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25th March 2004

Mr Steven Reynolds
Coordinator, Budget Estimates
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Reynolds

Commercial in Confidence

STANDING COMMITTEE NO. 4

On the 19th February 2004 I sent to you information requested by the Committee in relation to a number of Macquarie Generation operating expenses.

The Committee Chair has subsequently written to the Minister for Energy and Utilities on the 10th March 2004 requesting that the original information supplied by Macquarie Generation be amended so that Commercial in Confidence information is obliterated. I note that the Committee intends to then include the amended report on the Committee's public record.

Attached for your information is the amended report with the appropriate Commercial in Confidence information obliterated.

I trust the information provided and the amended format meets the requirements of the Committee.

Yours faithfully



G V EVERY-BURNS
CHIEF EXECUTIVE
AND MANAGING DIRECTOR

Attach

ENERGY AND UTILITIES QUESTIONS
General Purpose Standing Committee No. 4

MACQUARIE GENERATION

<i>Q No.</i>	<i>Question</i>	<i>Answer</i>	<i>\$</i>
Media Monitoring			
1	In 2002-03, how much was spent by Macquarie Generation on media monitoring from Rehame Australia Monitoring Services, as outlined in Premiers Department Circular 2002-22?	Nil	
2	In 2002-03, how much was spent by Macquarie Generation on media monitoring other than from Rehame Australia Monitoring Services?	Media Monitors	\$18,000
Public Relations/Media Staff			
3	In 2002-03, how many media or communications advisers were employed as officers of Macquarie Generation? What is the total cost of this? What is the forecast for 2003-04 for the number of media or communications advisers to be employed, and their total cost?	a)2002-03 – One b)Forecast 2003-04 – One	\$108,000 \$113,000
4	In 2002-03, how many media or public relations advisers were employed as contractors for Macquarie Generation? What is the total cost of this? What is the forecast for 2003-04 for the number of media or public relations advisers to be employed as contractors, and their total cost?	a) Two b) None	\$25,894
5	Please provide this information in the following table:	Refer to Attachment 2	
Advertising			
6	How much money was spent by Macquarie Generation on advertising in 2002-03? Please split this into employment related advertising and non-employment related advertising.	Total spent in 2002-03 Employment related Non employment related	\$52,974 \$9,620 \$41,354
7	Please provide a list of each campaign, the cost and which firms were involved and how much was spent on “media buy” and advertising agency fees. Please provide a monthly breakdown of advertising expenditure of Macquarie Generation for 2002-03 and 2003 to present.	Refer to Attachment 1	\$52,974
8	Please outline/provide analysis of the success of each campaign.	Refer to Attachment 1	

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<i>Q No.</i>	<i>Question</i>	<i>Answer</i>	<i>\$</i>
Former Ministerial Staff			
9	Has Macquarie Generation employed any staff who formerly worked for a Minister or the Premier since 2000, excluding Departmental Liaison Officers, but including Freedom of Information officer positions.	No	
10	Please name them, their position and how much they are paid which Minister they previously worked for, and when they joined the Department in the following Table.	Non applicable	
Consultants			
11	Please name all consultants that Macquarie Generation used in 2002-03, including those whose consultancy was worth less than \$30,000.	Refer to Attachment 2	
12	How much were they paid, and what was their purpose?	Refer to Attachment 2	\$2,307,540
13	Before Macquarie Generation engages a consultant, do you prepare a projection of the cost for the consultancy?	Yes	
14	Did any consultancy exceed its projected cost?	No significant variations exist	
15	If so, please detail how much it exceeded projections and why it exceeded expectations.	Non applicable	
16	What measurement/reporting systems does Macquarie Generation have to ensure that consultants deliver within the specifications of the brief?	Managing Director approval for engagement and regular monthly management reviews including Board reports where relevant.	
17	In 2002-03, how many consultancy agreements had variations during the consultancy, both in dollar terms and in terms of deliverables.	No significant variations	

ENERGY AND UTILITIES QUESTIONS
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<i>Q No.</i>	<i>Question</i>	<i>Answer</i>	<i>\$</i>
Contractors			
18	Please name all contractors that you have used in 2002-03.	Refer to Attachment 3	
a	How much were they paid, and what was their purpose?	Refer to Attachment 3	\$71,529,934
b	Before Macquarie Generation engages a contractor, do you prepare a projected cost for the contract?	Yes, in detail. Purpose of the use of Contractors is to meet power station capital works and maintenance programs.	
c	Specify which contractors and/or projects exceeded projected cost?	No significant variations to budget exist.	
d	If so, please detail how much it exceeded expectations and why it exceeded expectations.	Not applicable	
Conferences			
19	How many fee-paying conferences did Head Office employees attend in 2002-03? For each conference: how many employees attended, what were the conference fees and where was the conference held?	Refer to Attachment 4	\$33,171
Stress Leave			
20	How many Macquarie Generation employees had time off for stress leave in 2002-03? What was the total amount of time off, in Full Time Equivalent days?	Two	58 Working Days
21	Of these, how many were on stress leave for greater than 3 months, 6 months and 12 months?	None	
22	What was the total cost, in terms of wages etc, of employees on stress leave?		\$16,000

ATTACHMENT 1 – REQUESTED INFORMATION

1. Advertising

Advertising expenditure at Macquarie Generation for 2002/2003 was incurred in the following areas:

– Recruitment Advertising	\$9,620
– Tenders Advertising	\$7,782
– Radio Advertising in the Hunter Valley	\$5,950
– Magazine Advertising	\$4,622
– TV Advertising in the Hunter Valley	\$25,000

2. Consultants

Attachment 2 provides a detailed listing of all consultancies with brief descriptions of the purpose of each consultancy.

3. Contractors

Attachment 3 provides a detailed listing of all contractors used with a brief description of the purpose of each contractor.

In all cases, the contractors have been employed as part of budgeted operational maintenance and capital expenditure programs.

4. Conferences

Attachment 4 provides a listing of paid conferences attended by head office staff including cost, location and purpose.

All conferences relate to management responsibilities of those attending as well as to emerging green generation technologies, coal supply, accounting issues and environmental regulation.

Executive Department	Consultant	Purpose
Management	Foresight Management Group	[REDACTED]
Management	Pragmat	[REDACTED]
Management/IT	ATOS Origin	[REDACTED]
Management	John Egan Associates	[REDACTED]
Commercial/Fuel	Treasury Corporation of NSW	[REDACTED]
Commercial	Trevor Hudson and Associates	[REDACTED]
Commercial	Wise and Horton	[REDACTED]
Commercial	Suters Architects	[REDACTED]
Commercial	ERM Mitchell McCotter	[REDACTED]
Accounting	Aon Risk Consultants	[REDACTED]
Accounting	Ernst and Young	[REDACTED]
Environment	Pacific Power International	[REDACTED]
Environment/Engineering/Fuel	HLA Envirosciences	[REDACTED]
Environment	Humwick	[REDACTED]
Environment	ESAA	[REDACTED]
Environment	Graham Brown and Associates	[REDACTED]
Environment	Thompson Legal	[REDACTED]
Environment	NCS International	[REDACTED]
Marketing and Trading	Bowden McGregor	[REDACTED]
Marketing and Trading	C Taylor and Associates	[REDACTED]
Marketing and Trading	Coakes Consulting	[REDACTED]
Marketing and Trading	Frontier Economics	[REDACTED]
Marketing and Trading	Garrad Hassan Pacific	[REDACTED]
Marketing and Trading	Intergen (Australia) Pty Ltd	[REDACTED]
Marketing and Trading	Macquarie Marketing	[REDACTED]
Marketing and Trading	Network Economics Consulting	[REDACTED]
Engineering	Sparke Helmore	[REDACTED]
Engineering	Symbiosis Solutions	[REDACTED]
Engineering	Veolia Water Systems Australia	[REDACTED]
Human Resources	Allan King Consultancy	[REDACTED]
Human Resources	Mercer Consultancy	[REDACTED]

Executive Department	Consultant	Purpose
Human Resources	Dr Allan White	[REDACTED]
Human Resources	Karl Hofman Photography	[REDACTED]
Human Resources	Robyn Bartlett and Associates	[REDACTED]
Human Resources	Dr Hollingsworth	[REDACTED]
Human Resources	KDH Communications	[REDACTED]
Human Resources	Saville and Holdsworth	[REDACTED]
Human Resources	Austraining	[REDACTED]
Human Resources	Safety Coal Services Pty Ltd	[REDACTED]
Fuel	Alstom	[REDACTED]
Fuel	Bearing Point Australia	[REDACTED]
Fuel	Capital Project Services	[REDACTED]
Fuel	Graham Barclay	[REDACTED]
Fuel	Ground Search Australia	[REDACTED]
Fuel	Hunwick	[REDACTED]
Fuel	Katestone	[REDACTED]
Fuel	KPMG	[REDACTED]
Fuel	Marston and Marston	[REDACTED]
Fuel	PB Power	[REDACTED]
Fuel	Sparke Helmore	[REDACTED]
Fuel	Speed and Stracey	[REDACTED]
	PricewaterhouseCoopers	[REDACTED]

Major Contract Analysis

Contractor	Workscope	Exp Type
Automatic Door Services	Security Augmentation Stage 1	Capex
Newcastle Weighing Services	Security Augmentation Stage 2	Capex
Hydroelectric	Mini Hydro	Capex
Pacific Power	Station Plant MMI Facility	Capex
Wormald	CHP Fire Prevention intergration	Capex
Alstom Power	Upgrade of Fly Ash Disposal Palnt	Capex
Siemens	Transformer Cooler Control Mods	Capex
HIS Engineering	Dust Plant Sluiceway supply conveyor belt washdown	Capex
EJB Group (Bankrupt 15/1/2003) finished off by JE & J Robinson	Contractors Area Upgrade	Capex
EBBCO	Supply of Replacement Earth Fault Detector	Capex
Shaw Aiton	Continuous Bottom Ash Disposal System	Capex
Serck Controls	Mount Arthur Conveyor Controls Refurbish	Capex
Engineers and Managers	Ash Slurry Pump drive upgrade	Capex
Wormald	Fire Protect System Improvements	Capex
Wormald Fire	Automation of Turbine Fire Protection Deluge zones	Capex
Shaw Aiton	Fabric Filter Access Safety	Capex
Power and Mining	Incline Conveyors Handrails	Capex
Shaw Aiton	Unit 4 Fabric Filter Rebag	Operating
Shaw Aiton	Fabric Filter Rebag	Operating
TEMMCO	Insp Test Boiler Safety Valves	Operating
TEMMCO	Insp Test Boiler Safety Valves	Operating
Valve Pro	Boiler Valve maint Work	Operating
KPS/NEW World	Turbine Overhaul	Operating
New World	PF Mill Maint Work	Operating
	PF Mill open gear Lubrication	Operating
Voith	Insp & O'haul Conveyor fluid couplings	Operating
David Brown	Insp & O'haul Conveyor fluid couplings	Operating
MCP Electronic	Periodic maint of Elect Protection sys	Operating
SGS Aust	Coal Sampler Routine Maint	Operating
ACIRL	Coal Sampler Routine Maint	Operating

Major Contract Analysis

Contractor	Workscope	Exp Type
Gardner Perrott	Insp & Clean Water Treatment Plant	Operating
Aqua Assets	Inspect & clean Water Treatment Plant	Operating
Ralph M Lee	Battery Room Floor	Operating
Alstom Power	Insp/Repair Centrifugal Pumps	Operating
IM Engineering	Overhaul Hydrogen Generating Cells	Operating
York Linings	Ash & Dust Sluiceway repairs	Operating
PPI (ATC)	Boiler Chemical Clean	Operating
Sandvik	Conveyor Belt Splicing	Operating
MPA	Water Treatment Plant Maint	Operating
HIS Engineering	Turbine Auxiliaries	Operating
MCM Manufacturing	CHP Gear Units	Operating
Power and Mining	Overland Conveyor Maint	Operating
HIS Engineering	Ash & Dust Plant Operating	Operating
Downer RML	Instrumentation Maint	Operating
Thomas Kelly and Lewis	Off Site insp/o'haul boiler feed pumps	Operating
HIS Engineering	Economiser Grit Pipeline Replacement	Operating
MI Power	Anti Condensate Heater Dist Bd Survey & Repair	Operating
AGL	BC Boiler Inspections	Operating
Enerserve	Insp & Maint of Elect Power Systems external to PS	Operating
M&H Power Systems	Supply & Install 24v Batteries	Operating
Battery Energy	Supply/Install 240V Batteries	Operating
Power and Mining	Coal Handling Plant Operating	Operating
Enerserve	Barnard River Pump System Insp/Maint 132 KV sys	Operating
HIS Engineering	River Water System LP Pumps Piping	Operating
JB Group (Bankrupt 15/1/2003) finished off by JE & J Robinson	Desanding Chamber	Operating
Shaw Aiton	Boiler Survey & Repair	Operating
HIS Engineering	Boiler Survey & Repair	Operating
Shaw Aiton	Pressure Testing of Fuel Oil Pipeline	Operating
GE Energy Services	Generator Stator Water Leak Repair	Operating
HIS Engineering	Upgrade Seepage Ponds 1 & 2 + additional work	Operating
PS	BC Vapour Compressor Survey & Repair	Operating

Major Contract Analysis

Contractor	Workscope	Exp Type
Downer RML	Thyristor & Field Circuit Breaker Cooling Fans O'Haul	Operating
TACS Testing	Electrical Testing	Operating
Swiggear Commiss	Electrical Testing	Operating
Connell Wagner	Electrical Testing	Operating
MPA	Ravensworth Fly Ash Disposal	Operating
Greater Plumb	Plumbing	Operating
Wormald Fire (Fdoors)	Fire Doors	Operating
JE & J Robinson	Roadway Maint	Operating
OTIS Elevators	Maint of Elevators	Operating
ASAP Air Condition	Maint Air Condition	Operating
TYCO	Fire Protect - Elect	Operating
Hunter Slashing	Slashing & Mowing	Operating
JE & J Robinson	Civil Maint	Operating
Yarli Painting	Industrial Painting	Operating
Yarli Painting	Painting	Operating
Power and Mining	Periodic Cleaning of Air Handling & Water Systems	Operating
Insultech	Insulation & Cleading	Operating
Insultech	Wall & Roof Cladding	Operating
Thornton Pest Control	Pest & Weed	Operating
DELETU	Wall & Floor Tiling	Operating
JE & J Robinson	Lime Sludge removal	Operating
DELETU	Carpentry	Operating
Frish Sellars	Office Cleaning	Operating
Hunter Water	Dams Surveys	Operating
Aust Fire Equip	Fire Services - Mechanical	Operating
Chilltech	Insp & Maint ESC Air Condition	Operating
IEB	Periodic Concreting	Operating
DEMAG	Insp & Maint O'head cranes	Operating
HIS Engineering	Miscellaneous Plant Maint	Operating
Sheather and Merrigan Business	Office Equipment	Capex
Hitachi Australia Limited	LP Turbines	Capex

Major Contract Analysis

Contractor	Workscope	Exp Type
Yokogawa Australia Pty Limited	DCS	Capex
Downer RML Pty Ltd	DCS	Capex
Shaw Aiton Australia Pty Ltd	Ash Plant Upgrade	Capex
Greenbank Terotech Pty Ltd	Ash Plant Upgrade	Capex
Serck Controls Pty Ltd	Ash Plant Upgrade	Capex
Convatech	Coal Plant Upgrade	Capex
Downer RML Pty Ltd	Coal Plant Upgrade	Capex
Serck Controls Pty Ltd	Coal Plant Upgrade	Capex
Ellavale Engineering Pty Ltd	Coal Plant Upgrade	Capex
R & D Technology Pty Ltd	Coal Plant Upgrade	Capex
ABB Industry Pty Ltd	Coal Plant Upgrade	Capex
Olympic Fencing NSW Pty Ltd	Security Upgrade	Capex
Automatic Door Services	Security Upgrade	Capex
ATCO Structures Pty Ltd	Security Upgrade	Capex
JE & J Robinson Pty Ltd	Security Upgrade	Capex
Shaw Aiton Australia Pty Ltd	Reheater Upgrade	Capex
Solar Heat and Power Pty Ltd	Solar Energy Project	Capex
Alstom Power	Mill Bearings	Capex
JE & J Robinson Pty Ltd	Solar Energy Project	Capex
HIS Engineering	Liquid Altern Fuel	Capex
MIPA Energy Services	Mines Conv O'haul	Operating
Valve Pro Services Pty Ltd	Mill Overhauls	Operating
Specialised Welding Products	Mill Overhauls	Operating
Simon Hydraulics and Pneumatics	Mill Overhauls	Operating
Bowers Towing and Crane Service	Mill Overhauls	Operating
nsultech Group Pty Ltd - Sydney	Asbestos Removal	Operating
Downer RML Pty Ltd	Instrumentatn Rehab	Operating
E & J Robinson Pty Ltd	Ash Dam Maintce	Operating
Bowditch Partners Earthmoving	Ash Dam Maintce	Operating
RL George and Associates	Ash Dam Maintce	Operating
Boffey Geosciences Pty Ltd	Ash Dam Maintce	Operating

Major Contract Analysis

Contractor	Workscope	Exp Type
ABB Power Generation Limited	Rebuild spare stator	Operating
Aust Fire Equip	Gas Turb Maint	Operating
Downer RML Pty Ltd	Gas Turb Maint	Operating
HIS Engineering Services Pty Ltd	Gas Turb Maint	Operating
Power Pressure Welding	Blr Emergency Rep	Operating
HIS Engineering Services Pty Ltd	Unit O'haul 01/02 #3Boiler	Operating
Insultech Group Pty Ltd Sydney	Unit O'haul 01/02 #3Boiler	Operating
Connell Wagner PPI	Unit O'haul 01/02 #3Boiler	Operating
Jord International	Unit O'haul 01/02 #3Boiler	Operating
HIS Engineering Services Pty Ltd	Unit O'haul 01/02 #3Turbine	Operating
Alstom Power	Unit O'haul 01/02 #3Turbine	Operating
Insultech Group Pty Ltd Sydney	Unit O'haul 01/02 #3Turbine	Operating
Connell Wagner PPI	Unit O'haul 01/02 #3Turbine	Operating
Chesterton Australia Pty Ltd	Unit O'haul 01/02 #3Turbine	Operating
Harnischfeger of Aust Pty Ltd	Unit O'haul 01/02 #3Turbine	Operating
HIS Engineering Services Pty Ltd	Gen Tx Oil Coolers	Operating
ABB Industry Pty Ltd	AER Modification	Operating
HIS Engineering Services Pty Ltd	Unit O'haul 02/03 #4Boiler	Operating
Hunter Valley Tipplers	Unit O'haul 02/03 #4Boiler	Operating
Insultech Group Pty Ltd Sydney	Unit O'haul 02/03 #4Boiler	Operating
Lowden Australia P/L	Unit O'haul 02/03 #4Boiler	Operating
Valve Pro Services Pty Ltd	Unit O'haul 02/03 #4Boiler	Operating
Specialised Welding Products	Unit O'haul 02/03 #4Boiler	Operating
Alstom Power	Unit O'haul 02/03 #4Turbine	Operating
Neir Services Australia Pty Ltd	Unit O'haul 02/03 #4Turbine	Operating
HIS Engineering Services Pty Ltd	Unit O'haul 02/03 #4Turbine	Operating
Barron GJM Pty Ltd	Unit O'haul 02/03 #4Turbine	Operating
Insultech Group Pty Ltd Sydney	Unit O'haul 02/03 #4Turbine	Operating
HIS Engineering Services Pty Ltd	Unit O'haul 02/03 #2Boiler	Operating
Valve Pro Services Pty Ltd	Unit O'haul 02/03 #2Boiler	Operating
Insultech Group Pty Ltd Sydney	Unit O'haul 02/03 #2Boiler	Operating

Major Contract Analysis

Contractor	Workscope	Exp Type
Howden Australia P/L	Unit O'haul 02/03 #2Boiler	Operating
RL Hill Engineering Pty Ltd	Unit O'haul 02/03 #2Boiler	Operating
Downer RML Pty Ltd	Unit O'haul 02/03 #2Boiler	Operating
Alstom Power	Unit O'haul 02/03 #2Turbine	Operating
Connell Wagner PPI	Unit O'haul 02/03 #2Turbine	Operating
Harnischfeger of Aust Pty Ltd	Unit O'haul 02/03 #2Turbine	Operating
Weir Services Australia Pty Ltd	Unit O'haul 02/03 #2Turbine	Operating
PMC Engineering Pty Ltd	Unit O'haul 02/03 #2Turbine	Operating
Thompson Kelly and Lewis Pty Ltd	Unit O'haul 02/03 #2Turbine	Operating
HIS Engineering Services Pty Ltd	Unit O'haul 02/03 #2Turbine	Operating
Insultech Group Pty Ltd Sydney	Unit O'haul 02/03 #2Turbine	Operating
Riton Engineering Pty Ltd	Dust vlv/bend Maint	Operating
Newcastle Hydraulics	Dust vlv/bend Maint	Operating
HIS Engineering Services Pty Ltd	Dust vlv/bend Maint	Operating
Thomas and Coffey Aust Pty Ltd	Dust vlv/bend Maint	Operating
John Atton Engineering Services	Dust vlv/bend Maint	Operating
Alstom Australia Transformers	Aux Unit/Station Tx Repairs	Operating
Brambles	Mobile Plant Operating Lease	Operating
Transgrid	Communication	Operating
SNP	Security Services	Operating
ATOS Origin	Information Technology Service Provider	Operating

ATTACHMENT 4 - CONFERENCES 2002-03
General Purpose Standing Committee No. 4

Course Attendance - Head Office Staff

Course Description	Attendees	Location	Cost (\$)
Company Secretaries National Conference	1	Surfers Paradise	2,470.00
CPA Country Congress	1	Sydney	749.99
SAP Sapphire Conference	3	Sydney	5,550.00
Seda Wind Conference	1	Sydney	359.09
Auswea Wind Generation conference	1	Melbourne	785.00
Wind Conference - AWEA	1	Adelaide	2,295.00
2nd Annual Wind Conference - AWEA	1	Adelaide	2,295.00
AWEA	1	Adelaide	2,000.00
Windfarm Conference	1	Sydney	50.00
OHN Conference	1	Sydney	668.18
IT Security Conference	2	Sydney	3762.63
ESSA Conference	1	Sydney	1,261.37
IIR	1	Sydney	2,295.00
CPA Convention	1	Lambton	435.00
CPA Convention	2	Sydney	866.00
ACCC Conference	1	Canberra	818.18
IBC Conference	1	Sydney	695.00
7th Annual Asian Coal Forecast 2003	1	Sydney	2,295.00
ANS Conference	1	Washington DC, USA	1,161.64
Australial Corporate Lawyers Assoc	1	Sydney	613.65
Aust Resources & Energy Conference	1	Sydney	1,745.45
			33,171.18