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Members
Independent Pricing and Regulatory Tribunal
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Submission on the EnergyAustralia proposal to increase street lighting prices

Dear Members of the Tribunal

Thank you for the opportunity to make this submission in respect of the June 2005 EnergyAustralia proposal to increase prices for street lighting.

Gosford City Council is one of the 29 participating councils in the Street Lighting Improvement Program (SLIP), which includes the authorities responsible for 90% of the 246,000 streetlights on the EnergyAustralia network.

Firstly, I would like to confirm this Council's full support for the joint submission made on our behalf by the SLIP. Our joint analysis of the EnergyAustralia submission has concluded that instead of increasing prices by 27% (or more), prices should in fact be reduced by 12%. This would bring prices into line with a recent decision by the Victorian pricing regulator.

Secondly, I wish to quantify the financial impact that the EnergyAustralia proposal would have on our Local Government Area. Gosford City is a large Council, but has heavy existing commitments in the provision of services to the community and to existing capital improvements projects. Council currently spends \$1,150,000 per year on running the street lighting network. This would rise by up to \$314,000 if EnergyAustralia's proposed increase were approved. It should be noted that this does not include the possible additional increases that EnergyAustralia has indicated that it will propose to IPART within the 36-month period covered by their current pricing proposal. Council is concerned that the real price rise may be much higher, possibly in the order of \$800,000. To put such a price rise in context, Council's annual Capital Works Program budget for rebuilding local roads is \$2,700,000. An increase in street lighting charges of the order requested by EnergyAustralia will severely prejudice the delivery of the basic services provided by this Council.



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Finally, I wish to comment on the positive progress in street lighting discussions held with EnergyAustralia during 2004. Together with other member councils of the SLIP, Council has been working towards measures that will reduce street lighting costs, significantly reduce energy usage and greenhouse gas emissions, whilst improving public amenity and safety. EnergyAustralia has acknowledged its inefficient maintenance practices and obsolete lighting technologies and has given a commitment to work with councils in providing a more acceptable level of service in line with other energy suppliers throughout Australia. However, a huge price increase was not part of the promise. The increase in prices proposed is considered totally inappropriate.

Your close consideration of this submission would be appreciated.

Yours faithfully

Peter Wilson
General Manager