

# Sustainability Report 2022

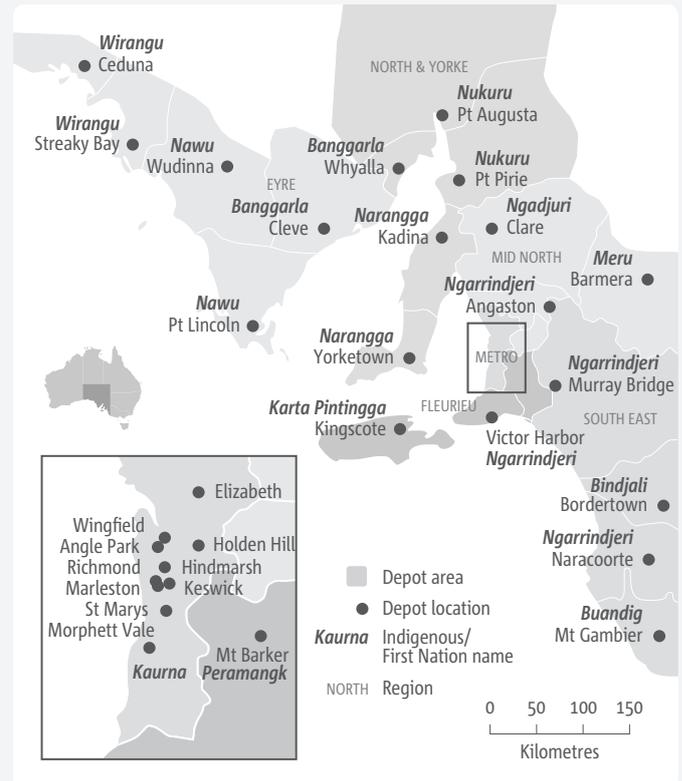


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## Acknowledgement of Country

In the spirit of reconciliation, SA Power Networks and Enerven acknowledge the multiple Traditional Owners of the lands that host the South Australian electricity network and their connections to land, sea and community. We would also like to pay our respects to Elders past and present and acknowledge that these are living cultures by paying respect to emerging leaders.



## Assurance

SA Power Networks engaged KPMG to undertake Limited Assurance over the sustainability reporting data and an assessment of other selected information in this report. The full details of the process, scope of assurance and outcome are detailed in KPMG's assurance statement in Appendix 1.

## Disclaimer

The information contained in this report is relevant and accurate to 31 December 2022. This report and the information contained in this report is for general information only and should not be taken, read or relied upon as anything other than general information.

## Contact us

sustainability@sapowernetworks.com.au

## South Australia facts



SA Government committed to **100% net renewable** energy generation in SA by **2030**



**68%** of energy demand in SA met by renewables



Record breaking run of **10 days** fully powered by renewables



Around **\$20 billion** of renewable energy projects in the pipeline in SA

## SA Power Networks Sustainability highlights



**~315,000** solar PV systems enabled (cumulative total)



**35%** customers in SA with solar – highest in NEM



**335** customers on trial flexible export connections



Reduced our GHG emissions by **28%** compared to last year



Achieved target: **20.1%** of our workforce are women



**#1** Benchmark ranking by the Australian Energy Regulator



**60%** of the public lights we manage are now energy saving LED



Board Sustainability Committee established



Achieved **\$4.68m** in donations through the Employee Foundation



**\$2m** invested in community partnerships

## About SA Power Networks

**Sole distributor** in South Australia

Supply South Australia's **1.7 million** population

**2,400 employees** in more than 30 sites across the state

Peak demand **3,145MW**

Network coverage over **178,000km<sup>2</sup>**

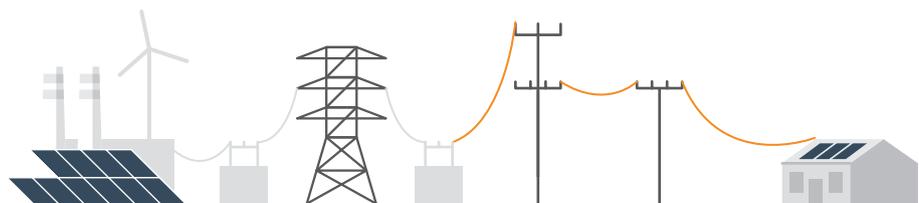
**Oldest network assets** in the NEM

Supplying **900,000** homes and businesses

**600 apprenticeships** since 2003

Electricity distributed **9,774GWh**

Route length around **89,000km**



## South Australian electricity supply chain

**Generation**  
Gas, wind and solar  
Generate electricity

**Transmission**  
ElectraNet  
Carry electricity long distances

**Distribution**  
SA Power Networks  
Carry electricity to and from customers

**Retailers**  
Bill customers for all the costs in getting electricity to their home or business

# Foreword



## Empowering a prosperous and low carbon future for South Australia – a message from our Chief Executive Officer

I am pleased to present the 2022 Sustainability Report for the SA Power Networks Group\*.

2022 proved to be a year of positive progress on a number of our key strategic priorities, but also presented challenging times with severe storm events and flooding in our Riverland communities.

The responsiveness and resilience of our workers and communities was put to the test late in the year with a series of intense storm fronts damaging the network and property, severing the Heywood Interconnector between South Australia and Victoria, and causing widespread outages – the largest event since the system-wide blackout in 2016. Our crews, working with partner companies, interstate reinforcements and State emergency response organisations, restored power to nearly all of the 163,000 customers impacted within a few days.

The event also required us to enact our newly established Distribution System Operator capabilities to ensure the security of the SA electricity system could be maintained under unprecedented minimum demand operating conditions.

While the SA system was islanded, in what we understand to be a world first, we successfully curtailed 400MW of distributed micro-solar PV generation – in the order of 100,000 rooftop installations – enabling the state's electricity system to remain secure with up to 91% variable renewable generation.

While we were galvanising our huge response to the storm event, we also began planning our response to the River Murray floods, including working closely with local authorities, customers and making daily assessments about the safety of electricity supply and ability to get crews safely into impacted areas. The scale and longevity of floodwaters required the disconnection of thousands of customers, with re-energisation of power not possible for several months, causing distress and hardship for many. We embedded extra project and operational staff in the region and worked alongside locals to manage this complex situation closely and sensitively.

Despite the focus on these operational activities, we continued to make good progress on our major strategic programs of work, ensuring that our network can support the continued take-up of customer energy resources (CER), and in particular rooftop solar, while positioning for broader electrification of energy and particularly the accelerating take-up of electric vehicles.

A key foundation in enabling this future will be a successful 2025–30 Regulatory Proposal which will set out our service levels, expenditure programs and prices for the five years commencing 2025/26. In 2022, we undertook both broad and deep engagement with customers and stakeholders, allowing us to understand what our customers value and confirming their priorities as:

- Affordability and equity: ensuring network prices are minimised, supporting more vulnerable members of our community, and making sure everyone benefits from the shift to low-cost renewable energy
- Safety, reliability and security of supply: ensuring we keep the lights on and minimising the risk of failing network assets impacting

on community safety, particularly in relation to bushfire risk

- Supporting choice and empowerment: assisting customers to navigate the increasingly complex energy system, and ensuring our business is easy to deal with
- Decarbonising our energy system: including support of continued take-up of CER, with flow-on social, environmental, and economic benefits.

Responding to these ambitious and, to some extent, conflicting priorities represents a significant challenge. We will continue to engage deeply with customers and stakeholders to ensure that their priorities are reflected in our Proposal to be submitted to the Australian Energy Regulator in January 2024. Pleasingly, we are closely aligned with our customers and other stakeholders on the importance and ambition of our sustainability journey, which is reflected in our sustainability reporting suite.

As the newly appointed CEO, I've been impressed by the business' focus on sustainability, and what has been achieved to date. I look forward to building on these foundations, as we continue to support the decarbonisation and prosperity of our state, delivering clean, affordable and reliable energy to our customers.

**Andrew Bills**  
Chief Executive Officer

\* SA Power Networks Group has two key businesses:

- SA Power Networks, which manages the regulated electricity distribution network serving 1.7 million South Australians, and
- Enerven, a specialist service provider in the competitive energy and telecommunications sectors.

# About this report

Our 2022 Sustainability Report provides a summary of progress against the goals, commitments and initiatives of our Sustainability Strategy, profiles key achievements, and outlines our vision and approach to sustainability.

This document should be read in conjunction with our 2022 *ESG Data and Disclosure Databook* and *Environmental, Social, Governance and Network Matters Management Approach Statements*, available on the [SA Power Networks website](#). Together, these documents comprise our sustainability reporting suite, and detail the ESG performance and achievements related to the SA Power Networks Group's South Australian (SA) network, assets as well as projects (including work conducted interstate by Enerven) during the 2022 calendar year.

## Sustainability Reporting Suite



Sustainability (Performance) Report

+



ESG Data and Disclosure 'Databook'

+



ESG Matters Management Approach Statements

## Reporting principles and frameworks

Our sustainability data and ESG disclosure indices are contained in our [2022 Sustainability Data and Disclosure Databook](#). Our reporting follows the guidance of the Financial Stability Board's Taskforce for Climate-related Financial Disclosures (TCFD) Framework, the Global Reporting Initiative (GRI) Standards and general industry standards. We believe we can provide a significant contribution towards five of the 17 Sustainable Development Goals (SDGs). Our carbon footprint is derived from our annual reporting under the *National Greenhouse and Energy Reporting Act (2007)*.

Our sustainability and ESG reporting is guided by a number of key principles including:

### Sustainability vision and corporate strategy

Our Sustainability Strategy and Plan are linked directly to and aim to deliver on the aspirations outlined in our Strategic Direction 2035.

### Sustainability governance and management

We have refreshed our sustainability governance, oversight and management frameworks to reflect the elevation of ESG across our business, including establishment of a Board Sustainability Committee.

### Materiality and value chain

We focus on the ESG risks and opportunities that matter to our stakeholders (employees, community, owners, governments, regulators and suppliers). We have commenced a value chain mapping process to better articulate the activities, impacts, and outcomes along the value chain.

### Metrics and targets

Metrics and targets are defined and disclosed for material topics and are linked to our Sustainability Strategy to enable performance monitoring. Metrics with targets still undergoing refinement or development are disclosed for transparency.

### Balance, transparency and consistency

We aim to discuss and disclose both the negative and positive aspects of our sustainability performance, and to utilise nationally and globally recognised reporting methodology and protocols.

## Materiality

Our sustainability reporting describes how we are addressing the environmental, social and governance, risks and opportunities that matter most to our stakeholders. In 2022 the comprehensive materiality assessment we undertook in 2021 was reviewed and validated for currency. We undertook environmental scanning, cross-checked findings from our Regulatory Reset engagement process, and reviewed our corporate *Strategic Direction*. Our most material issues are:

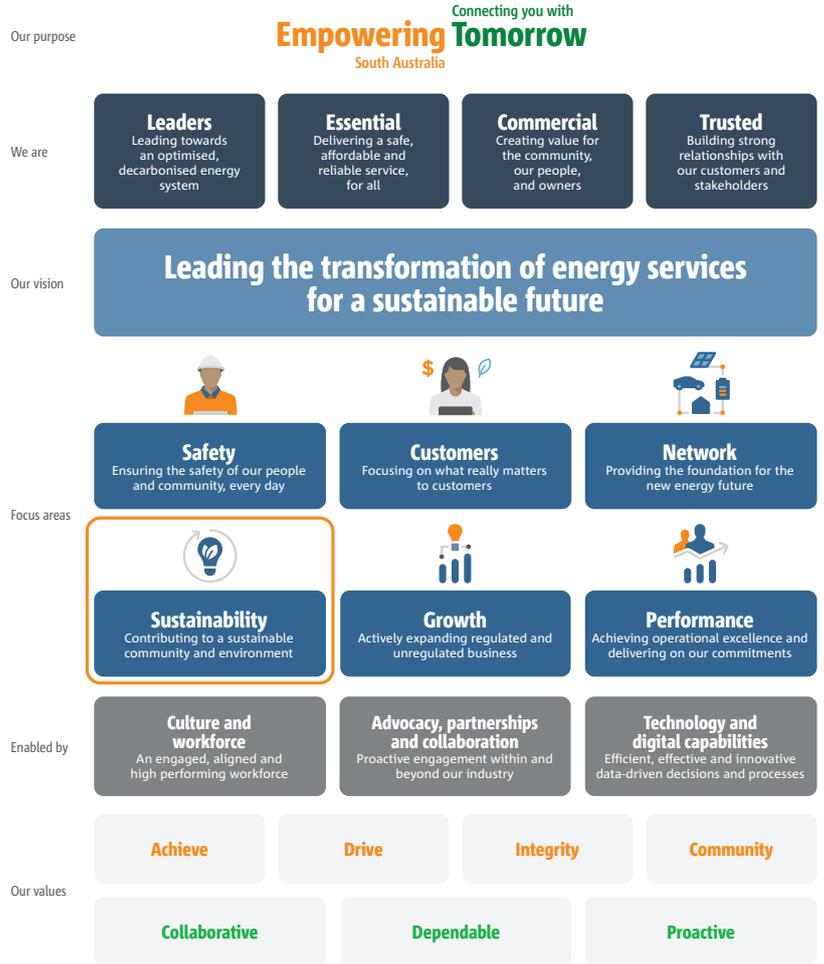
Theme	Material topic
<b>Network</b>	Energy affordability and equity
	Emerging technologies and integration
	Customer experience
	Grid resilience and reliability
<b>People</b>	Workplace diversity and inclusivity
	Workplace health and wellbeing
	Talent attraction and development
<b>Environment</b>	Climate change and our role in decarbonisation
	Protecting biodiversity and the environment
	Responsible consumption, resource use and our contribution to the circular economy
<b>Social</b>	Community development and engagement
	Contributing to economic development
<b>Governance</b>	Integrating sustainability into corporate governance and risk management
	Cyber security, privacy and data
	Responsible supply chain

# Our Strategic Direction

Our Strategic Direction 2035 sets out our vision to lead the transformation of energy services for a sustainable future.

This is an exciting and ambitious vision for our business. It reflects a significant shift toward a more aspirational leadership role for SA Power Networks as an influential South Australian organisation, and Enerven's capacity for tailored and innovative solutions for its customers, with both contributing to the state's dynamic energy future.

Crucially, it recognises the opportunity to leverage our existing leadership to support State decarbonisation and prosperity. Our long-term direction has elevated Sustainability to a focus area – an acknowledgement of its importance to our business.



# Our Sustainability Strategy

Building on established programs and performance in the environmental, safety and customer space, we have developed a Sustainability Strategy that enables our organisation to accelerate our contribution to a prosperous, equitable low carbon and environmentally responsible future for South Australia.

Our Sustainability Strategy outlines our vision, goal and initiatives to achieve a more sustainable business, community and environment.

Our aim is to support and strengthen our customers and communities, collaborate on opportunities with Government and stakeholders, empower our workers, and protect the natural environment.



# Our value chain and providing the foundation for a new energy future

Our core business is electricity distribution. As part of this we maintain 650,000 Stobie poles, 89,000 km of powerlines and underground cables, more than 400 zone substations, and 73,000 street transformers. We provide and maintain around 220,000 streetlights for over 70 Council, Aboriginal and regional areas across South Australia.

We provide a safe and reliable network that involves us undertaking construction and maintenance works, trimming vegetation under our powerlines, and conducting helicopter, drone and ground patrols to inspect our assets. This helps to protect our customers, communities and network from bushfires, outages, and storm impacts.

We have our own telecommunications fibre network on our infrastructure, which is also used by third parties, and this assists in our communities staying connected. Our subsidiary business Enerven works in the competitive market delivering energy and telecommunications solutions.

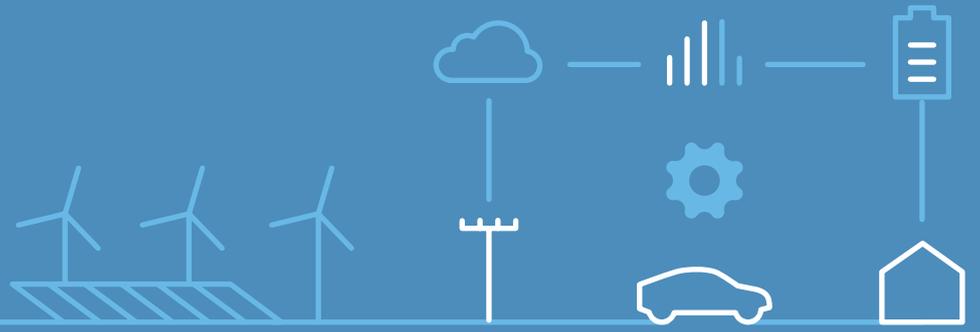
Our materiality assessment considered our full value chain, as depicted below.

Our network plays a vital role as South Australia transitions to a distributed and decarbonised energy system.

A network that once served only to supply energy generated by large, centralised fossil-fuelled generators, now hosts more than half of the State's generation capacity, with much of it owned by customers. Increasingly, batteries connected to the distribution network are providing system security services once provided solely by grid-scale generators. Over the longer term, our network will enable broader decarbonisation through electrification of transport and potentially other end-use applications currently powered by hydrocarbons.

This shift to widespread and decentralised energy resources directly connected into the electricity distribution network, has already resulted in an expansion of the services our network provides. There are further opportunities to increase the value that the network offers and leverage the significant investment our community has made in it.





# Transforming energy

Enabling the net-zero transition through transformation of our energy system

## Performance snapshot



**35%** customers with solar – world’s highest % State’s largest generator



**2.4GW** of Distributed Energy Resource capacity



Record-breaking run of **10 days** powered by renewables



Achieved all-time record of renewables penetration in SA of **138%** of underlying demand



**#1** Benchmark ranking by the Australian Energy Regulator



**1st** distribution network in Australia to introduce flexible connections for solar customers to enable more energy to be exported to the grid

## Contributing to

**13** CLIMATE ACTION

**7** AFFORDABLE AND CLEAN ENERGY

**11** SUSTAINABLE CITIES AND COMMUNITIES

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

# Transforming energy

## South Australia continues to lead the world in the transition to renewable energy.

Our State has a significant amount of large-scale wind and solar, and more than one third of our customers now have rooftop solar. In total, over 68% of South Australia’s energy needs are already met by renewable energy and the State is on track to be 100% net renewable energy before the end of the decade.

Managing the distribution network now involves not just managing supply for 900,000 customers with their diverse energy demand needs, but also managing their desire to contribute cheap and green energy into the grid from hundreds of thousands of small generators and fixed and mobile batteries. More information on how we are facilitating the decarbonisation of South Australia, integrating new technologies, and maintaining a resilient and stable grid can be found in our [Network Matters Management Approach Statement](#).

We are getting regular periods when the State is supplying its entire power needs from wind and solar, and we hit net negative distribution network demand on the South Australian system 28 times in 2022. To manage that currently, we utilise the Victorian transmission interconnector to enable enough gas generation to run to maintain system stability, with the excess renewable energy being exported interstate.

Much of what is happening in SA is a portent of what can happen across the whole Australian energy market. There are significant challenges and opportunities as we undergo a distribution revolution, so we are amping up our collaboration, engagement and innovation to ensure the transition is as

smooth as possible and no one is left behind, particularly more vulnerable customers.

Although this profound transition is placing unprecedented pressures on the network and the broader energy system to adapt, there are significant opportunities for customers, the community, industry and networks in a future that is powered by reliable, abundant, low cost and zero carbon energy.

SA Power Networks has developed a comprehensive and well supported set of strategies to enable the energy transition, including:

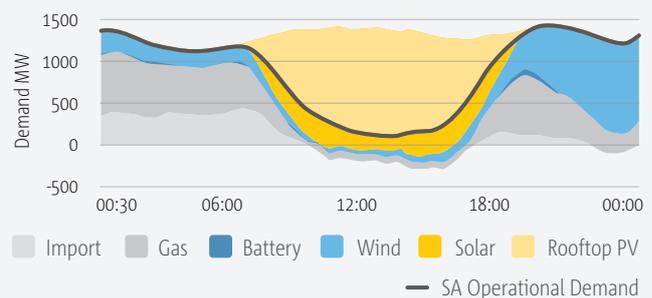
- Maximising Distributed or Consumer Energy Resource (CER – eg solar panels or battery systems) hosting capacity of our existing network through dynamic management, eg our Enhanced Voltage Management program;
- Ensuring that CER becomes ‘smart’ and flexible – able to respond to the real-time capacity of the network and actively participate in the energy market, eg our Flexible Exports program;
- Encouraging load and generation to operate at times beneficial to the network, eg our “Solar Sponge” Time-of-Use tariff;
- Enabling customer exporting by engaging in regulatory reform to recognise the two-way service that we now provide, and remove barriers to efficient investment in CER enablement, eg our successful Access and Pricing rule change submission; and
- Establishing our role as the Distribution System Operator – placing us at the heart of the new energy future, eg managing 10,000’s of CER on behalf of the Australian Energy Market Operator (AEMO) for ‘minimum demand’ system security events.

## Snapshot: South Australia breaking renewables production and minimum demand records

### Extended renewables run

In mid-December 2022 South Australia achieved what is thought to be a world first – a run of nearly 10 consecutive days over which the average production of wind and solar accounted for 100% of local electricity demand. According to energy analysts, no other gigawatt scale grid in the world has come close to this amount of “variable renewable energy”, or for such a long time.

Over this period, around two thirds of SA’s energy came from wind generators, and about one third from rooftop solar, which dominated daytime production (sometimes up to 92% of local demand). With at least three new big battery systems and interstate interconnector due for completion in the next couple of years, SA will soon be in a better position to either store or export excess renewables generation.



### Record minimum demand

On Sunday 16th October 2022, the total net operational load in SA (including ElectraNet connected customers) was only 100MW, beating the previous minimum operational demand of 104MW. The SA Power Networks’ distribution network was a net exporter of energy on the day – with the output of rooftop solar and other distribution-connected generation more than meeting electricity demand on our network. Our distribution network was a net exporter for more than 5.5 hours on the day, hitting a new minimum record of -236MW.



## The future is electric

SA Power Networks acknowledges its important role in helping South Australia decarbonise by optimising the distribution of renewably generated electricity while keeping costs down for all our customers.

In 2022 SA Power Networks began designing a world-first pilot, set to enhance SA's leadership in the clean energy transition and climate action. The pilot will support regular South Australian houses to become 'low carbon smart homes', helping them reduce their emissions and energy costs.

Many people will choose to electrify their homes and cars in the coming decades, so we are setting out to understand the potential impacts of large-scale residential electrification on the electricity network and what we can

do to help minimise the impact and facilitate the transition. We also want to understand consumer sentiments towards electrification and help quantify the emissions reduction benefits of large-scale electrification.

From the distribution network perspective, SA Power Networks will trial technologies that will help households to optimise their electricity use in the home and avoid expensive network upgrades. In doing so, we'll gain better understanding of the barriers to electrification and the role consumers, industry and governments can play to decarbonise SA's energy use and enable electrification at scale.

2022 was spent designing the pilot, canvassing support from Governments and industry, and identifying potential project partners. In early 2023 we will seek to formalise partnerships and funding to kick off the pilot.



## Case study: Enabling more solar with flexible exports

A key topic in our engagement for the 2025–30 Reset process is how we manage the impact of the continued uptake of rooftop solar on the network, as parts of the network become congested with solar power fed in in the middle of the day.

We have led the nation in the introduction of smart solar inverter technology that enables solar customers to have a variable – or flexible – limit to how much power they can feed in, rather than the traditional fixed export limit of 5kW. Customers opting for a flexible connection can connect a larger system (up to 10kW) and can export at full capacity most of the time (98% of the time in our initial pilot), with their system output reduced temporarily on rare occasions when the network is under stress. Compared to a fixed limit all year round that has to be suitable for worst-case conditions, a flexible limit means the network can be much more efficiently utilised and we can accommodate much higher levels of rooftop solar in congested areas before we need to upgrade the network. This scheme is currently only available in a small number of trial areas, but from mid 2023 we will be progressively opening it up for new solar customers across the whole network.

Looking forward to 2025 and beyond, we are currently in the process of forecasting how much expenditure will be required on new network capacity to maintain a good level of service for solar customers. Having the flexible export capability means we can provide a much better level of service, for more solar customers, at much lower cost than if we continued with fixed export limits.

The current focus is on the challenges posed by large volumes of solar, but we anticipate the same type of system will be offered in future to enable high levels of EV charging.

As with solar, there is a lot of spare capacity in the network for EV charging outside of peak times, so our goal is to help activate customers' smart EV chargers to make use of that spare capacity. If EVs charge predominantly overnight and using daytime solar, and smart EV chargers can turn down when necessary to avoid putting additional load on the network on rare occasions when it is under stress, like heatwave afternoons, we can accommodate large numbers of EVs without expensive upgrades to the network and we can maximise the use of South Australia's abundant renewable energy, keeping costs down for customers and helping to reduce emissions.

# Advocating for the Electric Vehicle (EV) transition

We believe electric vehicles have enormous potential to help drive down household energy costs, improve health outcomes and maximise utilisation of our network. Rewiring Australia has already shown an all-electric household can attain significant energy savings compared with a household using electricity, gas and petrol for transport. Because it is only about 30% utilised, our network has the capacity to manage a significant increase in energy throughput to “fuel” electric vehicles. The key will be ensuring smart charging so that vehicles are charged at the right time reflecting network capacity.

To accelerate the benefits of a fully electric transport sector, SA Power Networks works with a range of industry and government stakeholders and is an active member of the Electric Vehicle Council. In 2022 our Executive Leadership Team (ELT) approved a more targeted advocacy approach to EV uptake, including key policy positions which we are amplifying.

This approach includes:

- Supporting the National Electric Vehicle Strategy, including the development of a fuel efficiency standard
- Continuing to highlight the importance of Smart Chargers and Smart Meters as long-term tools to manage EV energy demand and a secure network
- Promoting cost reflective pricing to encourage customers to be rewarded for shifting their charging to better align with market and network needs
- Evolving our public information offering, to support consumer uptake of EV
- More proactive engagement with the State Government and Energy Networks Australian on the significance of EV to our national energy transition
- Maximising EV use in our own fleet

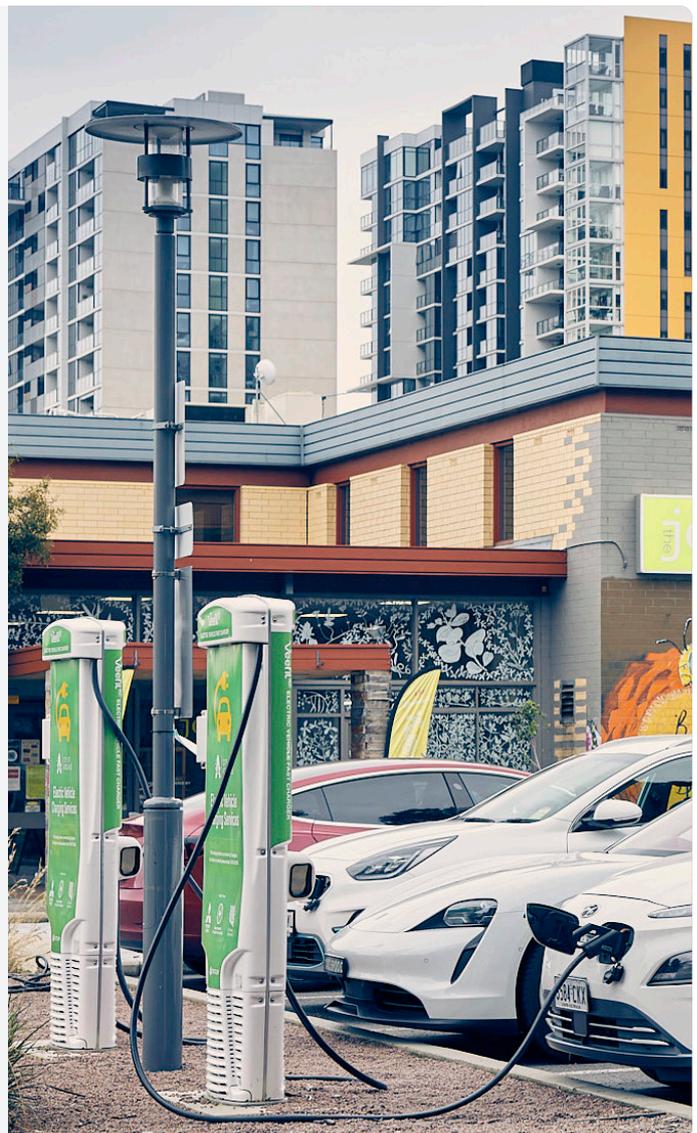
## Snapshot: V2G – enabling bi-directional EV charging

In 2022 SA Power Networks became the first electricity distributor in Australia to allow network connection of vehicle to grid (V2G) electric vehicle chargers.

V2G allows both charging and discharging of EV batteries – which can be many times larger than a typical stationary battery being installed at homes and offer a significant source of energy.

There currently are only two EV models capable of sending power from on-board batteries back to the grid – Nissan’s Leaf and Mitsubishi’s Outlander PHEV. Their batteries are 39kWh or 59kWh for the Leaf and 13kWh for the Outlander PHEV. The average home in SA uses roughly 13kWh a day. The technology that makes V2G possible is a bi-directional inverter which is planned to be available in SA in early 2023 from supplier JET Charge.

This type of technology is very much part of the future where customers invest in various energy sources such as rooftop solar, home batteries and vehicle batteries and are more active participants in the supply and management of electricity. In the long term we see people taking advantage of cheap energy during the day to charge their vehicles and then being able to sell that energy back into the grid at peak times when it may be needed. People who shift energy for transport away from petrol/diesel to electricity can make significant savings on their current household energy costs. Smart chargers and connections will deliver benefits to customers and network managers like SA Power Networks – allowing us to manage energy flows securely and also avoid the need for large-scale investment in additional network capacity.



# Building a resilient network and resilient South Australia

## Resilience and reliability

Resilience in its broadest sense is the ability to manage and recover from incidents and major events. The SA Power Networks Group needs to withstand and be resilient to a range of issues and incidents, encompassing matters such as cyber security, economic changes, severe weather, pandemics and changing consumer preferences.

In contrast, reliability (i.e., how effectively the network delivers power to its customers) refers to the average network performance (excluding major storms) and relates to minimising frequency and outage time under normal conditions and planned outages. Both reliability and resilience are impacted by the age and condition of network assets – increasing numbers of assets in the SA Power Networks grid have reached or are approaching the end of their operational life. More information on resilience, reliability, performance, and how we maintain a stable grid can be found in our [Network Matters Management Approach Statement](#) and [2022 Sustainability Data and Disclosure Databook](#).

Engagement with our customers tells us that:

- Customers expect the minimum number of outages for the shortest time possible.
- Customers and stakeholders expect that we will work with other providers to build resilience for both our network and communities.
- Customers and stakeholders expect that we will put in place network solutions to build resilience.

We know that power outages can be extremely disruptive to communities and businesses, particularly when they are widespread, enduring, and/or affect remote communities.

In 2022 we commenced a program of works to improve reliability to our worst served customers, specifically those that have, on average, experienced more numerous and prolonged outages in their area. Some customers – particularly in rural or regional areas – are supplied by feeders ('branch' powerlines that connect smaller or more remote routes) that are more vulnerable to severe weather events. Once improvement works are completed, we expect a 40% improvement in reliability to these customers.

In recent years across metropolitan Adelaide, we have been experiencing a significant increase in outages due to the growing population of Grey Headed Flying Foxes (a large bat). Unfortunately, if they make contact between powerlines and pole top equipment, including insulators, transformers and switches or when caught by lightning arrestors, they cause power outages – up to around 80 in a year. In 2022 we held multi-disciplinary workshops to determine the most effective and efficient way to cover up certain equipment to reduce electrocutions. We then commenced installing animal guards on our worst bat-impacted feeders and spot locations.





## Case study: Asset management innovation enhancing reliability and resilience

### Asset inspection

From just boots on the ground to drones, helicopters and soon even robot inspection dogs, the way we inspect the poles and wires delivering electricity to our customers is changing.

Our Asset Inspection Program generates 5 million asset measurement data points helping us to identify around 400,000 asset condition points, documented with 600,000 photographs every year! It's all part of our commitment to maintaining a reliable, safe and efficient electricity network.

### Asset modelling tool paving the way to better investment and prioritisation

Our network assets are the oldest in the National Electricity Market, with hundreds of thousands of assets ranging from Stobie poles through to substations. With a limited expenditure allowance, we must decide which assets present the highest risk, which are best value to replace, and when the timing is right to do so. Given our ageing fleet of assets, this decision-making is becoming increasingly important.

In 2022 we made significant headway with the build of our Risk Cost Model (RCM), an enhanced modelling software tool designed to help us plan and prioritise our asset replacement program. Throughout this process, we have been working closely with the Australian Energy Regulator (AER) to ensure the rigour of our approach.

Unlike our previous modelling tools, the latest technology behind our RCM delivers longer-term forecasting of replacement expenditure required over the coming years and decades. In 2023 we will move to a more aligned and consistent approach to forecasting risk to service outcomes, asset replacement timing, investment plans and work prioritisation leveraging the RCM.

The data and information associated with our RCM is already proving an invaluable resource as part of our continued Reset engagement conversations with customers. As part of our engagement on replacement expenditure, stakeholders noted the significant challenge faced by the organisation and raised concerns regarding the level of investment required. There was support for the sophistication of the modelling approach used.

# Climate change and the grid resilience challenge

Climate change impacts – such as rising temperatures, increased frequency and severity of bushfires and extreme winds and thunderstorms – on Australia’s future energy system will become increasingly significant.

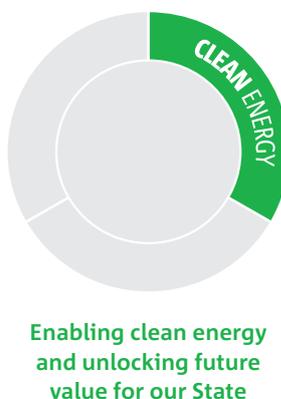
The [AEMC reports](#) that around 96% of blackouts are caused by infrastructure damage or failures in the grid – typically caused by weather events such as storms and bushfires, an issue which is significantly exacerbated by the age and condition of network assets. For South Australia, we have identified the key future weather factors of concern – storms, bushfires, heat, and rainfall/flood – that will particularly challenge our network’s resilience in the future. Without investing in resilience, these weather factors could lead to more frequent and prolonged power outages.

By 2035, current forecasts indicate that average temperatures across Australia will be at least one degree higher than historical averages, and the number of days of high bushfire risk is anticipated to increase significantly, consistent with the trends in bushfire risk we have seen over the period from mid last century to 2020. As a consequence, we anticipate that we will need an even greater focus on network resilience and storm response.

In 2022 we developed a network resilience discussion paper with the aim to seek customer feedback on our proposed approach to improving network resilience in the face of extreme weather events. As part of this process, we developed a definition of resilience, as “...the ability of SA Power Networks to continue to safely provide network services, recover those services, and mitigate community impacts of network service outages when subjected to disruptive weather events.”

To reduce the impact of increasingly extreme and frequent weather events on service continuity, we are proposing to invest in network resilience in our upcoming 2025–30 regulatory period. Investment in resilience forms a component of one of our four key themes for this regulatory proposal.

## Customer engagement themes for the 2025–30 regulatory submission



More detailed information about [how we approach bushfire safety](#) can be found on the SA Power Networks website, the [Connecting and protecting communities](#) section of this report, and our [Environmental, Social, Governance and Network Matters Management Approach Statements](#).

## Case study: Tackling the impacts of severe storms and flooding in 2022

Over 2022 Australia's East coast and Southern regions experienced unprecedented flooding and severe weather including record-breaking rainfall and winds.

### Storm fronts

During November, a series of severe storm fronts brought wind gusts of 106kph and over 423,000 lightning strikes, resulting in **nearly 500 reports of wires down** and widespread outages across South Australia – the largest event for our organisation since the system-wide blackout in 2016.

SA Power Networks – with reinforcements from Enerven, Electel, Essential Energy and other key contractors – worked around the clock to rebuild the damaged network and restore power to 163,000 customers. Understandably, media interest in the storm was intense. We responded both proactively and reactively to make sure public information was clear and correct, utilising the full suite of available media to keep our customers informed and community safe. Social media was critical, abuzz with comments, likes and shares of our posts as we worked to update customers on latest developments. While no one likes being without power, we were encouraged by the way customers understood the challenges we were facing and buoyed by the volume of thank you messages we received.



### Heywood Interconnector severed – maintaining grid stability whilst 'islanded'

To complicate matters, the storm also brought down an ElectraNet transmission tower, severing the interconnector between SA and Victoria – without it, SA cannot export any of its surplus energy to the national grid, or obtain assistance from the national grid to manage disruptions to the balance between supply and demand. AEMO has confirmed what is a world record – while SA lost interconnection, instantaneous wind and solar penetration in the SA market peaked at 91.5% on 19 November. At that time, most of the energy was coming from rooftop solar PV (55%), with wind providing 33% and grid-scale solar 4%.

To minimise risks to system stability, SA Power Networks worked with ElectraNet and AEMO to proactively manage down the output of solar PV generation. ElectraNet's four new synchronous condensers provided system strength services that are traditionally offered by coal, gas, and hydro. Perhaps most excitingly, for the first time, residential customers with home batteries helped maintain a stable frequency on the grid during an extended islanding event. We have a strong and positive working relationship with our industry stakeholders, and a lot of preparation between AEMO, ElectraNet, SA Power Networks, Enerven and the state government happens before, during and after events like this – enabling a smooth and timely restoration of power and stability.



**Riverland flooding**

At the same time as experiencing severe storms, floodwaters impacted communities and infrastructure along South Australia’s River Murray, resulting in what the SA Emergency Services Minister described as “one of the most – if not the most significant natural disaster in the State’s history”. Approximately 4,000 properties and many electrical assets were inundated, requiring SA Power Networks to disconnect supply to around 3,300 electrical services to protect assets and ensure community safety. Due to the scale and duration of the flooding, location and interconnection of SA Power Networks assets and private infrastructure such as pumps, it resulted in a very complex situation.

To manage the issue, an Emergency Management Team and Flood Operations Group with multiple technical teams were stood up. In addition, key staff engaged with local government officials and community leaders and additional project staff were mobilised to work with larger customers such as irrigators and businesses to manage over a potentially extended period without power. Preparations also included building a bund (a containment structure)

around our Renmark Substation to protect it from flows of up to 200GL/day and utilising planes and drones with LiDAR to measure the height of powerlines at mid-span to the water and create a 3D visualisation of the network and floodwaters. Height clearances to our powerlines are regulated, and if certain clearance criteria are reached due to floodwaters, the line must be de-energised to ensure public safety.

As with all natural disasters, communication and stakeholder engagement is vital – prior to the onset and during the devastating floods we engaged with impacted communities and provided a range of flood safety information via a range of channels. Our Network, Field Services and Customer and Community departments collaborated with government and emergency services to keep customers as informed as possible throughout such a rapidly changing event.

Once the waters began receding SA Power Networks began the process of liaising with impacted customers, accessing and inspecting assets for electrical safety, and repairing/ replacing assets before restoring power supply.



## Building a diverse, high performance workforce

Ensure a safe and diverse workforce, ready and willing to embrace new capabilities

### Performance snapshot



**23.3%**  
of our leadership roles  
are filled by women  
(excluding ELT)



Achieved target:  
**20.1%**  
of our workforce  
are women



**18.3%**  
of our Apprentices  
are female



**0.7%**  
of our workforce identify  
as First Nations people



**52**  
Employees completed  
accredited training to  
become Mental Health  
First Aiders



Launched and rolled  
out new Health and  
Wellbeing Framework



**\$4.68m**  
milestone reached of  
Employee Foundation  
donations to SA charities

### Contributing to



# Our people

Our people are critical to our success, and our culture is a key foundational enabler for our business.

Our culture ensures that our people demonstrate behaviours that are aligned to our values and are equipped with the capabilities that support successful delivery of our key focus areas. We ensure that our people are safe, connected, engaged, supported and contributing in ways that are meaningful to them and aligned to our goals.

Our focus is on developing people who will add value now, and into the future and be enriched by the work they do. There are exciting possibilities to make the working lives of our people more fulfilling and productive by providing an environment where they thrive.

There was pleasing progress on a range of important foundational activities in 2022, including new or enhanced:

- Diversity & Inclusion (D&I) Strategy with ambitious gender targets;
- Cadet Network Project Officer Program, focused on building capacity in our Customer Solutions and Powerline Design Teams;

- Capability Framework which describes the capabilities and associated behaviours required of our workforce to achieve our strategic outcomes;
- Talent and Succession Planning initiatives;
- Leadership Development Plan, aligned to the Capability Framework and talent pipeline work;
- Building a Job Architecture and Competency Library in SuccessFactors, enabling targeted attraction, retention and development initiatives;
- Performance & Reward Plan for delivering on our Reward Strategy;
- 'Life Styles Inventory' Program, a 360° development tool undertaken by all senior leaders; and
- Hybrid Working Model, providing additional flexibility to staff.

The SA Power Networks Group aspires to be known as an employer of choice, with a motivated workforce who are strong brand ambassadors. We offer a rewarding and flexible working environment where skills, safety and diversity are valued, and the importance of work-life balance is recognised – more information about how we are building a diverse, engaged, high performance workforce, see our [Social Matters Management Approach Statement](#).

## Snapshot: Employee Foundation – a reflection of our culture

The SA Power Networks Group Employee Foundation was established in 2006, with a philanthropic view that big organisations should do more to contribute to the community.

The Employee Foundation supports many charities on an ongoing basis, with regular one-off donations made to many more. The Employee Foundation enables our employees, their families and friends to make a positive contribution to the lives of people in our community. We do this through payroll donations, fundraising and volunteering.

SA Power Networks provides a full work day for every staff member to volunteer with a South Australian based charity.

In 2022 we reached the \$4.68 Million donation milestone. You can read more about the work of our [Employee Foundation](#) on our website.



**Loud Shirt Day**  
Loud Shirt Day was celebrated across multiple sites, including Keswick and Angle Park, raising money for Can Do 4 Kids. The vital funds go towards assisting kids who are deaf or hard of hearing to receive support services they need to reach their full potential in life. Our Keswick staff kicked off the colourful fundraising event first with a morning tea hosted by Chief Financial Officer, Kevin Jones. They were joined by staff from Can Do 4 Kids, as well as a very special guest – eight year old Jeremy, who has been part of the Can Do 4 Kids family since soon after he was born. Having been diagnosed with hearing loss at a young age, Jeremy currently accesses Listening and Spoken Language Therapy through Can Do 4 Kids, and has a cochlear implant. Jeremy, who is an official ambassador for Loud Shirt Day, shared a speech that he wrote with everyone in the room talking about his hearing loss but how he has never let it stop him from doing what he loves. The very next day, the Training Services team at Angle Park hosted a Loud Shirt Day BBQ, with almost everyone donning their brightest attire. The winner for loudest shirt was Michael Wright, Powerline Apprentice from PI Pirie depot and the runner-up was Matthew Johnston, External Powerline Apprentice from Eccle. The day was a huge success, with the Angle Park team alone raising \$817. Through all the combined efforts, and dollar matching from the Employee Foundation, we raised \$4,000 for Can Do 4 Kids.

# Talent and workforce

In 2022 the [Clean Energy Council](#) released its [Skilling the Energy Transition 2022](#) report, setting out its views on the clean energy workforce required to deliver the energy transition in a sustainable, safe and efficient way.

The SA Power Networks Group has long recognised the need to maintain, and where necessary, build, organisational capacity and competencies in an increasingly constrained labour market.

We have also begun to identify areas where we need to build new capabilities that are required for our businesses to thrive in an increasingly digitised and automated world.

Our refreshed People Strategy details a range of objectives and initiatives to attract, develop and empower a workforce for the future, with diverse people who are ready and willing to embrace new capabilities and technology.

## Snapshot: Attracting and fostering emerging talent

The SA Power Networks Group actively engages with schools and universities to promote a career in the energy sector and STEM fields, from internships and scholarships for existing students and graduate positions for those who have recently completed their studies to forging closer relationships with the universities themselves. Examples include hosting information booths and speaking at university Open Days, as well as staging school robotics competitions.



## Learning and development

The SA Power Networks Group supports a culture of continuous learning. The Learning and Development team create, deliver and evaluate training strategies that will help deliver the continuous learning needed to support the business now and into the future.

We recognise the key role our leaders play in achieving business outcomes and embodying the behaviours, culture and principles of our organisation. In 2022, a refreshed Leadership Development Framework was released. The leadership framework supports the design and delivery of programs that develop the skills that are needed by the business, through a range of professional development activities including formal qualifications, short courses, and in the field.

### Snapshot: Developing a skilled workforce for the future

#### New Cadet Program

Network Project Officers are responsible for leading new connections, asset relocations and extensions of the distribution network. They also liaise with customers and stakeholders and carry out scoping and estimating functions to ensure reliability of the distribution network. In 2022 we launched our new Cadet Network Project Officer Program, in which cadets receive a nationally recognised qualification and on-the-job experience through structured rotations in different business areas, to develop a broad range of skills and experience.

#### Graduate Development Program, Apprenticeships and Traineeships

One of South Australia's largest employer of apprentices and graduates, SA Power Networks Learning and Development runs a range of accredited training, undergraduate and

graduate level development programs. The Apprenticeship Program includes both on and off-the-job training at a dedicated Training Centre, and since 2000, 696 apprentices have been trained or are completing training.

Our Graduate Development Program provides the opportunity to put theory in to practice and supports the transition from university to full-time employment. It includes employment opportunities within the organisation's engineering, innovation technology and telecommunication departments, with approximately 150 engineering and 30 IT graduates completing the program since 2006.

In 2021, SA Power Networks launched a digital apprenticeship targeting increased focus on females in STEM roles, especially those from disadvantaged backgrounds. SA Power Networks is a member of the Australian Association of Graduate Employers and we consistently rate in their top graduate employer list, as voted by graduates.



# Diversity and Inclusion

Our ambition is to be a leader in our industry through fostering an inclusive workplace that better reflects the diversity of our community.

In our Diversity and Inclusion (D&I) journey, 2022 has been a pivotal year. We employed our first dedicated D&I Manager, achieved our milestone target of 20% female representation, joined the [Diversity Council Australia](#) and released our refreshed D&I Strategy, including an Action Plan with a range of commitments and goals, including a target of a minimum of 40% of our workforce being female by 2035.

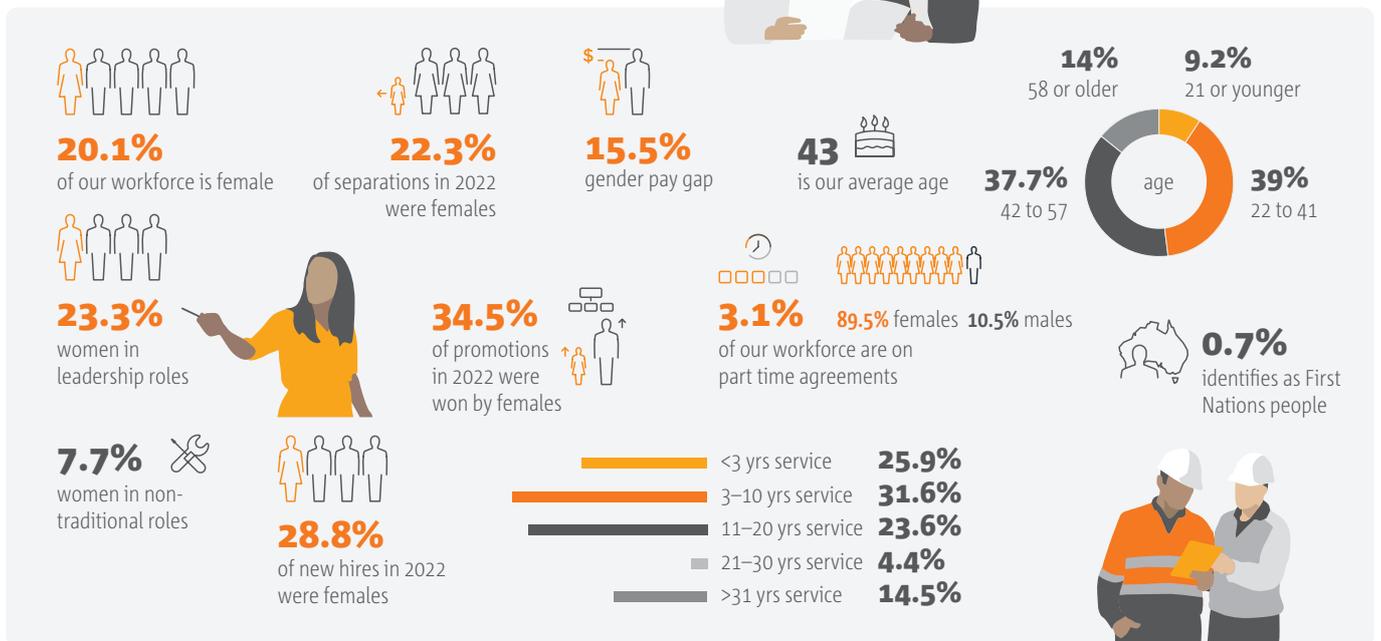
Our 2022–25 D&I Strategy consists of three pillars – *Gender Equity*, *Reflecting the Community*, and *Respect* and details a range of initiatives all designed to accelerate our overall progress. All three pillars are required to successfully deliver our ambition, however, the primary focus over the initial period will be gender equity. Gender equity within the workforce is recognised as a foundational requirement of high performing organisations in Australia, and we believe action in this area will also result in positive impacts across all dimensions of diversity.

Key work already underway include initiatives to:

- Increase female representation and gender equity across our business, for all roles, with a particular focus on trade and technical roles and all levels of leadership;
- Embed inclusion into all our leadership development programs;
- Enhance benefits and support available to care givers;
- Redesign identified elements of our trade roles through the lens of equity;
- Support families experiencing domestic and family violence;
- Provide a safe environment where LGBTQIA+ and gender diverse employees are supported to share their experiences; and
- Enhance our tracking and reporting of our progress to senior executives.

A positive indicator of our recent efforts to attract, hire, compensate and promote female talent is the decrease in our pay gap in 2022 – 15.5% compared to 17.2% in the previous year. Over coming years as we deliver our D&I Strategy, further positive progress on our gender equity and other D&I measures are expected.

## 2022 Snapshot of our workforce



# Snapshot: SA Power Networks D&I Committee

The Diversity and Inclusion Committee is an internal advocacy group made up of staff who are passionate about ensuring all people come to work feeling safe, valued, respected and included. The group's collective mission is to build an organisation that embraces cultural, gender and identity diversity, where individual talents, attributes and skills are celebrated.

**SA Power Networks**  
20,113 Followers  
8mo · Edited

Today is International Women in Engineering Day which celebrates the work and achievements of female engineers.

Engineer Mohita Kausalh, and future engineer Gemma Stone, have taken very different paths to careers in engineering. What they share, however, is a natural curiosity for how things work, and a passion for building more opportunities for women in engineering.

Mohita and Gemma have made valuable contributions across the business in different roles as well as trailblazing a path which many others have followed. Well done to you and all our women in engineering for empowering South Australia.

#EmpoweringSouthAustralia #WomenEngineers #INWED2022



## White Ribbon Wrap Up

White Ribbon Day Australia 2022 took place on Friday 18 November. This day marks the beginning of a series of other important events throughout November and December, which all centre on eliminating gender-based violence and family violence.

- Violence against women is the most pervasive breach of human rights worldwide, and in Australia alone:
- One in four women have experienced sexual harassment on the workplace,
  - 40% of women experiencing violence from a current partner are working,
  - 76% of employers agree that leaders should be educating their workforce about respectful relationships,
  - \$22 billion a year is the estimated burden to the Australian economy as a result of men's violence, harassment and abuse.

Within SA Power Networks, we recognise the role our organisation can play as a male-dominated workplace, in advocating for change to this dire situation. On White Ribbon Day, Diversity and Inclusion representatives placed white ribbons in the foyer of Karawick HQ, 1000, Marlestone South Depot and Station Place for anyone to take and wear to show support for White Ribbon Australia's vision: 'A nation where every woman is free from all forms of men's violence and abuse'.

These tables of SA Power Networks and Eversen representatives also attended the Adelaide White Ribbon Breakfast on the morning of Wednesday 23 November at the Adelaide Convention Centre with EL at one of the head tables as a show of our organisation's commitment to the cause.

Below: 15 attendees White Ribbon Breakfast 2022. Field Services Safety General Manager Paul Suter is committed to the cause. Photo: Melbourne: @wearewhiteribbon



At SA Power Networks inclusion and diversity are central to our workplace - everyone has the right to be proud of who they are and bring their whole self to work.

We see Wear it Purple day as a great opportunity for our people to think about how we can build on being inclusive and respectful.

Today our people showed their support for #wearitpurpleday as a sign of our commitment as an organisation to be a respectful workplace and to better represent the community we are here to serve.

#StillMeStillHuman #WearItPurple2022 #Inclusive #OurPeople



**SA Power Networks**  
21 March · 0

Today, on Harmony Day, and the start of Harmony week, we celebrate and embrace the diversity, multiculturalism and inclusivity that makes Australia such a vibrant country and a great place to live. Our people and their diverse voices are from more than 40 countries. We're proud to have a culturally diverse workforce and acknowledge the significant contributions made within our organisation - and the broader South Australian community.



WATTSUP | OUTLOOK | EDITION 24 - NOVEMBER 2022 | OUR PEOPLE | 31

## My Culture video shares Shrijana Upadhyaya's Nepali culture

A 15-day festival, donuts made from rice, a deep respect for nature and open-hearted welcomes. Nepali culture is the focus of the latest My Culture video, featuring Connections Planning's Shrijana Upadhyaya.

The My Culture video series aims to celebrate the diversity of our organisation, which includes people from more than 40 countries.

Shrijana, a Senior Dynamics Planning Engineer, was born in a small village, Sischahat, in Nepal and moved to Australia in 2008.

In the video, she shares many aspects of her culture, including unique Nepali beliefs, traditional dress, food, cultural festivals, and how the Nepalese lunar calendar affects major life decisions.

"A biggest of Nepali culture is linked with Hinduism. We have at least one Hindu festival every month that is celebrated throughout Nepal."

Since moving to Australia, she has found similarities between Australian and Nepali culture - mostly in the laid-back attitude and people's welcoming nature.

"When we came here, we had a very warm welcome from our colleagues and friends. In Nepal, strangers, whenever they go, they get a warm welcome - the people there talk to them open heartedly."



The video series is an initiative of the Diversity and Inclusion Committee's Culture stream. The committee's mission is to build an organisation that embraces cultural, gender and identity diversity, where individual talents, attributes and skills are celebrated.

If you would like to be featured in a My Culture video, please contact Adrian Jeremah, Josephika or Sumi Kanchan.

Watch the first video in the series, My Culture Ukraine, featuring Connections Planning Engineer Paula Potykan.

Find out more about the D&I Committee here

**SA Power Networks**  
20,113 Followers  
1y

With around 2000 staff from more than 40 countries, we have a pretty diverse workforce. Paint Yo Role is a celebration of that cultural diversity.

A group of staff volunteers drew on their cultural heritage to create vibrant works of art that have now been installed on Stobie poles around the streets of Keswick.

#diversity #culture #PaintYoPole #art #stobiepoleart

Ananya Das Frank Crisci Aishat Yergalyeva Amrit N Nagajuna Komhuri



A showcase of cultural diversity now on display on Stobie poles around Keswick  
SA Power Networks on LinkedIn

# Health, safety and wellbeing

Safety is our top priority and while our safety record is one we are proud of, we recognise that we cannot be complacent.

To ensure our people work safe, and go home safe, every day, we are increasing our focus on managing risks and transforming our safety leadership.

In 2022, implementation of the initiatives of our Safety Strategy continued, with renewed focus following the impact of COVID-19. Our Health and Safety Representative Learning Teams continued making practical safety improvements to the tasks conducted in the field, and our Safety Leadership Academy has maintained focus on our culture, empowering everyone to be a 'safety leader'. With a view to the longer term, progress was made on initiatives such as the Life Cycle Safety project, challenging our workers to do things differently, work together and drive our actions higher up the safety hierarchy of controls.

Some 2022 highlights include:

- a new Health and Wellbeing Framework was launched and rolled out across the business. This has included the implementation of a nationally accredited volunteer 'Mental Health First Aid' program;
- Health and Safety Representative 'Learning Teams' were integrated into the safety culture. The teams have actioned a range of real world safety improvement projects demonstrating the personal accountability our people have for safety; and
- Operational Excellence was further embedded into the safety culture. A key example is the review of the maturity of Life Cycle Safety, which will provide a basis for ongoing improvements in the identification and elimination of project risks during 2023.

## Snapshot: Health and Wellbeing Framework

The COVID-19 pandemic has had an unprecedented effect on the physical and mental health of people, challenging many of us in ways we had never anticipated. It was this impact that remained front of mind during the development of our Health and Wellbeing Framework, launched across SA Power Networks and Enerven in mid-2022.

Research has shown that to achieve the best result for an individual, it's important to consider both physical and psychological health elements, so the integration of these two areas formed the foundation of our Health and Wellbeing Framework. Endorsed by the ELT in 2021, the Framework includes Mental Health First Aid, mental fitness initiatives, nutrition, and movement. The portal provides training, resources and information on a range of services available to employees such as physiotherapy, vaccinations, traumatic event response, and the Employee Assistance Program.

A key aspect of our 2022 Safety Plan, the Mental Health First Aid (MHFA) initiative highlights our organisation's commitment to a culture that encourages conversation and engagement in the mental and physical health of our people. Staff were invited to partake in the accredited MHFA two-day training with the intent on becoming a volunteer MHFA Officer in their workplace – in 2022, 52 staff completed the course. Moving forward, the new Health and Wellbeing Framework will also enable us to review and introduce new initiatives as it continues to evolve and mature further.





## Case study: Technology trials open possibilities for safety

SA Power Networks has been exploring the possibilities enabled by 5G broadband cellular network speeds through a partnership with Nokia 5G Innovation Incubation Lab – and the focus is on the safety of our people in the field.

The year-long trial saw us working with Nokia to trial two use cases – one focused on using robots in potentially dangerous substation inspections for live virtual reality (VR) streaming, and the second on using drones to increase the safety of long-distance asset inspections. A key objective of the trials has been improving safety for ongoing tasks that come under the five D's: dirty, dangerous, difficult, dull, dear.

We've brought safety and innovation together to explore how we can use connectivity to enable the use of robots or drones to prevent our people from being in potentially harmful situations.

### Trial 1: Spot the Dog

The aim of this trial was to see if we could capture high-quality video and live VR streaming of assets using a 360-degree panoramic camera attached to Spot Robot, to avoid the need for a person to be close to the asset during inspections. It documented 5G use cases that would expand our VR and augmented reality (AR) capabilities, as well as improve image and video capture of assets:

- Teleoperating land-based drones at remote sites (eg, a track robot based at a site).
- Using Spot to inspect substations or other sites with access difficulties.
- Using a 360-degree camera for live remote VR, as well as for capturing video.

The Nokia team recorded coverage statistics and input parameters for all the test cases, used for the connection between the PC and the camera. The camera captures very high-quality images (up to 8K resolution), which are stitched together to create panoramic views, and can be livestreamed on the 5G network.

Sophie Schiller, one of our IT Graduates who worked on the trial, said: "We found that we can create a 3D immersive view of our assets with the 360-degree camera, and involving Spot means our people don't need to get as close to the asset. We can still get a crisp image or a great quality video and not have people in dangerous situations."

### Trial 2: Carbonix

This trial saw us partner with Australian drone manufacturer Carbonix to use their Volanti Un-Crewed Aerial Vehicles (UAV) to explore their use in place of helicopters for long regional powerline inspections.

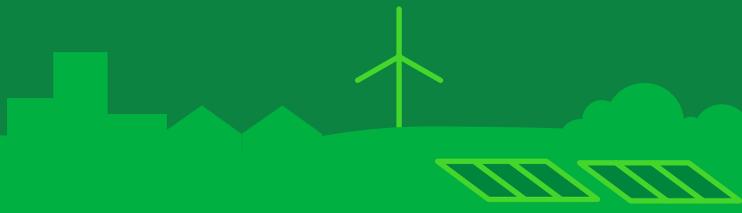
While we've used drones for some areas of maintenance, we continue to rely on helicopters for overhead line inspections. Helicopters pose a greater risk for our people, particularly during wet and wild weather or bushfire conditions, which are when outages are most likely to occur. Helicopters also impact the environment and communities surrounding powerline assets.

The operational and environmental benefits of replacing helicopters with Carbonix drones could see a significant reduction in operating cost and up to 98% reduction in CO<sub>2</sub> output compared with conventional peopled aircraft. The trial explored whether integration of the Nokia 5G network equipment into Carbonix drone communications systems could result in greater redundancy, higher bandwidth, and lower costs to obtain real-time data from drones engaged in long-range, beyond-line-of-sight operations.

"We want to be flying drones beyond visual line of sight so we can better and more efficiently manage our assets. Ensuring reliable and suitable comms is critical to safe drone operations, and I'm looking forward to taking this out in the field to continue testing," our Asset Assessment Manager Nick Hart said. "The trial has been helping us understand the capability of the latest innovation in drones to increase our capability to mitigate risk, and this will help pave the way for future beyond-line-of-sight drone operations across our vast electrical grid."

Nick said the trial and associated partnerships have also been useful for our advocacy work towards use of beyond-line-of-sight drones with the Civil Aviation Safety Authority (CASA). We're working with Nokia, Carbonix, Enerven and industry leaders from AviAssist and HoverUAV to affect change.

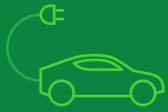
"To efficiently and effectively capture the asset data we require, we need to be able to fly drones beyond visual line of sight. However, current restrictions mean we're unable to do so," he said. "The ability to gather quality data safely and efficiently, inspect more assets, increase maintenance and bushfire schedules would be of significant benefit to SA Power Networks and the community. Our long-term objective, therefore, is to get beyond-line-of-sight approval from CASA."



# Conserving the environment

Contributing to positive environmental outcomes

## Performance snapshot



Committed to **100%** passenger EVs by 2030



Publicly advocated for National EV Strategy and committed to the SA EV Fleet Pledge



**7%** of our fleet is electric



Exceeded target: **85%** of our waste diverted from landfill



**17,400** public lights converted to LED lamps in 2022



Reduced our (Scope 1 and Scope 2) GHG emissions by **28%** compared to last year

## Contributing to



# Conserving the environment

Like most large businesses, we have in place comprehensive structures for managing environmental impacts and risks.

Compliance with environmental legislation and regulation is viewed as a minimum requirement – we aim to go beyond compliance with environmental sustainability principles integrated into our systems, processes and people. More detail on how we identify, assess, manage and monitor environmental risks, including climate change risks, can be found in our [Environmental Matters Management Approach Statement](#).



## Case study: Technology helping to minimise environmental and safety risks and protect native vegetation

### WorkMate app

WorkMate is a GIS map-based application that helps our people safely plan, travel to, and perform work in the field. The application includes a journey planner that builds a route to the required location and generates a hazard list, which shares the following:

- known environmental hazards such as biosecurity risks and contaminated sites
- asset data
- access tracks including how to get to assets on customers' properties or off main roads
- CFS live fire dangers and incidents and BOM live weather alerts and conditions
- closest defibrillator locations.

WorkMate was a field-instigated request to consolidate the vast amount of information the organisation has available, from both internal and external sources. Available to all staff, the custom-made app is designed to be easy to use and can be accessed on phone, tablet or desktop, and has many features.

### Drones

SA Power Networks has found drones can help with more than just asset inspections, scoping work in difficult locations and outage restoration – they even have a role to play in protecting fragile native vegetation.

During 2022 a drone was used on a re-string of power lines in the Uley Bore Field, west of Pt Lincoln – with a key aim being to protect fragile native vegetation. The work was necessary to support a project being undertaken by SA Water, which was installing three new bores in the bore field.

Using drones instead of elevated work platform trucks enabled greater access and minimised the impact of our works on native vegetation. Drones are delivering value by minimising impact of our work on customers and their property, including avoiding entering cropped areas where we can, and for safety of our people to avoid potential hazards – this was the first occasion we had used a drone to reduce the risk of damaging fragile native vegetation, and given its success, will not be the last.

We have now trained 29 people as pilots in the SA Power Networks Group's Field Services, Asset Management and Vegetation Operations teams, and soon we'll have drones and trained pilots in all of our regional depots.

# Climate change

We are already experiencing the devastating impacts of a warming climate, and these impacts – which pose serious risks to our natural and built environments, our communities and economy – will get worse if action is not taken to rapidly decarbonise.

To tackle this enormous challenge, the SA Power Networks Group's over-arching approach to climate change is twofold:

- 1 leveraging our unique circumstances to help South Australia transition to a distributed and decarbonised energy system and create a future where energy is clean, reliable and affordable; and
- 2 playing our part by achieving net-zero Scope 1 and Scope 2 GHG emissions across our operations by 2035.

These aims are embedded in our overarching Strategic Direction, with the programs, projects and other initiatives to achieve them detailed and operationalised via relevant sub-strategies and departmental plans.

We know our customers and stakeholders want action on climate change, so to better communicate our role and approach to risk management, governance, mitigation and adaptation, we publish a range of information, including our [Climate Change Position Statement](#), annual Sustainability Report, [Environmental, Social, Governance and Network \(material\) Matters Management Approach Statements](#), and [Sustainability Data and Disclosure Databook](#).

These documents, along with supporting information available via our website, disclose our progress on a range of initiatives and commitments including progress on aligning our activities and reporting against the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) Framework.

In 2022 we progressed development of our Climate Change Roadmap, which outlines our path, approach and initiatives to:

- 1 transform energy in SA;
- 2 achieve net zero Scope 1 and Scope 2 GHG emissions by 2035;
- 3 address climate change risks and opportunities; and
- 4 enhance engagement with our stakeholders

As a component of our Sustainability Reporting Suite, we have aligned core elements of the *Climate Change Roadmap* to the guidance of the TCFD Framework. Some recently endorsed goals, initiatives and targets from our *Climate Change Roadmap* include:

## **Aiming for a science-based net zero target**

In 2021 we committed to achieving net-zero Scope 1 and Scope 2 (including distribution line losses) GHG emissions across our operations by 2035. Over 2022/23 we are compiling an inventory and estimate of our material Scope 3 GHG emission sources, and establishing clear emissions reduction

targets for our business, including an interim reduction target to 2031/32. Our aim is to develop interim reduction targets that are 'science-based', that is, in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to no more than 1.5°C above pre-industrial levels. We anticipate releasing details on material value chain emissions and reduction targets in 2023.

## **Accelerating our adaptation and mitigation activities across our operations and assets**

We already run a number of programs and initiatives aimed at improving the resilience of our network and reducing our energy consumption and GHG emissions, but have recently committed to:

- transition our vehicle fleet to electric vehicles (100% passenger; 45% light commercial by 2030) and the installation of EV charging facilities at all applicable operational sites.
- development of a sulphur hexafluoride (SF6) life-cycle management plan in 2022/23 to accelerate the phase out of SF6 insulated assets across our network. SF6 is an insulating gas used in switching equipment that is an extremely potent GHG.

## **Undertaking net zero (in SA) modelling**

We worked with a specialist consultancy to better understand the implications of various pathways to net-zero on the energy sector broadly, and our customers and network specifically. The scenarios used to develop the modelling are based on those that the Australian Energy Market Operator (AEMO) used in developing their integrated system plan, reflecting lower or higher levels of customer energy resource (CER) take-up, electrification and the role that hydrogen might play in the future energy system.

Overall, the modelling predicts an exciting future in which energy will be clean, reliable and increasingly affordable. However, the challenge is that customers will need to invest (for example, in buying an electric vehicle) to see these benefits, which could be particularly challenging for those customers suffering vulnerability. Crucially, we recognise the need to continue to consider ways to ensure no-one is left behind as we navigate the energy transition.

## **Engaging customers on network resilience**

We worked with experts to develop a consultation paper and business case on severe weather impacts and network resilience. The consultation paper aims to raise awareness of the current and future climate change-related impacts on our network and engage with our customers on the scale and options for making our network more resilient. To reduce the impact of increasingly extreme and frequent weather events on service continuity, we are proposing to invest in network resilience in our upcoming 2025–30 regulatory period. Investment in resilience forms a component of one of our four key themes for this regulatory proposal.

### Where are we now?



#### Plug-in hybrid electric vehicles

- 1 Hyundai Ioniq
- 9 Mitsubishi Outlander

#### Electric vehicles

- 5 Hyundai Kona Electric
- 3 Tesla Model 3
- 1 Kia Nero Electric

#### Managed charging stations

- All metro and key regional depots

### 2025



#### Electric vehicles

- 50% of the passenger fleet will be transitioned to electric

#### Managed charging stations

- Increased number of chargers in metro locations to match transitioned vehicles
- Remaining regional depots

### 2030



#### Fleet vehicles

- All passenger vehicles are transitioned to electric
- A significant percentage of light commercial vehicles are PHEVs or EVs

#### Managed charging stations

- Metro and regional locations have facilities to meet SA Power Networks' transition

## Case study: Accelerating our transition to electric vehicles (EVs)

Our Fleet & Property Team, in conjunction with the Network Strategy team, has developed a *Fleet & Property EV Transition Strategy*. This strategy outlines the SA Power Networks Group's progressive transition to a fleet of electric vehicles over the next decade. This intends to build on our initial electric vehicle strategy as set out in our 2017 *Future Network Strategy*, where we recommended the organisation model the way in the uptake of electric vehicles within SA. Our transition strategy is the first step in making that happen.

To ensure an efficient and well-orchestrated vehicle transition, we've also developed a *Fleet & Property EV Transition Delivery Plan*. This work outlines exactly which vehicles can be electrified, and when the optimal time is to do so. Vehicles are only eligible for electrification when a suitable electric alternative is forecast to be readily available in the local market, and where the capabilities of that vehicle can fulfil all existing functional requirements of our current internal combustion engine vehicle. The figure above shows the transition pathway under our current plan. We will continue to work with our stakeholders in the regulatory reset process to refine and further develop this plan.

### Publicly pledging our EV transition

As a proactive member of the [Electric Vehicle Council](#), we share a broader vision for Australia to be a leader in the transition of electric vehicles and in 2022 joined more than 100 companies to publicly support the Federal Government's development of an ambitious National Electric Vehicle Strategy. 1 million EV's on Australian roads by 2027.

On World EV Day in 2022 we joined a number of other like-minded organisations leading the way in making South Australia a national leader in electric vehicle uptake and smart charging by taking the [EV Fleet Pledge](#).



# Our carbon footprint

The SA Power Networks Group has been monitoring and reporting energy consumption and production and GHG emissions since the establishment of the *National Greenhouse and Energy Reporting (NGER) Act (2007)*, so have a good understanding of our GHG emissions sources and profile.

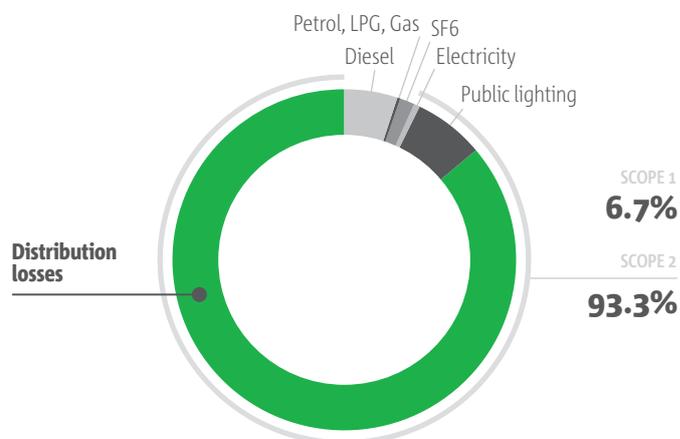
More detailed information about our GHG emissions and energy consumption/production can be found in the [2022 Sustainability Data and Disclosure Databook](#).

The majority of our Scope 1 (direct) emissions result from transport and stationary fuel use as well as emissions relating to Sulphur HexaFluoride (SF6 – an insulating gas used in switching equipment).

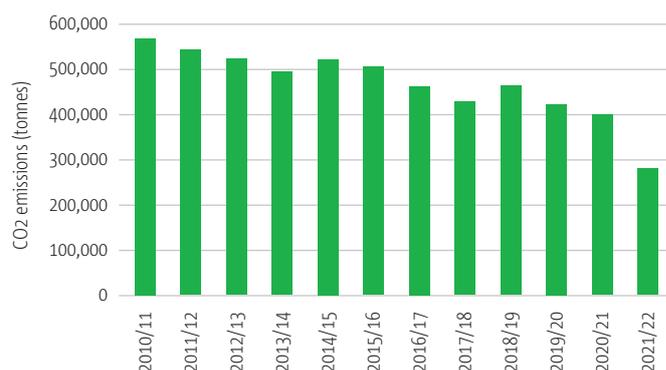
Our Scope 2 (indirect) emissions result from electricity used in our offices and depots, electricity consumed by public lighting, as well as line ‘losses’ which occur when transporting electricity. 2022 saw a significant drop in our Scope 2 GHG emissions, in large part due to the lowering of SA’s emissions factor and a change in our calculation methodology for distribution line losses – this change was made to align with recommended distribution line loss methodology by the Australian Energy Regulator. We have also continued to see a decrease in public lighting electricity consumption due to the replacement of lamps with more efficient LED technology.

We have begun exploring what our material Scope 3 (indirect, value chain) GHG emissions are. Initial research indicates that the bulk of our Scope 3 emissions sources will be upstream categories such as goods and services, capital goods, business travel, waste to landfill, and employee commuting.

Greenhouse Gas emissions 2021/22



Total Greenhouse Gas emissions per year



# Contributing to a circular economy

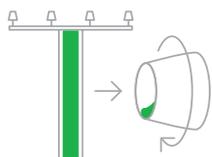
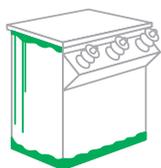
The SA Power Networks Group is considered as a leader in terms of waste and recycling performance within South Australia, and we are looking ahead to improve on this performance by further reducing waste to landfill, reducing packaging and using greener products and materials across the business.

Moving forward, we will be exploring how we can adopt the Circular Economy model, which will guide us toward zero waste and pollution. By using smart design, reuse and recycling protocols we can extend the life and value of materials. By keeping materials 'in the loop' of reuse, we can facilitate the regeneration of natural resources.

1

## Keep products and materials in use

Refurbishing leaking, damaged or faulty transformers



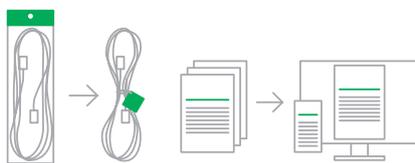
Recycling of concrete from salvaged Stobie poles



Re-use and on-selling of transformer oil and IT hardware

2

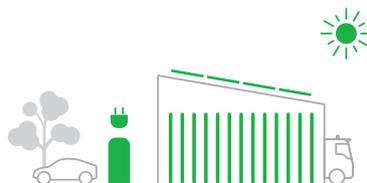
## Design out waste and pollution



Reducing plastic packaging and paper use



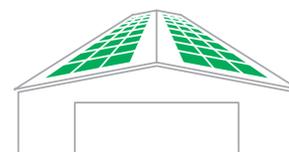
Phasing out the use of sulphur hexafluoride (SF6)



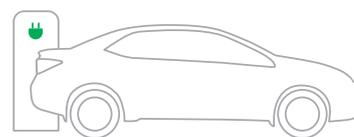
Design, aspect and materials for new Depots incorporate environmentally sustainable principles

3

## Regenerate natural systems



PV installed at most major sites



Transition to EV passenger vehicles



Increase biodiversity enhancing activities

Embedding Circular Economy principles will build on our work to date, and will require some changes to the way we do things. We hope that by adopting a circular approach, we will continue to improve business efficiencies and performance, contributing to our goal of achieving net-zero emissions by 2035.

In 2022, we progressed initiatives to maximise the operational life of assets and products, upcycle items and materials, and increase our diversion of waste from landfill, including:

- Recycling of concrete from salvaged Stobie poles
- Replacing pallets wrapped in soft plastics with reusable tubs
- Refurbishing/reuse of pallets instead of shredding for recycling

- Investigating reuse of surplus or no longer needed items or materials through sale at auction
- Recycling of plastic strapping and hard hats
- Working with government and conservation groups to preserve and regenerate biodiversity within our sphere of influence
- Supporting – via an SA Power Networks Community Grant – Aberfoyle Repair Café. The Repair Café concept is a global sustainability initiative that helps the community to divert items from landfill, share practical repair knowledge, and reduce our collective impact on the environment.

## Snapshot: Waste and recycling

There are numerous waste streams throughout the SA Power Networks Group's operations, including office waste, hazardous waste, oils, scrap metals, plastics, packaging and street lighting consumables, as well as solid wastes from depots, workshops, stores and corporate headquarters. A substantial percentage of these waste streams are recovered, re-used or recycled.

Our overall landfill diversion rate, across all sites and including bulk/salvage waste materials, continues to be very high and we exceeded our 2022 target of 80% of our generated waste diverted from landfill, diverting 85%.

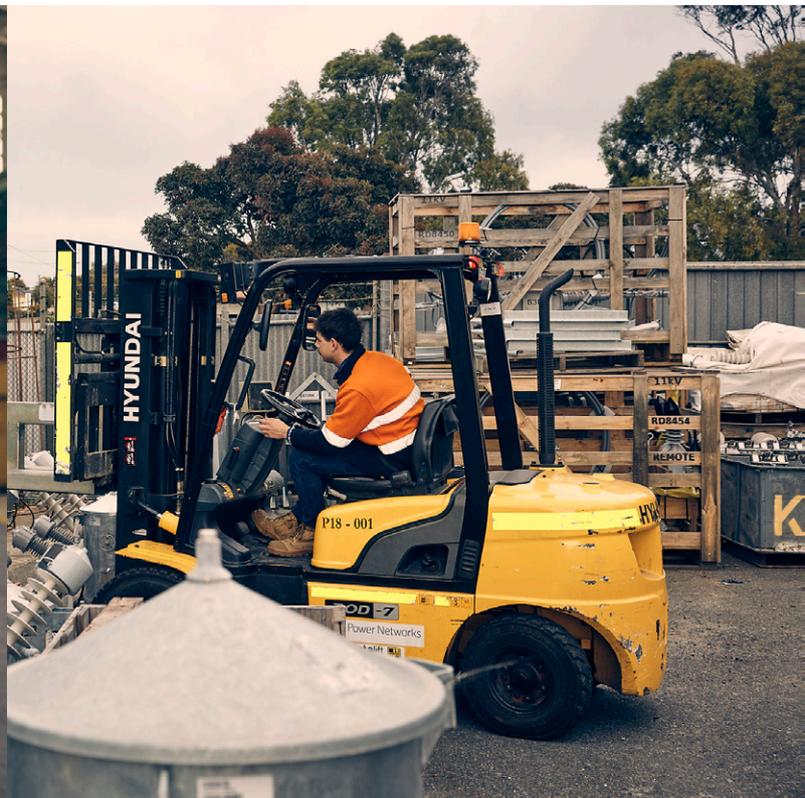
Organic waste is sent to Jeffries for the production of mulch and compost, bulk recyclables such as paper, plastics, batteries, oil, e-waste, printer cartridges, glass and metals are recycled or sold, and residual dry (general) waste from all of the metropolitan sites is processed at the SUEZ-ResourceCo Alternative Fuels Facility. This facility uses an advanced resource recovery process to generate a fuel substitute for coal and gas in high combustion factories.

## Green IT

The SA Power Networks Group has implemented a range of 'Green IT' initiatives, that is, efficiency and resource-conscious projects focused on IT equipment purchasing and management. For example, our organisation has implemented print management initiatives ('follow me' printing, default double-sided and black and white printing), optimal server rack configuration in our server room, automatic shutdown of PCs and monitors every night, and the use of recycled content paper in our multi-function devices.

To ensure none of our redundant IT and communications equipment (eg laptops, phones, etc) end up in landfill, our hardware contractor on sells working devices and harvests from disused equipment.

**85%**  
of our waste  
diverted from landfill



# Nature and biodiversity

We recognise the interconnectedness of climate change and accelerated loss of biodiversity.

We accept that the rich biodiversity of our State is under threat, and we have a role to play in preserving and enhancing the plants, animals and ecosystems we work around and within.

The scale and scope of our day-to-day operations and activities do not have a significant (acute) negative impact on natural habitats and ecosystems, however we recognise the chronic impacts that all large businesses can have, and strive to minimise any potential damage through a range of biodiversity and natural resources related planning and operational procedures and systems. We have a continuous improvement approach to key activities to:

- improve the consideration of ecosystem health in the planning and construction of infrastructure and facilities;
- minimise the use of virgin materials, hazardous substances, and increase purchasing of materials and products that are more readily reused, recycled and more environmentally benign;
- collaborate with government and not-for-profit environmental and wildlife groups to mitigate against the risk of harm to wildlife and power outages when they interact with our infrastructure;

- minimise removal of native vegetation and explore options for rehabilitating habitat (rewilding). We work with the Department of Environment and Water (DEW), National Parks and Wildlife Service NPWS), Greening Adelaide, Trees for Life and Greening Australia to enhance biodiversity in and around our facility and project sites and under our powerlines; and
- protect SA's biodiversity through adhering to biosecurity protocols. Preventative measures are required to reduce potential harm to the environment, community and economy from the entry of pest plants (weeds), pest animals (feral) and plant and animal diseases.

In recognition of the increasing focus on natural capital and biodiversity preservation, in 2022 the ELT and Board Sustainability Committee endorsed the development of an internal Biodiversity Action Plan. Development will commence in 2023 and it will be structured to align with the guidance of the newly created framework by the Taskforce on Nature-related Financial Disclosures (TNFD).



## Case study: Proactively preserving our biodiversity

### Preserving our pollinators – apiarist lines people

Every Spring we experience an increase in bee-related jobs, as colonies will often bivouac in our electrical equipment or access pits. Bees provide a valuable pollinating service for our farmers and native vegetation, so rather than contacting a pest controller and having the bees killed, we will source a local beekeeper who will collect and relocate them.

When one of our Environment Branch staff was discussing this with a linesman, it was discovered that he was an amateur beekeeper, and therefore had the skills to be able to undertake removals adjacent energised equipment.

Over 2021 and 2022 a project was established to identify and train other powerline workers who were already (or interested in becoming) apiarists. Additional interested lines-people undertook a training session by an external apiarist covering theory and practice, and the internal procedure was updated to include this additional process and skillset.

This environmentally friendly solution has been received positively by staff and customers alike.



### Collaborating to conserve our raptors

Many species of raptors (large birds of prey such as Osprey, Eagles, and Falcons) are endangered, with populations being impacted by loss of habitat, disturbances and climate change. In 2022 the SA DEW and NPWS established a [Recovery Plan for Eastern Osprey and White-bellied Sea Eagle](#) and formed a Working Group, including stakeholders such as Birds SA and SA Power Networks. Through this group we are going to be exploring and implementing changes to our network and collaborating on initiatives to help with Osprey and White-Bellied Sea Eagle populations. The group will be assessing various locations across the State for trials with the primary focus being areas where established breeding pairs are known to nest.

A good example of this collaboration is the installation of a round platform on a redundant Stobie pole on a landowner's property to encourage endangered Osprey to construct their nest. The landowner contacted DEW as the birds have been regularly spotted in the area, and our local powerline crew installed the platform. Osprey nests are quite large (over 1.5m diameter) and they are also more likely to nest in areas with minimal human activity so large, isolated platforms like this have been found to be more successful. Opportunities to install more nest platforms on disused Stobie poles are being investigated for other appropriate sites around the State.



### Grey-headed Flying Foxes (GHFF)

The Grey-headed Flying Fox is the largest bat in Australia and one of the largest in the world. It is a protected species, and the colony that lives in the Adelaide Botanic Gardens is estimated to have grown to around 30,000 due to successive mild summers. Unfortunately, if they make contact between powerlines and pole top equipment, including insulators, transformers and switches or when caught by lightning arrestors, they cause power outages – up to around 80 in a year.

This is a significant issue for us and our customers. We are actively working to minimise these power outages for our customers, and the risk of electrocution to the flying fox colony. To better understand the issue, we have been working closely with fauna rescue groups, the DEW and the University of Adelaide, and have produced a number of videos to post on social media and television, along with ongoing communication via our website and other media channels.

We have installed animal guards and insulation covering on some overhead equipment where repeat outages have occurred. Also, a program of ‘sectionalising’ high-risk lines has helped reduce the number of customers impacted by these outages.

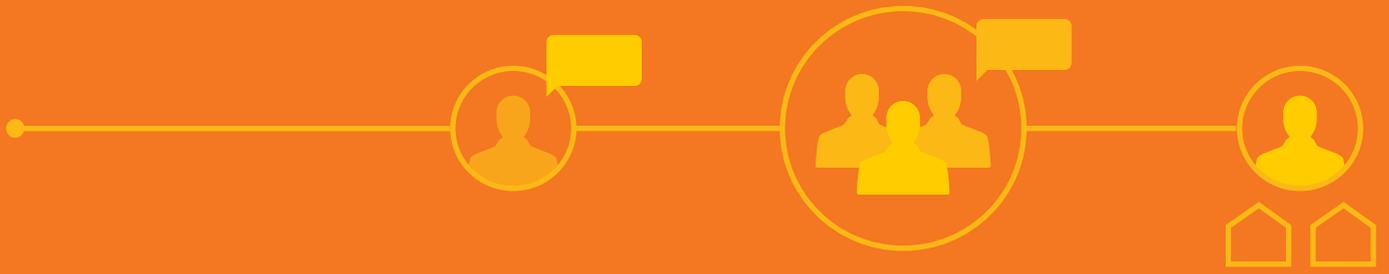
In 2022 we held a GHFF ‘Think Tank’, to explore the issues and generate new and innovative approaches to manage the impact on the network, customers and the bats. Attended by key SA Power Networks personnel, fauna rescue groups, local and state government, and research partners, the event received overwhelmingly positive feedback. A key outcome of the ThinkTank was the formation of a GHFF Working Group, development of an Action Plan and progressive implementation of a range of initiatives, including:

- the development of an app to report GHFF strike locations on the network for use by fauna groups;
- a field, reliability and engineering personnel workshop to develop improved approaches to covering pole top transformers and equipment; and
- sponsorship from SA Power Networks to key fauna groups to assist with their ongoing bat rehabilitation work.

### Helping maintain estuarine health

To build and maintain our infrastructure, SA Power Networks is sometimes required to establish access tracks. These tracks will usually follow existing roadways, fire-tracks or causeways. A project delivered in partnership between the Australian Government National Landcare Program, the Eyre Peninsula Landscape Board and SA Power Networks has resulted in improved condition of the nationally threatened ecological community Temperate coastal saltmarsh at Arno Bay, on the Eyre Peninsula.

Rehabilitation works were carried out in 2022, installing a series of three new culverts along a service track through the Arno Bay saltmarsh, which has significantly increased the tidal flows and connection into the Western end of the saltmarsh, helping to improve the condition of stranded saltmarsh species. As well as temperate coastal saltmarsh being listed as a threatened ecological community, the area also contains a threatened species of samphire *Tecticornia flabelliformis* (Fan or Bead Samphire). Drone monitoring over the next 10 years will show gradual improved health and diversity in this part of the saltmarsh where tidal connection was previously limited by the number and size of existing culverts.



# Connecting and protecting communities

Enhancing the wellbeing of our community

## Performance snapshot



New Community Grants Program launched with **25** grants awarded



Engagement achievements  
**14** 'Broad and Diverse' workshops  
**44** 'Focused Conversations' workshops  
**13** AER workshops  
Establishment of our People's Panel



**10** active community and industry reference/working groups



**\$2m** invested in community partnerships and grants



Over **527** hours invested in volunteering



Launched refreshed Customer Strategy

## Contributing to

**13** CLIMATE ACTION

**7** AFFORDABLE AND CLEAN ENERGY

**11** SUSTAINABLE CITIES AND COMMUNITIES

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

# Social value

## Empowering affordable and accessible energy services

2022 saw a continuation of challenging circumstances for customers and communities. Cost of living increases such as rising fuel prices, interest rates, and goods and services continued, with significant electricity price rises forecast over the next two years.

Many families, small businesses, and industry sectors are still recovering from the residual impacts of the COVID-19 pandemic, and continued effects from the war in Ukraine, and devastating natural disasters such as floods – so supporting customers in need is a priority.

We are also acutely aware that the benefits and challenges of the rapid energy transition have the potential to affect customers in different ways. Increased cost of living means that not everyone has the luxury of being able to easily afford energy, let alone new technology like solar panels or a home battery system.

Additionally, those customers who are renting property (around one third of South Australians) are usually not able to add energy-saving measures such as solar panels, batteries or insulation to their home or business. It is therefore critical to ensure as the world transitions towards net-zero that it is done so in a just and fair manner and to think ahead to identify and address new forms of exclusion and inequality.

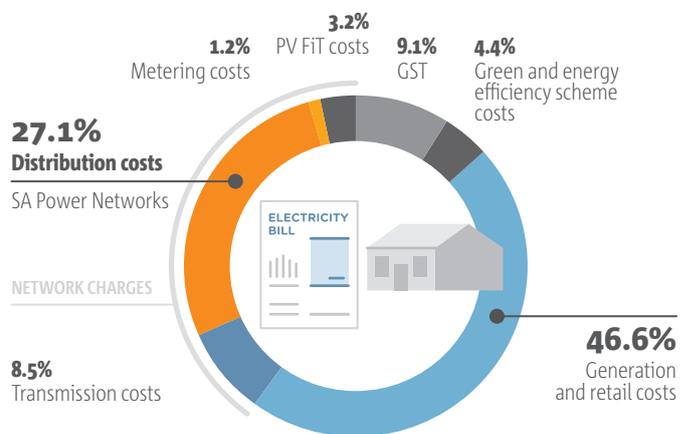
We are actively contributing to a fair and just energy transition through education, awareness and accessibility whilst maintaining affordable energy services. For example, we are:

- actively developing and enabling new energy products, services, tariffs and markets, which can make energy more affordable;
- advocating directly to the State Government on energy policy initiatives which would support the broader well-being of communities;
- transforming the customer experience to make energy services and options through us simple and accessible;
- exploring an enhancement of our Energy Advisory Service to educate and build capacity in energy awareness, services, technology, and digital platforms to support customers through the energy transition; and
- working with our Community Reference Group to listen and discuss issues facing particular groups within the community, particularly vulnerable customers.

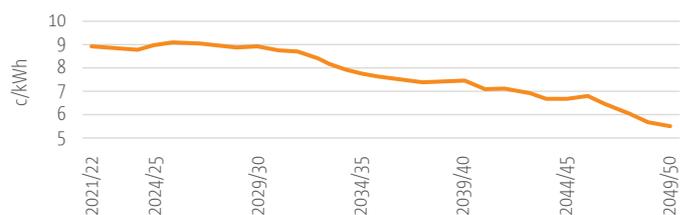
## Snapshot: Playing our part to keep electricity affordable

Our distribution charges make up around a third of customers' total electricity bills for a typical residential customer. Our charges have not changed in real terms since 1999 and are about \$12 per week for the average customer. The distribution component of the bill for a typical residential customer has reduced from \$710 to \$570 over the period since 1999. Encouragingly, modelling we undertook in 2022 indicates that our average network price, currently around 9c per unit of energy carried, is forecast to hold roughly steady to the end of this decade\* before gradually reducing to around 5.5c by 2050. This is despite network capital investment being forecast to increase over that period, and results to a large extent from the additional energy our network will be required to carry as electric vehicle take-up accelerates. We believe the long-term energy outlook is bright, but it will be a challenging journey for many in the short term. Nonetheless, we are playing our part to keep prices under control, and continue to work with organisations and the State Government, to make sure that members of the community experiencing vulnerability are supported as best as possible.

### Breakdown of typical residential electricity bill in SA (2022/23)



### Average network price



\*This represents a high end case and excludes the impact of premium feed in tariff (pFiT) payments. Once we incorporate customer feedback into our regulatory proposal, and the removal of the pFiT, will still expect to see distribution bills reduce in real terms over 2025–30.

## Providing energy equity and support for our vulnerable customers

We care about our customers who find themselves in vulnerable circumstances. We know that access to an essential service, such as electricity, is necessary to sustain the health and wellbeing of our community and many customers will need more support as we transition towards the new energy future.

We are committed to working with our Community Reference Group to understand the needs of customers, particularly those in vulnerable circumstances. Our aim is to ensure their voice is heard in decision-making and are working with the Community Reference Group to implement the Vulnerable Customer Strategy.

Some key initiatives that occurred during 2022 include:

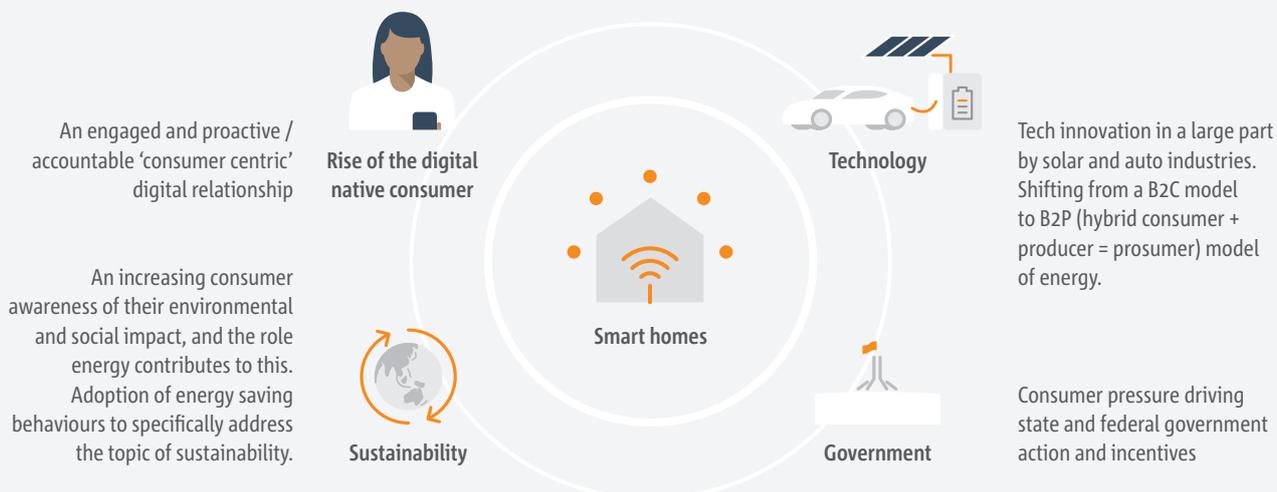
### Support of the ConnectEd Program

SA Power Networks partnered with Uniting Care Wesley Bowden, to trial a small grants program through their ConnectEd Program, a government funded and supported utility literacy program. The ConnectEd Program aims to increase knowledge, skills and resources for community members on managing essential household utilities, including electricity. Grant recipients were identified through financial counsellors and/or support workers. As part of the program, we supported the distribution of 72 grants of up to \$1,200 to assist vulnerable clients who were struggling with energy affordability through the provision of small grants to fund energy efficient appliances or to reduce their energy debt.

## Snapshot: Research to tailor an augmented Energy Advisory Service

Over 2022 we continued to explore options and opportunities related to a proposed augmentation of our Energy Advisory Service. To ensure it is tailored to our different customers' needs, and following on from strong feedback in our customer engagement that many customers would highly value SA Power Networks providing an advisory service, we undertook some related customer research.

The findings have been interesting and will inform how we structure any approved expansion to our service. For example, the research indicates a rise of 'digital natives' – within a year, generations Y (millennials), Z and alpha will outnumber the previous generations. This, in combination with other factors, is changing the way that consumers interact with energy providers. Customers are increasingly seeking to adopt new energy technologies that don't just reduce their costs but also reduce their environmental footprint.



### Pre-Disconnection Welfare Visit Trial

We worked with two major main retailers in South Australia to undertake a trial to conduct a Pre-Disconnection Welfare Field Visit to customers who are on the disconnection pathway due to non-payment, in an effort to increase engagement with the retailer. At the time of the visit, customers were also provided with information about support services such as ConnectEd and the National Debt Helpline.

The trial included 751 customers (as well as the same number of customers in a 'control' group who did not receive a pre-disconnection visit) and aimed to test whether a personalised visit to a customer earlier in the disconnection cycle was more effective than previous trials, in which the visit occurred a few days before the actual date of disconnection.

While the 2022 trial did not show notable difference between the trial and control groups in terms of disconnections avoided/completed, hardship or payment programs entered into, it did highlight the value of a pre-disconnection personalised visit as an important customer engagement tool, particularly in better understanding and supporting customers experiencing vulnerability.

We will continue to investigate opportunities to support customers experiencing vulnerability and avoid disconnection for non-payment, including participating in an Energy Charter #BetterTogether initiative aimed at developing a customer code in this area, and also considering how we may be able to support small businesses who are on the disconnection pathway.

### Equity and Vulnerable Customers 'Focused Conversation'

As part of our Regulatory Proposal 'Reset' Engagement for 2025–30, we held a series of 'Focussed Conversations' workshops with our stakeholders and customers to engage deeply on priority topics and better understand their current needs and future priorities for electricity. The Equity and Vulnerable Customers 'Focused Conversations' workshops brought together key stakeholders to explore how we can better support vulnerable customers in our community. Attended by 26 external stakeholders representing a range of community and social organisations, customers and advocates, along with SA Power Networks staff, the session explored 13 potential initiatives identified through our 'Broad and Diverse' engagement workshops earlier this year.

The workshop saw discussions around key ideas such as:

- solar as a service
- community batteries and a community energy fund
- a vulnerable customer assistance program
- Pre-Disconnection Welfare Field Visit program
- energy advisory services and a review of life support customers.

The discussion and feedback generated around how the programs could potentially work in a South Australian context, including the positives and challenges, were extremely valuable. Understanding the needs and priorities of our customers and asking them to vote for the programs that they believe would deliver the best outcomes for vulnerable customers in the 2025–30 period, provides us with a narrowed list of potential programs to explore in greater detail. Importantly our participants walked away from the workshop feeling well informed about the topic at hand.



# Genuine engagement, respect and reconciliation

We know that to achieve our strategic goals and be a leading force in the successful transition of the energy sector in our State, we will need to collaborate with our stakeholders, partner with our customers and advocate for positive and constructive change.

We engage with a broad and diverse range of stakeholders across the State, and we're committed to improving the way we engage with these groups, understand, and consider their needs in our decision-making.

We utilise a wide range of channels to engage with our customers, communities and other stakeholders, including digital engagement websites, focus groups, surveys, working and reference groups, field days and industry events. More information about how we approach customer and stakeholder engagement can be found in our [Social Matters Management Approach Statement](#).

## Snapshot: Starting our Reconciliation Action Plan (RAP) journey

Our network and operations are hosted on the lands of multiple Traditional Owner Groups, and we recognise this connection to country and know that Aboriginal heritage sites provide an important link with traditional cultural heritage. We have always striven to respect this when planning projects and will work with Traditional Owners to ensure sites of significance are not disturbed. We also endeavour to build our relationships with local communities and employ Indigenous owned and operated suppliers.

In 2022 we commenced work on our first RAP. A RAP Working Group was formed, comprising 12 people from across the business including several First Nations peoples and a business-wide RAP survey was undertaken. The survey was an important first step to understand views on reconciliation and how employees think SA Power Networks and Enerven can best contribute.

Guided by Reconciliation South Australia, the RAP Working Group held a workshop to better understand the fundamentals of reconciliation, capture observations about current interaction with First Nations peoples and Traditional Owner groups and generate ideas for progressing our reconciliation journey. The outcomes of the workshop and survey will form the structure of our RAP, drafting of which commenced in late 2022.

Ensuring our customers are at the heart of our business starts with good research and engagement. In 2022 the refresh of our Customer Strategy was completed, and work on the roadmaps to deliver against the objectives of our four priority focus areas commenced. Based on deep research with customers and employees, our Customer Strategy recognises the need to improve our current core customer interactions as well as develop our future service offerings as our customers change the way they use electricity.

We have already made significant strides in the way we involve customers and other stakeholders in decision making on key issues and have been recognised by the industry and the Regulator for our customer engagement processes, particularly in relation to the 2020–25 Regulatory outcome and Tariff Structure Statement.

## Findings from our 2025–30 Regulatory Proposal Engagement Program

Our most significant and deepest engagement with customers and stakeholders centres on determining our service targets and business and network plans to achieve them for each regulatory period (five years) – referred to as the “Reset”. We generally commence these engagements about 3–4 years before the commencement of the new regulatory period.

Over the past few years, our business has been transforming with the support of our customers. By listening and responding to what we hear from them, we strive to deliver better outcomes for South Australians. Throughout the planning of our engagement strategy for the 2025–30 Regulatory (Reset) Proposal, the feedback from our customers remained front of mind as we identified various topics for further exploration.

Since late 2021, we have undertaken significant research and analysis, engaging with hundreds of stakeholders, to help us identify four major themes to engage our customers as we plan for our future.

The following themes have emerged, helping to evolve and shape the course of Reset discussions throughout 2022:

- Affordable and equitable energy supply
- A reliable, resilient and safe electricity network
- Customer experience, choice and empowerment
- Enabling clean energy and unlocking future value

We have brought new voices to the energy conversations by involving members of our community experiencing barriers to participation through our ‘Broad and Diverse’ engagement workshops. The sessions allowed us to discuss local issues and hearing from a diverse range of voices.

We used the learnings and customer priorities from these workshops to help pave the way to the next stage in our engagement process by holding ‘Focussed Conversations’ with stakeholders and subject matter experts on topics that matter the most to our customers. These sessions allow us to narrow options on service outcomes and potential expenditures to assist developing our Regulatory Proposal. Detailed information, including workshop presentation materials and final reports is available on our [Talking Power](#) website.

Our Community Advisory Board (CAB) – along with our key topic-focused working and reference groups – plays a crucial role in supporting SA Power Networks plan via the regulatory proposal process and our organisation’s goal to accelerate the transformation of our state’s energy system to one in which energy is affordable, reliable and zero carbon.

The culmination of our Reset engagement program deliberative process – the People’s Panel – will provide final recommendations on the best balance of service and price.

### 2025–30 Regulatory Proposal Engagement Program



**450+**  
participants



**13**  
topics



**11**  
recommendations  
to People’s Panel



**44**  
workshops / sessions



**170**  
organisations  
represented



**130+**  
workshop hours



**70+**  
support materials  
1,700+ slides



**1,050+**  
talkingpower.com.au  
site visitors

### Snapshot: 2025–30 Regulatory Proposal – People’s Panel

In late 2022, SA Power Networks kicked off our People’s Panel process, bringing together a diverse group of 51 South Australian consumers to advise our business on the appropriate balance of price and service for our 2025–30 Regulatory Proposal.

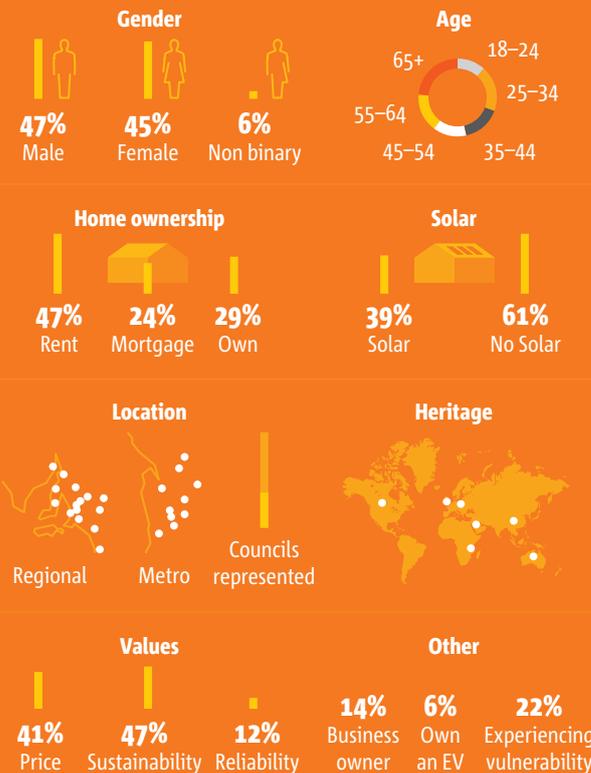
The People’s Panel was independently selected by our engagement partner democracyCo and comprises the diverse mix of customers that we have, representing the regions, homeowners, renters, solar and non-solar customers, and a wide range of age groups. The aim of Panel members at the first session was to get to know each other, build their understanding of the industry, start to understand stakeholder views, and gain an appreciation of the challenging task they have in front of them.

- The Panel were taken through a deliberative process and considered the following questions:
- There are choices about the level of service that SA Power Networks offers, however, all services come at a cost. Looking forward to 2025–30, we want to understand what customers consider is the best balance of service and price?
  - Regulation requires SA Power Networks to consider export tariffs that reflect the cost of providing the service. How can the transition be phased in to maximise fairness and equity for all?

We are excited that the People’s Panel (and all of the stakeholders who contributed throughout the engagement process) have had the opportunity to shape the future of energy in our State.



20,000 South Australians were invited to nominate to be on our People’s Panel. The 51 member Panel was selected to represent the diversity of South Australia’s population.



# Supporting and investing in our communities

We are proudly South Australian and a strong supporter of the South Australian community and economy, and believe that clean, reliable, affordable electricity will become the key foundation of the State's economic growth.

As a major employer in South Australia, with more than 2,400 people in around 30 locations, we are a positively contributing presence throughout the State. We also support SA and Australian businesses, by procuring the majority of our goods and services locally.

Contributing to the communities where we live and work – including supporting community organisations and events – has led to long-term partnerships. Our Community Partnerships program has operated since 1995 and supports a wide range of community organisations and aspirations.

In 2022, a new Community Grants program was launched, aiming to:

- Keep the community safe
- Support our customers and community
- Grow a sustainable SA
- Support innovation for future growth

Following a very competitive process, grants of up to \$5,000 each were awarded to 25 local groups across South Australia. The funded activities were split between metro/suburban Adelaide and the regions including places such as Wudinna on the Eyre Peninsula, Hawker in the Flinders Ranges, Murray Bridge, the APY Lands and Kangaroo Island. The award recipients presented a range of wonderful ideas, from sustainable community gardens and solar upgrades to education programs for young people and innovative safety projects for remote areas.



**44**  
corporate partners



**25**  
community grant recipients



**34**  
programs involving regional SA



**35**  
programs focusing on young South Australians



**20**  
organisations supporting disadvantaged individuals and communities



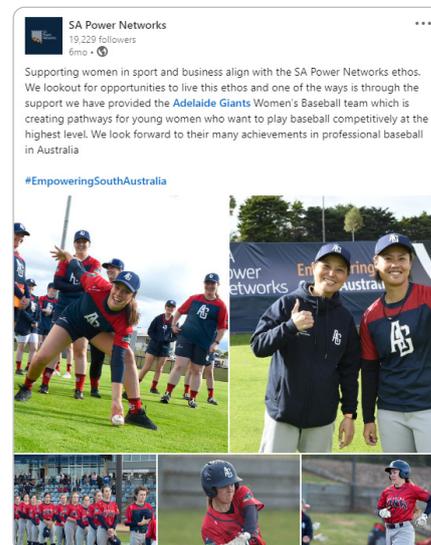
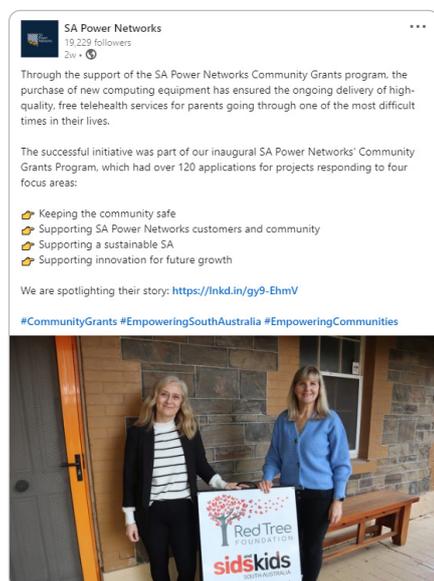
**11**  
programs protecting the environment



**10**  
programs supporting Aboriginal and Torres Strait Islander communities



**7**  
programs with development pathways for women



## Snapshot: Getting involved in our communities

### Feast Festival

Feast Festival is Adelaide's only not-for-profit LGBTQI+ Queer Arts and Cultural Festival that celebrates Pride and Diversity. In our partnership with Feast, we worked together to make the festival more accessible, by offering over 500 free tickets to various shows and events for concession card holders (eg students, seniors, healthcare card holders and low income earners).

### Mary Potter Foundation

Caring for people at their end of their life is the core mission of the Mary Potter Foundation. Through both our sponsorship program and the efforts of our Employee Foundation we have long been connected to the work of the Mary Potter Foundation as they care for individuals and families at this distressing time. Each year we are proud to support the Mary Potter Loving Tree Christmas event where people from all walks of life come together to remember their loved ones at a time of year where we often miss them most.

### Royal Adelaide Show

Like a lot of South Australians, we were excited by the return of the Royal Adelaide Show in 2022 so we showcased a new stand where customers could ask questions about energy and the Power of Possibility. Spot the (robot) Dog was a feature of the stand, engaging with visitors young and old. Two of our staff were invited to bring Spot the Dog for an interview presenting live from the ABC Radio booth at the Show, discussing the role of automation and robotics in the SA Power Networks Group and the benefits these initiatives can deliver our customers and the community.

We gave away 1000's of our SA Power Networks paper 'hard' hats and took many pictures of kids as powerline workers. Around 15,000 people visited our stand, and it received a "highly commended" award - a nod to our great people who brought it to life.



# Partnerships and advocacy

Many of the activities of the SA Power Networks Group are shaped by government legislation and policy, market regulation, and the constant shifts in societal expectations about energy. None of these are fixed but rather, they can evolve where a strong and clear case for change can be presented.

In our Strategic Direction to 2035, we made a strong commitment to step-up our practical advocacy for change that will benefit the SA community, electricity consumers and our business. We have seen the very real benefits of proactive engagement in recent years particularly in terms of aligning SA's response to securely manage our increasing diversity of energy generation and advocating for better recognition in the national electricity rules for providing services to solar customers.

In 2022 we appointed our first Advocacy and Policy Manager and developed an Advocacy Framework that will inform our approach to engaging more successfully to impact policy and rule change. Key advocacy activity over the year included participating in the SA Government's SA Energy Transition Roundtable, strengthening engagement with the new South Australian Government and other Members of Parliament, receiving ELT endorsement for various advocacy initiatives relating to supporting vulnerable customers, transport electrification, network resilience, and making submissions to a range of relevant reports, white papers, policies and proposals.

Advocacy is all about building a case for change by evidencing a problem and a potential solution. Importantly, advocacy involves partnering with community, industry and governments to build that case. A clear example of this is the work we're doing to understand the benefits and barriers to people choosing to electrify their vehicle, home or business. We are developing a clearer understanding of the public policy settings which need to change and our organisation-wide advocacy priorities and partnering with key groups to amplify our voice in the State and National spheres.

## Partnering in innovation

A key element of the partnering work we undertake involves developing projects and trialing technology. Over the last decade we have demonstrated our industry leadership in integrating distributed energy resources like rooftop solar PV, household batteries and Virtual Power Plants (VPP) into the distribution network. To do this, we have undertaken a range of trials and pilots in partnership with industry leading solutions providers, supported by funding through the Australian Renewable Energy Agency (ARENA). We also work very closely with our key stakeholder groups such as the SA Government, Energy Network Australia (ENA), AEMO, and ElectraNet.



## Case study: The NIC turns 10!

SA Power Networks' Network Innovation Centre (NIC) recently passed a significant milestone – 10 years helping to shape the future of our network and the future of energy in South Australia. The NIC provides SA Power Networks with a facility to trial and test new technologies that could impact on our business and customers in the immediate and mid-term future. It has both network side and customer side technologies on display including a section of distribution network that can be viewed close-up as well as a 'smart house' which integrates solar PV, battery storage, an electric vehicle and a home energy management system with a range of traditional appliances.

As more customers switch to distributed energy and electrify their homes – by installing solar, batteries and switching out fossil fuel burning appliances and vehicles for efficient electric ones – our job is to make sure the network and our services evolve to enable this clean energy future, and the Network Strategy team at the NIC responds to these challenges.

When the NIC was established in 2012, distributed energy was still relatively new. Rooftop solar was only a few years old, covering less than 5% of our customers. At that time, the team was focused on small pilots and trials like managing low growth demand from air conditioners. This focus very quickly shifted to the future of energy including solar, batteries and electric vehicles. In more recent years, the team expanded to think even more broadly about the network, to ensure it remains a safe, reliable and affordable foundation that underpins the energy future. We quickly went from just doing minor pilots to starting some quite major programs that went beyond our network and really started to influence national direction and understanding of the energy transition.

SA Power Networks is a proud Industry Partner in the [Race for 2030](#) initiative.



# Community safety, education and bushfire risk management

Electricity can be dangerous and touching powerlines, or even getting close to them, can be fatal or lead to serious injury.

In recent years we have updated our approach to protecting the health and wellbeing of all our people, contractors and customers. We also have stepped up our public community safety campaigns addressing risks for South Australians encountering downed powerlines, involved in traffic accidents, experiencing shocks and tingles, or when working on a farm.

The safety of our people and community remains a key focus for SA Power Networks – and one in which we continue to invest significant time, money and resources to make sure everyone can “work safe and go home safe, every day”.

Research has shown these campaigns have had a significant positive influence on how people might behave more safely in these situations. We strive to provide safety information that is relevant, timely and easily accessible via [safety campaigns](#), Field Days, social media, website updates and two-way communication with customers. We maintain a timely response to community concerns raised through SA Power Networks’ 24/7 faults and emergencies line and proactively address bushfire, electric shock, wires down and life support risks.

More detailed information about [how we approach community safety](#) can be found on the SA Power Networks website and our [Environmental, Social and Governance Matters Management Approach Statements](#).



## Snapshot: Campaigns keeping our communities safe

### Electrical Safety campaign influencing behaviour

In 2020, SA Power Networks partnered with a research company to conduct foundational research to understand awareness of electrical safety issues. Initial research found that a majority of people had a limited understanding of correct protocol around powerlines in various situations – 54% were unaware of correct protocol in a collision with a Stobie pole and 55% were not sure of electrical safety hazards at home. The subsequent strategic social marketing ‘You’ll be shocked what you don’t know’ campaign – which ran over 2021 and 2022 – was aimed at influencing community behaviour around downed powerlines, when hitting Stobie poles in traffic incidents, when receiving tingles and shocks in the home, and safety on farms.

To make sure the campaign is serving its intended purpose, we have conducted ongoing tracking research. In the latest survey in 2022, 69% of respondents said that the campaign would change their behaviour in the future – a highly encouraging outcome.

### Reminding our farmers to ‘Look up and Live’

We have promoted farm safety (for example the *Look up and Live* app) for many years and in 2022 we launched a campaign utilising a range of broadcast and written media targeted to regional communities in the just prior to harvest season.

2022 also saw the welcome return of country Field Days. Community events like these are a great opportunity for our Field Services and Customer and Community staff to talk to their community about the work that they do. Farm safety was as a strong theme and the team engaged in many informative conversations with local farmers about the *Look up and Live* campaign.

During their time at the SA Power Networks stall, our staff handed out hundreds of reflectors to farmers along with glove box safety cards, workshop posters and Look up and Live stickers. Local kids also enjoyed receiving one of our paper ‘hard hats’.



## Managing the increasing risk of bushfires

Electricity distribution businesses in Australia are particularly at risk from bushfires which are exacerbated by rising temperatures. Electrical infrastructure can start fires if damaged or if trees or animals impact our infrastructure. This has implications for the way we design our network and monitor assets. We therefore invest millions every year to reduce the risk of bushfire and loss of power supply in communities.

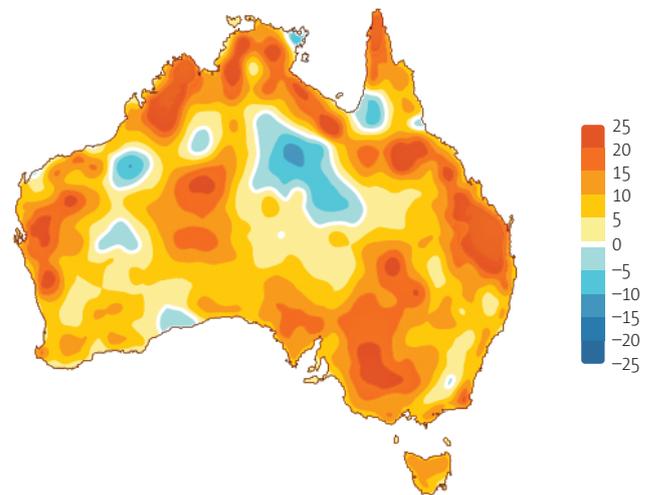
In late 2022 the CSIRO and the BoM released the latest *State of the Climate Report*. Amongst the many disturbing findings, the report details the increase in extreme fire weather and longer fire season since the 1950, leading to larger and more frequent fires, especially in southern Australia.

Fire starts from either vegetation or damaged assets is our highest corporate risk. Consequently, vegetation and asset management requires proactive and rigorous management – particularly during extreme weather conditions or responding to events. Because bushfire represents such a significant safety and reliability risk to our workers, communities and infrastructure, the SA Power Networks Group undertakes an extremely comprehensive range of bushfire risk preparation, mitigation, response and adaptation activities.

### Bushfire risk management cycle

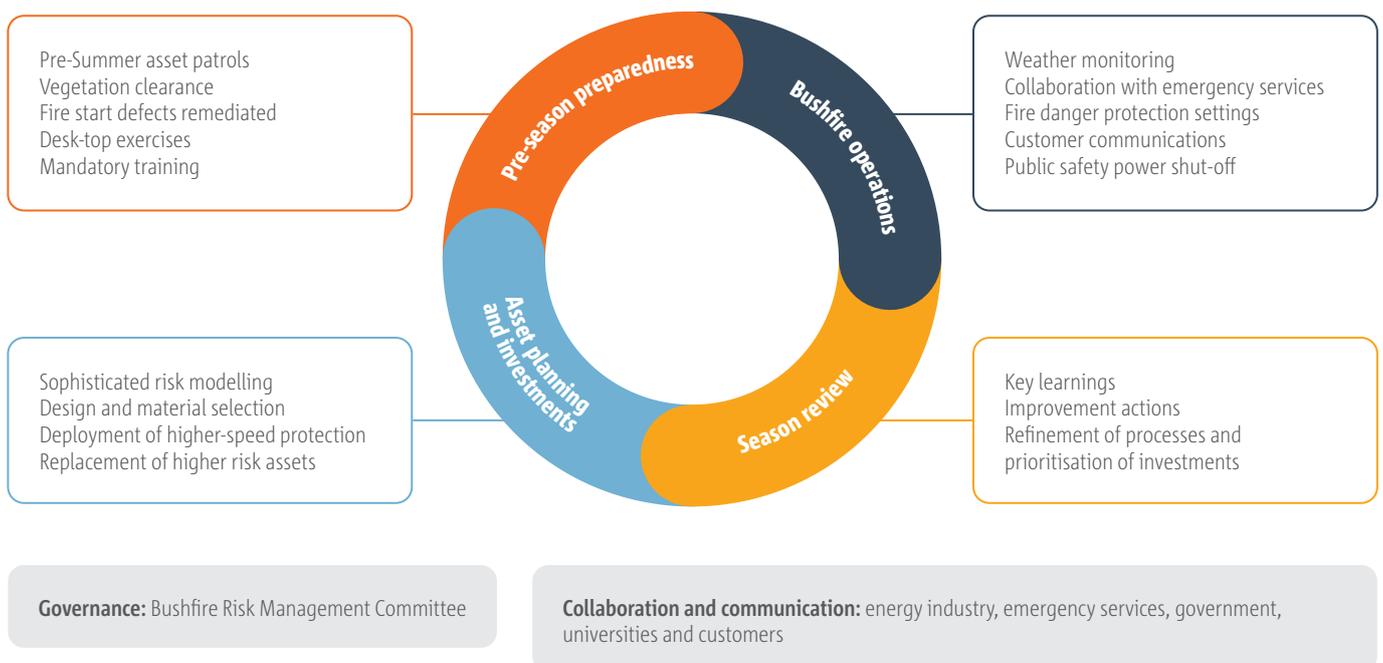
More detailed information about [how we approach bushfire safety and vegetation management](#) can be found on the SA Power Networks website and our [Environmental, Social and Governance Matters Management Approach Statements](#).

Change in number of dangerous fire weather days



Source: 2022 State of the Climate Report (BoM and CSIRO)

There has been an increase in the annual frequency of dangerous fire weather days across Australia. There has been an increase in the number of days with dangerous weather conditions for bushfires. The map shows the change in the annual (July to June) number of days that the Forest Fire Danger Index (FFDI) exceeds its 90th percentile between the two periods: July 1950 to June 1986 and July 1986 to June 2022. The FFDI is an indicator of dangerous fire weather conditions for a given location.





## Snapshot: Advocating and partnering to encourage appropriate tree planting

SA Power Networks is required to comply with, and to be externally audited every year for vegetation compliance against the *Electricity (Principles of Vegetation Clearance) Regulations 2021*. Unsurprisingly given the large area covered by our networks, vegetation management is our largest operating expenditure. Trimming trees and branches near powerlines reduces the risk of bushfire, and also helps us to maintain a safe and reliable electricity supply.

Today, electricity consumers are paying a significant bill to manage trees growing near and under powerlines. By planting the ‘right tree in the right place’ today, we will avoid unnecessary costs, positively impact the cost of living and help minimise the risk of power outages and bushfire. That’s why we are actively working with stakeholders in the development of plans for Greening Adelaide that are sympathetic to the goals of a greener, decarbonised city and State and which help keep our community safe.

We host a number of vegetation management focussed committees, including the Arborist Reference Group, the Local Government Association Working Group, and the Appropriate Species Advisory Committee, as we believe that complex problems such as vegetation and infrastructure are solved by groups of diverse people with a common goal.

Our Vegetation Management team also regularly attend relevant forums such as the TREENET Symposium, Greening Adelaide conference, and the Arboriculture Australia National Conference. We work closely with our Arborist Reference Group, Appropriate Species Advisory Committee and Local Government Association (LGA) Working Group to develop a long-term approach for species selection for planting under powerlines. We recognise the challenges facing the urban environment and the importance of selecting the right tree (Right Tree, Right Place) to enable urban areas to co-exist in harmony with infrastructure.

In 2022 SA Power Networks facilitated a workshop with Green Adelaide, LGA, SA Water, Resilient South, Well Being SA and the Adelaide University to review a proposal for a three-stage approach to investigate and trial additional tree species for possible inclusion on the approved planting lists. This will provide councils and customers with greater diversity of selection for approved plantings under powerlines. The proposal was well received, and SA Power Networks has proposed a collaborative cost sharing arrangement to progress this initiative.

## **Integrated Governance**

Integrating sustainability into how we manage our impact on the economy, environment and people

# Governance

This section should be read in conjunction with the [Governance Matters Management Approach Statement](#), which provides further detail about how the SA Power Networks Group manages material corporate governance, risk management, cyber security and data protection, and responsible supply chain matters.

## Integrated sustainability governance and risk management

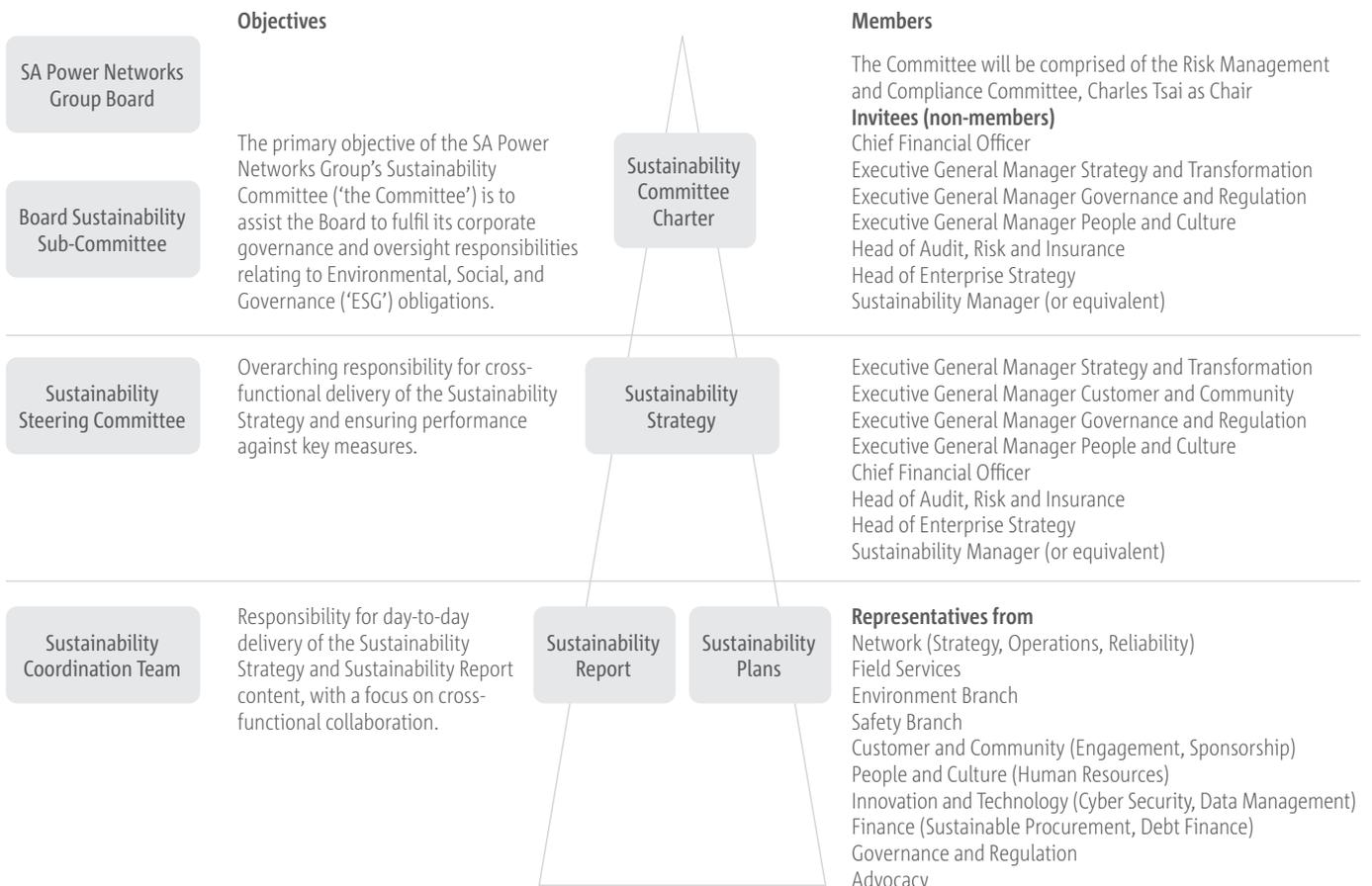
Our Sustainability Strategy and the goals, activities and decisions driving it are underpinned by robust governance arrangements which are designed to consider the risks and opportunities that material environmental (including climate change) and social matters present.

The SA Power Networks Group is a business owned and operated by a Partnership, who have delegated their powers to a Board to operate the business. Our [Executive Leadership Team \(ELT\)](#) and [Board of Directors](#) are responsible for guiding the business and leading our 2,400 staff, including key functions such as strategy setting, policy definition and compliance, and monitoring business performance. The Corporate Governance Policy and Corporate Governance Model outline how our Board pursues the highest standards of corporate governance across the SA Power Networks Group.

To assist in its functioning, the Board has established several committees to allow detailed consideration of more complex issues. In 2022 the newly established Board Sustainability Committee met twice and endorsed a range of key actions and documents, including the Board Sustainability Committee Charter, Sustainability Governance Model, Sustainability Policy, and the inaugural Sustainability Report. We have established three levels of sustainability governance oversight, which report on progress in achieving the organisational Strategic Plan, delivering on the Sustainability Strategy, and address any emerging risks.

To continually improve our ability to identify and address sustainability risks and opportunities, we have a program of initiatives that seek to integrate sustainability policies, processes, and accountabilities into our corporate governance structure and operations. This includes ensuring that sustainability risks are covered in key risk documents that include the Risk Appetite Statement, Risk Management Framework and corporate Risk Registers. In 2022 the Board endorsed a refreshed Risk Appetite Statement which now includes sustainability risks and opportunities, and work progressed on the revision of the Risk Management Framework which further details ESG risks including their financial implications.

## Sustainability Governance



# Responsible supply chain

As a South Australian based company, our business has the ability to influence the local economy through procurement decisions made on a day-to-day basis. Simultaneously, we are reliant on materials that are required for the safe, reliant operation of the distribution network which are manufactured outside of South Australia.

During 2022, the SA Power Networks Group engaged with 1342 suppliers with 98% of our expenditure being spent with Australian based organisations (first tier). We also engaged with a small number of suppliers located in Canada, Chile, Germany, Hong Kong, Japan, New Zealand, South Korea, Spain, The Netherlands and the USA.

The SA Power Networks Group continues to enhance our sustainable procurement practices, using our ability to influence the market to encourage more sustainable practices through our tendering decisions and supplier relationship management process.

We continue to collaborate with like-minded industry organisations to continuously develop our understanding of the sustainability matters and good practice to improve our contribution to a sustainable future through procurement. In 2022, we marked our 6th year of Ethical Procurement Supply certification by the Chartered Institute of Procurement and Supply (CIPS). In 2022 we became a member of Supply Nation to improve our ability to engage with First Nations businesses. Supply Nation works with Aboriginal and Torres Strait Islander businesses along with procurement teams from government and corporate Australia to help shape today’s emerging and rapidly evolving Indigenous business sector.

Like many large Australian businesses, the main focus for us in recent years has been on complying with the *Modern Slavery Act 2018*, where we have made significant progress on mitigating the risks of modern slavery in our operations and supply chain.

During 2022:

- 141 Tier 1 suppliers completed the Modern Slavery Risk Assessment Questionnaire in the Informed 365 (corporate social responsibility web platform) tool.
- Ongoing training and communication with procurement staff and all staff across the organisation.
- Designing a Modern Slavery Remediation Framework for use in the circumstances when modern slavery is suspected or detected.
- All Formal Contracts established contain a contract clause “Anti-slavery and Human Trafficking Laws”.
- Continued engagement with the Energy Procurement & Supply Association and the Chartered Institute of Procurement and Supply (CIPS).
- CIPS Ethical Procurement Training undertaken by all relevant procurement staff.

We employ a Strategic Sourcing Framework (SSF) as our due diligence mechanism in the source to contract process that provides both practical guidance and a core structure for those undertaking sourcing activities for goods and/or services provided to SA Power Networks and Enerven. Within this guideline we provide detail over higher risk categories and our sustainable procurement tender response questionnaire. For suppliers with revenue over \$100m they are asked to provide their [Modern Slavery Statement](#) at the time of onboarding.

More detailed information about [how we approach sustainable sourcing](#) and manage the risk of modern slavery can be found on the SA Power Networks website and our [Governance Matters Management Approach Statement](#).

## SA Power Networks Group Supply Chain



**98%**

Expenditure with Australian-based entities



**49%**

Expenditure with South Australian-based entities



**0.07%**

Expenditure with First nations suppliers



**1342**

Total number of suppliers engaged in 2022



**671**

Number of Australian small businesses engaged in 2022

# Cyber security and data privacy

As an essential service, SA Power Networks undertakes a range of programs to protect critical assets, systems and data from cyber attacks.

In the 2021/22 financial year, the Australian Cyber Security Centre (ACSC) received over 76,500 cybercrime reports – an increase of 13% from the previous financial year and a timely reminder of the importance of rigorous cyber security systems and ongoing vigilance.

The SA Power Networks Group Cyber Security and IT Resilience team provides governance, oversight and consultation for all aspects of cyber security across the enterprise to prevent, detect and respond to cyber security threats. Over recent years we have made a significant investment in maturing our cyber security approach, aligning to the Australian Energy Sector Cyber Security Framework (AESCSF) and other recognised industry frameworks. This program consists of multiple streams of work, focusing on both technical and management cyber security outcomes. To ensure the security of our network from cyber and physical threats we are continually developing capabilities and building resilience.



## Snapshot: Improving the protection and preparedness of our network

In 2022, some key initiatives implemented to improve the protection and preparedness of our network include:

### Employee engagement and awareness

We expanded training and targeted communications, including a *Lunch and Learn* series, involving many different topics over the course of Cyber Security Awareness month in October. The participation within the original 4 Lunch and Learn sessions were exceptional with an attendance of around 900 people for the first session, and then an average of around 600 people for the following sessions.

### Cyber security readiness

We deployed a security optimization platform (AttackIQ) which tests security controls and validates that they are working as intended. The platform emulates the adversary to test security programs in a continuous and automated manner using scenarios aligned to threat intelligence and adversary behaviours.

### Filtering

We implemented email filtering and spam blocking tools to prevent suspicious emails from reaching employees' inboxes. In 2022, over 2 million malicious emails sent to SA Power Networks were blocked. Our cyber security measures automatically block well known threats, while more targeted /lesser-known threats go through a second round of screening. In 2022, there were over 34,000 emails containing targeted threats. Of these, only 3% were delivered.



**50%**

increase in the number of blocked malicious emails



**3%**

of 34,000 emails containing a threat were delivered



**80%**

decrease in people entering password into phishing exercises



**680**

average attendance of *Lunch and Learn* sessions



**3,758**

suspicious emails reported

**49**

cyber security incidents requiring a response

Highest incident remediation cost at 346 hours costing **\$52,000**



**537**

hours spent reviewing suspicious emails (22.3 days)

**362**

malicious emails  
53 scams  
1661 spam

## **Appendix 1 – Sustainability Assurance Opinion Statement**



# Independent Limited Assurance Report to the Directors of SA Power Networks Group

## Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Information Subject to Assurance, described below, which has been prepared by SA Power Networks Group (SAPN) in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards) and the basis of preparation as disclosed in the SAPN 2022 Sustainability Report and the SAPN 2022 Sustainability Data and Disclosure Databook for the year ended 31 December 2022.

## Information Subject to Assurance

The Information Subject to Assurance comprised:

- The following sections as presented in the 2022 Sustainability Data and Disclosure Databook available on the SAPN website at [www.sapowernetworks.com.au/about-us/sustainability](http://www.sapowernetworks.com.au/about-us/sustainability):
  - Tab: 1. Network performance;
  - Tab: 2. Safety & wellbeing;
  - Tab: 3. Our customers & community;
  - Tab: 4. Our people;
  - Table 3 and Table 4 of Tab: 6. Energy;
  - Tab: 7. Waste, recycling & water; and
  - Tab: 8. Governance & compliance.

## Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting includes the GRI Universal Standards, and the basis of preparation disclosed in the SAPN 2022 Sustainability Report and the SAPN 2022 Sustainability Data and Disclosure Databook prepared by SAPN (the criteria).

## Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Information Subject to Assurance, whether due to fraud or error;

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- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

### **Summary of Procedures Performed**

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Enquiries with relevant SAPN personnel to understand the internal controls, governance structure and reporting process of the Information Subject to Assurance;
- Reviews of relevant documentation including SAPN's internal standards and policies, basis of preparations, and any other documents relevant to the Information Subject to Assurance;
- Analytical procedures over the Information Subject to Assurance;
- Performance of walkthroughs of the Information Subject to Assurance to source documentation;
- Evaluating the appropriateness of the criteria with respect to the Information Subject to Assurance; and
- Reviewed the SAPN 2022 Sustainability Report and the SAPN 2022 Sustainability Data and Disclosure Databook in their entirety to ensure they are consistent with our overall knowledge of the assurance engagement.

### **How the Standard Defines Limited Assurance and Material Misstatement**

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of SAPN.

### **Use of this Assurance Report**

This report has been prepared for the Directors of SAPN for the purpose of providing an assurance conclusion on the Information Subject to Assurance and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of SAPN, or for any other purpose than that for which it was prepared.



## Management's responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the Information Subject to Assurance in accordance with the criteria;
- establishing internal controls that enable the preparation and presentation of the Information Subject to Assurance that is free from material misstatement, whether due to fraud or error;
- ensuring the basis of preparation in accordance with which the Information Subject to Assurance has been determined and compiled is clearly and unambiguously set out in the SAPN 2022 Sustainability Report and the SAPN 2022 Sustainability Data and Disclosure Databook;
- telling us any known and/or contentious issues relating to the Information Subject to Assurance; and
- maintaining integrity of the website at [www.sapowernetworks.com.au/about-us/sustainability](http://www.sapowernetworks.com.au/about-us/sustainability)

KPMG

## Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Information Subject to Assurance for the year ended 31 December 2022, and to issue an assurance report that includes our conclusion.

## Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

Tanya Kerkvliet

Director

Perth

31 May 2023



SA  
Power  
Networks

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