



16 January 2023

Media Statement

LGAP's recent electricity provider agreement

Please see statement below attributed to Council's General Manager Corporate Services, Alex Oulianoff.

"Given the high market rates offered through the competitive process, Local Government Association Procurement (LGAP) has recommended to councils that they enter into a 6 month contract and that a new competitive procurement process be undertaken early in 2023.

"By entering into these supply agreements Council will be protected from any further escalation and volatility of electricity pricing over the next 6 months.

"Given the nature of how Council consumes energy and our inability to stop and start our energy demand/consumption, being subject to spot pricing would result in significant risk and potentially greater expenditure.

"Council anticipates that the increase in the cost of energy supply over the 6 month contract period (subject to Council's actual required energy needs over this period) to be within the range of \$450,000 to \$600,000.

"The financial impact is spread across Council's operations with around \$200,000 of this to be met by the wastewater service, \$100,000 for street lighting and the balance to council buildings and facilities, including the tourist park.

"How Council can mitigate against rising energy costs will be considered and advised as a part of the next budget review process."

- ENDS -

MEDIA CONTACT:

Mount Barker District Council Communications Manager, Ian Hildebrand

P: (08) 8393 6470 | E: ihildebrand@mountbarker.sa.gov.au