



14 Perrett Street  
Rozelle NSW 2039

1 February 2002

Professor Tom Parry  
Chair  
PART  
PO Box Q290  
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NSW 1230

Dear Professor Parry

I am writing in relation to the IPART Inquiry into **Undergrounding Electricity Cables in NSW.**

On this occasion, as a private citizen, I am not able to provide a detailed submission addressing each of the terms of reference of this Inquiry. However, I would appreciate the following comments on aspects of this matter being considered in the Inquiry's deliberations:

- (i) the reliability of an essential service such as electricity and the physical amenity of local neighbourhoods are both important elements in the maintenance or improvement of community wellbeing. Improvements to service reliability and the public domain (sense of community, civic pride etc) through the undergrounding of electricity cables will deliver benefits which need to be modelled, quantified and qualified;
- (ii) the reduction of the direct costs of the maintenance and replacement of overhead cabling (especially with natural disasters) through undergrounding needs to be ascertained. In addition, the indirect costs of short and longer-term disruptions to business activities, services and general community life through significant natural events damaging overhead cabling also needs to be estimated.
- (iii) in addition to estimating the costs of undergrounding electricity cables across NSW, consideration will need to be given to accurately identifying maintenance costs and to estimating the nature and likelihood of unforeseen circumstances/exceptional events which would significantly damage underground cabling of this type.
- (iv) Several issues could be considered when assessing the question of who pays. They include:
  - splitting the costs between Government, electricity consumers and the energy industry (as opposed to notions of a simple end users levy). All stand to gain in the medium to long term, so all could be considered as contributors. Striking the balance to ensure a fair outcome with marginal collateral consequences for any of these stakeholders should be the subject of much research and debate;

- business, as opposed to residential consumers, has been the major beneficiary of reduced electricity prices in **NSW** in recent years, as competition has entered the distributors market. Business, especially larger firms, should pay its fair share of the electricity consumers portion, outlined above;
  - if evidence is produced that energy, telecommunications or other companies, will significantly benefit from convergence of activities through undergrounding, consideration should be given to these entities contributing a specific and fair share to the costs;
  - very low income earning households, and especially those which are eligible for assistance with energy price concessions/discounts schemes, should be exempt from contributing extra to the cost, or receive a 100% rebate on any general residential consumer increase in prices due to undergrounding. Consideration should **also** be given to low income wage earners and others on part time income support/part time wages contributing a smaller level towards the costs of undergrounding, possibly through a 50%-75% rebate;
- (v) Staging, over several years, of any proposal to proceed with undergrounding should be assessed, in terms of cost, interest in local communities, locational incidence of natural disasters and urban development/consolidation plans. The impact on the affordability of housing and the social **mix** of local communities through the inclusion of undergrounding costs in front end costs in new housing developments (including major gentrification sites) needs to also be properly assessed.

I hope these brief comments are of assistance. If further information is required, I can be contacted on 0401 995095 (m) or 9810 8027 (h)

Yours sincerely



Gary Moore