



<b>Submitting council / organisation:</b> Sunshine Coast Council		<b>LGAQ Policy Executive District:</b> District 2 (South East)
<b>Title of motion</b>	Partnership with Power Utilities in delivering Underground Power	
<b>Category</b>	Infrastructure, Economics and Regional Development	
<b>Council resolution #</b>		
<b>Date of council resolution</b>	25/07/2019	
<b>Motion</b>	That the Local Government Association of Queensland lobbies the peak power utilities' industry body to jointly fund undergrounding power where the change to existing overhead power supplies is required as a part of a local government's urban upgrade capital works program, and is called up in the local government's Planning Scheme.	
<b>Background</b>	<p>In the not too distant past, power utilities subsidised underground power in situations where councils were undertaking capital works in urban/CBD areas. The subsidies ranged from 33.3% to 50%, reflecting the mutual benefits achieved through relocation of electrical assets. The arrangements ceased on the basis that the cost of such works, when recognised in the overall expenses on maintaining the distribution network, were resulting in increased electricity charges.</p> <p><u>Power Utilities</u></p> <ul style="list-style-type: none"> <li>• Assets located away from the external environment, particularly storms which are forecast to become more severe over time.</li> <li>• Assets removed from the damaging effect of straying vehicles.</li> <li>• Removes the need for timber poles, subject to limited life cycles and prone to attack by white ants.</li> <li>• Greater certainty for continuity of electricity supply to customers with the above risks removed.</li> <li>• Cheaper maintenance costs overall for the power reticulation system.</li> </ul>	



	<ul style="list-style-type: none"> <li>In providing a brand new asset, a nett depreciation benefit is provided, which in turn enhances a utility's financial position.</li> </ul> <p><u>Local Government</u></p> <ul style="list-style-type: none"> <li>Greatly improved urban aesthetics and amenity in highly constrained public realms.</li> <li>Provision of a safer environment for all forms of traffic.</li> <li>Greater certainty for continuity of electricity supply.</li> </ul> <p>Previous joint funding efforts were directed to genuine urban improvement outcomes, respecting the limited funding capacity of the utility provider. Such an approach is promoted to contain the calls on the utility providers' budgets to an affordable level. It is likely that an agreed set of guidelines would need to be developed to manage the financial implications.</p> <p>Major state owned enterprises have a responsibility to invest in renewals of assets. The investment in undergrounding power can link to the responsibility to fund depreciation of assets and it would be surprising to see that a well-managed, joint funded undergrounding of assets program, as described above, would (i) not align with sound renewals programs, and, (ii) would have a material impact on an electrical utility's financial bottom line.</p>
<p><b>What is the desired outcome sought?</b></p>	<p>That LGAQ, through the support of the Annual Conference, will engage with the peak power utilities' industry body to negotiate and attract support for a 50% contribution to providing undergrounding power in urban areas where capital works require the relocation of existing aboveground services. Guidelines agreed to by the parties would address limits on eligibility, set criteria and levels of service, identify funding arrangements and acquittal processes and give due regard to the call on the limited funding available to the utility providers.</p>

