



Our Ref: 02/04/0006
Enquiries: Josephine Bianchi, Manager Governance
Direct Line: 9158 9320

Noel Ryan
Acting Director, Electricity Networks
Public Utilities Office
Department of Treasury
Locked Bag 11
Cloisters Square WA 6850

Dear Ryan,

TOWN OF PORT HEDLAND SUBMISSION ON NORTH WEST INTERCONNECTED SYSTEM

The Town of Port Hedland wishes to present you with a submission in relation to the North West Interconnected System (NWIS).

As an introduction it is worth noting that Port Hedland is the location of the largest bulk handling port in the world. The port continues to deliver outstanding performance with close to half a billion tonnes shipped in 2015/16 comprising nearly 60% of WA's iron ore exports. This in turn is about 10% of Australia's total exports – going through just one port in the Pilbara. It is a port that is a vital link in the WA and Australian economy.

It is also home to about 14,500 residents of which nearly 2,500 are Aboriginal and Torres Strait Islanders. A relatively small population that delivers massive results for the State and the Nation.

Regarding the future of the port, there is a major development plan for Lumsden Point, the development of a multi user facility, and in time construction of a new outer harbour. All of this is ultimately aimed at doubling the overall capacity of Port Hedland and also providing port facilities to a range of users including small miners, agriculture and livestock thus diversifying the range of beneficiaries.

Electricity generation, but most importantly diversification of the power industry, is therefore a critical and vital component to ensure a prosperous economic future for Port Hedland, as well as boosting the Pilbara region's growth and development. Currently though, as noted in your recent Issues Paper of 14 November 2017, the NWIS is 'fragmented, high cost and uncompetitive.'

The Town strongly supports the need to diversify the power industry, especially to support junior miners in East Pilbara. Junior mining companies are not able to become competitive in the current market and their expansion is being hindered by the major mining companies essentially monopolizing access to power. The renewables industry sector is also being severely impacted by the current state of the NWIS, as large scale developments which would add to the supply mix are not able to progress under the present framework.

In conclusion, the Town strongly supports a review of the NWIS with a view of creating a more efficient and affordable power grid which will deliver much needed services to Pilbara residents, as well as support continued business development and growth. The revised NWIS should also be sustained by a better energy regulatory framework for the North West of Australia which will go towards solving current issues in relation to power access and distribution.

I trust the above is in order, but should you require any additional information to consider the request, please do not hesitate to contact me on (08) 9158 9317.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Pentz', with a stylized flourish at the end.

David Pentz
Chief Executive Officer

30 November 2017