

COMMUNITY AND ENVIRONMENT REPORT



*Indigenous employment
in South Australia*

Symphony Under the Stars

*Energy efficient
street light trials*

Emerging challenges for network management

The issue of climate change and our response to it are among a host of factors impacting future planning for the electricity sector, which faces an unprecedented period of change, challenge and uncertainty.

“The good news is that the challenges facing ETSA Utilities and other power distributors in Australia are consistent with those being faced by the industry elsewhere, and the

actions we have been putting in place will stand us in good stead in coming years,” said CEO Lew Owens.

“The industry is having to plan amid political and financial market uncertainty, especially about issues such as climate change and including carbon pricing impacts. There also is the impact of an aging workforce, aging electrical infrastructure, changing demand patterns, reliability

demands, skills shortages, rising costs, fuel price rises and their impact on demand.”

Amidst this uncertainty, ETSA Utilities has begun discussions on regulatory arrangements for our management of the distribution network in the 2010-2015 period.

Many of the issues impacting network management are canvassed in a stakeholder

consultation paper now available from the ETSA Utilities website at www.etsautilities.com.au.

The ETSA Utilities Board recently adopted a climate change policy to provide direction on our commitment to reduce the effects of our operations and assets on climate change, and to manage the impacts of climate change on our operations.

As one of South Australia's largest employers, ETSA Utilities has a key role in the community as well as a long-standing commitment to environmental responsibility.

Indigenous employment in South Australia

ETSA Utilities has embraced the opportunity of providing employment for Indigenous South Australians.

"As one of South Australia's largest employers, it is not only our corporate social responsibility, but is also a practical response to our workforce needs," said CEO Lew Owens.

In March 2008, ETSA Utilities was formally recognised for its participation in the Corporate Leaders for Indigenous Employment Program, reflecting an organisational commitment to Indigenous employment and the work we are doing with various government bodies, employment groups and Aboriginal communities.

"As part of our diversity policy, we have committed to employing 12 Aboriginal apprentices and three business trainees by the end

of 2009. At present ETSA Utilities has five apprentices and two business trainees," Lew said.

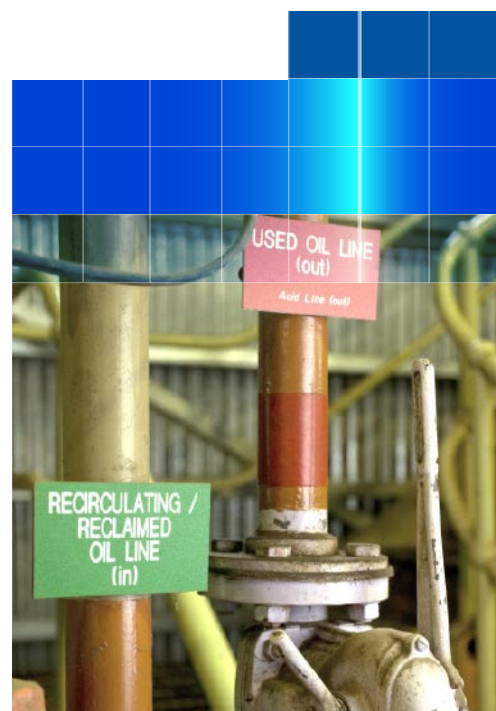
Discussions are progressing well with various organisations to establish a training centre at Davenport, Port Augusta, and we are working closely with the Polly Farmer Foundation – a not-for-profit organisation also operating in Port Augusta – to specifically target employment opportunities for Indigenous youth.

"It makes sound business sense for us to look more broadly at the available, untapped markets for candidates, and to employ local people in the areas across SA where we distribute electricity."

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ETSA Utilities apprentice, Sam Farren, is also a State and National representative in Indigenous rugby.



The good oil on recycling

With more than 68,000 transformers across South Australia, in excess of 400,000 litres of oil are used to refurbish transformers at our Marlestone North workshop each year.

The transformer workshop has been a cornerstone of ETSA Utilities' environmental program for more than 20 years.

Low-level contaminated oil is treated and recycled for reuse in transformers both locally and interstate, while oil unsuitable for reuse is sold to an oil recycling company for road construction purposes.

In the first six months of 2008, ETSA Utilities refurbished 75 distribution transformers, 3 substation transformers, 30 pad-mounted transformers and 10 reclosers for reuse on the network.

Environment Manager, Eric Offler, said ETSA Utilities is committed to ensuring its resources are managed in a sustainable fashion.

"We don't waste products where we can reuse, recycle or refurbish," he said. "Rather than buying new transformers, we endeavour to refurbish as many as possible."

"Those transformers beyond repair are sent to metal recyclers who strip all viable product – which pretty much equates to most of the transformer."

ETSA Utilities' recycling program doesn't stop there. "We also recycle or reuse all other metals from other infrastructure, including wires and poles," he said.

Catherine House and the ETSA Utilities Employee Foundation

The Employee Foundation has taken on a new challenge this winter, renovating a cottage at Catherine House with the help of Foundation donations and volunteers.

Catherine House – one of six not-for-profit organisations supported by the ETSA Utilities Employee Foundation – is the only South Australian provider of supported accommodation to women over 21 years, unaccompanied by children, who are homeless.

When completed, the cottage will provide office space for social workers, and double as a space for clients to research job opportunities or spend time studying.

A second room will house a corporate wardrobe for clients requiring access to suitable clothes for job interviews, university lectures or the like.

Acting Employee Foundation Chairperson, Sarah Soteriou, said the Foundation had

devised a work plan for the project, with renovations scheduled to commence late July.

“We are thrilled we can make this contribution to Catherine House, which provides such an essential community service in our State,” Sarah said.

Catherine House was established in Adelaide in 1988 by the Sisters of Mercy.

The women who use the community facility present with a range of issues including mental illness, drugs and alcohol, gambling, domestic violence, and relationship and family breakdown.

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Employee Foundation volunteers Ben Kempster and Kate Shannon.



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OzAsia connections

ETSA Utilities is a key sponsorship partner for this year's OzAsia Festival, being held in Adelaide from 14 to 28 September.

The 2008 program features a range of international talent.

“Through events like the OzAsia Festival we are doing everything we can to help the people of Australia and

Asia connect through arts and education,” said ETSA Utilities CEO, Lew Owens.

For more details on the OzAsia Festival or to request a brochure, contact Bass on 131 246 or email info@adelaidefestivalcentre.com.au

Symphony Under the Stars

Fireworks during Tchaikovsky's 1812 overture were a fitting finale for the inaugural Symphony Under the Stars, held at Port Augusta's Golf Course on Saturday, 10 May 2008.

The biggest open-air orchestral concert ever held in regional South Australia, Symphony Under the Stars featured the Adelaide Symphony Orchestra.

More than 5,000 attendees were treated to a spectacular evening program of music, coupled with stunning views of the Flinders Ranges.

“This is a new sponsorship for ETSA Utilities, and one that we were keen to be involved in,” ETSA Utilities' Manager Sponsorship & Special Events, Russell Duncan, said.

“The crowd's response was outstanding. It was great to see Symphony Under the Stars having such a positive impact.”

The evening's highlights included performances from the 2007 Young South Australian of the Year, violinist Niki Vasilakis, and local signer and songwriter Andy Kilcross.

Energy efficient street light trials

With the growing focus on climate change and community expectations, ETSA Utilities is constantly evaluating alternative energy efficient lighting that provides a reduction in energy consumption while still meeting specifications.

In consultation with key internal and external stakeholders, we are in the process of considering a number of possible energy efficient lights, including T5 28W fluorescent, 36W fluorescent, 42W compact fluorescent and LED lights.

Since January 2008, ETSA Utilities has installed 825 energy efficient T5 street lights as part of a controlled trial across metropolitan Adelaide.

Senior Equipment Engineer, Darien Just said evaluations to date had provided the

opportunity to proceed with the T5 trial following a number of iterations with the manufacturers to ensure they met our mandatory technical specifications and installation requirements.

“These energy efficient lamps are a relatively new technology and have yet to be fully tested in an external environment,” Darien said.

Asset Manager Public Lighting, Martin Bellamy, said the trial marked the beginning of a period for testing the new energy efficient lamp technologies currently on offer.

“From this feedback we can establish real field data on these lamps to enable us to better understand how they will operate long term,” Martin said.

It is the first time an energy efficient lighting trial of this size has been conducted in South Australia. The T5 trial is being conducted in Alberton, Andrews Farm, Para Hills, Smithfield, Torrensville, Victor Harbor, Woodville, Woodville Gardens and Woodville Park.



Darien Just, Martin Bellamy and Michael Lobasso discuss potential energy efficient lighting options.



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ETSA Utilities



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