

Bowing OUT Gracefully

ElectraNet is going through some regulatory and structural changes, the most important of which will see longstanding CEO Ian Stirling leave his position at the end of the year.

Images by David Evans

The end of this year will symbolise the end of an era for ElectraNet. After nearly 15 years of loyal service, and numerous trials and triumphs, Ian Stirling is heading to greener pastures. It was a difficult decision to make, but Ian decided it was the right time to hand over the reins. “You arrive at these things by a self-assessment process. I looked at what I was doing. We’ve had a challenge in the past couple of years, particularly because of the recent revenue determination by the federal regulator. I committed to the board to take \$50 million worth of costs out of the business over time, and we have now commenced a number of initiatives to achieve this.

“A new CEO shouldn’t have to go through that inevitable downsizing and cost reduction; they should start on an uplift. So I said I would take ElectraNet through that cost reduction and downsizing as my swan song. We have successfully commenced this program over the past year and we’re just starting the second year of the five-year program. I thought it was the right time. We’ve built the right momentum, and we have also just embarked on a culture development program. Those changes to our business allowed us to reduce prices to our customers by around 13 per cent from July 2013. This is now the right time for me to retire from this successful business.

“Do I feel the fire in the belly quite as much as eight or 10 years ago?”

The answer is probably ‘no’. I’m 64 and I think my time as a full-time CEO is coming to an end. Although I’m happy to continue contributing to building successful businesses for another five to 10 years in a different capacity—through boards and advisory work. I see it as an exciting new portfolio career where I can share my skills and learnings, in a strategic sense, with a broader audience.”

Ian is also Chairman of the Energy Supply Association of Australia, the peak body for the electricity industry and downstream gas industry in Australia, and Deputy Chairman of Business South Australia, the Chamber of Commerce and Industry in South Australia, and is retiring from both of these roles towards the end of the year. >



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Ian has been part of the electricity industry since 1983 with extensive experience in senior management positions in all sectors including generation, transmission, and distribution. He was appointed as CEO of ElectraNet in August 2002, and previously held various executive positions within the company including CFO and General Manager Revenue Reset. Prior to joining ElectraNet, Ian was CFO at GPU PowerNet, and before that he held various senior positions in the electricity-supply industry at the State Electricity Commission of Victoria.

Ian has been working in the private sector for about 20 years after an equally long period in the public sector. As Ian says, "I found both the private and public sectors very rewarding with highly skilled and dedicated people in both; however, it's clear that the private sector has a greater ongoing focus on productivity and efficiency."

Working for the State Electricity Commission of Victoria and Telecom in earlier years gave Ian exposure to the public sector, which helped him better manage and understand the nuances of government business enterprises. "Governments can be rewarding and frustrating at the same time. Almost every job can be like that, so they're not much different. It has been wonderful to work with people who are essentially of the same mindset as you. You help educate them and, they, you. You are able to use their ideas as well as your own to craft a narrative because there is goodwill in most enterprises to actually change. All businesses inevitably feel the pressure through either price tension or efficiency demands, but it just seems to take a little longer in government bodies than in the private sector."

Managing ElectraNet gave Ian insight into South Australia's unique power market. He quickly learned that it is the country's most volatile-demand state in relation to variations between average and peak periods. Ian notes that this is due to the state's 40-degree

summers and lack of large industry. "You can get a flat curve by having a lot of industry that takes a lot of power; we don't have a lot of industry and we have well over 90 per cent of South Australians using air conditioning. Inevitably, you buy an air conditioner and if the temperature is above 30 degrees then you'll turn it on, and certainly every air conditioner in the state runs when it hits 40 degrees. Being able to handle that load is part of the challenge for ElectraNet. You are required to build a network to essentially meet your maximum demand, which comes through the reliability obligations set by government or its regulators."

While Ian is leaving in a matter of months, the company has outlined a long-term plan for the future. ElectraNet originally set a vision for 2025 back in 2007, but as the market has changed, this has been extended into Network 2035 Vision. "The 2025 vision was a halfway house for us. We didn't have the detailed processes and established systems in place to estimate network demand with a high degree of accuracy. We then moved to 2035 to give us a true 20-year vision that would also allow us to look at the asset-management trends and ageing network issues as we 'sweat' the

assets. While I'm very proud of what we've done with 2035, we did pick the right trends, but not necessarily the right timing early in the cycle.

"Certainly we see limited growth in network demand out to 2020, driven by potentially one or two new mining loads. However, beyond 2020 we see some exciting major mining investment likely to significantly lift demand in the 2020s. Household demand is mitigating pretty strongly and that's driven by the uptake of solar PV and the improvement in energy efficiency in household appliances. >



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Those two things are pretty significant both in the short and medium term for prices.”

Throughout his tenure, Ian has placed great emphasis on collaboration and forming longstanding relationships with external partners. “What we value and what we believe our customers value—and when I say that I mean our direct customers, so a wind farm or mine that we’re connecting—is delivery on time and at the budget we’ve quoted them. Whether we have the absolute lowest cost is important, but it’s not the most important thing. We might not be the cheapest provider of services in the country, but we have a record that every TNSP [transmission network service provider] looks to about delivering on time and to budget. That is our hallmark; we tell our direct-connect customers that we can do this and we deliver!

“The reason we can do that is because our construction

“You get out of bed and go to work because you feel a responsibility, but you do it genuinely because of the good people that you work with.”

- Ian Stirling



partners understand our designs, they understand the standards that we have, and they understand how to report to us about what’s happening. We’re early-action people; if we see something that is unfavourable or off the mark, we’re on it immediately, and our construction partners know that.”

Ian leaves behind a strong legacy that he will cherish long after his departure. “You get out of bed and go to work because you feel a responsibility, but you do it

genuinely because of the good people that you work with and the customers you serve. It’s a good part of the utility culture in an essential service. I think that’s the same for everybody in my industry and it’s no different for me; I’ve worked with great people over a long period of time. I’ve always worked with people that encourage me and I have tried to be a supportive and inspiring leader. I think that’s an important element of a successful business and a great legacy to leave behind.” •

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SA Power Networks have had the pleasure of working with Ian Stirling over the past 10 years, delivering a number of key projects for ElectraNet in both the capital works arena and as transmission maintenance service provider.

During Ian’s tenure, ElectraNet has embraced the challenges of an ever-changing transmission network landscape, evolving as an advanced leader in the field, both technically and commercially.

SA Power Networks would like to thank Ian for his support over this time and wish him every success in his future endeavours.

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