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City of 
Botany Bay

5 July 2005

The Chair
Independent Pricing & Regulatory Tribunal
PO Box Q290
QVB Post Office. NSW. 1230.

Dear Sir/Madam,

Re ENERGY AUSTRALIA'S PROPOSAL TO INCREASE PUBLIC LIGHTING
PRICES BY 27% PLUS CPI

Botany Bay City Council thanks IPART for considering our letter dated 16 March, 2005, and giving council an opportunity to make a submission concerning Energy Australia's proposal to increase prices by 27% plus CPI over the next 37 months. Botany Bay City Council is one of 29 member councils of the Street Lighting Improvement Program and concurs with the points made in the joint submission made on behalf of program participants.

It should be drawn to your attention that these charges are over and above other Energy Australia charges (which councils are also questioning) that have occurred due to Energy Australia changing its charging determination structure. Upto the late 2003 Energy Australia would provide a free lighting assessment when Council forwarded an individual's complaint to Energy Australia. If the assessment found that the complaint was justified and the lighting level was below those set in the Australian Standards, Energy Australia installed the lighting to their design and, upon Council approval, charged council an additional annual rate (if necessary) to cover the increased energy charges.

From 2004, Energy Australia changed this practise. Firstly, they now charge for the assessment and for the preparation of a new design. On the face of it, it would seem reasonable to charge for the design, but Councils hold the view that if Energy Australia, or its predecessor, had put the correct levels of lighting to suit the Australian Standards in the first instance, then there would not be a need for a new design. Why should council's pay for a design that has only been necessitated due to Energy Australia putting in inadequate lighting in the first instance.

Secondly, Energy Australia now charges an installation cost in the \$1000s as well as the increase in the annual rate. Again councils are being required to pay \$1000s for installation of lights to bring the lighting to Australian Standards, all because Energy Australia (or its predecessor) put in sub-standard street lighting originally.

Botany Bay City Council urges IPART to reject Energy Australia's revised pricing proposal as it is based on supporting an antiquated system rather than reflecting good economic practice. The work completed by the Street Lighting Program leads councils to believe that if the correct infrastructure were used (or if street lighting were contestable) the cost should decrease rather than increase. If these large increases were approved it would be hard to manage council's accounts especially with the NSW government rate pegging. It would be even harder to justify the increased expenditure to council's ratepayers.

Botany Bay City Council also urges IPART to look into the whole issue of Energy Australia charging councils to upgrade street lighting, due to safety concerns by the public, when it was they that originally placed the sub-standard lighting.

Should you wish to discuss this issue further please do not hesitate to contact myself, Will Marsh on (02) 9366 3569.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'Will Marsh', written in a cursive style.

Will Marsh
Manager – Engineering Services