



MOUNT BARKER
DISTRICT COUNCIL

FOL/15/7066

2 February 2016

Ms Paula Conboy
Chair
Australian Energy Regulator
Level 35, The Tower
360 Elizabeth Street
Melbourne Vic 3000

Dear Ms Conboy

Re: Reticulation of Mount Baker with Natural Gas

I have been advised that Australian Gas Networks (AGN) is seeking approval from the AER to extend the natural gas network to Mt Barker.

The Mt Barker region is a major residential and commercial growth area in South Australia, and is experiencing rapid growth.

The town of Mount Barker is the designated regional centre for the Adelaide Hills and surrounding districts. Population growth over the next 20 years will see the town of Mount Barker expand into a city and become the second biggest in South Australia behind the City of Adelaide. By 2035 the population of the district is forecast to be around 50,000 (currently 33,000) and subject to actual growth rates it could well be closer to 55,000+.

Council staff have had some initial discussions with AGN on the opportunity to reticulate natural gas to Mt Barker. Energy is a basic requirement of modern communities. Access to natural gas would provide Mt Barker residents and businesses with another energy choice. It is well known that natural gas is an environmentally friendly fuel, that complements renewable energy such as solar PV and wind. A major thrust of Council is to improve the sustainability of the Mt Barker region which is home to iconic brands like Jurlique with a clean and green international branding. Using natural gas as a back-up for renewable energy would assist the Council to achieve its sustainability objectives.

Gas heating is also very well suited to the cold climate in Mt Barker. Winter temperatures in Mt Barker are often below 5 degrees. A problem with the popular reverse cycle heating is that some appliances may not function as effectively in

temperatures below 5°C (Sustainable Energy Authority, Victoria, Info Fact Sheet, Reverse Cycle Air Conditioning). In contrast, gas heating is a very efficient form of heating in these conditions improving overall comfort levels for residents.

Wood heating is also popular in Mt Barker. However, the incomplete combustion of the wood leads to the production of air pollution in the form of smoke. Wood smoke air pollution can increase incidence of health problems (e.g. asthma, aggravate chronic conditions in people with respiratory and cardiovascular difficulties) and create smoke haze over towns. Access to natural gas offers the potential to reduce wood smoke emissions in the region.

Council sees natural gas as an effective, affordable fuel with positive environmental outcomes. Council has adopted an Economic Development Strategy and recently employed a full time Economic Development Officer to implement the strategy. Access to natural gas is likely to enhance economic development in Mt Barker, providing businesses with access to a clean, efficient and environmentally friendly fuel.

Council works closely with Regional Development Australia, State Government and our neighbouring Councils to foster economic development initiatives of regional benefit, a priority being employment creation across various sectors including industrial, commercial and service industries.

Council is excited about the prospect of providing Mt Barker residents and businesses with access to natural gas and fully supports AGN's initiative.

If you would like further information, please feel free to contact Brian Clancey, General Manager, Infrastructure & Projects, telephone (08) 8391 7218 or bclancey@dcmtbarker.sa.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A Stuart', written in a cursive style.

Andrew Stuart
CHIEF EXECUTIVE OFFICER