



IPART
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Penrith City Council

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Contact: D Burns
Telephone: (02) 4732 7554



OPPOSE BADGERYS CREEK
AIRPORT

8 February, 2002

Mr Micheal Seary
Program Manager Electricity Pricing
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
NSW 1230

Dear Mr Seary

IPART Review of the Costs, Benefits and Funding of Undergrounding Electricity Cables.

Thank you for your letter dated 30 January, 2002 advising of the one week extension to the closing date for submissions to the above enquiry.

This extension enabled a report to be submitted to Council at its meeting on 4 February, 2002 where Council resolved to prepare and submit its comments on the review.

Given the very short timeframe, Council's initial submission will be brief. However it is anticipated that a more detailed submission will be made once the interim report is prepared and the consultative process, including the public workshop is in progress.

Yours faithfully

David Burns
Asset Manager



Penrith City Council

SUBMISSION TO THE IPART REVIEW OF THE COSTS, BENEFITS AND FUNDING OF UNDERGROUNDING ELECTRICITY CABLES

Penrith City Council has been proactive on the issue of the undergrounding of electricity cables for a number of years.

Council has negotiated with Integral Energy (previously Prospect County Council) for the undergrounding of electricity cables in areas of environmental significance in the Penrith LGA. This work was generally carried out by Integral Energy through its then Roadside Environmental Enhancement Program. However, with the increased commercialisation this Program seems to have diminished.

Council is also proactive by lobbying the State Road Authority to underground cables whenever it undertakes road widening projects on the State Road network within the Penrith LGA. It has also been Council's practice to underground all cables in new sub-divisions since the 1970's.

Penrith City Council is also party to the recent court action to impose Section 611 charges on telecommunication carriers for their overhead cables.

The issue of the undergrounding of electricity cables was exacerbated with the installation of the overhead telecommunication aerial cabling during 1996 and 1997. In response to widespread objections by Local Government and residents to this cabling, the Senate

amended the Telecommunications Act to remove the exemptions the carriers had from State and Local government approvals and also require the carriers to underground its cabling whenever the electricity cabling was placed underground. The Senate also required the then Federal Minister for Communications, Information Technology and the Arts, to investigate the options for putting underground the existing telecommunications and electricity cabling along roads. The final report of the Putting Cables Underground was tabled in Parliament in December 1998.

Penrith City Council fully supports the quantifiable benefits from putting cables underground identified in the report. These being:-

- reduced motor vehicle accidents caused by collisions with poles;
- reduced losses caused by electricity outages;
- reduced network maintenance costs;
- reduced tree pruning cost;
- increased property values
- reduced transmission losses;
- reduced greenhouse gas emissions;
- reduced electrocutions;
- reduced bushfire risks; and
- any beneficial indirect effects on the economy, such as employment.

The Report identified that the benefits would come at a substantial cost. It estimated the total cost of a comprehensive national program to put cables underground at \$23.37 billion. Costs and who should pay are addressed later in this submission.

A further report on the benefits of undergrounding cables was also produced by an organisation, Sydney Cables Downunder which was formed to co-ordinate the actions of

independent community based groups opposed to the erection of aerial telecommunication cables. Its report identified benefits to be achieved from underground. Penrith City Council also supports these benefits which are as follows;

- undergrounding will all but completely remove the disruption and danger that is associated with overhead electricity wires and cables creating a much safer environment.
- Undergrounding will greatly enhance reliability of the electricity supply network, which is crucial to today's operation of business and consumer services. Computers, ATMs, EFTPOS, telephone systems, medical alert systems, cash registers, inventory control systems, data terminals, food temperature control, as well as the Internet and e-mail. The list grows daily and all applications demand an increasingly reliable and clean supply of electricity.
- Undergrounding means that the environment and the streetscape will be vastly improved. Ugly poles with their tangled web of wires, cables, boxes and transformers will disappear. Trees will look like trees again instead of mutilated stumps. With the undergrounding of electricity wires and cables, the telecommunications and Pay TV will automatically follow (as required by the National Communications Code).
- Undergrounding will create substantial investment and employment on a continuing, managed bases.
- Undergrounding, over time, will largely pay for itself in cost savings to the distributor and consumer alike.
- Sydney is regarded as one of the great cities of the world, yet unlike other great cities and even other cities in our own country, we still spoil our suburban streets with the blight of overhead wires and cables.

When will we begin to plan our own undergrounding process?

When will we catch up?

CONCLUSION

There can be no doubt that there are compelling reasons for and benefits to be gained from the undergrounding of overhead cables - safety, reliability of service, visual amenity, costs savings over time, environmental.

However, the area that is still unclear is that of the cost and the priority areas for a program to underground cables and as to who should pay. Penrith City Council is opposed to any program that would impose costs on Local Government or impose responsibilities or obligations on Local Government for the management of the program (this should be an issue for the electricity distributors). Additionally any costs to be borne by the community should be minimal. The costs should be predominantly the responsibility of the major beneficiaries of the program.

Penrith City Council also highlights the need for a program that gives priority for undergrounding to areas based on need, eg. Susceptibility to storm damage, rather than on visual amenity.

IPART is also requested to comment on the priority of a program to underground overhead cables, given its high cost, and its relativity to other programs for major infrastructure improvements.