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8 July 2005

IPART  
PO Box Q290  
**QVB POST OFFICE NSW 1230**  
Att: Ms Emma Kelso

Dear Ms Kelso

**Re: Submission - Energy Australia's Public Lighting Pricing Proposals**

Following IPART's rejection (in March this year) of Energy Australia's pricing proposals for Streetlight User (SLU) costs, we note that they (Energy Australia) have been quick to submit yet another proposal for price increases.

The original proposal would have meant an increase of some 54% in annual (energy) costs to this Council in Year 4 of the staged increases. This new submission sets the increase in Year 4 to some 39%.

Council's arguments against the proposed increases remain unchanged and are reinforced in the attached submission.

Yours faithfully

Colin Mathison  
**PRINCIPAL ENGINEER, WORKS**

**RE: ENERGY AUSTRALIA'S SECOND SUBMISSION TO IPART TO INCREASE STREET LIGHTING CHARGES**

Council thanks IPART for the opportunity to comment on the most recent submission by Energy Australia who seek to increase the present SLU (Streetlight user) costs.

Council appreciates that IPART rejected the first of Energy Australia's proposal as recently as March 2005. The increases in that proposal were substantial, being in the order of 54% more than existing in Year 4 of the increases.

This second submission follows hot on the heels of the previous one (just three months later) and essentially requests increases which this time would result in the order of 39% more in Year 4. Given that the very same arguments apply to this proposal, Council can only reiterate its strong objection to the proposed increases.

The arguments to be reinforced are:

- Streetlighting is a community service and as such can and should be subsidised by the taxpayer.
- There has been no indication that IPART has consulted the RTA for a similar increase in their annual contribution to each and every Council. Last year this Council's total streetlighting bill increased by 4.1% over the previous yet the RTA contribution increased by the CPI of 2.1% hence the difference had to be met by Council funds.
- It is incumbent upon the supplier to first provide an exemplary service before increasing charges. No major increases should be entertained until all old, obsolete fluorescent lamps have been replaced.
- Energy Australia should first seek efficiencies in its own operations. Council notes that the bulk lamp replacement cycle has changed (for local roads) from 18 month to 30 month. This is a first step towards trimming costs but there are obviously more.
- Examine via an independent audit how price increases can be linked to operation procedures and efficiencies.

Council notes that the consultants of the SLIP (Streetlighting Improvements Programme), representing a great number of councils, have submitted a more detailed objection to the recent EA submission. This Council is part of the SHOROC association and all the participants have agreed on a path of strenuous objection to IPART's most recent proposals to impose increases of such magnitude on SLU costs. Energy Australia holds a monopoly on the provision of Streetlighting services to Council so this submission is our only recourse for protest.



Colin Mathison  
Principal Engineer – Works  
Pittwater Council  
8<sup>th</sup> July 2005