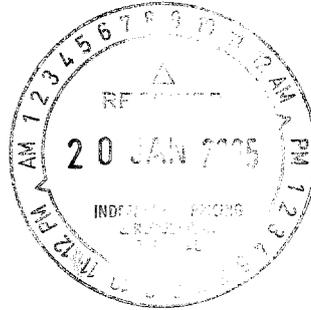


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19 January 2005



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**RE: Submission in response to EnergyAustralia's Public Lighting Pricing Proposals**

Thankyou for the opportunity to make a submission in response to the proposal from EnergyAustralia to increase the pricing for public lighting.

I understand that the proposal from EA, if approved, would result in an increase to the costs of public lighting services of approximately 70% plus CPI over the next 2.5 years. This increase would impose an unacceptable burden on Local Government, whose main revenue source is Council rates that are 'pegged' by the State Government at around 3%. If the EA proposal is approved, Leichhardt Council would be forced to cut existing services to the community.

Leichhardt Council is a member of the Street Lighting Improvement Program, and endorses its submission made on behalf of the member Councils. There being no contestable market for the provision of the public lighting services affected by this proposal, IPART's regulatory protection is vital. Of particular concern is that the EA proposal appears to be based on a flawed costing model, maintenance costs have been double counted, charges are proposed for assets that have historically funded themselves and the proposed pricing for the provision of public lighting services by EA greatly exceeds comparable services (as assessed by the Victorian Essential Services Commission).

Leichhardt Council is also concerned that sufficient time has not been provided by IPART for Councils to consider the proposal adequately and consult with their communities. Local government authorities do not generally conduct Council meetings in January so the first opportunity for Councils to formally consider the EA submission will be during February. Accordingly, Leichhardt Council requests that the closing date for submissions be extended until the end of February.

Local Government should not be burdened with an unaffordable increase in costs in order to subsidise the inefficient provision of public lighting services by EA. Leichhardt Council is very concerned about the EA proposal and endorses the submission from the Street Lighting Improvement Program on behalf of member Councils.

Peter Head  
GENERAL MANAGER