfully,



I. Wilson
SECRETARY

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(Encl.)

50

Exhibit "A3"

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The Queensland Electricity Generating Board

FOALD MEMORANDUM

NO. 1285

FILE NO. 184/16/2

MEETING DATE: 28 March 1980

SUBJECT: FIVE YEAR BUDGET FORECASTS OF OPERATING RESULTS 1980/81 - 1984/85

10

An analysis has been carried out of the Board's operations over the next five years and the consequent effects on Operating Fund results for the period. Reports on the review and associated statements of receipts and expenditure are attached. It should be noted that costs have been escalated but revenue has not.

20

The report explains significant growth patterns in expenditure and receipts, with emphasis on growth between 1979/80 and the 1980/81 forecast. As indicated in the report, the two most significant items of expenditure are Capital Charges and Generation costs.

As might be expected, the analysis shows that unless there is a change in the bulk supply tariff, there will be a deficit at the end of June 1981. The estimated deficit is \$26.8 million which would require an increase of 9.6 percent in tariff revenue over 1979/80. That the tariff increase required is less than 10 percent at a time when the cost of labour and capital is running at or above 11 percent is due to an energy forecast 8 percent above this year and a fuel consumed forecast resulting in a 6.3 percent increase in average cost of energy production.

30

Section 71 of the Electricity Act 1976-1979 provides that the prices to be charged by the Generating Board shall from time to time be altered so as to ensure to the Board sufficient revenue to meet all costs and outgoings, provisions for depreciation, capital works and reserves. Section 245 of the Act refers to the variation of electricity charges and states, inter alia, that "when and so often as the Electricity Authority considers any variation in any such charges to be necessary or desirable, it may apply accordingly to the Commission."

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It is recommended that the five year forecast of operating results for the year 1980/81 - 1984/85 be adopted and that the State Electricity Commission be requested to increase the bulk supply rates for sales of electricity to Electricity Boards by 9.6 percent for the year 1980/81.

50

70 MAR 1980
SECRETARY

Sam Kay

GENERAL MANAGER

Exhibit "A3"

60

In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD

FIVE YEAR OPERATING FUND FORECAST 1980/81 - 1984/85

PRELIMINARY OPERATING FUND BUDGET 1980/81

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1. This report contains an analysis of the likely financial position of the Board for the next five years. Statements on which this analysis is based are attached.
2. The forecast for the first year of the period is a preliminary indication of our operating budget for 1980/81. This preliminary 1980/81 budget is of considerable significance as the State Electricity Commission uses it in the process of determining the bulk supply tariff, and hence our revenue for the coming year. This analysis therefore concentrates on reviewing the reasons for growth in expenditure in 1980/81 over and above the increases attributable to escalation and takes an overview of the 1981/82-1983/84 period.

20

3. The principal assumptions in the analysis are :
 - . Receipts from sales of electricity have been based on the gazetted bulk supply tariffs for 1979/80.
 - . Escalation of labour, materials and interest costs recommended by the State Electricity Commission for budget purposes have been applied at the following rates:

30

| | <u>1980/81</u> | <u>1981/82-1984/85</u> |
|------------|----------------|------------------------|
| Labour | 11% | 11% |
| Materials | 8% | 6% |
| Distillate | 45% | 30% |

40

| Interest on Domestic Loans - | <u>%</u> |
|------------------------------|----------|
| 1980/81 | 11.5 |
| 1981/82 | 11.25 |
| 1982/83 | 10.75 |
| 1983/84 | 10.5 |
| 1984/85 | 10.0 |

Redemption Charges -

- (a) 0.5 percent per annum sinking fund contribution on loans payable on maturity
- (b) actual annual payments on loans repayable by instalments.

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Exhibit "A3"

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RECEIPTS

4. Revenue from sales of electricity to the Electricity Boards has been calculated at current bulk supply rates on the energy and demand forecasts supplied by the Boards.
5. Revenue from sales to Queensland Alumina has been calculated in accordance with the proposed Agreement using the 1979/80 bulk supply tariff and escalation rates previously referred to. The State Electricity Commission of Queensland has provided estimated receipts from sales to Gladstone Alumina and Alcan.
6. Miscellaneous receipts include interest receivable, rents from employees, sale of assets, commissions and sales of specifications.
7. Sales growth over the years 1977/78 - 1984/85 is summarised in the following table and shown in detail on Page 1 of the attached schedules.

20

ENERGY SALES GWh

| Year | General Load | | Mining Load | | QAL and Smelter Load | | Total | |
|----------------|--------------|------------|-------------|------------|----------------------|------------|--------|------------|
| | GWh | % of Total | GWh | % of Total | GWh | % of Total | GWh | % Inc p.a. |
| 1976/77 actual | 7 176 | 87.0 | 542 | 7.0 | 503 | 6.0 | 8 221 | - |
| 1977/78 " | 7 760 | 88.0 | 569 | 6.0 | 517 | 6.0 | 8 846 | 7.6 |
| 1978/79 " | 8 160 | 88.0 | 620 | 7.0 | 526 | 6.0 | 9 306 | 5.2 |
| 1979/80 est. | 8 810 | 88.0 | 747 | 7.0 | 532 | 5.0 | 10 089 | 8.4 |
| 1980/81 f/cast | 9 471 | 87.0 | 825 | 8.0 | 540 | 5.0 | 10 836 | 7.4 |
| 1981/82 " | 10 204 | 85.0 | 899 | 8.0 | 877 | 7.0 | 11 980 | 10.6 |
| 1982/83 " | 10 948 | 77.0 | 990 | 7.0 | 2 356 | 16.0 | 14 294 | 19.3 |
| 1983/84 " | 11 829 | 68.0 | 1 066 | 6.0 | 4 558 | 26.0 | 17 453 | 22.1 |
| 1984/85 " | 12 683 | 66.0 | 1 116 | 6.0 | 5 336 | 28.0 | 19 137 | 9.6 |

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Exhibit "A3"

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No. 8
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(Contd.)

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8. The increase in sales commencing in 1981/82 is due to smelter loads. These loads have their major impact in 1982/83 and 1983/84. The Gladstone Aluminium Smelter is anticipated to take 191 GWh in the fourth quarter of 1981/82 increasing to 760 GWh by the end of 1984/85. In addition, it is expected that Alcan will take 104 GWh in the fourth quarter of 1982/83 increasing to 415 GWh by the end of 1984/85.
9. Translating these energy sales into value using the 1979/80 bulk tariff rate, we find that revenue shares between the Boards and major consumers follow a similar pattern. The differences between energy share and revenue share apparent after 1982/83 reflect the difference in tariff arrangements between the Boards and major consumers.

20

| Year | Revenue from Boards | | Revenue QAL & Smelters | | Total Revenue from Sales | |
|---------|---------------------|---------|------------------------|---------|--------------------------|-------------|
| | \$ '000 | % Total | \$ | % Total | \$ '000 | % Inc. p.a. |
| 1979/80 | 245 108 | 96.7 | 8 767 | 3.3 | 253 875 | - |
| 1980/81 | 265 476 | 94.8 | 14 650 | 5.2 | 280 126 | 10.3 |
| 1981/82 | 283 651 | 94.5 | 16 416 | 5.5 | 300 067 | 7.1 |
| 1982/83 | 303 850 | 90.4 | 32 135 | 9.6 | 335 985 | 10.0 |
| 1983/84 | 326 573 | 82.5 | 69 250 | 17.5 | 396 823 | 18.1 |
| 1984/85 | 345 276 | 80.6 | 82 898 | 19.4 | 428 174 | 7.9 |

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DISBURSEMENTS

Generation -

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10. Generation costs have been derived from the forecast annual production at each of the Board's power stations sufficient to meet the demand forecasts from the distribution Boards and major consumers. The production schedule is based on using each item of plant in its merit order after allowing for routine maintenance, overhaul, availability and system security.

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Exhibit "A3"

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11. The following programme for the start of significant commercial service of new plant has been used in preparing the estimates.

| | | |
|----------------|---|--------------|
| Gladstone No 5 | : | March 1981 |
| Gladstone No 6 | : | March 1982 |
| Wivenhoe No 1 | : | January 1984 |
| Wivenhoe No 2 | : | May 1984 |
| Tarong No 1 | : | May 1984 |
| Tarong No 2 | : | May 1985 |

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12. It should be noted that Howard Power Station will be permanently taken out of service in June 1980.

Fuel -

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13. As explained in previous reports to the Board, the cost of fuel consumed is difficult to predict as it can be affected by a number of factors including plant availability, station efficiency, hydro production and coal heat values. The 1980/81 preliminary estimate of \$95 200 000 is therefore the most probable within a range of \$92 000 000 to \$100 000 000.

14. The most probable forecasts of expenditure on fuel consumed for the five year period are :

30

| | \$ |
|---------|-------------|
| 1980/81 | 95 200 000 |
| 1981/82 | 109 900 000 |
| 1982/83 | 139 100 000 |
| 1983/84 | 190 600 000 |
| 1984/85 | 235 500 000 |

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15. The energy sales estimates used in calculating these forecasts are significantly higher than the estimates used in the Capital Works forecasts presented to the Board at the February 1980 meeting (Memo No. 1238). These latest energy estimates supplied by the individual Electricity Boards and collated by the State Electricity Commission were received on 29 February 1980.

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Exhibit "A3"

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In the Supreme
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with Exhibits
15th June 1983
(Contd.)

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16. Due to these significantly higher energy requirements, particularly in 1983/84 and 1984/85, the operational strategy adopted for the Capital Works forecasts has been changed to enable coal stock levels to be built up at Swanbank Power Station in order that adequate supplies will be available to meet higher consumptions in these later years. Gladstone operation has been assumed to be restricted only by the capacity of the transmission system and its own availability.

17. In 1980/81, this will result in transmission losses of 7.4 percent compared with 5.8 percent in 1979/80. It is also expected that oil consumption at Swanbank "A" Power Station will increase as a result of a higher number of start-ups in 1980/81.

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18. The 1980/81 fuel consumed forecast represents an average cost of \$8.79 per MWh sold. This is an increase of 6.3 percent over the 1979/80 six month review estimate and compares favourably with a 6.4 percent increase in average coal price and a 45 percent increase assumed for fuel oil.

19. With respect to the 1981/82 - 1984/85 period, the cost per unit sold is anticipated to increase less than fuel price escalation in the period to 1982/83 as plant at Gladstone Power Station is commissioned and utilized to a larger extent.

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20. However, in 1983/84, an increase in unit price of 12.25 percent is anticipated reflecting a growth in energy requirements which will not be matched by spare capacity of high merit plant with the result that plant at metropolitan stations will have to increase output.

21. By 1984/85, the escalation factor of 30 percent assumed for fuel oil prices has become a significant influence on the increase in unit cost and although most of the increase in energy is assumed to be generated by Tarong Power Station, the unit price increases at a higher rate than coal price escalation.

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Other Generation Costs -

22. Other generating costs in 1980/81 are estimated to be \$50 586 000, an increase of 18 percent over the 1979/80 six month review figure. The \$7.8 million increase is made up of \$4.3 million escalation and growth of \$3.5 million.

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Exhibit "A3"

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23. An additional \$4.3 million is required to meet the operating and maintenance requirements of the additional units at Gladstone, additional maintenance at Southern Region Stations, restoration of Collinsville Power Station, rebuilding of the Cardstone-Kareeya road and painting of penstock pipes at Barron Gorge. These activities are additional to the general historic level of maintenance and operation activity at these stations. Partially offsetting this increase are savings of \$0.8 million principally due to the closure of Howard Power Station.
24. In 1981/82, other generation costs are anticipated to show a growth of 7 percent and in subsequent years approximately 3 percent per annum reflecting full operation of Gladstone, operating costs of Unit 1 Tarong Power Station and additional operating and maintenance costs at Bulimba and Tennyson as a result of the higher output now anticipated from these stations. The commissioning costs of Tarong Power Station are provided for in the approved estimate for Tarong within the Capital Works programme.

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Transmission .. -

25. Expenditure on transmission operations in 1980/81 is anticipated to grow by 4 percent in real terms as a result of increased maintenance activity offset by a similar reduction in capital works. In the 1981/82 - 1984/85 period, it is anticipated that transmission operations expenditure will be constant in real terms.

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System Operations -

26. System Operations' expenditure in 1980/81 will grow by 12 percent in real terms, an increase of \$300 000. This growth is due to additional staff at State Control Centre and in other maintenance areas and an increase in apportionment of management costs to Systems Operations which is wholly offset by a reduction in the Management and Administration function.
27. In the period 1981/82 - 1984/85, growth of approximately 6-7 percent will occur reflecting the establishment of the State Control Centre at Belmont.

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Exhibit "A3"

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In the Supreme
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Queensland

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15th June 1983
(Contd.)

Management and Administration -

20. In 1980/81 expenditure on Management and Administration will grow by 6 percent or \$800 000. This increase is a balance reflecting increases in the precept to the State Electricity Commission, staff costs, insurance premiums, enhancement of computing equipment, offset by apportionment of management costs to other functions and increased charges to Capital Works.
29. In the 1981/82 - 1984/85 period apart from escalation, the increases anticipated are costs associated with new computing equipment and increases in insurance premiums, partially offset by a reduction in rental payable for Head Office accommodation.

Capital Charges -

30. This item accounts for 43 percent of Operating Fund expenditure in 1979/80 and is estimated to be 46 percent in 1980/81. Expenditure calculated using existing accounting policies on this item in 1980/81 is anticipated to be \$141 641 000, an increase of \$25 million or 22 percent. The major influences are :
- . increase in redemption of \$5 812 000
 - . increase in interest payable of \$22 391 000.
31. The estimated gross depreciation payable by the Board in 1980/81 will increase by \$3.3 million or 9.0 percent to \$40 730 000 due to commissioning of new assets.
32. From this depreciation provision, redemption of \$16 099 000 is expected to be paid. This is \$5 812 000 more than in 1979/80 reflecting redemptions on overseas loans of \$5 060 000, increased redemption on domestic raisings in 1980/81 and a full year's redemption on the Commonwealth advances.
33. As a result of this increased redemption of \$5.8 million which is partially covered by the increase in depreciation of \$3.3 million, internal financing of capital works in 1980/81 will be \$2.5 million less than this year.

Exhibit "A3"

34. Interest will total \$98 951 000 in 1980/81, an increase of \$22 391 000. The principal reason for this increase is the interest payable on overseas loans, which is at much higher interest rates than domestic money. In 1980/81, interest on overseas loans will be \$17 980 000, an increase of \$14 280 000. Other increases are due to interest on Commonwealth advances, and Commission raisings. The calculation of interest payable in all cases is based on information supplied by the State Electricity Commission.
35. In the period 1981/82 - 1984/85, Capital Charges are anticipated to be as set out in the following table :

| | 1981/82 | 1982/83 | 1983/84 | 1984/85 |
|------------------------------|---------|---------|---------|---------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Capital Charges | 167 352 | 206 109 | 245 809 | 297 137 |
| Percentage Increase | 18.0 | 23.0 | 19.0 | 21.0 |
| Percentage of .. expenditure | 46.0 | 47.0 | 45.0 | 46.0 |

36. The result of these forecasts of receipts and disbursements indicates that in 1980/81 the deficit before any tariff increase would be \$27.0 million. The increase in bulk supply tariff required to balance the budget is therefore 9.6 percent.
37. In the period 1981/82 - 1984/85, assuming that bulk supply tariff adjustments are made in order to balance receipts and disbursements in each year, the bulk supply tariff increases required will be of the order of :

| | |
|---------|-------|
| 1981/82 | 8.8% |
| 1982/83 | 8.7% |
| 1983/84 | 5.1% |
| 1984/85 | 11.3% |

38. Whether these forecasts are realised depends almost totally on the forecasts of energy sold over the period. Given that our total disbursements over this period are expected to grow in real terms by approximately 7 percent for the first two years and 11-12 percent thereafter, the modest tariff increases forecast particularly in 1983/84 reflect a 22 percent increase in energy sales and a 18 percent increase in revenue at constant prices in 1983/84.

Exhibit "A3"

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
RECEIPTS AND BALANCES FOR THE YEARS 1980/81 TO 1984/85

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| Estimated Receipts to 30 June 1980 | Forecast | | | | |
|------------------------------------|----------|---------|---------|---------|---------|
| | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 10 938 | 11 733 | 12 443 | 13 210 | 14 006 | 14 850 |
| 17 715 | 18 076 | 19 267 | 20 084 | 21 206 | 22 272 |
| 12 139 | 12 310 | 12 858 | 13 435 | 14 914 | 16 155 |
| 22 507 | 25 277 | 27 768 | 29 766 | 33 357 | 35 355 |
| 10 956 | 11 442 | 11 952 | 13 645 | 15 317 | 16 466 |
| 154 943 | 169 492 | 181 268 | 194 515 | 208 086 | 220 570 |
| 15 910 | 17 146 | 18 075 | 19 175 | 20 097 | 21 388 |
| 7 382 | 9 051 | 9 299 | 10 734 | 12 102 | 13 266 |
| 1 385 | 5 599 | 7 117 | 20 384 | 30 188 | 39 737 |
| - | - | - | 1 017 | 26 880 | 79 823 |
| 253 875 | 280 126 | 300 067 | 335 985 | 395 823 | 428 174 |
| 3 700 | 2 697 | 3 652 | 3 952 | 3 348 | 2 417 |
| 800 | 250 | 250 | 250 | 250 | 250 |
| 123 | - | - | - | - | - |
| 796 | 313 | 326 | 345 | 359 | 372 |
| 4 258 | - | - | - | - | - |
| 263 552 | 283 386 | 304 295 | 340 532 | 389 780 | 431 217 |
| 3 647 | - | - | - | - | - |
| 267 199 | 283 386 | 304 295 | 340 532 | 389 780 | 431 217 |
| - | 26 804 | 57 654 | 99 517 | 143 120 | 232 215 |
| 267 199 | 310 250 | 361 949 | 440 049 | 542 909 | 651 600 |

INCOME

- Sales of Electricity (at 1979/80 tariff)
- Far North Queensland Electricity Board
- North Queensland Electricity Board
- Wackay Electricity Board
- Capricornia Electricity Board
- Wide Bay - Burnett Electricity Board
- South East Queensland Electricity Board
- South West Queensland Electricity Board
- Queensland Alumina Limited - Gladstone
- Comalco Limited
- Alican

- Sumley and Miscellaneous Receipts -
- Interest on Investments
- Sales of Assets
- Flood Damage and Other Special Grants
- Miscellaneous Receipts
- Transfer from Special Fund

TOTAL RECEIPTS
Balance of Cash and Investments - 1 July
Annual Deficit at 30 June
TOTAL

Exhibit "A3"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1980/81 TO 1984/85
 SUMMARY OF DISBURSEMENTS

Page 2.

| | Estimated Disbursements to 30 June 1980 | Forecast | | | | |
|---------------------------------------|---|----------|---------|---------|---------|---------|
| | | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Fuel | 85 000 | 95 200 | 109 900 | 139 100 | 190 600 | 235 500 |
| Other Generation | 42 796 | 50 586 | 59 168 | 65 927 | 73 954 | 83 221 |
| Purchase of Electricity | 158 | 129 | 129 | 140 | 140 | 140 |
| Transmission Operations | 7 003 | 7 980 | 8 852 | 9 839 | 10 944 | 12 170 |
| System Operations | 2 470 | 3 024 | 3 504 | 4 152 | 4 639 | 5 232 |
| Management and Administration | 9 778 | 11 360 | 12 674 | 14 372 | 16 333 | 17 553 |
| Capital Charges | 116 342 | 141 641 | 167 352 | 206 109 | 245 809 | 297 127 |
| Suspense Accounts | 300 | 330 | 370 | 410 | 440 | 470 |
| Advances and Transfers to Other Funds | 3 647 | - | - | - | - | - |
| Closing Balance | - 295 | - | - | - | - | - |
| | 267 199 | 310 250 | 361 943 | 440 049 | 547 903 | 662 227 |

Exhibit "A3"

In the Supreme Court of Queensland

No. 8
 Affidavit of
 Norman Ross
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 with Exhibits
 15th June 1983
 (Contd.)

In the Supreme Court of Queensland
 No. 8 Affidavit of Norman Ross Walker with Exhibits
 15th June 1983 (Contd.)

Page 2...

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1980/81 TO 1984/85
 OTHER GENERATION

| Estimated Disbursements to 30 June 1980 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 17 799 | 20 507 | 24 437 | 28 142 | 31 767 | 35 693 |
| 19 170 | 23 582 | 27 341 | 29 287 | 32 717 | 36 917 |
| 2 201 | 2 406 | 2 899 | 3 576 | 4 076 | 4 530 |
| 662 | 719 | 814 | 919 | 1 032 | 1 157 |
| 2 964 | 3 372 | 3 677 | 4 003 | 4 362 | 4 744 |
| 42 796 | 50 585 | 59 168 | 65 927 | 73 954 | 83 221 |

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Station Operations

Station Maintenance

Station Administration

Engineering Supervision and Clerical Assistance

General Expenses and Administration

Exhibit "A3"

**THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1980/81 TO 1984/85
 PURCHASE OF ELECTRICITY**

| Estimated Disbursements to 30 June 1980 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 147 | 111 | 111 | 122 | 122 | 122 |
| 10 | 18 | 18 | 18 | 18 | 18 |
| 1 | - | - | - | - | - |
| 158 | 129 | 129 | 140 | 140 | 140 |

Northern Region Sugar Mills

Wide Bay - Burnett Sugar Mills

Brisbane City Council - Somerset Dam

In the Supreme Court of Queensland

**No. 8
 Affidavit of
 Norman Ross
 Walker
 with Exhibits
 15th June 1983
 (Contd.)**

Exhibit "A3"

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESERVE
 DISBURSEMENTS FOR THE YEARS 1980/81 TO 1984/85
 TRANSMISSION OPERATIONS

Page 2.3

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| Estimated Disbursements to 30 June 1980 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1 669 | 2 354 | 2 627 | 2 936 | 3 273 | |
| 28 | 25 | 27 | 30 | 33 | |
| 1 995 | 2 416 | 2 686 | 2 968 | 3 327 | |
| 678 | 915 | 1 016 | 1 127 | 1 252 | |
| 335 | 294 | 328 | 365 | 409 | |
| 1 460 | 1 954 | 2 171 | 2 414 | 2 663 | |
| 46 | 46 | 51 | 56 | 61 | |
| 792 | 848 | 933 | 1 028 | 1 131 | |
| 7 003 | 8 852 | 9 839 | 10 944 | 12 170 | |

Substation Maintenance

Underground Mains Maintenance

Overhead Maintenance

Communications Equipment Maintenance

Maintenance of Facilities

Indemnities and Clerical Salaries

Replacement and Recovery of Assets

General Expenses and Administration

Exhibit "A3"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1980/81 TO 1984/85
 SYSTEM OPERATIONS

Page 2.4

| Estimated Disbursements to 30 June 1980 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1 784 | 1 982 | 2 290 | 2 662 | 3 016 | 3 369 |
| 570 | 778 | 923 | 1 171 | 1 322 | 1 465 |
| 116 | 264 | 319 | 350 | 385 | 385 |
| 2 470 | 3 024 | 3 504 | 4 152 | 4 698 | 5 239 |

Operations

Maintenance of facilities

General Expenses and Administration

In the Supreme Court of Queensland

No. 8
 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

Exhibit "A3"

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

THE QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1980/81 TO 1984/85
 MANAGEMENT AND ADMINISTRATION

Page 7.5

| | Estimated Disbursements to 30 June 1980 | Forecast | | | | | 1981/85 |
|-----------------------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|---------|
| | | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 | |
| General Administration | \$'000 3 461 | \$'000 4 355 | \$'000 4 805 | \$'000 5 295 | \$'000 5 830 | \$'000 5 420 | 10 |
| Management Services | 3 198 | 4 071 | 4 989 | 5 502 | 6 050 | 6 655 | 20 |
| Industrial and Personnel Services | 307 | 384 | 569 | 625 | 688 | 756 | |
| Office Premises | 1 524 | 1 434 | 1 506 | 1 354 | 1 515 | 1 592 | |
| Sundry Office Equipment | 63 | 78 | 86 | 94 | 103 | 113 | |
| Communications and Stationery | 693 | 763 | 838 | 921 | 1 013 | 1 113 | |
| Insurance | 1 707 | 2 187 | 2 475 | 2 237 | 2 950 | 2 695 | |
| Transport and Maintenance Costs | 171 | 220 | 242 | 265 | 292 | 320 | |
| Professional Fees and Charges | 123 | 132 | 145 | 159 | 175 | 192 | |
| General Finance | (1 572) | (2 380) | (3 108) | (2 219) | (2 436) | (2 571) | |
| Miscellaneous | 103 | 115 | 127 | 139 | 153 | 162 | |
| | 9 778 | 11 359 | 12 674 | 14 372 | 16 333 | 17 653 | |

Exhibit "A3"

**THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1980/81 TO 1984/85
CAPITAL CHARGES**

Page 2.6

| | Balanced Disbursements to 30 June 1980 \$'000 | Forecast | | | | | 1984/85 \$'000 |
|---|--|----------|---------|---------|---------|---------|-------------------|
| | | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 | |
| Depreciation applied to redemption of loans - Transfer to Special Fund for Capital Works | 27 102 | 24 631 | 30 147 | 29 781 | 33 119 | 30 252 | |
| Redemption of Special Security Deposits | 108 | 116 | 122 | 130 | 138 | 147 | |
| Amortisation of Pre-operating Costs - Graduated Power Station | 686 | - | - | - | - | - | |
| Interest on Mortgages and Other Loans | 76 560 | 98 951 | 117 259 | 146 282 | 173 491 | 203 160 | |
| Special Security Deposits | 339 | 331 | 323 | 315 | 307 | 298 | |
| Loan Interest Expenses | 970 | 1 123 | 1 247 | 1 571 | 2 013 | 2 315 | |
| Loan Repayment Expenses | 290 | 390 | 434 | 482 | 535 | 592 | |
| | 116 342 | 141 641 | 167 352 | 206 109 | 245 809 | 277 137 | |

In the Supreme Court of Queensland
**No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)**

Exhibit "A3"

THE QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1980/81 TO 1984/85
EXPENSE ACCOUNTS

| | Estimated Disbursements to 30 June 1980 | Forecast | | | | | 1984/85 |
|--|---|----------|---------|---------|---------|---------|---------|
| | | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 | |
| Sundry Debtors | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | 300 | 330 | 370 | 410 | 440 | 420 | 490 |
| | 300 | 330 | 370 | 410 | 440 | 420 | 490 |
| Salaries and Wages | | | | | | | |
| Total Payments | 48 600 | 56 598 | 62 851 | 71 219 | 80 850 | 91 853 | 91 853 |
| Less Allocations | 48 600 | 56 598 | 62 851 | 71 219 | 80 850 | 91 853 | 91 853 |
| | - | - | - | - | - | - | - |
| Transport and Plant Income | | | | | | | |
| Total Charges | 1 827 | 2 177 | 2 416 | 2 682 | 2 977 | 3 305 | 3 305 |
| Less Allocations | 1 827 | 2 177 | 2 416 | 2 682 | 2 977 | 3 305 | 3 305 |
| | - | - | - | - | - | - | - |
| Subsidy Income | | | | | | | |
| Total Charges | 15 901 | 18 677 | 20 740 | 23 503 | 26 680 | 30 311 | 30 311 |
| Less Allocations | 15 901 | 18 677 | 20 740 | 23 503 | 26 680 | 30 311 | 30 311 |
| | - | - | - | - | - | - | - |
| Stores Income | | | | | | | |
| Total Charges | 1 517 | 1 819 | 2 019 | 2 241 | 2 487 | 2 761 | 2 761 |
| Less Allocations | 1 517 | 1 819 | 2 019 | 2 241 | 2 487 | 2 761 | 2 761 |
| | - | - | - | - | - | - | - |
| Workshop, Laboratory and Blackwater | | | | | | | |
| Total Charges | 4 114 | 5 163 | 5 731 | 6 361 | 7 061 | 7 839 | 7 839 |
| Less Allocations | 4 114 | 5 163 | 5 731 | 6 361 | 7 061 | 7 839 | 7 839 |
| | - | - | - | - | - | - | - |
| | 300 | 330 | 370 | 410 | 440 | 420 | 490 |

Exhibit "A"

10

IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

20

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

This and the preceding 18 pages is the exhibit marked with the letter
"A3" mentioned and referred to in the Affidavit of NORMAN ROSS WALKER³⁰
sworn herein before me this 15th day of JUNE 1983.


Solicitor

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In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

SUPREME COURT
OF QUEENSLAND
11. OCT. 1983
FILED
BRISBANE

184/17/2

10

1 April 1981

The Secretary,
The State Electricity Commission of
Queensland,
Warry Street,
FORTITUDE VALLEY, Q. 4006

Dear Sir,

20

FIVE YEAR BUDGET FORECASTS OF
OPERATING RESULTS 1981/82 - 1985/86

I advise that at a meeting of the Board held on Friday,
27 March 1981 the following resolution was passed -

30

"That the five year forecast of operating results
for the years 1981/82 - 1985/86 be adopted and
that the State Electricity Commission be requested
to increase the bulk supply rates for sales of
electricity to Electricity Boards by 12.4 percent
for the year 1981/82."

For your information I attach a copy of the relevant
memorandum and report.

Yours faithfully,

40

I. Wilson
SECRETARY

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Exhibit "A4"

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The Queensland Electricity Generating Board

BOARD MEMORANDUM

NO. 1811

FILE NO. 184/17/2

MEETING DATE: 27 March 1981

SUBJECT: FIVE YEAR FORECASTS OF OPERATING RESULTS 1981/82 - 1985/86

10

Members are requested to substitute the attached papers for those circulated on 19 March 1981. The differences between the estimates previously circulated and those contained in these papers are the result of:

- an adjustment to the forecast receipts from Comalco of:

| 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 |
|-------------|-----------|---------------|-----------|-------------|
| \$1 094 000 | \$645 000 | (\$1 544 000) | \$341 000 | \$1 194 000 |

- an increase in receipts from sales of electricity to reflect bulk supply sales to the Electricity Commission of New South Wales for supply to Tweed Shire previously supplied through S.E.Q.E.B. and budgeted in previous years as sales to S.E.Q.E.B. of:

20

| 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 |
|-------------|-------------|-------------|-------------|-------------|
| \$4 519 000 | \$5 018 000 | \$5 528 000 | \$6 136 000 | \$6 393 000 |

- an increase to the estimates for Capital Charges of:

| 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 |
|-----------|--------------|--------------|--------------|--------------|
| \$927 000 | \$14 399 000 | \$27 376 000 | \$29 532 000 | \$76 041 000 |

30

- a further increase to the estimate for the precept to the State Electricity Commission of:

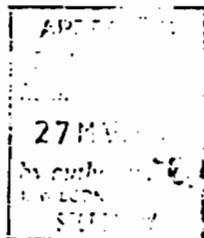
| 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 |
|-----------|-----------|-----------|-----------|-----------|
| \$500 000 | \$800 000 | \$600 000 | \$600 000 | \$600 000 |

These changes have been made as a result of advice received and considered since the circulation of papers and to correct an oversight with respect to bulk supply in the Tweed Shire.

40

The net effect of these changes is to reduce the forecast deficit in 1981/82 from the \$41,691,000 previously advised to \$37,505,000 and consequently reduce the increase required in the bulk supply tariff from 14.0% to 12.4%.

This information is provided to Members to assist in their consideration of Memorandum No. 1778 as amended.



General Manager

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Exhibit "A4"

60

In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

FIVE YEAR OPERATING FUND FORECAST 1981/82 - 1985/86

PRELIMINARY OPERATING FUND BUDGET 1981/82

- 10 1. This report contains an analysis of the likely financial position of the Board for the next five years. Statements on which this analysis is based are attached.
2. The forecast for 1981/82 is a preliminary indication of our Operating Budget and is of considerable significance as the bulk supply tariff is determined by the State Electricity Commission using these estimates. This analysis concentrates on reviewing the reasons for growth in disbursements in 1981/82 including increases attributable to inflation and takes an overview of the 1982/83 - 1985/86 period.

20

3. The principal assumptions in the analysis are :
- The value of receipts from sales of electricity has been based on the gazetted bulk supply tariffs for 1980/81
 - Energy forecasts have been developed by the State Electricity Commission after consultation with the Distribution Boards and the Generating Board.

30

- Escalation of labour, materials and interest cost specified by the State Electricity Commission for budget purposes has been applied at the following rates -

| | <u>1981/82</u> | <u>1982/83 - 1985/86</u> |
|------------|----------------|--------------------------|
| Labour | 14% | 13% |
| Materials | 15% | 13% |
| Distillate | 45% | 35% |

| Interest on Domestic Loans - | <u>Rates %</u> |
|------------------------------|----------------|
| 1981/82 | 13.75 |
| 1982/83 | 13.5 |
| 1983/84 | 12.5 |
| 1984/85 | 12.1 |
| 1985/86 | 12.0 |

40

Redemption Charges -

- (a) 0.5 percent per annum sinking fund contribution on loans payable on maturity
- (b) actual annual payments on loans repayable by instalments.

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Exhibit "A4"

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RECEIPTS

4. Revenue from sales of electricity to the Electricity Boards and the Electricity Commission of New South Wales has been calculated at current bulk supply rates on the energy and demand forecasts provided by the State Electricity Commission of Queensland. The supply to New South Wales, previously supplied by S.E.Q.E.B., will be charged at the higher of the tariffs applying in New South Wales and Queensland. For the purposes of these forecasts the Queensland bulk supply tariff has been used.
5. Revenue from sales to Queensland Alumina has been calculated in accordance with the Agreement. The State Electricity Commission has provided the revenue estimates anticipated from Comalco and Alcan.
6. Miscellaneous receipts include interest receivable, rents from employees, commissions and sales of specifications.
7. Energy sales for the ten year period 1976/77 - 1985/86 are summarised in the following table and anticipated receipts in 1981/82 are shown in detail on Page 1 of the attached schedules.

10

20

ENERGY SALES GWh

| Year | General Load | | Mining Load | | QAL and Smelter Load | | Total | |
|----------------|--------------|------------|-------------|------------|----------------------|------------|---------|------------|
| | GWh | % of Total | GWh | % of Total | GWh | % of Total | GWh | % Inc p.a. |
| 1976/77 actual | 7 176 | 87.0 | 542 | 7.0 | 503 | 6.0 | 8 221 | - |
| 1977/78 " | 7 760 | 88.0 | 569 | 6.0 | 517 | 6.0 | 8 846 | 7.6 |
| 1978/79 " | 8 160 | 88.0 | 620 | 7.0 | 526 | 6.0 | 9 306 | 5.2 |
| 1979/80 " | 8 628 | 88.0 | 747 | 7.0 | 532 | 5.0 | 9 907 | 3.2 |
| 1980/81 f/cast | 9 471 | 87.0 | 825 | 8.0 | 540 | 5.0 | 10 836 | 9.0 |
| 1981/82 " | 10 013 | 85.0 | 939 | 8.0 | 862 | 7.0 | 11 814 | 8.0 |
| 1982/83 " | 10 697 | 76.0 | 1 042 | 8.0 | 2 243 | 16.0 | 13 982 | 18.0 |
| 1983/84 " | 11 561 | 69.0 | 1 297 | 8.0 | 3 811 | 23.0 | 16 669 | 20.0 |
| 1984/85 " | 12 066 | 62.0 | 1 901 | 10.0 | 5 264 | 28.0 | 19 231 | 15.0 |
| 1985/86 " | 12 880 | 59.0 | 2 256 | 11.0 | 6 371 | 30.0 | 21 515 | 12.0 |
| | 75 324 | 72.0 | 9 007 | 9.0 | 19 623 | 19.0 | 103 954 | |

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8. The anticipated increase in sales in 1981/82 of 8 percent is due to a 4 percent increase in general load, a 14 percent increase in mining load and a 60 percent increase in smelter loads. Smelter loads have their major initial impact in 1982/83.

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In the Supreme
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9. Translating these energy sales into values using the 1980/81 bulk supply tariff rate, the anticipated sources of Queensland Electricity Generating Board revenue will be shared between the distribution boards, (including mining loads) and smelters in accordance with the following table -

10

| Year | Revenue from Boards | | Revenue QAL & Smelters | | Total Revenue from Sales | |
|---------|---------------------|---------|------------------------|---------|--------------------------|-------------|
| | \$'000 | % Total | \$'000 | % Total | \$'000 | % Inc. p.a. |
| 1980/81 | 276 462 | 94.8 | 15 225 | 5.2 | 291 687 | - |
| 1981/82 | 295 220 | 94.4 | 17 677 | 5.6 | 312 744 | 7.3 |
| 1982/83 | 315 144 | 90.4 | 33 522 | 9.6 | 348 666 | 11.4 |
| 1983/84 | 342 687 | 85.0 | 60 245 | 15.0 | 402 932 | 15.6 |
| 1984/85 | 366 665 | 80.1 | 91 085 | 19.9 | 457 750 | 13.6 |
| 1985/86 | 397 823 | 77.5 | 115 574 | 22.5 | 513 397 | 12.2 |

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DISBURSEMENTS

10. The most significant impact of these energy forecasts is that they require the Board to make substantial investments in labour and materials at existing power stations. This investment is already under way, however, 1981/82 will be the first full financial year to bear this investment.
11. Consequently a large intake of apprentices, engineers and support staff together with a high level of overtime is planned during 1981/82 and maintenance schedules at the power stations have been structured to ensure the completion of all known major overhauls by the end of 1981/82.
12. It is anticipated that total disbursements in 1981/82 will be \$361 129 000, an increase of \$62 946 000 over the 1980/81 level made up of :

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40

| | 1980/81 Estimate | 1981/82 Estimate | Change |
|-------------------------------|---------------------|---------------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Fuel | 99 000 | 106 000 | 7 000 |
| Other Generation | 54 547 | 71 844 | 17 297 |
| Purchase of Electricity | 170 | 151 | (19) |
| Transmission Operations | 8 294 | 10 990 | 2 696 |
| System Operations | 2 926 | 3 786 | 860 |
| Management and Administration | 13 147 | 20 535 | 7 388 |
| Capital Charges | 121 549 | 146 011 | 24 462 |
| Suspense Accounts | 330 | - | (330) |
| Advances and Transfers | 32 | 1 812 | 1 780 |
| Closing Balance | (1 812) | - | 1 812 |
| TOTAL | 298 183 | 361 129 | 62 946 |

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Exhibit "A4"

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Fuel

13. As discussed in previous reports, the cost of fuel consumed is difficult to predict with accuracy as it can be affected by a number of factors including plant availability, station efficiency, rainfall in the hydro catchments, industrial action at coal mines or on the railways and coal heat values. The 1981/82 preliminary estimate of \$106 000 000 is therefore the most probable within a range of \$102 000 000 to \$110 000 000 excluding a significant outage of base load plant or long term industrial action.

10

14. The most probable forecasts of expenditure on fuel consumed for the five year period are :

| | \$ |
|---------|-------------|
| 1981/82 | 106 000 000 |
| 1982/83 | 152 000 000 |
| 1983/84 | 231 000 000 |
| 1984/85 | 305 000 000 |
| 1985/86 | 351 000 000 |

20

15. The following programme for the start of significant commercial service of new plant has been used in preparing the estimates.

| | | |
|----------------|---|---------------|
| Gladstone No 6 | : | February 1982 |
| Wivenhoe No 1 | : | January 1984 |
| Wivenhoe No 2 | : | May 1984 |
| Tarong No 1 | : | June 1984 |
| Tarong No 2 | : | June 1985 |
| Tarong No 3 | : | April 1986 |
| Callide B No 1 | : | June 1986 |

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16. The energy sales estimates used in calculating these fuel forecasts were developed by the State Electricity Commission and contained in a letter from the Commission dated 16 February 1981.

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17. Significantly the forecast cost of supplying a unit of energy in 1981/82 is 0.896 cents per KWh, a rise of only 1.9 percent over costs this year. This is due mainly to the ever-increasing contribution of Gladstone Power Station to the system and is considerably below the level of fuel price escalation.

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Exhibit "A4"

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18. With respect to the 1982/83 - 1985/86 period, the cost per unit of energy is expected to increase by 21.4 percent, 27.6 percent, 14.3 percent and 2.9 percent in each of those four years. The large increase in the 1982/83 and 1983/84 financial years is due to the delivery of expensive make-up coal to Gladstone from Boundary Hill and additionally in 1983/84, the significant increase in coal consumption at Southern stations.

Other Generation Costs

19. Other generating costs in 1981/82 are estimated to be \$71 844 000, an increase of \$17 297 000 over the 1980/81 six month review figure. The principal contributing factors to this increase are :

20

| | <u>\$'000</u> |
|---|---------------|
| Escalation | 8 400 |
| Additional staff | 4 970 |
| Increase in Overtime | 600 |
| Pulveriser spares Gladstone Power Station | 1 700 |
| Additional purchases | 430 |
| Costs of overseas recruitment | 120 |
| Additional Apprentices | .568 |
| Increased Insurance Premiums | 400 |

30

20. Southern power stations including Bulimba and Tennyson are anticipated to increase their average annual staff levels by ten percent from 877 to 963 and substantially increase overtime worked as part of the refurbishing process of Bulimba and Tennyson; to meet increased maintenance programme at Swanbank and in anticipation of the introduction of a further reduction in working hours in terms of the tripartite agreements.

40

21. These staffing levels are required to bring the Southern power stations to a position of capacity sufficient to generate 4527 GWh in two years' time compared to the 2728 GWh programmed for 1981/82.

50

22. The average annual staffing levels at Gladstone and Callide Power Stations are anticipated to increase from 595 to 658 as a result of commissioning of Unit 6, recruitment of operations staff for training purposes as part of the accelerated development programme and for additional maintenance. In view of the extreme difficulties in recruiting additional maintenance workers at Gladstone Power Station, the estimate provides for a net increase of only 7 staff during the year and for higher levels of overtime and shift work to be worked.

Exhibit "A4"

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23. At Collinsville the situation is similar with an increase of 6 maintenance staff, 10 operation staff and 4 administration staff. The penstock recoating at Barron Gorge will cost of the order of \$670 000 in 1981/82 including an increase of \$350 000 for labour recruited specifically for this job.
24. The other major increases are for the purchase of pulveriser spares at Gladstone Power Station, an additional 71 apprentices, increased costs of insurance and the costs of the overseas recruitment programme.
25. For the 1982/83 - 1985/86 period it is anticipated that apart from the costs of commissioning new stations, Generation Operations expenditure will be constant in real terms.

10

Transmission Operations

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26. Expenditure on Transmission Operations in 1981/82 is anticipated to be \$10 990 000, an increase of \$2 696 000 over the 1980/81 six month review estimate. Of this, \$1 350 000 is due to escalation. The \$1 346 000 increase in real terms is due mainly to an increase of \$900 000 in the allocation of costs of work to be performed by Northgate which may be eventually borne by other functions, additional staff at Rocklea Depot (4), Toowoomba (1), Gladstone South (4), Rockhampton (6) and Northgate (2) and an additional 30 apprentices whose costs will be borne by the Transmission Operations function. In the 1982/83 - 1985/86 period, it is anticipated that Transmission Operations expenditure will be constant in real terms.

30

System Operations

27. System Operations' expenditure in 1981/82 will be \$3 786 000, an increase of \$860 000 over the 1980/81 estimate. \$465 000 of this is due to escalation and \$395 000 is due to the employment of one engineer and four new state shift supervisors for the full year; one systems controller and five relief area controllers for 6 months. The additional staff are required for the New State Control Centre and South West Area Control Centres. Maintenance costs are anticipated to increase by \$100 000 at the State Control Centre. In the period 1982/83 - 1985/86, an average growth of between 5 - 6 percent is anticipated. The most significant increases will occur in 1982/83 reflecting the establishment of the State Control Centre.

40

Management and Administration

28. In 1981/82, expenditure on Management and Administration will be \$20 535 000, an increase on the 1980/81 estimate of \$7 388 000. The principal items contributing to this increase are :

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Exhibit "A4"

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In the Supreme
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15th June 1983
(Contd.)

| | |
|---------------------------------|-------------|
| Increase in Precept to S.E.C.Q. | \$3 436 000 |
| Labour escalation | \$1 482 000 |
| Purchase escalation | \$ 611 000 |
| Increase in staff numbers | \$1 134 000 |
| Coal testing costs | \$ 150 000 |
| Additional E.D.P. hire costs | \$ 549 000 |

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29. The increase in staff relates to employees recruited in 1980/81 whose full impact on the budget will not be felt until 1981/82 and new staff to be recruited during 1981/82. Increases are anticipated to occur in computer staff, 25; finance, 5; administration including the copy service centre, 5; personnel and industrial, 15; organisational consultancy, 3; property administration, 3; and one additional internal auditor.
30. In the 1982/83 - 1985/86 period, apart from escalation, the increases anticipated are the costs associated with new computing equipment, rent of a new head office building and increased insurance premiums.

20

Capital Charges

31. This item accounts for 40 percent of estimated Operating Fund disbursements in 1981/82. The 1981/82 estimate is \$146 011 000, an increase of \$24 462 000 or 20.1 percent made up of:
- . an increase in redemption of \$753 000
 - . an increase of interest payable of \$25 839 000
 - . a decrease in loan raising expenses of \$2 130 000

30

The increase in redemption is proportionately lesser than the increase in interest due to the higher amount of overseas loans which do not have redemption payments due in the initial years. The reduction in loan raising expenses is due to the low costs of overseas raisings.

40

32. In the 1982/83 - 1985/86 period Capital charges are anticipated to be as set out on page 2.6 of the schedules with annual percentage increases of 42 percent, 38 percent, 33 percent and 28 percent over each of the four years. These estimates have been supplied by the State Electricity Commission and reflect the anticipated investment in Capital Works within the industry over this period for which the Board will meet interest and redemption payments.
33. These forecasts of receipts and disbursements indicate that the deficit in 1981/82 before any tariff increase would be \$37 505 000. The increase in bulk supply tariff required to balance the budget is therefore 12.4 percent.

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Exhibit "A4"

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34. In the period 1982/83 to 1985/86, assuming bulk supply tariff adjustments are made in order to balance receipts and disbursements in each year, the bulk supply tariff increases required will be of the order of :

| | |
|---------|-------|
| 1982/83 | 21.3% |
| 1983/84 | 19.6% |
| 1984/85 | 12.8% |
| 1985/86 | 7.9% |

10

35. These forecasts are natural consequences of a fuel consumption cost pattern outlined in paragraph 18 and the projected increases in interest and redemption as set out in paragraph 32. These two items account for around 70% of Operating Fund disbursements and their dominance of the budget will increase to 80% during the next 5 years.

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Exhibit "A4"

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In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS

RECEIPTS AND BALANCES FOR THE YEARS 1981/82 TO 1985/86

Page 1.

| | Estimated Receipts to 30 June 1981 | Forecast | | | | | 1985/86 |
|--|------------------------------------|----------|---------|---------|---------|-----------|-----------|
| | | 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 | |
| INCOME | | | | | | | |
| <u>Sales of Electricity</u> | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Far North Queensland Electricity Board | 12 249 | 13 046 | 13 780 | 14 592 | 15 654 | 15 564 | 15 564 |
| North Queensland Electricity Board | 19 079 | 19 825 | 20 801 | 23 005 | 24 809 | 25 275 | 25 275 |
| Mackay Electricity Board | 12 636 | 13 586 | 14 958 | 17 133 | 18 348 | 20 091 | 20 091 |
| Capricornia Electricity Board | 26 217 | 29 743 | 32 395 | 38 850 | 43 707 | 51 239 | 51 239 |
| Wide Bay-Burnett Electricity Board | 12 037 | 12 956 | 14 281 | 16 192 | 17 565 | 19 234 | 19 234 |
| South East Queensland Electricity Board | 176 500 | 183 590 | 195 021 | 207 471 | 219 720 | 234 407 | 234 407 |
| South West Queensland Electricity Board | 17 744 | 17 802 | 18 890 | 19 836 | 20 726 | 23 959 | 23 959 |
| Queensland Alumina Limited - Gladstone | 9 626 | 10 402 | 12 242 | 15 495 | 17 439 | 19 284 | 19 284 |
| Comalco Limited | 5 599 | 7 275 | 21 280 | 39 705 | 46 593 | 59 804 | 59 804 |
| Alcan | - | - | - | 4 965 | 27 053 | 35 485 | 35 485 |
| Electricity Commission of New South Wales | - | 4 519 | 5 018 | 5 528 | 6 136 | 6 393 | 6 393 |
| <u>Sundry and Miscellaneous Receipts -</u> | 291 687 | 312 744 | 348 666 | 402 932 | 457 750 | 513 397 | 513 397 |
| Interest on Investments | 4 300 | 10 442 | 15 585 | 17 926 | 24 275 | 25 029 | 25 029 |
| Flood Damage and Other Special Grants | - | - | - | - | - | - | - |
| Miscellaneous Receipts | 2 164 | 438 | 595 | 772 | 815 | 1 021 | 1 021 |
| Transfer from Special Fund | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | 298 151 | 323 624 | 364 846 | 421 630 | 482 840 | 530 445 | 530 445 |
| Balance of Cash and Investments - 1 July | 32 | - | - | - | - | - | - |
| Annual Deficit at 30 June | 298 183 | 323 624 | 364 846 | 421 630 | 482 840 | 530 445 | 530 445 |
| | 298 183 | 37 505 | 118 995 | 239 565 | 365 485 | 405 297 | 405 297 |
| | | 361 129 | 483 041 | 661 196 | 848 325 | 1 026 445 | 1 026 445 |

Exhibit "A4"

QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1981/82 TO 1985/86
SUMMARY OF DISBURSEMENTS

Page 2.

| | Estimated Disbursements to 30 June 1981 \$'000 | Forecast | | | | |
|---------------------------------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | 1981/82 \$'000 | 1982/83 \$'000 | 1983/84 \$'000 | 1984/85 \$'000 | 1985/86 \$'000 |
| Fuel | 99 000 | 106 000 | 152 177 | 231 412 | 305 136 | 351 297 |
| Other Generation | 54 547 | 71 844 | 82 812 | 93 692 | 107 707 | 223 673 |
| Purchase of Electricity | 170 | 151 | 169 | 190 | 212 | 239 |
| Transmission Operations | 8 294 | 10 990 | 12 549 | 14 219 | 16 201 | 18 477 |
| System Operations | 2 926 | 3 786 | 4 526 | 5 269 | 5 947 | 6 533 |
| Management and Administration | 13 147 | 20 535 | 24 738 | 30 311 | 32 992 | 36 670 |
| Capital Charges | 121 549 | 146 011 | 206 870 | 286 104 | 380 130 | 487 451 |
| Suspense Accounts | 330 | - | - | - | - | - |
| Advances and Transfers to Other Funds | 32 | 1 812 | - | - | - | - |
| Closing Balance | (1 812) | - | - | - | - | - |
| | 298 183 | 361 129 | 483 841 | 661 196 | 842 325 | 1 026 443 |

Exhibit "A4"

In the Supreme Court of Queensland

No. 8
Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS

DISBURSEMENTS FOR THE YEARS 1981/82 TO 1985/86

OTHER GENERATION

Page 2.1

| | Estimated Disbursements to 30 June 1981 \$'000 | Forecast | | | | | 1985/86 \$'000 |
|---|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | 1981/82 \$'000 | 1982/83 \$'000 | 1983/84 \$'000 | 1984/85 \$'000 | 1985/86 \$'000 | |
| Station Operations | 21 454 | 27 970 | 32 560 | 36 794 | 42 415 | 49 702 | |
| Station Maintenance | 26 421 | 34 042 | 38 813 | 43 966 | 50 290 | 57 642 | |
| Station Administration | 2 410 | 3 384 | 3 872 | 4 379 | 5 306 | 6 327 | |
| Engineering Supervision and Clerical Assistance | 760 | 903 | 1 090 | 1 233 | 1 391 | 1 572 | |
| General Expenses and Administration | 3 502 | 4 097 | 4 784 | 5 405 | 6 142 | 6 996 | |
| Stores Operations | | 1 448 | 1 693 | 1 914 | 2 162 | 2 444 | |
| | 54 547 | 71 844 | 82 812 | 93 692 | 107 707 | 123 672 | |

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Exhibit "A4"

QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1981/82 TO 1985/86
 PURCHASE OF ELECTRICITY

Page 2.2

| Estimated Disbursements to 30 June 1981 \$'000 | Forecast | | | | | 1985/86 \$'000 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1981/82 \$'000 | 1982/83 \$'000 | 1983/84 \$'000 | 1984/85 \$'000 | 1985/86 \$'000 | |
| Northern Region Sugar Mills 135 | 130 | 145 | 163 | 182 | 204 | |
| Wide Bay-Curnett Sugar Mills 14 | 21 | 24 | 27 | 30 | 34 | |
| Brisbane City Council - Somerset Dam 1 | - | - | - | - | - | |
| 170 | 151 | 169 | 190 | 212 | 238 | |

In the Supreme Court of Queensland
 No. 8
 Affidavit of Norman Ross Walker
 with Exhibits
 15th June 1983
 (Contd.)

Exhibit "A4"

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

FIVE YEAR FORECAST OF OPERATING RESULTS

DISBURSEMENTS FOR THE YEARS 1981/82 TO 1985/86

Page 2.3

TRANSMISSION OPERATIONS

| Estimated Disbursements to 30 June 1981 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2 167 | 2 538 | 2 988 | 3 377 | 3 886 | 4 511 |
| 40 | 28 | 32 | 36 | 41 | 46 |
| 2 112 | 2 424 | 2 558 | 2 874 | 3 250 | 3 575 |
| 792 | 748 | 962 | 1 105 | 1 200 | 1 484 |
| 264 | 280 | 326 | 373 | 428 | 497 |
| 1 793 | 1 839 | 2 119 | 2 427 | 2 745 | 3 206 |
| 40 | 37 | 42 | 48 | 54 | 51 |
| 1 086 | 2 694 | 3 067 | 3 467 | 3 931 | 4 432 |
| | 402 | 455 | 512 | 576 | 647 |
| 8 294 | 10 920 | 12 549 | 14 219 | 16 201 | 18 477 |

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20

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Exhibit "A4"

QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1981/82 TO 1985/86

Page 2.4

SYSTEM OPERATIONS

| Estimated Disbursements to 30 June 1981 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2 082 | 2 702 | 3 233 | 3 750 | 4 256 | 4 748 |
| 700 | 840 | 1 017 | 1 208 | 1 342 | 1 476 |
| 144 | 244 | 276 | 310 | 349 | 389 |
| 2 926 | 3 785 | 4 526 | 5 268 | 5 947 | 6 613 |

Operations

Maintenance of facilities

General Expenses and Administration

Exhibit "A4"

In the Supreme Court of Queensland

No. 8
 Affidavit of
 Norman Ross
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 with Exhibits
 15th June 1983
 (Contd.)

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

FIVE YEAR FORECAST OF OPERATING RESULTS

DISBURSEMENTS FOR THE YEARS 1981/82 TO 1985/86

MANAGEMENT AND ADMINISTRATION

Page 2.5

| | Estimated Disbursements to 30 June 1981 \$'000 | Forecast | | | | | 1985/86 \$'000 |
|-----------------------------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | 1981/82 \$'000 | 1982/83 \$'000 | 1983/84 \$'000 | 1984/85 \$'000 | 1985/86 \$'000 | |
| General Administration | 4 224 | 4 884 | 5 559 | 6 254 | 7 044 | 7 562 | |
| Management Services | 4 140 | 5 951 | 7 244 | 8 063 | 8 957 | 10 067 | |
| Industrial and Personnel Services | 602 | 7 541 | 8 069 | 9 591 | 10 121 | 11 276 | |
| Office Premises | 1 714 | 1 609 | 2 015 | 4 164 | 4 268 | 4 428 | |
| Sundry Office Equipment | 93 | 112 | 126 | 142 | 160 | 181 | |
| Communications and Stationery | 1 200 | 1 620 | 1 831 | 2 066 | 2 331 | 2 631 | |
| Insurance | 1 953 | 3 299 | 3 817 | 4 846 | 5 235 | 5 804 | |
| Transport and Sustenance Costs | 238 | 317 | 363 | 413 | 471 | 536 | |
| Professional Fees and Charges | 114 | 130 | 149 | 156 | 188 | 213 | |
| General Finance | (1 265) | (5 714) | (5 321) | (6 396) | (6 914) | (7 702) | |
| Miscellaneous | 134 | 108 | 120 | 136 | 151 | 170 | |
| Stores Operations | | 678 | 766 | 866 | 979 | 1 105 | |
| | 13 147 | 20 535 | 24 738 | 30 311 | 32 232 | 36 670 | |

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Exhibit "A4"

QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1981/82 TO 1985/86

Page 2.6

CAPITAL CHARGES

| | Estimated Disbursements to 30 June 1981 | Forecast | | | | | 1985/86 |
|--------------------------------------|---|----------|---------|---------|---------|---------|---------|
| | | 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Redemption | 13 961 | 14 714 | 15 507 | 19 493 | 27 792 | 31 437 | |
| Interest - Debenture and Other Loans | 104 176 | 130 022 | 189 674 | 264 457 | 349 572 | 455 074 | |
| - Special Security Deposits | 331 | 324 | 316 | 307 | 299 | 289 | |
| Loan Raising Expenses | 2 737 | 504 | 808 | 1 154 | 1 631 | 1 642 | |
| Loan Management Expenses | 344 | 447 | 565 | 693 | 836 | 989 | |
| | 121 549 | 146 011 | 206 870 | 286 104 | 380 120 | 490 481 | |

In the Supreme Court of Queensland

No. 8
 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

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No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1981/82 TO 1985/86

SUSPENSE ACCOUNTS

| Estimated Disbursements to 30 June 1981 | Forecast | | | | |
|---|----------|----------|-----------|-----------|-----------|
| | 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 330 | - | - | - | - | - |
| Sundry Debtors | | | | | |
| Salaries and Wages | 81 182 | 95 690 | 115 487 | 135 329 | 157 868 |
| Total Payments | (81 182) | (96 690) | (115 487) | (135 329) | (157 868) |
| Less Allocations | | | | | |
| Transport and Plant Costs | | | | | |
| Total Charges | 2 222 | 2 511 | 2 638 | 3 207 | 3 673 |
| Less Allocations | (2 222) | (2 511) | (2 638) | (3 207) | (3 673) |
| Labour Costs | | | | | |
| Total Charges | 23 115 | 27 543 | 32 926 | 33 592 | 45 987 |
| Less Allocations | (23 115) | (27 543) | (32 926) | (33 592) | (45 987) |
| Workshops, Laboratory and Blackwater | | | | | |
| Total Charges | 16 326 | 19 170 | 21 965 | 25 268 | 29 000 |
| Less Allocations | (16 326) | (19 170) | (21 965) | (25 268) | (29 000) |

10

20

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Exhibit "A4"

IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

20

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

30

This and the preceding 18 pages is the exhibit marked with the letter "A4" mentioned and referred to in the Affidavit of NORMAN ROSS WALKER sworn herein before me this 15th day of June 1983.


Solicitor

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50

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In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

SUPREME COURT
OF QUEENSLAND
11.OCT.1983
FILED
BRISBANE

184/18/2

6 April 1982

10

The Secretary,
The State Electricity Commission
of Queensland,
G.P.O. Box 10,
BRISBANE Q. 4001

20

Dear Sir,

FIVE YEAR BUDGET FORECASTS OF
OPERATING RESULTS 1982/83 - 1986/87

I advise that at a meeting of the Board held on Friday
26 March 1982 the following resolution was passed -

30

"that the five year forecast of operating
results for the years 1982/83-1986/87 be
adopted and the State Electricity Commission
be requested to increase the bulk supply
rates for sales of electricity to Electricity
Boards sufficient to cover the estimated
disbursements to be met from Operating
Fund in 1982/83".

A copy of the relevant memorandum and report is enclosed
for your information.

Yours faithfully,

40

I. Wilson
SECRETARY

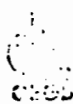
Encl.

50

ENQUIRIES: Mr. N. Walker
Telephone 276 2356

Exhibit "A5"

60



BOARD MEMORANDUM

NO. 2261

RECEIVING DATE: 26 March 1982

FILE NO. 184/18/2

SUBJECT: FIVE YEAR BUDGET FORECASTS OF OPERATING RESULTS 1982/83-1986/87

10

An analysis has been carried out of the Board's operations over the next five years and the consequent effects on Operating Fund results for the period. A report and associated statements of receipts and expenditure are attached. It should be noted that costs have been escalated but revenue has not.

The analysis shows a marked increase in 1982/83 for fuel, capital charges, training costs, and for cost of maintaining and refurbishing power stations.

20

The costs of operating, maintaining and administering the generation and transmission system, excluding costs of fuel, and capital charges are anticipated to increase by \$32 835 000 an increase of 17.3 percent in real terms. This compares with an estimated increase in energy sales of 13 703 GWh or 18.2 percent.

In the 1983/84 to 1986/87 period the estimates reflect commissioning of Tarong, increases in Capital Charges of 38 percent in 1983/84 and about 26 percent thereafter, and gradual returns to scale in fuel after a 30 percent increase in the fuel cost of supplying a unit of energy in 1982/83.

30

From page 1 of the attached schedules, it is apparent that the increase in bulk supply revenue required in 1982/83 to balance receipts and disbursements is \$215.8 million or 60 percent.

As set out in the report, this increase is a natural consequence of an increase in fuel of \$51 million, an increase of \$93 million in interest and redemption, a 1981/82 deficit of \$35 million and escalation of labour of 16 percent. As far as controllable expenditure is concerned, after allowing for capital charges, fuel costs, staffing levels minimal to the operating of the power stations and transmission system, the Precept and other essential expenditure at minimum levels, the controllable costs of the Board in 1982/83 are estimated to be about \$75 million, a growth in real terms of 8.5%.

40

The increase in bulk supply revenue is clearly impractical to achieve through the tariff mechanisms. It is also apparent, that the usual response of expenditure restraint, while essential from the point of view of effective management and stewardship of resources will not provide any significant relief to a funding problem of this magnitude.

50

Exhibit "A5"

60

In the Supreme
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10

At the ordinary meeting held in November, I reported to the Board that during discussions with the Minister and Commission about this year's deficit the capitalisation of interest on loans being used to fund works in progress was suggested as a policy to relieve future tariff increases or fund operating deficits. If such a policy was implemented in 1982/83 for generating plant the additional revenue required to balance the budget would be reduced to \$117 million or an increase over this year of 33 percent. This is a matter for Government, particularly so, because it affects Queensland's relationship with the Commonwealth through the Loan Council. It also has broader policy aspects with respect to future tariffs when the amounts so funded are ultimately paid out.

20

Section 71 of the Electricity Act 1976-1980 provides that the prices to be charged by the Generating Board shall from time to time be altered so as to ensure to the Board sufficient moneys with all other receipts to pay the amounts to be met from the Operating Fund. Section 245 of the Act refers to the variation of electricity charges and states, inter alia, that "when and so often as the Electricity Authority considers any variation in any such charges to be necessary or desirable, it may apply accordingly to the Commission".

30

It is recommended that the five year forecast of operating results for the years 1982/83-1986/87 be adopted and the State Electricity Commission be requested to increase the bulk supply rates for sales of electricity to Electricity Boards sufficient to cover the estimated disbursements to be met from Operating Fund in 1982/83.

Sam Kay

FIVE YEAR BUDGET FORECASTS OF OPERATING RESULTS 1982/83-1986/87
(MEMORANDUM NO. 2261) (184/18/2)

40

RESOLVED, on the motion of Mr. Turner,
seconded by Councillor Young:

"That the five year forecast of operating results for the years 1982/83-1986/87 be adopted and the State Electricity Commission be requested to increase the bulk supply rates for sales of electricity to Electricity Boards sufficient to cover the estimated disbursements to be met from Operating Fund in 1982/83."

50

Exhibit "A5"

60

QUEENSLAND ELECTRICITY GENERATING BOARD

FIVE YEAR OPERATING FUND FORECAST 1982/83-1986/87
PRELIMINARY OPERATING FUND BUDGET 1982/83

1. This report contains an analysis of the likely financial position of the Board for the next five years. Statements on which this analysis is based are attached. 10

2. The forecast for 1982/83 is a preliminary indication of our Operating Budget and is of considerable significance as the bulk supply tariff is determined by the State Electricity Commission using these estimates. This analysis concentrates on reviewing the reasons for growth in disbursements in 1982/83 including increases attributable to inflation and takes an overview of the 1982/83-1986/87 period. 20

3. The principal assumptions used in the analysis are:
 - . The value of receipts from sales of electricity has been based on the gazetted bulk supply tariffs for 1981/82.
 - . Energy forecasts have been developed by the State Electricity Commission after consultation with the Distribution Boards and the Generating Board. 30
 - . Escalation of labour, materials, and interest costs specified by the State Electricity Commission for budget purposes has been applied at the following rates.

| | <u>1982/83</u> | <u>1984-1986/87</u> |
|----------------------------|----------------|---------------------|
| Labour | 16% | 15% |
| Materials | 11.5% | 10% |
| Interest on Domestic Loans | 16% | 16% |

Distillate 40

| | |
|---------|-----|
| 1983/84 | 9% |
| 1984/85 | 9% |
| 1985/86 | 23% |
| 1986/87 | 8% |

Redemption Charges -

- (a) 0.5 percent per annum sinking fund contributions on loans payable on maturity 50

- (b) actual annual payment on loans repayable by instalments

Exhibit "A5"

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10

4. Receipts

Revenue from sales of electricity to the Electricity Boards and the Electricity Commission of New South Wales has been calculated at current bulk supply rates on the energy and demand forecasts provided by the State Electricity Commission of Queensland. The supply to the Electricity Commission of New South Wales will be charged at the higher of the tariffs applying in New South Wales or Queensland at the time, but for the purpose of this forecast the Queensland bulk supply tariff has been used.

5. Revenue from sales to Queensland Alumina and Comalco have been calculated in accordance with the Agreements.
6. Miscellaneous receipts include interest receivable, rents from employees, commissions and sales of specifications. Estimated receipts from the sale of fly-ash at Gladstone and Swanbank Power Stations which were previously included in the Generation Operations budget have also been included.
7. Energy Sales for the ten year period 1977/78 to 1986/87 are summarized in the following table and anticipated receipts in 1982/83 are shown in detail on the attached schedules.

20

ENERGY SALES GWh

| Year | General Load | | Q.A.L. and Smelter Load | | Total | |
|----------------|--------------|------------|-------------------------|------------|---------|------------|
| | GWh | % of Total | GWh | % of Total | GWh | % Inc p.a. |
| 1977/78 actual | 8 329 | 94.1 | 517 | 5.9 | 8 846 | - |
| 1978/79 " | 8 780 | 94.3 | 526 | 5.7 | 9 306 | 5.2 |
| 1979/80 " | 9 482 | 94.7 | 521 | 5.3 | 10 003 | 7.5 |
| 1980/81 " | 10 205 | 95.0 | 532 | 5.0 | 10 737 | 7.3 |
| 1981/82 f/cast | 10 909 | 94.1 | 680 | 5.9 | 11 589 | 7.9 |
| 1982/83 " | 11 747 | 85.7 | 1 956 | 14.3 | 13 703 | 18.2 |
| 1983/84 " | 12 718 | 76.9 | 3 401 | 21.1 | 16 119 | 17.6 |
| 1984/85 " | 13 768 | 78.8 | 3 706 | 21.2 | 17 474 | 8.4 |
| 1985/86 " | 14 972 | 76.9 | 4 489 | 23.1 | 19 461 | 11.4 |
| 1986/87 " | 16 303 | 75.3 | 5 346 | 24.7 | 21 649 | 11.2 |
| | 117 213 | 84.4 | 21 674 | 15.6 | 138 887 | |

30

40

8. The anticipated increase in sales in 1982/83 of 18.2 percent is due to a 8 percent increase in general load, including mining, and a trebling of smelter loads reflecting the start up of Comalco Stage I at Roynce Island.

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Exhibit "A5"

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9. Translating these energy sales into values using the 1981/82 bulk supply tariff rate, the anticipated sources of Queensland Electricity Generating Board revenue will be shared between the Distribution Boards (including mining loads) and smelters in accordance with the following table.

10

| Year | Revenue from Boards in 1981/82 prices | | Revenue Q.A.L. & Smelters in 1981/82 prices | | Total Revenue from Sales in 1981/82 prices | |
|---------|---------------------------------------|---------|---|---------|--|-------------|
| | \$000 | % Total | \$000 | % Total | \$000 | % Inc. p.a. |
| 1981/82 | 329 405 | 95.1 | 16 671 | 4.9 | 346 076 | - |
| 1982/83 | 347 053 | 92.0 | 30 149 | 8.0 | 377 202 | 9.0 |
| 1983/84 | 374 700 | 88.2 | 49 667 | 11.8 | 424 367 | 12.5 |
| 1984/85 | 405 740 | 87.5 | 57 650 | 12.5 | 463 390 | 9.2 |
| 1985/86 | 437 977 | 85.2 | 75 562 | 14.8 | 513 539 | 10.8 |
| 1986/87 | 473 699 | 83.0 | 96 949 | 17.0 | 570 648 | 11.1 |

20

10. Disbursements

The energy forecasts outlined in the previous section have not changed significantly for the years 1982 and 1983 since last year's forecast. Forecasts for later years are, however, significantly lower as a result of the indefinite deferment of the Alcan smelter load.

30

11. As reported last year and as set out in the reports on reliability of supply the energy forecasts for the immediate period 1982/83 and 1983/84 require substantial investments in labour and materials at existing power stations. This investment is already underway, and the introduction of a universal housing policy at Collinsville and Gladstone and the wage incentives negotiated with maintenance staff have increased the potential for this investment to be ultimately successful.

40

12. However the cost of these strategies, and in some senses the whole of the strategy to meet demand in 1983/84 will have a major impact on expenditure in 1982/83. It is anticipated that total disbursements in 1982/83 will be \$599 405 000, an increase of \$176 896 000 (or 42%) over the 1981/82 estimate made up as follows:

50

Exhibit "A5"

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| Function | Estimated Disbursements 1981/82 \$000 | 1982/83 Preliminary Estimates \$000 | Change \$000 |
|-------------------------------|--|--|-----------------|
| Fuel | 109 000 | 160 000 | 51 000 |
| Other Generation | 71 923 | 95 115 | 23 192 |
| Purchase of Electricity | 191 | 342 | 151 |
| Transmission Operations | 10 404 | 14 107 | 3 703 |
| System Operations | 3 554 | 5 045 | 1 491 |
| Management & Administration | 13 037 | 16 886 | 3 849 |
| Precept | 6 393 | 9 300 | 2 907 |
| Capital Charges | 170 361 | 263 392 | 93 031 |
| Suspense Accounts | (300) | 300 | 600 |
| Advances & Transfers | 3 028 | - | (3 028) |
| Anticipated Deficit - 1981/82 | 34 918 | 34 918 | - |
| | \$422 509 | \$599 405 | \$176 896 |

20

13. The most significant increases are:

30

- . Capital Charges estimates up by \$93.0 million or 55%
- . Anticipated Fuel Consumption estimates up by \$51 million or 47%
- . Precept up by \$3 million or 47%
- . Other Generation estimates up by \$23.2 million or 32%
- . Transmission Operations estimates up by \$3.7 million or 35%
- . Management and Administration estimates up by \$3.8 million or 30%

40

14. Fuel Consumption

50

As discussed in previous reports, the estimate of fuel consumed is difficult to predict with accuracy as it can be affected by a number of factors including plant availability, station efficiency, coal heat values, rainfall in the hydro catchments and industrial action at coal mines or on the railways. The 1982/83 preliminary estimate of \$160 million is therefore the most probable within a range of \$155 million to \$166 million excluding a significant outage of base load plant, long term industrial action or wage settlement for miners in excess of expectation.

Exhibit "A5"

60

15. The most probable forecasts of expenditure on fuel consumed for the five year period are:

| | \$000 |
|---------|---------|
| 1982/83 | 160 000 |
| 1983/84 | 213 000 |
| 1984/85 | 254 000 |
| 1985/86 | 302 000 |
| 1986/87 | 351 000 |

10

16. The programme for the start of significant commercial service of new plant used in preparing the estimates is:

| | |
|----------------|---------------|
| Wivenhoe No. 1 | April 1984 |
| Tarong No. 1 | May 1984 |
| Wivenhoe No. 2 | August 1984 |
| Tarong No. 2 | May 1985 |
| Tarong No. 3 | February 1986 |
| Tarong No. 4 | November 1986 |

20

17. The energy sales estimates used in calculating these fuel forecasts were developed by the State Electricity Commission and contained in letters from the Commission dated 19 and 24 February 1982.

18. The forecast fuel cost of supplying a unit of energy in 1982/83 is 1.167 cents per kWh, a rise of 30 percent over costs this year. The increases are due to large increases in payment to miners, increase in coal consumption at Southern stations and the delivery of expensive make up coal to Gladstone from Blair Athol and Blackwater (coking coal). Of these factors the need to rebuild Gladstone coal stocks, is the most significant. The Gladstone coal stock pile is currently down to less than five weeks supply. In addition to coal currently available under contract, 965kT of coal has been included in the budget calculations to ensure adequate coal stocks by the end of June 1983 at Gladstone Power Station. The cost of energy from this coal is only marginally less than the cost of energy from West Moreton Coal.

30

19. Other Generation

40

Other generating costs in 1982/83 are estimated to be \$95 115 000 an increase of \$23 192 000 over 1981/82. The principal contributing factors to this increase are:

| | \$000 |
|------------------------|--------|
| Escalation | 11 500 |
| Additional Staff | 5 300 |
| Additional Apprentices | 2 150 |

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Exhibit "A5"

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| | | |
|----|---|-------|
| | Increased use of Scientific Services and Northgate Workshop Technical Services | 1 200 |
| | Increased use of pulveriser spares at Gladstone Power | 1 000 |
| 10 | Additional purchases for the refurbishment of Tennyson and Bulimba Power Stations | 650 |
| | Increased charges for Head Office rent, telephones etc. and computer usage | 600 |
| | Additional Purchases at Gladstone Power Station for security and maintenance projects | 600 |
| 20 | Increase in Insurance | 450 |
| | Anticipated cost of the Housing Subsidy Scheme at Gladstone and Collinsville Power Stations | 300 |
| | Receipts from Sale of Fly Ash now budgeted in miscellaneous receipts item | (800) |
| 30 | 20. The establishment review provides for an increase of 89 positions over 1981/82. The vacancy rate at Gladstone is 14.2%, Collinsville 11.6%, Swanbank 5.4%, and other stations 9.2% for a total of 209 vacancies. These estimates provide for the employment of 188 new staff for a whole year at an estimated cost of \$5.3 million. | |
| | 21. Historically poor staff levels at Gladstone Power Station are being rectified and will result in an estimated 97 additional staff being employed to cater for the increased maintenance programme and the recent commissioning of unit no. 6. | |
| 40 | 22. An increase of 21 employees at Swanbank will be recruited for continuous overhauls, electrical foremen for the revised maintenance programme and time keeping staff. The positions to be filled for the continuous overhaul are interim creations which have a sunset provision of 88 weeks. At Collinsville Power Station the estimates provide for an additional 26 staff. There are 19 vacancies in the operations area and 11 in maintenance and the establishment review proposes an increase of 8. The implementation of the housing package at Collinsville has been restrained by availability of housing. With the scheduled completion of the Hospital Hill subdivision and an additional 60 housing units by December 1983 the estimated recruitment pattern is not only necessary but possible to achieve. The refurbishment programme at Tennyson and Bulimba Power Stations will result in an estimated addition of 28 staff. | |
| 50 | | |

Exhibit "A5"

23. The accelerated apprenticeship programme which began in 1981 will add a further \$2 150 000 to Generation Operations in 1982/83. An anticipated 259 apprentices will be employed in Power Stations in 1982/83 compared with 144 at the beginning of 1981/82. 10
24. The increased emphasis on the use of Scientific Services Department, Engineering Investigations Department and Quality Assurance Department, together with increased use of Northgate Workshop and Technical Services will add an estimated \$1.2 million to Generation Operations in 1982/83.
25. The other expected major increases in 1982/83 are for the purchase of further pulveriser spares at Gladstone Power Station; purchases of materials for the refurbishment of Tennyson and Bulimba Power Stations; large increases in Head Office rentals and computer usage; and an anticipated increase in Housing Subsidies, particularly at Gladstone and Collinsville Power Stations. 20
26. Transmission Operations
- Expenditure on Transmission Operations in 1982/83 is expected to be \$14 107 000, an increase of \$3 703 000 on the current 1981/82 estimate. Of this amount \$1 600 000 is due to escalation, and \$350 000 for a 5 percent increase in transmission staff. Lines materials in the Northern Region that were deleted from the 1981/82 six month review have added a further \$250 000 to the 1982/83 estimate. 30
27. Other increases are due to:
- | | | |
|---|-------|----|
| | \$000 | |
| · Departmental reorganization has resulted in Northgate W & T S overheads being absorbed by Southern Region - there are offsets in other budget items | 600 | |
| · Additional recruitment of Trainee Technical Officers | 200 | |
| · Additional Apprentices | 200 | 40 |
| · Increase in cost of services from Electronics section | 500 | |
28. Systems Operations
- System Operations expenditure in 1982/83 will be \$5 045 000, an increase of \$1 491 000 over the 1981/82 estimate. This is due to: 50

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| | | |
|----|---|---------|
| | | \$000 |
| 10 | . Escalation | 570 |
| | . Additional Staff | 625 |
| | . Communications Department now attached to System Operations | 230 |
| | 29. An increase of 25 in staff levels is expected in System Operations estimates. Most of the increase in staff is for training positions of trainee control operators, maintenance trainees for the new equipment to be installed at Belmont, Engineers in training and cadets. In addition two staff will be recruited to complete the establishment at Brisbane North. | |
| 20 | 30. The Communications Department previously part of Electronics Section has been included in Systems Operations establishment and will add an estimated \$230 000 to the System Operations budget in 1982/83. | |
| | 31. <u>Management and Administration</u> | |
| | In 1982/83 expenditure on Management and Administration including Precept is expected to be \$26 186 000 an increase of \$6 756 000. The principal items contributing to this increase are: | |
| 30 | | \$000 |
| | . Escalation | 2 100 |
| | . Additional Staff | 1 900 |
| | . Increase in the Precept to the State Electricity Commission | 3 000 |
| | . Hire costs for new computer | 2 100 |
| 40 | . Head Office space rental increases | 1 500 |
| | . Increased Technical Training costs for Apprentices, Trainee Engineers and Trainee Technical Officers | 4 300 |
| | . Increased Insurance charges | 1 300 |
| | . Overseas recruitment programme | (500) |
| 50 | . Increased charges to other functions relating to the above and reported in other responsibility areas | (9 500) |

Exhibit "A5"

32. The additional staff relates to employees recruited in 1981/82 whose full impact on the budget will not be felt until 1982/83, and new staff to be recruited during 1982/83. The increases are represented by the difference in numbers between the mid point of 1981/82 and 1982/83 and mainly occur in computer services, 41; property, 4; organizational consultancy, 3; internal audit, 1; planning, 2; supply, 1; administration, 15; and finance, 6. In addition 8 temporaries will be required in 1982/83 to undertake a records rationalization project for central registry at the estimated cost of \$109 000.
33. Additional office accommodation for Head Office personnel acquired in 1981/82 and the renegotiation of National Bank House and City Mutual leases are expected to add \$1 500 000 to lease rentals in 1982/83.
34. The Board's ongoing commitment to the Technical Training programmes, particularly apprentices, trainee engineers and cadet technical officers will add an estimated \$4 300 000 to the 1982/83 budget. 10
35. Insurance premiums will increase by \$1 300 000 in 1982/83, due principally to contracts works insurance increases and the increased asset value of Gladstone Power Station.
36. Costs associated with overseas recruitment of \$500 000 this financial year will not reoccur and are a partial offset to increases in other areas.
37. Capital Charges 30
- This item accounts for 44 percent of estimated Operating Fund disbursements in 1982/83. The 1982/83 estimate is \$263 392 000, an increase of \$93 031 000 or 55 percent, made up of:
- . An increase in redemption of \$4 073 000
 - . An increase in interest payable of \$87 613 000
 - . An increase in loan raising and loan management expenses of \$1 345 000. 40
38. The major increase in Capital Charges is the direct result of heavy interest commitments stemming from the large amount of funds raised to finance the industry construction programme.
39. Interest on temporary advances is also significantly higher than in previous years and is attributable to the timing of loan raisings which will be in the second half of the 1982/83 financial year. It is anticipated that temporary advances of up to \$250 million will be required to meet the Board's commitments in the first seven months of 1982/83 and will result in an estimated increase of \$19 488 000 in interest payments. 50

Exhibit "A5"

*In the Supreme
Court of
Queensland*

**No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)**

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40. These forecasts of disbursements, again highlight the sensitivity of our budgets to fuel costs and capital charges and the present lack of significance for our budgets of controllable expenditure. After allowing for capital charges, fuel costs, staffing levels minimal to the operating of the power stations and transmission system including administrative back-up, the Precept and other absolutely essential expenditure at minimum levels, the controllable costs of the Board are estimated to be about \$75 million of the budgeted total of \$573 million. This estimate of controllable expenditure compares with \$60 million made in August for this financial year which suggests a growth in controllables after allowing for escalation of 2.5% or \$5 million.

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41. These forecasts of receipts and disbursements indicate that the deficit in 1982/83 before any tariff increase would be \$215 831 000. The increase in bulk supply tariff revenue required to balance the budget is therefore 60%.

30

42. An increase of this magnitude in the bulk supply tariff is clearly impractical. Equally the traditional methods of dealing with budget increases above an acceptable level are relatively impotent to deal with an amount of this magnitude particularly in the areas in which it is anticipated to occur.

43. A structural approach to deal with such an increase has been discussed from time to time - namely capitalisation of interest on loans being used to finance works in progress. If such a policy was implemented in 1982/83, for generation plant the additional revenue required to balance the budget would be of the order of \$117 million an increase of 33%.

40

44. In the period 1983/84 to 1986/87, the estimates reflect escalation at the rates set out in paragraph 3, costs associated with commissioning new plant, maintenance of an expanded system, fuel costs gradually exhibiting returns of scale and capital charges increasing in the order of \$100 million per annum until 1984/85 and \$130-140 million thereafter.

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Exhibit "A5"

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**QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
RECEIPTS AND BALANCES FOR THE YEARS 1982/83 TO 1986/87**

| | Estimated Receipts to 30 June 1982 | Forecast | | | | |
|--|------------------------------------|----------|---------|---------|-----------|-----------|
| | | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| INCOME | | | | | | |
| Sales of Electricity | | | | | | |
| Far North Queensland Electricity Board | 14 726 | 15 167 | 16 635 | 19 357 | 21 175 | 22 572 |
| North Queensland Electricity Board | 22 109 | 22 678 | 25 602 | 26 747 | 28 708 | 30 122 |
| Wackay Electricity Board | 14 893 | 15 661 | 18 560 | 20 814 | 24 528 | 27 322 |
| Capricornia Electricity Board | 32 576 | 35 103 | 39 303 | 46 805 | 52 593 | 55 778 |
| Wide Bay-Burnett Electricity Board | 13 850 | 15 441 | 16 553 | 17 854 | 19 770 | 21 531 |
| South East Queensland Electricity Board | 205 970 | 216 033 | 229 752 | 243 482 | 257 805 | 272 042 |
| South West Queensland Electricity Board | 20 222 | 20 813 | 21 709 | 23 480 | 25 261 | 26 911 |
| Electricity Commission of New South Wales | 5 059 | 5 937 | 6 586 | 7 191 | 7 976 | 8 781 |
| Queensland Alumina Limited - Gladstone | 11 216 | 11 625 | 13 332 | 16 104 | 19 515 | 22 927 |
| Coralco Limited | 5 455 | 18 524 | 36 335 | 41 546 | 56 047 | 73 063 |
| Large Industry | - | - | - | - | - | 2 003 |
| Sundry and Miscellaneous Receipts - | | | | | | |
| Interest on Investments | 346 076 | 377 202 | 424 367 | 463 390 | 513 539 | 570 649 |
| Flood Damage and Other Special Grants | 7 400 | 4 571 | 5 119 | 5 734 | 6 422 | 7 123 |
| Miscellaneous Receipts | 784 | 1 801 | 2 713 | 3 143 | 3 633 | 4 287 |
| Transfer from Special Fund | | | | | | |
| TOTAL RECEIPTS | | | | | | |
| Balance of Cash and Investments - 1 July | 354 260 | 383 574 | 432 199 | 472 257 | 523 594 | 592 126 |
| Annual Deficit at 30 June | (1 587) | (34 918) | - | - | - | - |
| | 352 673 | 348 656 | 432 199 | 472 257 | 523 594 | 592 126 |
| | 34 918 | 215 631 | 311 840 | 333 235 | 328 021 | 352 128 |
| | 387 591 | 564 487 | 744 032 | 905 502 | 1 113 615 | 1 333 023 |

In the Supreme Court of Queensland
No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1982/83 TO 1986/87
 SUMMARY OF DISBURSEMENTS

| | Estimated Disbursements to 30 June 1982 | Forecast | | | | | 1986/87 |
|---------------------------------------|---|----------------|----------------|----------------|------------------|------------------|------------------|
| | | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Fuel | 109 000 | 160 000 | 213 000 | 254 000 | 302 000 | 351 000 | 351 000 |
| Other Generation | 71 923 | 95 115 | 114 771 | 133 303 | 155 811 | 182 716 | 182 716 |
| Purchase of Electricity | 191 | 342 | 395 | 469 | 552 | 639 | 639 |
| Transmission Operations | 10 404 | 14 107 | 15 989 | 18 154 | 20 513 | 22 422 | 22 422 |
| System Operations | 3 554 | 5 045 | 5 002 | 6 559 | 7 619 | 8 747 | 8 747 |
| Management and Administration | 19 430 | 26 186 | 30 138 | 34 580 | 39 531 | 45 572 | 45 572 |
| Capital Charges | 170 361 | 263 392 | 363 613 | 457 979 | 566 943 | 723 378 | 723 378 |
| Supplies Accounts | (300) | 300 | 330 | 350 | 375 | 370 | 370 |
| Advances and Transfers to Other Funds | 3 028 | - | - | - | - | - | - |
| TOTAL DISBURSEMENTS | 387 591 | 564 487 | 744 039 | 905 502 | 1 113 615 | 1 335 846 | 1 335 846 |
| Closing Balance 30 June | | | | | | | |
| | 387 591 | 564 487 | 744 039 | 905 502 | 1 113 615 | 1 335 846 | 1 335 846 |

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Exhibit "A5"

QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1982/83 TO 1985/86
FUEL CONSUMED - FY POWER STATION

| Estimated Disbursements to 30 June 1982 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 46 116 | 55 115 | 69 511 | 60 278 | 90 730 | 92 333 |
| 245 | 195 | 217 | 564 | 274 | 313 |
| 380 | 324 | 369 | 1 742 | 458 | 511 |
| 3 345 | 6 765 | 7 953 | 6 142 | 7 634 | 7 311 |
| 421 | 2 844 | 3 348 | 4 460 | 5 365 | 4 545 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 5 411 | 23 769 | 42 070 | 78 520 |
| 40 852 | 74 932 | 102 536 | 109 733 | 123 074 | 130 032 |
| 6 723 | 6 634 | 7 611 | 8 196 | 8 836 | 9 390 |
| 240 | 198 | 222 | 579 | 292 | 222 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 424 | 324 | 367 | 733 | 465 | 514 |
| - | - | - | - | - | - |
| 9 654 | 12 669 | 15 455 | 17 803 | 22 782 | 26 237 |
| 109 000 | 160 000 | 213 000 | 254 000 | 302 000 | 351 000 |

- Swarbank "A" & "B" Power Station
- Swarbank "C" G.T. Power Station
- Middle Ridge G.T. Power Station
- Tennyson Power Station
- Bulimba Power Station
- Howard Power Station
- Wivenhoe Power Station
- Tareng Power Station
- Gladstone Power Station
- Callide "A" Power Station
- Rockhampton G.T. Power Station
- Rockhampton Power Station
- Callide "B" Power Station
- Stanwell Power Station
- Barton Gurdah Hydro Power Station
- Kareeya Hydro Power Station
- Mackay G.T. Power Station
- Townsville Power Station
- Collinsville Power Station

In the Supreme Court of Queensland
No. 8
Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

Exhibit "A5"

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

FIVE YEAR FORECAST OF OPERATING RESULTS

DISBURSEMENTS FOR THE YEARS 1982/83 TO 1986/87

OTHER GENERATION COSTS - BY POWER STATION

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| Estimated Disbursements to 30 June 1982 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1 517 | 2 719 | 3 078 | 3 496 | 3 949 | 4 412 |
| 115 | 141 | 162 | 186 | 214 | 245 |
| 18 218 | 23 654 | 27 015 | 30 857 | 35 252 | 40 277 |
| 16 | - | - | - | - | - |
| 34 | - | - | - | - | - |
| 6 053 | 8 051 | 9 206 | 10 528 | 12 041 | 13 774 |
| 5 149 | 6 715 | 7 671 | 8 383 | 9 529 | 10 931 |
| 116 | - | - | - | - | - |
| - | - | - | - | - | - |
| 92 | - | 3 010 | 8 000 | 14 600 | 21 800 |
| - | - | - | - | - | - |
| 21 014 | 30 281 | 37 757 | 41 222 | 45 234 | 51 341 |
| 5 682 | 6 944 | 7 924 | 9 043 | 10 321 | 11 782 |
| 15 | - | - | - | - | - |
| 24 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1 844 | 1 399 | 1 599 | 1 828 | 2 089 | 2 389 |
| 2 773 | 3 658 | 4 192 | 4 773 | 5 435 | 6 187 |
| 275 | 273 | 309 | 350 | 396 | 449 |
| 181 | 178 | 204 | 233 | 265 | 303 |
| 8 805 | 11 092 | 12 644 | 14 414 | 15 435 | 18 311 |
| 71 923 | 95 115 | 114 771 | 131 303 | 155 811 | 182 716 |

Head Office - General
 Southern Power Stations - General
 Swanbank "A" & "B" Power Station
 Swanbank "C" G.T. Power Station
 Middle Ridge G.T. Power Station
 Tennyson Power Station
 Bulimba Power Station
 Howard Power Station
 Wivenhoe Power Station
 Taring Power Station
 Central Power Stations - General
 Gladstone Power Station
 Callide 'A' Power Station
 Rockhampton G.T. Power Station
 Rockhampton Power Station
 Callide 'B' Power Station
 Stanwell Power Station
 Northern Power Stations - General
 Barron Gorge Hydro Power Station
 Kareeya Hydro Power Station
 Mackay G.T. Power Station
 Townsville Power Station
 Collinsville Power Station

Exhibit "A5"

QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1982/83 TO 1986/87
OTHER GENERATION COSTS - BY COST GROUP

| | Estimated Disbursements to 30 June 1982 | Forecast | | | | |
|--------------------------------------|---|----------|---------|---------|---------|---------|
| | | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Station Operations | 26 990 | 35 326 | 41 829 | 43 979 | 59 719 | 71 322 |
| Station Maintenance | 33 598 | 42 684 | 54 344 | 61 578 | 71 433 | 82 373 |
| Station Administration | 3 398 | 4 099 | 4 610 | 5 221 | 5 321 | 6 728 |
| Engineering and Clerical Supervision | 791 | 1 015 | 1 150 | 1 320 | 1 520 | 1 730 |
| General Expenses and Administration | 5 582 | 10 005 | 11 223 | 12 588 | 14 215 | 15 902 |
| Stores Requirements | 1 564 | 1 986 | 1 615 | 2 617 | 3 001 | 3 447 |
| | 71 923 | 95 115 | 114 771 | 133 303 | 155 811 | 182 716 |

In the Supreme Court of Queensland
No. 8
Affidavit of Norman Ross Walker
with Exhibits
15th June 1983
(Contd.)

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

FIVE YEAR FORECAST OF OPERATING RESULTS

DISBURSEMENTS FOR THE YEARS 1982/83 TO 1985/87

PURCHASE OF ELECTRICITY

| Estimated Disbursements to 30 June 1982 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1985/87 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 179 | 252 | 297 | 360 | 432 | 505 |
| 12 | 90 | 99 | 109 | 120 | 133 |
| - | - | - | - | - | - |
| 191 | 342 | 396 | 469 | 552 | 638 |

Northern Region Sugar Mills

Wide Bay-Burnett Sugar Mills

Brisbane City Council - Somerset Dam

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Exhibit "A5"

**QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1982/83 TO 1986/87
TRANSMISSION
SUMMARY - BY COST GROUP**

| | Estimated Disbursements to 30 June 1982 \$'000 | Forecast | | | | |
|--------------------------------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | 1982/83 \$'000 | 1983/84 \$'000 | 1984/85 \$'000 | 1985/86 \$'000 | 1986/87 \$'000 |
| Substation Maintenance | 2 435 | 3 267 | 3 711 | 4 222 | 4 810 | 5 474 |
| Installation Inspections | 41 | 42 | 48 | 55 | 64 | 74 |
| Underground Mains Maintenance | 27 | 28 | 31 | 35 | 38 | 44 |
| Overhead Maintenance | 2 312 | 3 175 | 3 611 | 4 121 | 4 690 | 5 337 |
| Communications Equipment Maintenance | 951 | 1 494 | 1 681 | 1 895 | 2 133 | 2 407 |
| Maintenance of Facilities | 252 | 272 | 306 | 348 | 398 | 453 |
| Engineering and Clerical Salaries | 1 822 | 2 471 | 2 833 | 3 253 | 3 733 | 4 294 |
| Replacement and Recovery of Assets | | | | | | |
| General Expenses and Administration | 2 193 | 2 952 | 3 308 | 3 695 | 4 147 | 4 545 |
| Stores Operations | 371 | 406 | 460 | 510 | 606 | 695 |
| | 10 404 | 14 107 | 15 989 | 18 154 | 20 619 | 23 424 |

In the Supreme Court of Queensland
**No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)**

Exhibit "A5"

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD

FIVE YEAR FORECAST OF OPERATING RESULTS

DISBURSEMENTS FOR THE YEARS 1982/83 TO 1986/87

SYSTEM OPERATIONS

SUMMARY - BY COST GROUP

| Estimated Disbursements to 30 June 1982 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Maintenance | 715 | 1 095 | 1 256 | 1 444 | 1 649 |
| Operations | 2 516 | 4 252 | 4 885 | 5 606 | 6 444 |
| General Expenses and Administration | 323 | 455 | 508 | 568 | 635 |
| | 5 045 | 5 802 | 6 659 | 7 618 | 8 728 |

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Exhibit "A5"

QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1982/83 TO 1986/87
 SYSTEM OPERATIONS
 SUMMARY - BY LOCATION

| Estimated Disbursements to 30 June 1982 | Forecast | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Head Office - | | | | | |
| General | 1 609 | 1 840 | 2 093 | 2 374 | 2 715 |
| Tennison | 1 376 | 1 136 | 800 | 926 | 1 093 |
| Belmont | 231 | 651 | 1 177 | 1 341 | 1 512 |
| Bribeine North | 522 | 677 | 866 | 992 | 1 121 |
| South West Area Control | - | - | - | - | - |
| Southern - | | | | | |
| General | - | - | - | - | - |
| Central - | | | | | |
| General | 28 | 31 | 35 | 39 | 44 |
| Pockharpton | 616 | 708 | 828 | 949 | 1 092 |
| Northern - | | | | | |
| General | 28 | 31 | 35 | 39 | 44 |
| Cairns | 635 | 728 | 835 | 958 | 1 099 |
| Total | 5 045 | 5 802 | 6 539 | 7 513 | 8 725 |

In the Supreme Court of Queensland
 No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

Exhibit "A5"

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1982/83 TO 1986/87
 MANAGEMENT AND ADMINISTRATION
 SUMMARY - BY COST GROUP

| | Estimated Disbursements to 30 June 1982 | Forecast | | | | | 1986/87 |
|--------------------------|---|---------------|---------------|-----------------|-----------------|-----------------|------------------|
| | | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 | |
| Management | \$'000 672 | \$'000 778 | \$'000 890 | \$'000 1 013 | \$'000 1 156 | \$'000 1 309 | 1986/87 1 309 |
| Planning | 544 | 737 | 824 | 968 | 1 101 | 1 272 | 1 272 |
| Personnel and Industrial | 7 532 | 11 966 | 13 704 | 15 724 | 18 044 | 20 707 | 20 707 |
| General Services | 8 927 | 13 857 | 15 701 | 17 793 | 20 169 | 22 565 | 22 565 |
| Supply | 387 | 182 | 209 | 239 | 274 | 314 | 314 |
| Administration | 3 254 | 4 355 | 4 939 | 5 519 | 6 394 | 7 277 | 7 277 |
| Insurance | 2 506 | 3 789 | 4 244 | 4 753 | 5 323 | 5 962 | 5 962 |
| Finance Department | 2 408 | 3 369 | 3 984 | 4 576 | 5 256 | 6 019 | 6 019 |
| General Finance | (13 253) | (22 147) | (24 793) | (27 769) | (31 101) | (34 933) | (34 933) |
| Precept | 6 293 | 9 300 | 10 416 | 11 666 | 13 065 | 14 624 | 14 624 |
| | 13 430 | 26 186 | 30 138 | 34 588 | 39 691 | 45 372 | 45 372 |

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Exhibit "A5"

QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1982/83 TO 1986/87
MANAGEMENT AND ADMINISTRATION
SUMMARY - BY REGION

| Estimated Disbursements to 30 June 1982 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 16 666 | 22 869 | 26 315 | 30 225 | 34 654 | 39 023 |
| 553 | 747 | 856 | 982 | 1 127 | 1 294 |
| 1 055 | 1 300 | 1 450 | 1 710 | 1 962 | 2 253 |
| 1 156 | 1 270 | 1 456 | 1 671 | 1 919 | 2 202 |
| 19 430 | 26 186 | 30 138 | 34 589 | 37 591 | 43 572 |

Head Office

Southern Region

Central Region

Northern Region

Exhibit "A5"

In the Supreme Court of Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

In the Supreme Court of Queensland

No. 8 Affidavit of Norman Ross Walker with Exhibits 15th June 1983 (Contd.)

QUEENSLAND ELECTRICITY GENERATING BOARD
 FIVE YEAR FORECAST OF OPERATING RESULTS
 DISBURSEMENTS FOR THE YEARS 1982/83 TO 1985/87

CAPITAL CHARGES

| Estimated Disbursements to 30 June 1982 | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 16 569 | 20 938 | 26 609 | 25 732 | 23 395 | 22 151 |
| 959 | 663 | 341 | 7 043 | 14 195 | 27 061 |
| 140 537 | 205 547 | 286 069 | 359 820 | 452 297 | 553 587 |
| 7 925 | 27 413 | 37 449 | 45 032 | 59 043 | 70 400 |
| 1 393 | 4 508 | 7 946 | 12 382 | 18 699 | 22 357 |
| 2 399 | 3 516 | 3 949 | 4 444 | 4 956 | 5 312 |
| 579 | 807 | 1 050 | 1 200 | 1 372 | 1 541 |
| 170 351 | 263 372 | 362 613 | 437 939 | 506 343 | 582 173 |

Repayments - S.E.C.C.
 - Other

Interest - S.E.C.C.
 - Contingency Advances
 - Other

Loan Rollover Expenses

Loan Management Expenses

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Exhibit "A5"

**QUEENSLAND ELECTRICITY GENERATING BOARD
FIVE YEAR FORECAST OF OPERATING RESULTS
DISBURSEMENTS FOR THE YEARS 1982/83 TO 1986/87
EXPENSE ACCOUNTS
SUMMARY**

| Estimated Disbursements to 30 June 1982 | Forecast | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| (300) | 300 | 330 | 350 | 375 | 390 |
| Salaries and Wages | | | | | |
| Total Payments | 123 878 | 149 257 | 177 538 | 213 204 | 245 193 |
| Less Allocations | (123 878) | (149 257) | (177 538) | (213 204) | (245 193) |
| Transport and Plant-Cost | | | | | |
| Total Charges | 2 394 | 2 681 | 3 003 | 3 512 | 3 921 |
| Less Allocations | (2 394) | (2 681) | (3 003) | (3 512) | (3 921) |
| Labour Costs | | | | | |
| Total Charges | 33 088 | 39 600 | 47 421 | 56 948 | 65 470 |
| Less Allocations | (33 088) | (39 600) | (47 421) | (56 948) | (65 470) |
| Technical Services, Materials and Stockwater | | | | | |
| Total Charges | 17 539 | 20 017 | 22 820 | 25 214 | 29 604 |
| Less Allocations | (17 539) | (20 017) | (22 820) | (25 214) | (29 604) |
| (300) | 300 | 330 | 350 | 375 | 390 |

In the Supreme Court of Queensland
**No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)**

Exhibit "A5"

In the Supreme
Court of
Queensland

No. 8
Affidavit of
Norman Ross
Walker
with Exhibits
15th June 1983
(Contd.)

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IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

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THE QUEENSLAND ELECTRICITY GENERATING BOARD
Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.
Defendant

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This and the preceding 25 pages is the exhibit marked with the
letter "A5" mentioned and referred to in the Affidavit of
NORMAN ROSS WALKER sworn herein before me this ^{15th}
day of JUNE 1983.

40


Solicitor

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Affidavit of Norman Ross Walker with Exhibits - 20th June 1983

IN THE SUPREME COURT OF QUEENSLAND

No. 902 of 1983

10

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD
11.OCT.1983
FILED
BRISBANE
NEW HOPE COLLIERIES PTY. LTD.

Plaintif

AND:

AFFIDAVIT OF NORMAN ROSS WALKER (Filed on behalf of the Plaintiff)

Defendan

20

I NORMAN ROSS WALKER of 11 Balmore Street, Indooroopilly, Brisbane in the State of Queensland, Corporate Economist, being duly sworn make oath and say as follows:-

1. I crave leave to refer to my affidavit sworn herein on 15 June 1983.

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2. At or about the end of each month the Defendant furnished to the Finance Department of the Plaintiff pro forma invoices relating to the delivery of coal in that month. By way of example, now produced before me and marked with the letter "A1" and "A2" are true copies of invoices from the Defendant to the Plaintiff relating to deliveries of coal in the month of May, 1982.

WILLIAMS & WILLIAMS, NATIONAL BANK HOUSE, 255 ADELAIDE ST., BRISBANE Q. 4000

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3. As appears from the said invoices, at the end of each month the Defendant sought adjustments to the price of coal delivered during previous months as well as payment at the current provisional price for coal delivered in that month

FIRST SHEET

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Norman Ross Walker
Deponent

[Signature]
A Justice of the Peace

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4. These adjustments were based on calculations of current coal prices escalated pursuant to the provisions of the coal supply agreement and based upon changes in the indices used in the formulae therein, which calculations were made by the accountants Messrs. Spry, Walker & Co., Touche Ross & Co. and sent to the Defendant and to the Plaintiff.

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5. Now produced before me and marked with the letters "B" and "C1" and "C2" respectively are copies of a letter and calculations attached thereto from the said accountants to the Plaintiff relating to the delivery of coal in the months of March, April and May in 1982.

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6. At the end of the month succeeding the month for which the invoices were rendered, the Plaintiff paid the Defendant for the coal delivered in that previous month, and also for the adjusted price of coal delivered in months prior to that month and based upon changes in the indices used in the formulae employed therein which had become available in the month of the invoice. These payments were made upon the basis that no further adjustments to the price of coal would be made by the Plaintiff.

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7. All the facts and circumstances herein deposed to are within my own knowledge save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my Affidavit.

50

SECOND SHEET


Defendant


A Justice of the Peace

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In the Supreme
Court of
Queensland

No. 9
Affidavit of
Norman Ross
Walker
with Exhibits
20th June 1983
(Contd.)

SHORN by the abovenamed
Deponent at BRISBANE
in the State of QUEENSLAND
this JUNE 20TH day
of JUNE 1983,
before me:

Norman Ross Walker

[Signature]
A Justice of the Peace

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CCQ1 5211

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In the Supreme Court of Queensland

No. 9 Affidavit of Norman Ross Walker with Exhibits 20th June 1983 (Contd.)

NEW HOPE COLLIERY PTY. LTD.

Correspondence — P.O. BOX 47, IPSWICH, QLD., 4305. Telephone — 202 1100 Telex — 4401B

SUPREME COURT OF QUEENSLAND 11. OCT. 1983 FILED BRISBANE

INVOICE

No 102

10

G.E.G.B. C.P.O. Box 1424 Brisbane Qld 4001

Date May 31 1982

20

| | RATE | AMOUNT |
|-----------------------------|-------|----------------|
| Cool supplied for the month | | |
| | | 37,067 68 |
| Demerchise | | 139.00 |
| | | 36,928 68 |
| | 38 99 | \$1,439,110 66 |

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Exhibit "A1"

IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

20

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff


AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

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This is the paperwriting marked with the letter "A1" mentioned and referred to in
the Affidavit of NORMAN ROSS WALKER sworn herein before me this ^{20th}
day of JUNE 1983.


Solicitor

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In the Supreme
Court of
Queensland

No. 9
Affidavit of
Norman Ross
Walker
with Exhibits
20th June 1983

NEW HOME QUALITIES PTY. LTD.

INVOICE

10

(Contd.) residence — P.O. BOX 47, IPSWICH,
QLD., 4705.

Telephone — 207 1100
Telex — 44610

SUPREME COURT
OF QUEENSLAND
11. OCT. 1983
FILED
BRISBANE

NO 103

G.E.C.P.
C.P.O. Box 1324
BRISBANE QLD 4001

Date May 30 1982

20

| | | RATE | AMOUNT | |
|------------------------------|-----------|------|--------|----|
| Adjustment to coal supplied: | | | | |
| March | 39,751 | .06 | 2385 | 06 |
| April | 27,342.38 | .16 | 4374 | 78 |
| | | | \$6759 | 84 |
| | | | 87 | 49 |
| | | | \$6672 | 35 |

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less 2% Quality Control Adjustment
on April Adj.

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Exhibit "A2"

IN THE SUPREME COURT
OF QUEENSLAND

No. 932 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

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Plaintiff

AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

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This is the paperwriting marked with the letter "A2" mentioned and referred to in
the Affidavit of NORMAN ROSS WALKER sworn herein before me this 20th
day of JUNE 1983.



Solicitor

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In the Supreme
Court of
Queensland

No. 9
Affidavit of
Norman Ross
Walker
with Exhibits
20th June 1983
(Contd.)

Spry Walker & Co.
Touche Ross & Co.
Chartered Accountants

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GHE:IDO:RM

14 June 1982

Mr D. Ireland
New Hope Collieries Pty Ltd
P.O.Box 47
IPSWICH Q. 4305

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Dear Sir,

Coal Supply Agreement No. CS/29

Enclosed for your attention are copies of the calculations of the current coal prices escalated according to the provisions of the above contract.

The provisional price for the current month and details of the adjustments necessary to prior months that should be invoiced to the Generating Board are as follows:

30

| <u>Month</u> | <u>Previous Provisional Price</u> | <u>Current Provisional Price</u> | <u>Final Price</u> | <u>Price to be Invoiced</u> |
|--------------|---|--|------------------------|-------------------------------------|
| March | 38.58 | | 38.64 | .06 |
| April | 38.81 | | 38.97 | .16 |
| May | | 38.97 | | 38.97 |

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A copy of this letter and the calculations has been sent to the Generating Board.

If you have any query relating to the above please contact Mr Morton or Mr Ovens.

Yours faithfully,

50

L.W. Doggen O.B.E. R.K. Storer J. Horsdon
R.A. Grace I.G. Hiley G.H. Morton G.L. Twenlow I.R. Milne
M.C. Naughtan L.G. Edwood

ANSETT CENTRE 27 TURBOT STREET BRISBANE QUEENSLAND • TELEPHONE 221 7733
PO BOX 237 BRISBANE NORTH QUAY QUEENSLAND 4000 • CABLE 'FIDELIS' • TELEX AA41649

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IN THE SUPREME COURT
OF QUEENSLAND

No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

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Plaintiff

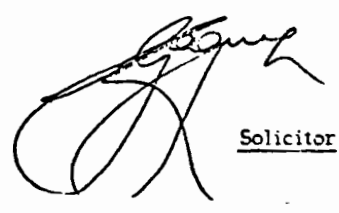
AND:

NEW HOPE COLLIERIES PTY. LTD.

Defendant

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This is the paperwriting marked with the letter "B" mentioned and referred to in the Affidavit of NORMAN ROSS WALKER sworn herein before me this 20th day of JUNE 1983.


Solicitor

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In the Supreme Court of Queensland

No. 9 Affidavit of Norman Ross Walker with Exhibits 20th June 1983 (Contd.)

'C1'

PAGE 1

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NEW HOPE COLLIERIES PTY LTD
 11. OCT. 1983
 COAL SUPPLY FOR SWANBANK POWER STATION
 CALCULATION OF CONTRACT PRICE FOR MONTH OF MARCH 1982
 BRISBANE
 BASE DATE - 30TH JUNE, 1977
 BASE TONNES 400000 TONNES PER ANNUM

20

| PRICE COMPONENT | INDEX | | PRICE | |
|-------------------|----------|------------|-------------------|-------------------|
| | BASE | THIS MONTH | BASE | THIS MONTH |
| LABOUR | 414.0116 | 733.5673 | \$ 11.0500 | \$ 19.5790 |
| MATERIALS | 1.0000 | 1.5399 | 5.8264 | 8.9665 |
| NON-ESCALATING | | | 1.1835 | 1.1935 |
| OTHER | 226.6000 | 340.5000 | 5.2470 | 7.8844 |
| STATUTORY CHARGES | | | 0.0930 | 0.2700 |
| TRANSPORT LABOUR | 377.4800 | 647.0686 | 0.4422 | 0.7580 |
| TOTAL | | | \$ 23.8400 | \$ 38.6414 |

CONTRACT PRICE FOR MARCH 1982 INVOICING \$ 38.64

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NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SWANBANK POWER STATION
 CALCULATION OF CONTRACT PRICES AS AT MARCH 1982
 FOR THE VARIOUS ANNUAL DELIVERY RATES INCLUDING
 ESCALATED COMPONENTS OF THE CONTRACT PRICES

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| LABOUR | MATERIALS | NON ESC -ALATING | OTHER | STATUTORY CHARGES | TRANSPORT LABOUR | CONTRACT PRICE | ANNUAL TONNES |
|---------|-----------|------------------|--------|-------------------|------------------|----------------|---------------|
| 19.5790 | 6.9662 | 1.1835 | 7.8844 | 0.2700 | 0.7580 | 38.64 | 400000 |
| 21.2538 | 10.2011 | 1.2855 | 7.7413 | 0.2700 | 0.7580 | 42.02 | 300000 |
| 21.9983 | 10.2205 | 1.3150 | 8.5716 | 0.2700 | 0.7580 | 43.03 | 325000 |
| 24.2772 | 11.2678 | 1.4335 | 8.7902 | 0.2700 | 0.7580 | 46.86 | 270000 |
| 24.0202 | 11.6605 | 1.4830 | 9.3143 | 0.2700 | 0.7580 | 48.33 | 270000 |

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11/11/77

PAGE 2

NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SWANBANK FOLER STATION
FACTORS FOR LABOUR INDEX FOR PRICE MONTH OF MARCH 1982

| FACTOR | BASE 30/6/77 | THIS MONTH |
|--|-----------------|---------------|
| AWARD RATE PER WEEK - COAL CUTTING MACHINE MAN | \$ 190.8000 | 301.1000 |
| AWARD RATE PER WEEK - ELECTRICAL FITTER | \$ 190.8000 | 300.8000 |
| AWARD RATE PER WEEK - UNDERMANAGER IN CHARGE | \$ 342.1000 | 527.0000 |
| EXPERIENCE PAYMENT (MINERS AWARD) | \$ 0.0000 | 12.4000 |
| DISTRICT ALLOWANCE PER WEEK | \$ 10.0000 | 25.0000 |
| SHIFT ALLOWANCE - AFTERNOON | % 15.0000 | 15.0000 |
| SHIFT ALLOWANCE - NIGHT | % 25.0000 | 25.0000 |
| ANNUAL LEAVE WEEKS PER ANNUM | 4.0000 | 5.0000 |
| ANNUAL LEAVE PERCENTAGE LOADING | % 17.5000 | 20.0000 |
| STATUTORY HOLIDAY WEEKS PER ANNUM | 2.0000 | 2.0000 |
| TRAVELLING ALLOWANCE PER DAY | 0.0000 | 5.0200 |
| OVERTIME - EQUIVALENT ORDINARY HOURS PER WEEK | 18.0000 | 18.0000 |
| OVERTIME - EQUIV. 1/25/WK. (UNDERMANAGER) | 0.0000 | 12.0000 |
| AWARD HOURS PER WEEK | 35.0000 | 35.0000 |
| AWARD WORKING WEEKS PER ANNUM | 46.0000 | 45.0000 |
| PRESCRIBED WORKING HOURS PER WEEK FOR OVERTIME | 47.0000 | 47.0000 |
| EMPLOYERS COMPENSATION INSURANCE - | | |
| UNDERGROUND LABOUR FORCE | % 6.9100 | 6.0200 |
| SURFACE LABOUR FORCE | % 2.4800 | 2.2300 |
| SECTION 14B ALL LABOUR FORCE | % 0.6800 | 0.7900 |
| TRANSPORT DRIVERS | % 4.5900 | 4.1300 |
| EMPLOYERS PENSION FUND CONTRIBUTION PER WEEK | \$ 13.5900 | 19.9500 |
| PERCENTAGE OF LABOUR FORCE - | | |
| ON AFTERNOON SHIFT | % 36.7000 | 36.7000 |
| ON NIGHT SHIFT | % 13.7000 | 13.7000 |
| WORKING UNDERGROUND | % 67.0000 | 67.0000 |
| WORKING ON THE SURFACE | % 33.0000 | 33.0000 |

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Exhibit "C1"

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In the Supreme
Court of
Queensland

No. 9
Affidavit of
Norman Ross
Walker
with Exhibits
20th June 1983
(Contd.)

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10/06/82

PAGE 3

NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SVANSARK POLER STATION
CALCULATION OF WEIGHTED WEEKLY LABOUR RATE
FOR PRICE MONTH OF MARCH 1982

| | NOMINATED LABOUR FORCE | WEIGHTING | WEEKLY LABOUR RATE | WEIGHTED WEEKLY LABOUR RATE |
|----|---------------------------------|-----------|-----------------------|--------------------------------|
| 20 | COAL CUTTING MACHINE MAN | .70 | \$ 698.4504 | \$ 488.9153 |
| | ELECTRICAL FITTER | .20 | 704.5921 | 140.9184 |
| | UNDERMANAGER IN CHARGE | .10 | 1037.3361 | 103.7336 |
| | | | | ----- |
| | WEIGHTED WEEKLY LABOUR RATE (Q) | | | \$ 733.5673 |
| | | | | ----- |

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Exhibit "C1"

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PAGE 4

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NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SUNDAY COLEB STATION
CALCULATION OF WEEKLY LABOUR RATE FOR PRICE MONTH OF MARCH 1982

| | | | |
|--|---------------------------------|-----------------|----|
| AWARD | COAL MINERS SOUTHERN DIVISION | | |
| CLASSIFICATION | MOTOR LORRY DRIVERS (VI) | | |
| TONNAGE | | 27 | |
| PRESCRIBED WORKING HOURS PER WEEK | | 45.00 | |
| PERCENTAGE OF LABOUR FORCE | | | |
| ON AFTERNOON SHIFT | | 50.00% | 20 |
| SURFACE | | 100.00% | |
| AWARD WAGE FOR AWARD HOURS PER WEEK (SEE NOTE) | | (1) \$ 305.6000 | |
| DISTRICT ALLOWANCE | | 25.0000 | |
| SUB TOTAL | | (2) 330.6000 | |
| SHIFT ALLOWANCE - | | | |
| AFTERNOON | 15% OF (1) FOR 50.0% | 22.9200 | |
| ANNUAL LEAVE | 5 WEEKS AT (2) / 45 WEEKS | 36.7333 | |
| % LOADING | 20.0% OF 5WKS AT (1) / 45WKS | 6.7911 | |
| STATUTORY HOLIDAYS | 2 WEEKS AT (2) / 45 | 14.6933 | 30 |
| TRAVELLING ALLOWANCE | 5 DAYS AT 5.62 | 29.1000 | |
| OVERTIME | 15 HOURS AT (1) / 35 HOURS | 130.9714 | |
| SUB TOTAL | | (3) 571.8091 | |
| WORKERS COMPENSATION INSURANCE | | | |
| TRANSPORT DRIVER | 4.13% OF (3) | 23.6157 | |
| PAYROLL TAX | 5% OF (3) | 29.5905 | |
| MINERS PENSION | 52 WEEKS AT \$ 15.95 / 45 WEEKS | 23.0533 | |
| WEEKLY LABOUR RATE | | \$ 647.0656 | 40 |

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Exhibit "C1"

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In the Supreme
Court of
Queensland

No. 9
Affidavit of
Norman Ross
Walker
with Exhibits
20th June 1983
(Contd.)

1974/83/22

PAGE 5

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NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SHANBANK POWER STATION
CALCULATION OF WEEKLY LABOUR RATE FOR PRICE MONTH OF MARCH 1982

| AWARD CLASSIFICATION | COLLIERY STAFFS-DIVISION A-SOUTHERN DIVISION NO.2(B) UNDERMANAGER IN CHARGE | | |
|----------------------|--|---------------------------------|--------------|
| | PREScribed WORKING HOURS PER WEEK | | 35.00 |
| | PERCENTAGE OF LABOUR FORCE | | |
| | ON AFTERNOON SHIFT | | 36.70% |
| | ON NIGHT SHIFT | | 13.70% |
| | ON UNDERGROUND | | 67.00% |
| | SURFACE | | 33.00% |
| | AGREED WAGE FOR AWARD HOURS PER WEEK (SEE NOTE) | (1)* | 527.0000 |
| | DISTRICT ALLOWANCE | | 25.0000 |
| | SUB TOTAL | (2) | 552.0000 |
| | SHIFT ALLOWANCE - | | |
| | AFTERNOON | 15% OF (1) FOR 36.7% | 29.0114 |
| | NIGHT | 25% OF (1) FOR 13.7% | 18.0498 |
| | ANNUAL LEAVE | 5 WEEKS AT (2) / 45 WEEKS | 61.3333 |
| | & LOADING | 20.0% OF 5WKS AT (1) / 45WKS | 11.7111 |
| | STATUTORY HOLIDAYS | 2 WEEKS AT (2) / 45 | 24.5333 |
| | TRAVELLING ALLOWANCE | 5 DAYS AT 5.82 | 29.1000 |
| | OVERTIME | 12 HOURS AT (1) / 35 HOURS | 160.6857 |
| | SUB TOTAL | (3) | 906.4246 |
| | WORKERS COMPENSATION INSURANCE | | |
| | UNDERGROUND | 67.0% OF 8.02% OF (3) | 48.7058 |
| | SURFACE | 33.0% OF 2.22% OF (3) | 6.6704 |
| | SECTION 14B | 0.79% OF (3) | 7.1608 |
| | FULL TAX | 5% OF (3) | 45.3212 |
| | MINERS PENSION | 52 WEEKS AT \$ 19.55 / 45 WEEKS | 23.0533 |
| | WEEKLY LABOUR RATE | | \$ 1037.3361 |

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Exhibit "C1"

18/06/82

PAGE 6

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HEU HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SHANBANK FOLER STATION
CALCULATION OF WEEKLY LABOUR RATE FOR PRICE MONTH OF MARCH 1982

AWARD ELECTRICAL & ENGINEERING TRADES-SOUTHERN DIVISION
CLASSIFICATION NO.2 ELECTRICAL FITTER

| | | | |
|--|--------------------------------|-------------|----|
| PREScribed WORKING HOURS PER WEEK | | 47.00 | |
| PERCENTAGE OF LABOUR FORCE | | | |
| ON AFTERNOON SHIFT | | 36.70% | 20 |
| ON NIGHT SHIFT | | 13.70% | |
| ON UNDERGROUND SURFACE | | 67.00% | |
| | | 33.00% | |
| AWARD WAGE FOR AWARD HOURS PER WEEK (SEE NOTE) | (1) | 309.3560 | |
| DISTRICT ALLOWANCE | | 25.0000 | |
| | | ----- | |
| SUB TOTAL | (2) | 334.3560 | |
| SHIFT ALLOWANCE - | | | |
| AFTERNOON | 15% OF (1) FOR 36.7% | 17.0300 | |
| NIGHT | 25% OF (1) FOR 13.7% | 10.5254 | |
| ANNUAL LEAVE | 5WEEKS AT (2) / 45WEEKS | 37.1507 | 30 |
| 2 LOADING | 20.0% OF 5WKS AT (1) / 45WKS | 6.8746 | |
| STATUTORY HOLIDAYS | 2WEEKS AT (2) / 45 | 14.8603 | |
| TRAVELLING ALLOWANCE | 5 DAYS AT 5.82 | 29.1000 | |
| OVERTIME | 10HOURS AT (1) / 35HOURS | 159.0974 | |
| | | ----- | |
| SUB TOTAL | (3) | 609.0644 | |
| MINERS COMPENSATION INSURANCE | | | |
| UNDERGROUND | 67.0% OF 8.02% OF (3) | 32.7275 | |
| SURFACE | 33.0% OF 2.23% OF (3) | 4.4821 | |
| SECTION 14B | 0.79% OF (3) | 4.8116 | |
| PAYROLL TAX | 5% OF (3) | 30.4532 | |
| MINERS PENSION | 32 WEEKS AT \$ 19.55 / 45WEEKS | 23.0533 | 40 |
| | | ----- | |
| WEEKLY LABOUR RATE | | \$ 704.5921 | |

NOTE: THE ABOVE WAGE RATE INCLUDES AN EXPERIENCE PAYMENT OF 69% OF \$ 12.40

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Exhibit "C1"

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In the Supreme
Court of
Queensland

No. 9
Affidavit of
Norman Ross
Walker
with Exhibits
20th June 1983
(Contd.)

10-02/83

PAGE 7

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NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SEAKEALK FOLDR STATION
CALCULATION OF WEEKLY LABOUR RATE FOR PRICE MONTH OF MARCH 1962

| AWARD CLASSIFICATION | COAL MINERS-SOUTHERN DIVISION NO.4 COAL CUTTING MACHINE MAN | |
|---|--|-----------------|
| PREScribed WORKING HOURS PER WEEK | | 47.00 |
| PERCENTAGE OF LABOUR FORCE | | |
| ON AFTERNOON SHIFT | | 36.70% |
| ON NIGHT SHIFT | | 13.70% |
| ON UNDERGROUND | | 67.00% |
| SURFACE | | 33.00% |
| WAGE FOR AWARD HOURS PER WEEK (SEE NOTE) | | (1) \$ 306.2750 |
| RICT ALLOWANCE | | 25.0000 |
| SUB TOTAL | | (2) 331.2750 |
| SHIFT ALLOWANCE - | | |
| AFTERNOON | 15% OF (1) FOR 36.7% | 16.8604 |
| NIGHT | 25% OF (1) FOR 13.7% | 10.4899 |
| ANNUAL LEAVE | 5WEEKS AT(2) / 45WEEKS | 36.8063 |
| LOADING | 20.0% OF 5LKS AT(1)/ 45WKS | 6.8061 |
| STATUTORY HOLIDAYS | 2WEEKS AT (2)/ 45 | 14.7233 |
| TRAVELLING ALLOWANCE | 5 DAYS AT 5.82 | 29.1000 |
| OVERTIME | 10HOURS AT (1)/ 35HOURS | 157.5129 |
| SUB TOTAL | | (3) 603.5759 |
| WORKERS COMPENSATION INSURANCE | | |
| UNDERGROUND | 67.0% OF 6.02% OF (3) | 32.4325 |
| SURFACE | 33.0% OF 2.23% OF (3) | 4.4417 |
| SECTION 14B | 0.79% OF (3) | 4.7682 |
| ROLL TAX | 5% OF (3) | 30.1788 |
| MINERS PENSION | 52 WEEKS AT \$ 19.95/ 45WEEKS | 23.0533 |
| WEEKLY LABOUR RATE | | \$ 693.4504 |

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NOTE: THE ABOVE WAGE RATE INCLUDES AN EXPERIENCE
PAYMENT OF 6% OF \$ 7.50

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Exhibit "C1"

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10/03/82

PAGE 8

NEW HOPE COLLIERIES PTY LTD
COAL SUPPLY FOR SWANEAK POWER STATION
CALCULATION OF MATERIALS INDEX
FOR PRICE MONTH OF MARCH 1982

| FACTOR | BASE 30/6/77 | THIS MONTH | |
|---|-----------------|---------------|----|
| METAL MANUFACTURES ETC. SEGMENT OF THE 'MANUFACTURED MATERIALS (IMPORTED)' COMPONENT OF THE 'PRICE INDEX OF MATERIALS USED IN MANUFACTURING INDUSTRY' | 231.7000 | 322.0000 | 20 |
| 'ALL MANUFACTURING INDUSTRY' INDEX OF THE 'PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING INDUSTRY' | 205.0000 | 302.6000 | |
| 'WEEKLY WAGE RATE, QUEENSLAND - ADULT MALES' FOR THE INDUSTRY GROUP 'ENGINEERING, METALS, VEHICLES' | 143.4900 | 219.7500 | |
| FOR THE ENGINEERING INDUSTRY | | | |
| AWARD WORKING WEEKS PER ANNUM | 46.0000 | 45.0000 | |
| AWARD WORKING HOURS PER WEEK | 40.0000 | 40.0000 | 30 |
| MATERIALS INDEX (E) CALCULATED AS PER FORMULA | | | |
| BASE DATE - 30TH JUNE 1977 | 1.0000 | | |
| CURRENT MONTH'S INDEX | 1.5369 | | |

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COAL SUPPLY FOR SWANEAK POWER STATION
OTHER ITEMS INDEX (E) FOR PRICE MONTH OF MARCH 1982

| FACTOR | BASE 30/6/77 | THIS MONTH |
|--|-----------------|---------------|
| CONSUMER PRICE INDEX- ALL GROUPS- BRISBANE | 216.0000 | 340.0000 |

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Exhibit "C1"

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In the Supreme
Court of
Queensland

No. 9
Affidavit of
Norman Ross
Walker
with Exhibits
20th June 1983
(Contd.)

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PAGE 9

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NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SWANHAK FOLER STATION
CALCULATION OF STATUTORY CHARGES COMPONENT
FOR PRICE MONTH OF MARCH 1982

| FACTOR | LAST MONTH | CHANGE | THIS MONTH |
|---------------------|---------------|-----------|---------------|
| ROYALTY | 0.0500 | 0.0000 | 0.0500 |
| COMMONWEALTH EXCISE | 0.1500 | 0.0000 | 0.1500 |
| SEVERANCE PAY FUND | 0.0700 | 0.0000 | 0.0700 |
| | \$ 0.2700 | \$ 0.0000 | \$ 0.2700 |

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Exhibit "C1"

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IN THE SUPREME COURT
OF QUEENSLAND

No. 922 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

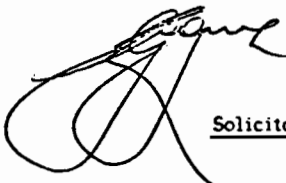
NEW HOPE COLLIERIES PTY. LTD.

Defendant

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This and the preceding 8 pages is the paperwriting marked with the letter "C1"
mentioned and referred to in the Affidavit of NORMAN ROSS WALKER sworn herein
before me this *20th*
day of *June* 1983.

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Solicitor

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In the Supreme Court of Queensland

No. 9 Affidavit of Norman Ross Walker with Exhibits 20th June 1983 (Contd.)

PAGE 1

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NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SWANPARK POWER STATION
CALCULATION OF CONTRACT PRICE FOR MONTH OF APRIL, 1982

BASE DATE - 30TH JUNE, 1977
BASE TONNES 400000 TONNES PER ANNUM

| PRICE COMPONENT | BASE | INDEX THIS MONTH | PRICE | |
|-------------------|----------|------------------|------------|------------|
| | | | BASE | THIS MONTH |
| LABOUR | 414.0118 | 733.5672 | \$ 11.0500 | \$ 19.5790 |
| MATERIALS | 1.0000 | 1.5482 | 5.8264 | 9.0201 |
| NON-ESCALATING | | | 1.1835 | 1.1835 |
| OTHER | 226.0000 | 348.1000 | 5.2470 | 8.0624 |
| STATUTORY CHARGES | | | 0.0950 | 0.3700 |
| TRANSPORT LABOUR | 377.4800 | 647.0686 | 0.4422 | 0.7580 |
| TOTAL | | | \$ 23.8400 | \$ 38.9710 |

CONTRACT PRICE FOR APRIL, 1982 INCLUDING \$ 38.97

NOTE - ONE OR MORE OF THE FACTORS ARE PROVISIONAL. THIS COMPONENT WILL BE ADJUSTED WHEN THE CORRECT FIGURE IS AVAILABLE.

30

NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SWANPARK POWER STATION
CALCULATION OF CONTRACT PRICES AS AT APRIL, 1982
FOR THE VARIOUS ANNUAL DELIVERY RATES INCLUDING
ESCALATED COMPONENTS OF THE CONTRACT PRICES

| LABOUR | MATERIALS | NON ESC -ALATING | OTHER | STATUTORY CHARGES | TRANSPORT LABOUR | CONTRACT PRICE | ANNUAL TONNES |
|---------|-----------|------------------|--------|-------------------|------------------|----------------|---------------|
| 19.5790 | 9.0204 | 1.1835 | 8.0624 | 0.3700 | 0.7580 | 38.97 | 400000 |
| 21.7598 | 10.2627 | 1.2835 | 7.9141 | 0.3700 | 0.7580 | 42.35 | 320000 |
| 21.0363 | 10.2822 | 1.3110 | 8.7629 | 0.3700 | 0.7580 | 43.38 | 325000 |
| 24.2772 | 11.3759 | 1.4335 | 8.9864 | 0.3700 | 0.7580 | 47.18 | 280000 |
| 21.0202 | 11.9523 | 1.4820 | 9.3222 | 0.3700 | 0.7580 | 48.71 | 270000 |

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NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SEABANK POLER STATION
 FACTORS FOR LABOUR INDEX FOR PRICE MONTH OF APRIL, 1982

| FACTOR | BASE 30/6/77 | THIS MONTH |
|--|-----------------|---------------|
| AWARD RATE PER WEEK - COAL CUTTING MACHINE MAN | \$ 190.6000 | 301.1000 |
| AWARD RATE PER WEEK - ELECTRICAL FITTER | \$ 190.5000 | 300.8000 |
| AWARD RATE PER WEEK - UNDERMANAGER IN CHARGE | \$ 342.1000 | 527.0000 |
| EXPERIENCE PAYMENT (MINERS AWARD) | \$ 0.0000 | 12.4000 |
| DISTRICT ALLOWANCE PER WEEK | \$ 10.0000 | 25.0000 |
| SHIFT ALLOWANCE - AFTERNOON | \$ 15.0000 | 15.0000 |
| SHIFT ALLOWANCE - NIGHT | \$ 25.0000 | 25.0000 |
| ANNUAL LEAVE WEEKS PER ANNUM | 4.0000 | 5.0000 |
| ANNUAL LEAVE PERCENTAGE LOADING | \$ 17.5000 | 20.0000 |
| STATUTORY HOLIDAY WEEKS PER ANNUM | 2.0000 | 2.0000 |
| TOLLING ALLOWANCE PER DAY | 0.0000 | 5.8200 |
| OVERTIME - EQUIVALENT ORDINARY HOURS PER WEEK | 18.0000 | 18.0000 |
| OVERTIME - EQUIV. FR/WK. (UNDERMANAGER) | 0.0000 | 12.0000 |
| AWARD HOURS PER WEEK | 35.0000 | 35.0000 |
| AWARD WORKING WEEKS PER ANNUM | 46.0000 | 45.0000 |
| PRESCRIBED WORKING HOURS PER WEEK FOR OVERTIME | 47.0000 | 47.0000 |
| WORKERS COMPENSATION INSURANCE - | | |
| UNDERGROUND LABOUR FORCE | \$ 8.9100 | 8.0200 |
| SURFACE LABOUR FORCE | \$ 2.4600 | 2.2300 |
| SECTION 14B ALL LABOUR FORCE | \$ 0.8800 | 0.7900 |
| TRANSPORT DRIVERS | \$ 4.5900 | 4.1300 |
| EMPLOYERS PENSION FUND CONTRIBUTION PER WEEK | \$ 13.2900 | 19.9500 |
| PERCENTAGE OF LABOUR FORCE - | | |
| ON AFTERNOON SHIFT | \$ 36.7000 | 36.7000 |
| ON NIGHT SHIFT | \$ 17.7000 | 17.7000 |
| WORKING UNDERGROUND | \$ 67.0000 | 67.0000 |
| WORKING ON THE SURFACE | \$ 33.0000 | 33.0000 |

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Exhibit "C2"

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NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SWANRANK POWER STATION
CALCULATION OF WEIGHTED WEEKLY LABOUR RATE
FOR PRICE MONTH OF APRIL, 1982

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| NOTIFIED LABOUR FORCE | WEIGHTING | WEEKLY LABOUR RATE | WEIGHTED WEEKLY LABOUR RATE |
|----------------------------------|-----------|-----------------------|--------------------------------|
| COAL CUTTING MACHINE MAN | .70 | \$ 692.4504 | \$ 484.7153 |
| ELECTRICAL FITTER | .20 | 704.3921 | 140.8764 |
| UNDERMANAGER IN CHARGE | .10 | 1037.3361 | 103.7336 |
| WEIGHTED WEEKLY LABOUR RATE (00) | | | \$ 733.5673 |

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NEW HOPE COLLIERIES PTY LTD
 COAL SUPPLY FOR SWANBANK POWER STATION
 CALCULATION OF WEEKLY LABOUR RATE FOR PRICE MONTH OF APRIL, 1982

| | | | |
|---|---|--------------|----|
| AWARD CLASSIFICATION | COAL MINERS SOUTHERN DIVISION MOTOR LORRY DRIVERS (VI) | | |
| TONNAGE | | 27 | |
| PRESCRIBED WORKING HOURS PER WEEK | | 45.00 | |
| PERCENTAGE OF LABOUR FORCE | | | |
| ON AFTERNOON SHIFT | | 50.00% | |
| SURFACE | | 100.00% | 20 |
| WARD RATE FOR AWARD HOURS PER WEEK (SEE NOTE) | | (1) 305.6000 | |
| DISTRICT ALLOWANCE | | 25.0000 | |
| SUB TOTAL | | (2) 330.6000 | |
| SHIFT ALLOWANCE - | | | |
| AFTERNOON | 15% OF (1) FOR 20.0% | 22.9200 | |
| ANNUAL LEAVE | 5WEEKS AT (2) / 45WEEKS | 36.7333 | |
| & LOADING | 20.0% OF RATE AT (1) / 45WKS | 6.7911 | |
| STATUTORY HOLIDAYS | 2WEEKS AT (2) / 45 | 14.6933 | |
| TRAVELLING ALLOWANCE | 5 DAYS AT 5.82 | 29.1000 | |
| OVERTIME | 15HOURS AT (1) / 35HOURS | 130.9714 | 30 |
| SUB TOTAL | | (3) 571.6051 | |
| WORKERS COMPENSATION INSURANCE | | | |
| TRANSPORT DRIVER | 4.13% OF (3) | 23.6157 | |
| PAYROLL TAX | 5% OF (3) | 28.5803 | |
| MINERS PENSION | 52 WEEKS AT \$ 19.95 / 45WEEKS | 23.0533 | |
| WEEKLY LABOUR RATE | | \$ 647.0686 | |

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NEW HOPE COLLIERY PTY LTD

COAL SUPPLY FOR SUANEANK PDLR STATION
CALCULATION OF WEEKLY LABOUR RATE FOR PRICE MONTH OF APRIL, 1982

AWARD CLASSIFICATION COLLIERY STAFFS-DIVISION A-SOUTHERN DIVISION
NO.2(CB) UNDERMANAGER IN CHARGE

20

| | |
|-----------------------------------|--------|
| PREScribed WORKING HOURS PER WEEK | 35.00 |
| PERCENTAGE OF LABOUR FORCE | |
| ON AFTERNOON SHIFT | 36.70% |
| ON NIGHT SHIFT | 13.70% |
| ON UNDERGROUND SURFACE | 67.00% |
| | 33.00% |

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| | | |
|---|-----|----------|
| AGREED WAGE FOR AWARD HOURS PER WEEK (SEE NOTE) | (1) | 527.0000 |
| DISTRICT ALLOWANCE | | 25.0000 |
| SUB TOTAL | (2) | 552.0000 |

| | | |
|----------------------|------------------------------|----------|
| SHIFT ALLOWANCE - | | |
| AFTERNOON | 15% OF (1) FOR 36.7% | 29.0114 |
| NIGHT | 25% OF (1) FOR 13.7% | 18.0498 |
| ANNUAL LEAVE | 5WEEKS AT (2) / 45WEEKS | 61.3333 |
| & LOADING | 20.0% OF 5WKS AT (1) / 45WKS | 11.7111 |
| STATUTORY HOLIDAYS | 2WEEKS AT (2) / 45 | 24.5333 |
| TRAVELLING ALLOWANCE | 5 DAYS AT 5.82 | 29.1000 |
| OVERTIME | 12HOURS AT (1) / 35HOURS | 180.6857 |
| SUB TOTAL | (3) | 906.4246 |

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| | | |
|--------------------------------|--------------------------------|--------------|
| WORKERS COMPENSATION INSURANCE | | |
| UNDERGROUND | 67.0% OF 8.02% OF (3) | 48.7058 |
| SURFACE | 33.0% OF 2.23% OF (3) | 6.6704 |
| SECTION 14B | 0.79% OF (3) | 7.1608 |
| FULL TAX | 5% OF (3) | 45.3212 |
| WIDERS PENSION | 52 WEEKS AT \$ 19.95 / 45WEEKS | 23.0533 |
| WEEKLY LABOUR RATE | | \$ 1037.3361 |

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NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SWANENK FOLER STATION
CALCULATION OF WEEKLY LABOUR RATE FOR PRICE MONTH OF APRIL, 1982

AWARD ELECTRICAL & ENGINEERING TRADES-SOUTHERN DIVISION
CLASSIFICATION NO.2 ELECTRICAL FITTER

| | | | |
|---|---------------------------------|-------------|----|
| PREScribed WORKING HOURS PER WEEK | | 47.00 | |
| PERCENTAGE OF LABOUR FORCE | | | |
| ON AFTERNOON SHIFT | | 36.70% | |
| ON NIGHT SHIFT | | 13.70% | |
| ON UNDERGROUND SURFACE | | 67.00% | 20 |
| | | 33.00% | |
| ① GROSS WAGE FOR AWARD HOURS PER WEEK (SEE NOTE) | (1) | 309.3560 | |
| DISTRICT ALLOWANCE | | 25.0000 | |
| SUB TOTAL | (2) | 334.3560 | |
| SHIFT ALLOWANCE - | | | |
| AFTERNOON | 15% OF (1) FOR 26.7% | 17.0300 | |
| NIGHT | 25% OF (1) FOR 13.7% | 10.5954 | |
| ANNUAL LEAVE | 5 WEEKS AT (2) / 45 WEEKS | 37.1507 | |
| & LOADING | 20.0% OF 5 WKS AT (1) / 45 WKS | 6.6746 | |
| STATUTORY HOLIDAYS | 2 WEEKS AT (2) / 45 | 14.8603 | 30 |
| TRAVELLING ALLOWANCE | 3 DAYS AT \$ 82 | 29.1000 | |
| OVERTIME | 18 HOURS AT (1) / 35 HOURS | 159.0974 | |
| SUB TOTAL | (3) | 609.0644 | |
| WORKERS COMPENSATION INSURANCE | | | |
| UNDERGROUND | 67.0% OF 6.02% OF (3) | 32.7275 | |
| SURFACE | 33.0% OF 2.23% OF (3) | 4.4021 | |
| SECTION 14B | 0.79% OF (3) | 4.8116 | |
| PAYROLL TAX | 5% OF (3) | 30.4532 | |
| MINERS PENSION | 52 WEEKS AT \$ 19.95 / 45 WEEKS | 23.0333 | |
| WEEKLY LABOUR RATE | | \$ 704.5921 | 40 |

NOTE: THE ABOVE WAGE RATE INCLUDES AN EXPERIENCE PAYMENT OF 6% OF \$ 12.40

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HEE HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SWANBANK FOLER STATION
CALCULATION OF WEEKLY LABOUR RATE FOR PRICE MONTH OF APRIL, 1982

AWARD CLASSIFICATION COAL MINERS-SOUTHERN DIVISION
NO.4 COAL CUTTING MACHINE MAN

20

| | |
|-----------------------------------|--------|
| PREScribed WORKING HOURS PER WEEK | 47.00 |
| PERCENTAGE OF LABOUR FORCE | |
| ON AFTERNOON SHIFT | 36.70% |
| ON NIGHT SHIFT | 13.70% |
| ON UNDERGROUND | 67.00% |
| ON SURFACE | 33.00% |

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| | | |
|---|---------------------------------|----------|
| AGREED WAGE FOR AWARD HOURS PER WEEK (SEE NOTE) | (1) \$ | 306.2750 |
| DISTRICT ALLOWANCE | | 25.0000 |
| | | ----- |
| GRAND TOTAL | (2) | 331.2750 |
| SHIFT ALLOWANCE - | | |
| AFTERNOON | 15% OF (1) FOR 36.7% | 16.6604 |
| NIGHT | 25% OF (1) FOR 13.7% | 10.4699 |
| ANNUAL LEAVE | 5 WEEKS AT (2) / 45 WEEKS | 36.8023 |
| & LOADING | 20.0% OF 5WKS AT (1) / 45WKS | 6.6061 |
| STATUTORY HOLIDAYS | 2 WEEKS AT (2) / 45 | 14.7233 |
| TRAVELLING ALLOWANCE | 3 DAYS AT \$ 82 | 29.1000 |
| OVERTIME | 18 HOURS AT (1) / 35 HOURS | 157.5129 |
| | | ----- |
| GRAND TOTAL | (3) | 603.5759 |
| WORKERS COMPENSATION INSURANCE | | |
| UNDERGROUND | 67.0% OF 8.02% OF (3) | 32.4325 |
| SURFACE | 33.0% OF 2.23% OF (3) | 4.4417 |
| SECTION 14B | 0.79% OF (3) | 4.7682 |
| FAMILY TAX | 5% OF (3) | 30.1766 |
| MINERS PENSION | 52 WEEKS AT \$ 19.95 / 45 WEEKS | 23.0533 |
| | | ----- |
| WEEKLY LABOUR RATE | \$ | 698.4504 |
| | | ----- |

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NOTE: THE ABOVE WAGE RATE INCLUDES AN EXPERIENCE
PAYMENT OF 69% OF \$ 7.50

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NEW HOPE COLLIERIES PTY LTD

COAL SUPPLY FOR SWANBANK POWER STATION
CALCULATION OF MATERIALS INDEX
FOR PRICE MONTH OF APRIL, 1982

| FACTOR | BASE 30/6/77 | THIS MONTH | |
|--|-----------------|---------------|----|
| METAL MANUFACTURE ETC. SEGMENT OF THE 'MANUFACTURED MATERIALS (IMPORTED)' COMPONENT OF THE 'PRICE INDEX OF MATERIALS USED IN MANUFACTURING INDUSTRY' | 231.7000 | 325.2000 PROV | 20 |
| 'ALL MANUFACTURING INDUSTRY' INDEX OF THE 'PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING INDUSTRY' | 205.0000 | 335.9000 PROV | |
| 'WEEKLY WAGE RATE, QUEENSLAND - ADULT MALES' FOR THE INDUSTRY GROUP 'ENGINEERING, METALS, VEHICLES' | 143.4900 | 219.5500 PROV | |
| FOR THE ENGINEERING INDUSTRY | | | |
| AWARD WORKING WEEKS PER ANNUM | 46.0000 | 46.0000 | |
| AWARD WORKING HOURS PER WEEK | 40.0000 | 40.0000 | 30 |

MATERIALS INDEX (E) CALCULATED AS PER FORMULA

BASE DATE - 30TH JUNE 1977 1.0000
CURRENT MONTH'S INDEX 1.5482

NOTE - ONE OR MORE OF THE FACTORS ARE PROVISIONAL.
THIS COMPONENT WILL BE ADJUSTED WHEN THE
CORRECT FIGURE IS AVAILABLE.

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COAL SUPPLY FOR SWANBANK POWER STATION
OTHER ITEMS INDEX (E) FOR PRICE MONTH OF APRIL, 1982

| FACTOR | BASE 30/6/77 | THIS MONTH |
|--|-----------------|---------------|
| CONSUMER PRICE INDEX- ALL GROUPS- BRISBANE | 226.6000 | 348.1000 |

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NEW HOPE COLLIERIES PTY LTD

**LOCAL SUPPLY FOR SWANEAK FOLK STATION
CALCULATION OF STATUTORY CHARGES COMPONENT
FOR PRICE MONTH OF APRIL, 1982**

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| FACTOR | LAST MONTH | CHANGE | THIS MONTH |
|---------------------|------------------|------------------|------------------|
| ROYALTY | 0.0500 | 0.0000 | 0.0500 |
| COMMONWEALTH EXCISE | 0.1500 | 0.1000 | 0.2500 |
| SEVERANCE PAY FUND | 0.0700 | 0.5000 | 0.6700 |
| | \$ 0.2700 | \$ 0.1000 | \$ 0.3700 |

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Exhibit "C2"

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IN THE SUPREME COURT
OF QUEENSLAND

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No. 902 of 1983

BETWEEN:

THE QUEENSLAND ELECTRICITY GENERATING BOARD

Plaintiff

AND:

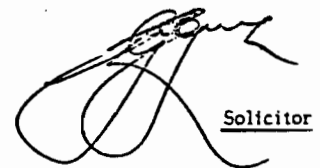
NEW HOPE COLLIERIES PTY. LTD.

Defendant

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This and the preceding 8 pages is the paperwriting marked with the letter "C2"
mentioned and referred to in the Affidavit of NORMAN ROSS WALKER sworn herein
before me this 20th day of June 1983.

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Solicitor

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