

**Submission
No 19**

THE ELECTRICITY OUTAGES AFFECTING FAR WEST NSW IN OCTOBER 2024

Organisation: Regional Development Australia Far West

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An Australian Government Initiative



RDA FAR WEST

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Submission to the enquiry into major electricity outages in Far West NSW

Regional Development Australia Far West welcomes the opportunity to contribute to this enquiry and seeks to provide a regional perspective on the impacts of the recent significant power outages and the need for a reliable power supply for the region.

Regional Development Australia Far West (RDA FW) is a leadership voice for the region. RDA FW support the building of local economies and dynamic communities and enhance liveability in the Far West by: improving access to government funding and programs; facilitating partnerships and linkages with all tiers of government and the community; and managing a diverse range of projects that create economic, social and natural capital.

The Far West NSW Region encompasses the semi-arid lands of western NSW and shares borders with South Australia and Queensland. The region comprises of 2 Local Government (LGA) areas, Broken Hill City and Central Darling Shire, and Unincorporated Far West NSW which consists of 5 small communities with no paid staff and no local government authority to advocate and support them. The Far West region of NSW covers an area of approx. 147,000 sq. km. The Far West has a strong economy based on mining, agriculture and tourism; however, unemployment is higher than the NSW average and many household incomes are relatively low.

The demographic of the region is unique, and as a snapshot include;

- Low socio economic region
- Higher than average unemployment, especially young people
- An aging population
- A growing Indigenous population
- Limited access to education, training and career development pathways
- Vast distances between communities
- A relatively small regional population
- Higher than average costs for food, fuel and utilities
- Higher than average morbidity rates for disease and sickness

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The social and economic disadvantage in the region has been highlighted through several reports. Both the Closing the Gap Report and the Dropping of the Edge Report (2015) have highlighted the social and economic disadvantage of the Far West region, particularly in relation to the disconnect of the community from services provided to and enjoyed by community members and services that are taken for granted by other communities.

Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. Broken Hill is ranked in the lowest 10% of communities in NSW for socio economic disadvantage.

The population of the region has declined steadily over the past 30 years and is now a critical consideration in the workforce needs of the region with the 2022 Far West Workforce Development Study reporting 86% of business are planning for growth over the next 10 years, yet 64% of business report advertising a position in the past 12 months they were unable to fill.

The Far West region is a critical contributor to the State's economy with mining in the region contributing \$1,426 Million to the regions GRP (2022/23), and the regions GDP for the same period at \$2.31 billion. Residents in the region contribute above the state average for GDP per capita.

The economic impact

RDA Far West have established and strong relationships with business and industry in the region and understand the need for data to support planning and better understand the impacts on individual business.

Following the thunderstorm that damaged the transmission lines on 17 October 2024, RDA Far West developed a survey to better understand the impacts of the power outage on individual businesses. 179 businesses across the region contributed to the survey with approx. 80 percent Broken Hill based, 10 percent based in Central Darling Shire and another 10 percent based in the Unincorporated Area. However, RDA Far West appreciate many businesses had other priorities during the time, including business sustainability, staff wellbeing and welfare, preservation of stock, continuity of service and personal priorities around the welfare and support of their families.

The survey was informed by 26 different industry sectors with business at varying states of maturity, including 6.5 percent that were less than 2 years old, ranging up to 57 percent that were more than 15 years old. Responses also included a range of business sizes with 25 percent employing 1-2 people, 37 percent employing 5-9 people, 10 percent employing 20-49 people and 2 percent that employed 100-199 people.

100 percent of respondents stated their business had been impacted by the power outages with 71 percent forced to close their business at varying times during the outages. A number of respondents indicated they were uncertain when they could reopen their business. Of the 29 percent of business that tried to remain open to some degree 58 percent reported a decline in normal trade, further exacerbating the economic impact.

When asked about staff during business closures 64 percent of employers paid their staff as normal, 15 percent were required to take annual leave, and another 21 percent of staff were required to take leave without pay.

When asked about additional business expenses 45 percent report additional staff wages and salaries, 41 percent loss of stock, 42 percent report loss of orders and 31 percent report reputational damage to their business. More than 15 percent of respondents report additional expenses in hiring generators and other equipment and consumables, whilst 27 percent purchased additional equipment to try and remain open. Furthermore, a significant percent of accommodation providers report providing discounts to guests in compensation for not being to cook meals, run air conditioners, charge phones and computers and other critical equipment, including life support equipment. Many reported significant cancellations.

Of the businesses that attempted to remain open many report significant issues with payment as electronic payment methods were unable to be accessed.

Respondent were asked about the financial costs of damaged equipment, and a reasonable proportion of respondents stated it was too early to know, or they hadn't yet determined the actual costs. However, from those that were able to estimate the cost of damaged equipment the reported sum exceeded \$310,000.

Of the business that identified as part of the hospitality industry spoiled food and food waste was another significant loss with respondents reporting over \$180,000 in lost food, however a significant proportion stated they had not yet calculated lost stock.

On top of the damaged equipment, loss of stock and other expenses already mentioned, respondents were asked about the loss of business income. Many respondents were unable to quantify the loss of business income at the time, however from the business that could \$1,330,925 was reported in lost business income.

A significant portion of respondents reported staff being paid as normal (64 percent) and when asked about the cost of staff wages during closures respondents reported a total loss of \$156,360. However, a number of respondents were unable to provide details to this question with a number of comments including;

- We are so sad we could not afford to pay or staff, we may not ever reopen
- I'm just too tired to try and work this out
- My estimate is a minimum, I anticipated it will be much more
- I don't yet know, right now we are just trying to get through and look after our staff as best we can

Respondents were also asked to estimate the staff hours lost because of power / communications issues with respondents reporting a total estimated loss of 4415 hours. Again, many respondents stated their responses were "a minimum of" or "so far" and total loss staff time could significantly exceed the reported figures above.

During the power outages community frustration was high and business confidence low, however when asked if business anticipated their losses would be covered by insurance only 4.6 percent stated yes, another 22 percent thought it may be covered but were not sure and another 22 percent thought they may be covered but dealing with their insurance company would add additional expenses and down time and would possibly cost more than its worth, clearly demonstrating the business communities feelings about dealing with insurance companies, the companies they pay annually. Almost than 52 percent responded “no”, they did not anticipate their losses would be covered by insurance.

Communication

Communication during and after the outage could only be described as poor and inconsistent for both individuals and businesses across the Far West region which significantly hampered the ability to plan, caused widespread confusion, created an environment for misinformation and reduced the regions trust and confidence in both the companies involved and their telecommunication providers. Anecdotal feedback, direct feedback from individuals in the community and businesses through the survey mirrored similar themes. Through the survey when businesses were asked if their businesses received communication from electricity / telecommunications providers informing of the situation or updates 35 percent responded they had received no communication, and only 29 percent stated they had received regular communication.

Similar frustrations were echoed across the region with some people stating they had received communication through a number of sources including, their electricity retailer and / or their telecommunications provider whilst many others received no communication at all.

Stronger, regular and accurate communication may have reduced the economic impact, frustration and stress for both business and individuals across the region. Communication that informed of the situation and a possible timeframe for restoration would have allowed many to plan and ensure a reduction in waste, electronic equipment could have been disconnected, and business planning may have enabled far less loss and far greater certainty.

Inaccurate communication exacerbated the already bad situation. In small regional communities' networks are strong. On several occasions rumours were circulating when an official from TransGrid undertook an ABC radio interview to “provide an update” and on more than one occasion the rumours contradicted the official statement only for the rumours to be later proven correct, again exacerbating the lack of confidence, confusion and frustration the community felt.

When employers were asked through the survey what communication would best suit their business over 88 percent responded that text was the most suitable, and over 30 percent responded that the emergency information network was an appropriate tool to ensure consistent, regular and accurate updates and information.

Businesses in the region overwhelmingly wanted accurate and timely information about the situation with one respondent stating “I would suggest a forum/Q&A/face-to-face Meeting for local business owners to be able to be given direct information and be able to ask questions. I have only

been updated through ABC, Barrier Police FB updates on my phone and only when I was able to access it (battery/network coverage)”

Sadely, not only was the region without power but telecommunications companies failed to ensure an adequate back up in case of power outages that still enable the community to be reliably and accurately informed of issues and updates and enabled communication in case of an emergency.

Many comments were received through the survey and many individuals visited/called the RDA Far West office to raise their concerns and frustrations with many older people in the community reliant on Continuous Positive Airway Breathing Machines (CPAP) machines unable to use their machines, but unaware of the situation and unable to plan. Load sharing happened with no or limited forward information, again mandating sections of the community that were without power at different stages were unable to plan. Had a roster of load sharing been developed, accurately and widely published many businesses and individuals could have planned and ensured less disruption. For example, if power was to be out in one section of the community at night, elderly people with critical medical equipment could have planned to stay with family or friends that had power that night, but a schedule was never distributed, the community never informed and many people with serious medical conditions were left without their critical medical equipment, significantly jeopardising their health.

Every aspect of the region was impacted during the power outages, electricity is crucial to modern society, powering everything from lighting in our homes to complex machinery in industries, essentially acting as the foundation for technology, transportation, communication, and healthcare systems, making it integral to our quality of life and economic development.

Unincorporated Far West NSW

The Unincorporated area of Far West NSW covers approx. 93,000 square kilometres. Communities in the Unincorporated Area do not have a Local Government Authority to advocate, support or provide upgrades for their community. These communities have no paid staff and are administered by volunteers. Access to reliable electricity in Unincorporated Far West NSW has been an ongoing issue for many years and in 2023 RDA Far West developed a submission to enhance electricity access in the Unincorporated Area.

It must also be noted that telecommunication in the Unincorporated Area is very poor on the best days, during the power outages without power or telecommunication the people of the Unincorporated Area were uninformed and on their own.

Corner Country, including the communities of Tibooburra, Milparinka and Packsaddle all rely on a single north-south transmission line. Whilst adequate when constructed this line fails regularly due to storms and strong winds from the west and distance between poles. Due to the nature of the country access for providers often takes several days and these communities are regularly without power for days at a time, impacting health services, education, liveability, personal health and wellbeing and business sustainability.

The community of Silverton have significant opportunity for growth; however, the community operates on a single transmission line which is already operating past its capacity. The community of

Silverton have no local health service so extended power outages create significant issues for local residents. The economy of Silverton is largely based on the Visitor Economy with the community attracting large volumes of visitors for major events, including the Mundi Mundi bash (approx.14,000 attendees). Power outages in Silverton effectively close the entire community negatively impacting every resident and every business.

Government Support

Obviously, all and any support is better than none, however, many comments were received about the level of financial support provided during and after the power outages. A significant number of local residents commented that they had lost hundreds to thousands of dollars' worth of food, plus electrical equipment as a result of the power outages and many expressed their frustration that \$200 payment provided by the NSW Government was welcome but barely scratched the surface of the financial burden they experienced, as reported 36 percent of respondents staff were forced to take annual leave or unpaid leave, further exacerbating their financial positions.

The business community expressed their frustration, again appreciative of the financial support of \$400, many businesses stated they were so busy trying to "save their businesses and look after the staff" that they didn't have time to apply for the \$400 payment. Many businesses expressed their frustration that they were "tens of thousands of dollars out of pocket and the \$400 wasn't going to cover very much"

Whilst many residents remain grateful for the additional support provided through other charities, including 1300 food and fuel vouchers and up to 2000 food hampers many comments have been received that the region has a population of over 20,000 and whilst this additional support is welcomed and appreciated it fell way short of supporting the entire population to recover and replace food spoiled and wasted.

Far West NSW have been and remain significant contributors to the State and National economy for over 130 years, our residents and business pay the same level of taxes as everyone else, yet residents and business are unable to access the same level of services as other regions in the state. Public transport, public education and health services lack significantly in comparison to our city and metropolitan cousins and many services are just not accessible at all. At the very least our communities deserve access to reliable and affordable electricity.

National coverage of the regions power outages has not supported population growth and the workforce needs of the region, further exacerbating a situation that is not sustainable in the long term.

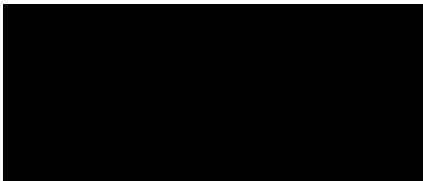
Broken Hill is one the oldest continuous mining centres in the world and offers opportunity for further large-scale mining ventures with a number of planned new ventures set to develop, however those opportunities are only viable with reliable and affordable electricity and this situation has done nothing to encourage further development and investment when reliable power is not guaranteed.

The Far West community understand acts of nature happen and the consequences of storms can be severe, however, the region also expected planning by those with authority would have ensured adequate backup measures were installed and operational in case of emergencies and many remain frustrated by the fact that both back generators were not fit for use during this emergency, further exacerbating the situation.

On behalf of the people of Far West NSW, Regional Development Australia Far West implore the Committee to recommend strategies that ensure transmission lines are adequately maintained and/or replaced as required and back up options are maintained and serviceable.

RDA Far West look forward to a positive outcome for Far West NSW.

Yours sincerely



Michael Williams

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Director Regional Development