

7 July 2005

Independent Pricing Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Members of the Tribunal

EnergyAustralia Revised Public Lighting Proposal - to Increase Public Lighting Prices by 27% Plus CPI

Reference is made to the letter dated 10 June 2005 by Energy Australia advising Council of its above proposal and your letter 15 June 2005 seeking comment.

Ku-ring-gai Council would like to thank IPART for the opportunity to make a submission concerning EnergyAustralia's proposal to increase prices by 27% real + CPI over the next 36 months. Additionally, Council appreciates your letter advising of closing date for submissions by 8 July 2005, in notable contrast to advice by Energy Australia of the closing by 29 June 2005.

Council is one of 29 member of the Street Lighting Improvement Program and concurs with the points made in the joint submission made on behalf of Program participants.

In addition, Council wishes to reiterate its concerns and impacts in terms of financial, declining services, maintenance and lighting standards covered in our earlier letter of 27 January 2005. In particular, are concerns regarding the financial impact and recent aggravating maintenance aspects from the council's own experience in dealing with EnergyAustralia.

Based on current charges for EnergyAustralia's supply and maintenance of public lighting equipment (not including cost of energy or network Use of System charges), the total yearly cost as of 30 June 2005 was \$780,000 (GST excluded). Under the proposed pricing increases by 27% (real) + CPI over the next 36 months, costs will significantly impact on Council by a further \$210,600.

To fund any increase, would require a substantial cut to services, given difficulty of managing increases in pricing that are significantly above CPI, and particularly as Council is subject to rate pegging restrictions and cannot pass these onto rate payers. Street lighting is a significant issue for Council and its residents, especially in light of the reduced effectiveness by tree foliage, and forced cuts in lighting improvements are a likely consequence. Lighting is widely recognised as a useful tool to aid in public safety in respect to reducing fear of crime and potential conflict points on roads between pedestrians and vehicles.

Recent bulk lighting outages observed in St Ives and other areas, and continued lack of maintenance of street lighting for extended months based on inspections is unacceptable.

Council therefore strongly urges IPART to reject EnergyAustralia's revised pricing proposal as it would significantly overcharge councils, and reward inefficient practices and poor performance.

If Councils are constrained to rate pegging and therefore, compelled to make efficiency improvements, then bodies such as EnergyAustralia should also be constrained to similar revenue increases.

Thank you for the opportunity to make this submission. Should IPART wish to follow-up on the submission, please contact Ian Taylor on 9424 0798 in relation to lighting matters.

Yours sincerely

Brian Bell
General Manager