



30 June 2009

Our Ref: 05-001-03-0014

Your Ref: D/2009/07643

Chairman
Electricity Code Consultative Committee
C/- Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

Dear Mr *Kelly Paul*

Re: Review of the Code of Conduct for the Supply of Electricity to Small Use Customers

Thank you for the opportunity to provide some further comment to the Review of the Code of Conduct for the Supply of Electricity to Small Use Customers. As you are aware, the corporatisation and disaggregation of the electricity industry in Western Australia has created different relationships between Local Governments and the providers of energy and electricity distribution services. Many Local Governments are of the view that the current arrangements for the provision of street lighting services between Local Governments and Western Power are not governed by either effective contracts or regulation. As it appears unlikely that a competitive market for street lighting services will be permitted and develop in Western Australia in the near future, WALGA supports improved regulation of these arrangements.

The Local Government – Synergy working group, which includes representatives from six metropolitan and regional Local Governments, Institute of Public Works Engineers (IPWEA), Synergy, Western Power and WALGA provides a forum to discuss and progress a range of matters in relation to street lighting. While this group has achieved some positive outcomes, particularly in terms of improved communication, there remain significant opportunities for improvement in a range of areas such as street light service levels (including inspection and preventative maintenance), fault repair performance and introduction of new energy efficient technologies. This group has been developing a “Goodwill Payment Scheme” that essentially reimburses to Local Governments the cost of street lighting services invoiced but not delivered due to repairs not being made in a timely fashion.

Following consultation with members of this working group and colleagues from South Australia and New South Wales where service standard payments for failure to repair street lights within prescribed times currently exist, we have reached a view that supports the proposal that the ECCC is considering recommending to the Economic Regulation Authority that the Code be

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amended to include a service standard payment of \$20 per day for failure to repair street lights within 5 days (metropolitan) and 9 days (regional).

We suggest that the ECCC consider whether the prescribed time for repairs to street lights in major regional centres (Bunbury, Albany, Geraldton, Kalgoorlie) should be aligned with those applying to the metropolitan area. We would also urge that simple effective administrative arrangements be implemented and promoted to encourage reporting of faulty street lights and use of the system.

While improved reporting and repair of failed street lights will contribute to improved service delivery, this is not a substitute for a strategic, proactive approach by Western Power to undertake compliance monitoring and auditing to ensure the integrity of street lights, so that network performance is not driven by complaints.

While potentially outside of the scope of the current ECCC Review, we would suggest that consideration be given to the development of a separate Code of Conduct governing the provision of street lighting. Such a code could consider a range of matters including repair times, inspection regimes, preventative maintenance (bulk globe replacement), introduction of new technologies, lamp and luminaire recycling etc. A well constructed and implemented Code would address the gap that currently exists for street lighting service provision in the absence of effective contestability and contractual arrangements between electricity distributors and Local Government and create a more balanced relationship between the parties.

We look forward to providing further comment once the Authority has considered the ECCC Final Review Report.

For enquiries please contact Ian Duncan, Economist, on telephone 9213 2040 or email jduncan@walga.asn.au.

Yours sincerely

Ricky Burges
Chief Executive Officer