

# *The Vacluse Progress Association*

Established 1915

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Independent Pricing and Regulatory Tribunal of New South Wales  
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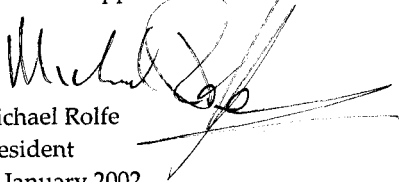
## **Undergrounding electricity cables in NSW**

Our Association represents members in the Watsons Bay and Vacluse residential districts of Woollahra Municipality, on the shores of Sydney Harbour. For the purposes of the Tribunal's report on this matter, we would like consideration to be directed to the following issues:

- Aerial cables have been about for many years. Even though most local councils, including Woollahra, have incrementally worked to underground them in the context of new development approvals, there remains much to be done.
- Some cables along some major (and other) roads in the Municipality of Woollahra (and elsewhere in its former supply area) have long been run underground, having been buried under what had been a program of the then Sydney County Council. Despite active inquiry over extended periods, we were not able to discover the locational criteria applied for the program. As we understand it, all electricity consumers in the SCC supply area paid for that work, including many whose cables remain above-ground to this day. There are equity issues associated with that sequence of work which are pertinent to the Tribunal's assessment of funding options for future works.
- Over the period of the 1970s and 1980s, we made various attempts to have the main heritage area of Watsons Bay – the historic residential enclave of Camp Cove - included in the SCC program. Our attempts had regard to the particularly adverse impacts of power poles and wires in the heavily-trafficked half-chain subdivision scale of the precinct. They failed.
- Since then, we have generally urged Woollahra Council to adopt an approach to cable undergrounding that would proceed logically along the network, preferably starting at the outer limits and working inwards, so as to produce a predictable work pattern and funding requirement.
- During the 1980s and 1990s, we have lobbied Woollahra Council to underground power lines in public parks in the district, because they are regional destinations subject to very high levels of tourist visitation. The lines at The Gap, Robertson Park, and Marine Parade have been buried successfully, in the course of integrated upgrading works for the locations as a whole. Funding has been from the Municipal budget, with some supplementation from State sources. It has reflected the generalised nature of the benefit.
- The Council's written policy in relation to undergrounding cables is, however, not acceptable to us, because we do not think it is financially practical. The 1997 Policy had committed the Council to install underground conduit for use by utilities throughout the Municipality, on its own initiative, at ratepayers' cost. It did not embody any timeframe, any assessment of costs, or any suggestion of user payment for the use of the facilities, nor were such matters addressed at the time of the Policy adoption. We are unaware of any exercise of its terms, and think the Policy has no currency any more.
- Woollahra Council has adopted a planning strategy for Watsons Bay that includes an expression of interest in undergrounding overhead cables. At this stage, no work has been undertaken in the residential sector on that strategy or on the development control plan that is intended to be a major part of the strategy. As part of the strategy, in relation to the small shopping centre in Watsons Bay, the Council has accepted in general terms the desirability of undergrounding cables in the course of a makeover of the public estate intended to bring some urban life and colour to the largely underused (by residents or tourists) commercial premises.

- Having regard to precedent for other shopping centre beautification works, we have argued that cable undergrounding at the Watsons Bay shops should be funded by the commercial property owners in the first instance. We recognise and expect that their customers would bear the ultimate burden of any such charge. That 'user pays' approach has not been adopted, nor has any other, and the issue of funding any works remains in abeyance. We have informed Woollahra Council that residential ratepayers would object strongly to funding the shopping area work, if only because they use the shops so very little.
- It is clear that land values reflect cable management among other amenity and safety influences, and that landowners and other land users benefit from undergrounding works. We accept that beneficiaries should pay. In a metropolitan context, the issues of equity that we mentioned above, in relation to the old SCC undergrounding works, remain relevant and important.
- Additionally, we note that the use of a land value base for the allocation of a funding burden for cable undergrounding also raises important equity issues, whether the burden is allocated between councils on such a basis, or within council areas. The equity issues flow from the uneven pattern of land values in Sydney. Among Sydney Councils for example, those areas located on the harbourside generally have significantly higher (pro rata) land values than those removed from it. Within Woollahra, the pro rata spread of land values is also large. Designation of rate income raised on the basis of land values to fund major works such as cable undergrounding would incorporate these inequities, regardless of whether the work is done on a local or a wider scale. Noting that land values do not and cannot reflect ability to pay (because they do not account for owner equity), we submit that inequities arising from property-based rating should, at least, be minimised.
- If council rates were to be used to fund cable undergrounding, one approach to minimisation of inequities would lie in removal of the present 50% revenue limitations on the use of a base charge for council rating. We would very much like to see removal of the 50 per cent limit, but think it is unlikely to be accepted generally in the short term, given the relatively small number of councils using the base charge mechanism at present.
- In practical terms, then, a second-best approach to equitable local funding might lie in a special levy in the nature of a uniform charge on each property. While the regressive aspect of the approach might not instinctively appeal, we note that the benefits of cable undergrounding do not accrue solely to local owners or users of land. Rather, they accrue to all who bear the present burdens of the problems caused by aerial cabling in terms of public and worker safety, visual amenity, utility service reliability, and survival of plant and wildlife.

We would appreciate the Tribunal's consideration of these comments.



Michael Rolfe  
President  
10 January 2002