

15 August 2011

Inquiry into State Underground Power Program Cost Benefit Study  
Economic Regulation Authority  
PO Box 8469  
Perth Business Centre  
**PERTH WA 6849**

By email: [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

Dear Sir/Madam,

### **State Underground Power Program**

The National Electrical & Communications Association, Western Australia Chapter (NECA) is a not-for-profit industrial organisation representing the interests and concerns of over 4,500 electrical and communications contractors across Western Australia.

We regularly survey our members to gather feedback on issues of concern to business and then forward this information to government instrumentalities to allow it to consider small business concerns when developing policy.

Electrical and communications contractors by definition operate to provide services to almost every other industry sector. For example, our members are responsible for the construction and maintenance of the electrical and communications infrastructure needed for the hundreds of mining projects that currently exist or are under development in our State. The electrical and communications contracting industry is a vital component of the machinery of any economy, but particularly so in Western Australia at the present time. Over 20,000 employees are currently employed by electrical and communications contractors in WA.

NECA is a big supporter of the State Underground Power Program. We believe the areas already converted have brought many benefits to the Western Australian public.

In relation to the current review, NECA believes that the proposed funding share should either stay as it exists, or Western Power should provide 50% and the State and local governments combined should share the remainder of the cost.

Western Power accrue the majority of the benefit of the scheme and should therefore be required to cover the majority of the cost. These benefits include:

- Improved reliability of the network during storms, bushfires and other environmental events;
- Reduced usage of pesticides and fungicides used to treat wood poles;
- Reduced usage of herbicides;

- A reduction in the use of fire retardant paint;
- A reduction in maintenance costs (pole tops/pole top fires);
- A reduction in testing and replacement of equipment (poles/overhead aerials);
- Western Power will be upgrading its network to current standards (more efficient); and
- Less overhead work on the network – this reduces its operating costs.

NECA believes that the Local Government and Ratepayers will benefit with a more reliable power supply and no visual pollution. The community and the environment will benefit from the reduced usage of chemicals reducing contamination to soil.

There is some suggestion that undergrounding does improve property values somewhat. This is hard to argue with, although it is not in itself reason enough to require all homeowners to contribute to the cost of the Program. Particularly in lower socio-economic areas, it will be very difficult to convince persons to pay for the cost of undergrounding; so unless the government is prepared to mandate it (which course of action has its own problems), it is not feasible to have selective undergrounding on a particular street.

Should you require any further submissions from us in relation to this issue, please do not hesitate to make contact at your convenience.

Kind Regards,

**Kyle Kutasi**  
General Manager