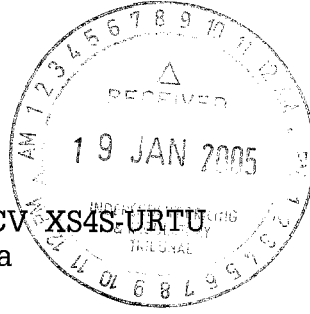


Manly Council



Reference: 17012005 CDPCV XS4S-URTU
Enquiries: Casey de Pereira

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Dear Members of the Tribunal

Re: Energy Australia's Public Lighting Pricing Proposals

I refer to the current proposal before the Tribunal and welcome the opportunity to make a submission.

It is of great concern that Energy Australia has not directly consulted with Manly Council on the proposed price increases. Whilst Energy Australia scheduled a meeting with Council to discuss "Street Lighting and Public lighting pricing", the meeting was deferred by Energy Australia and has yet to take place.

In the first instance I would advise that Manly Council is not a member of the Street Lighting Improvement Program (SLIP), however, Manly Council fully endorses the submission made by Mr Graham Mawer of Next Energy on behalf of the Street Lighting Improvement Program.

Manly Council received formal advice from Energy Australia of the proposal before IPART on 10 January 2005 giving us 7 days to formulate a submission by the closing date of 17 January 2005. At a time of year when many staff are on leave and the elected Council is in recess, any Council that is not a member of SLIP will have little chance of making a full and proper assessment of the proposal in order to formulate a reasonable submission in such a short time frame.

Any future proposals for price increases must contain sufficient information to allow a full and proper assessment of the proposal based on the information provided to IPART. Interested parties should not have to rely on doing their own further research to obtain relevant information about the proposal.

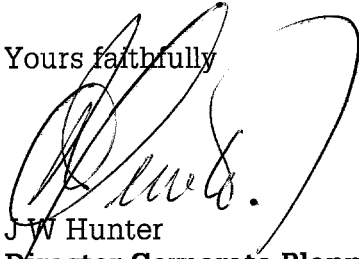
The document provided to IPART by Energy Australia and available on the IPART website provides much general commentary about the plight of Energy Australia due to earlier decisions of IPART. It provides no other reasons for the proposed cost increases and in particular does not provide sufficient detailed information on how the proposed increases have been calculated.

It appears that Energy Australia has not examined any opportunities for improvements in their business practices and simply seeks to increase revenue in the street lighting area to compensate for decreased revenue from other areas as a result of earlier IPART decisions. In our opinion, to approve the proposed cost increases would reward the current inefficiencies in Energy Australia's street lighting business and perpetuate them.

Should the current proposal before IPART for a 100% increase by 2007/2008 be approved, there will be considerable ramifications for all Councils. Such an increase is significantly greater than the current CPI related rate pegging increases allowed by the Department of Local Government.

In conclusion, the proposal by Energy Australia to substantially increase charges to local councils for street lighting infrastructure is considered unreasonable and is poorly constructed. The proposed price increases should be rejected outright and Energy Australia requested to re-examine their street lighting business and come back with a revised proposal that incorporates industry best practice, taking a strategic and holistic approach to better manage the significant cost drivers relating to street lighting.

Yours faithfully



J.W. Hunter
Director Corporate Planning and Strategy

Date: 17/1/05