

Thursday 17th August, 2017

Essential Services Commission
GPO Box 2605
ADELAIDE SA 5001

Dear Sir/Madam

On behalf of the District Council of Kimba I am writing to provide Council's response to the recent inquiry into the reliability and quality of electricity supply on the Eyre Peninsula draft report May 2017. Whilst it is appreciated that consultation on this draft report has been undertaken it has been limited in that minimal contact was made with Council's on a face to face basis and minimal time allocated. If this consultation was to be representative of the views of Eyre Peninsula then Council felt a site visit to each community would have been beneficial or at least consultation should have been undertaken on a wider basis.

This report was produced as a result of severe weather events which occurred on the 28th September, 2016 and 23 December, 2016. Unfortunately for residents of the Eyre Peninsula, whilst these events were significant, power outages are not uncommon particularly for residents located outside of the townships. Whilst Kimba town has not had any further blackouts since these events surrounding farms have experienced a relatively high number on a regular basis. Whilst the report suggests that complaints have been limited I believe, in our community, history shows that response is often minimal and as such people no longer take the time to lodge a complaint. In addition, surely a notification of an outage is, in itself, a form of complaint.

In noting the report it is stated that no consideration has been given to the possibility of future requirements of the Iron Road Project. In addition Council has also been advised that the sale of Arium Steel has also not been factored into discussions. It appears to Council that this is an ideal opportunity for a State to move forward with a collaborative effort between these stakeholders. At a meeting with the CEO of Iron Road, Andrew Stocker, Council was advised that Iron Road would be pursuing options regardless of whether this is in conjunction with the State or not. To Council it seems that this is a great opportunity to combine resources for the betterment of the whole of Eyre Peninsula.

As a small country town, one of the challenges Kimba faces is the ongoing economic viability of its community. Traditionally a farming community, there is ongoing issues with population decline and limited growth posing problems to not only businesses within the community but also services. The reliability and quality of electricity is always a challenge and a stumbling block in attracting new business along with the ever increasing cost of use. Events such as occurred on the two days mentioned above adds further challenge to this scenario impinging on the communities ability to attract new business and as a flow on attract or maintain new and existing services.

District Council of
KIMBA

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In looking at the recommendations of the report Council has concerns that the suggestions provided to improve both electricity quality and supply will not be to the extent that will provide any benefits to the Kimba community. It is felt that only the higher end options provided within the report will assist Kimba in alleviating the reliability and quality issues and even these may not assist those living outside of the town. In addition it is felt that these options will not be viable and as such won't be implemented. As a result the Council is investigating opportunities to improve electricity supply within the community. Council has commissioned a feasibility study for the provision of solar power to its high risk buildings and is considering looking at the possibility of a solar initiative to supply the whole town as a long term project. The fact that our community is looking at these projects is a testament to the commitment to not only improving reliability of supply but to assist in helping businesses to increase capacity through the provision of lower cost electricity.

In moving forward Council feels it is essential that a level of service needs to be employed in ensuring electricity providers are accountable to their customers. The report (page 4) mentions improving incentives to ElectraNet and SA Power Networks to upgrade current infrastructure and restore supply following an outage. Council considers this is a significant requirement to ensure future reliability and as such should not be encourage through the use of incentives but regulated where possible.

In order to progress the issue of reliability and quality of electricity supply monitoring needs to be robust in its testing of voltage and outages. The provision of generators by business is only a band aid solution at an additional cost to these businesses impacting long term viability and increasing risk. Consideration also needs to be given to smaller communities, and Council is concerned that the more targeted approaches referred to in the report (page 17) and the greater reliability benefits per dollar will be at the expense of the smaller towns and districts'. Please consider the smaller and more remote communities when looking at final recommendations to the State Government.

Yours faithfully

DEB LARWOOD
CHIEF EXECUTIVE OFFICER

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