

UNDERGROUND POWER — CITY OF NEDLANDS

Grievance

DR K. STRATTON (Nedlands) [10.01 am]: My grievance is to the Minister for Energy. I thank the minister for taking my grievance on an issue that is important to residents in a particular part of my electorate, and one that has been raised with me virtually since the day I was elected—namely, the uneven rollout of underground power in the City of Nedlands, and whether it will finally come to the wards south of Stirling Highway. Stirling Highway divides my electorate into Dalkeith and parts of Nedlands on the south side and to the north, areas including the Hollywood Nedlands ward where I live where we are neighbours to three statewide hospitals and a primary school. The entirety of Dalkeith and Swanbourne has had underground power for some 23 years, while areas north of the highway, including the Hollywood ward, Mt Claremont and Floreat, under the city’s boundaries are still waiting. There are 1 700 households that have been waiting for 23 years to be treated equitably with their north-side neighbours when it comes to the climate and amenity benefits provided by underground power.

Having been resident in the city for many local council elections, underground power for the remainder of the City of Nedlands has been an election discussion and commitment ever since Dalkeith’s underground power was completed. Indeed, the 2022 by-elections for the Hollywood ward and the last two mayoral elections focused heavily on this issue, with electoral success for those who campaigned on progressing underground power.

There was even the formation of a local community group, the Hollywood Underground Power Action Group, which was active within the community seeking support for the undergrounding of power to the remaining lots in the City of Nedlands. In 2014, the city undertook a community consultation process on underground power that showed then that it was important to the community as it would improve amenity and safety, and, further, residents indicated a willingness to pay, albeit with a variety of payment schemes proposed. The city’s own strategic plan for 2018 to 2028 identified underground power as one of its eight strategic priority areas. Again, this week the council approved yet another community consultation process on underground power.

As I said, underground power is an issue that was raised with me before and immediately after the 2021 election. Recently, in response to community concerns about the retention of tree canopy, I completed a survey with residents in Nedlands asking them how we could best protect tree canopy in the electorate. We contacted over 2 500 residents, and the completion of underground power was a key finding from across the area, from those with and without underground power. They noted it would stop the unnecessary pruning of trees—that is, pruning completed for the appropriate protection of powerlines rather than for the health of the tree as such. The nature of this pruning can have an impact on the shape and aesthetic of the tree, as it is not pruned for those purposes. Tree canopy, of course, also provides climate and amenity benefits, and residents are very committed to ensuring its protection.

I note that the responsibility for underground power is one shared by the state government, residents and local government. Our state government knows underground power benefits residents with safer electricity, improved reliability, reduced maintenance costs and enhanced streetscapes and visual amenity. My understanding is that the state government is ready to meet its responsibility in this regard as the design phase for the City of Nedlands is now complete and the works are part of the scheduled undergrounding of power across the metropolitan area by Western Power. The rest would come from council and affected households, which, as I noted, in the earlier community consultation indicated a strong willingness to pay. Indeed, when underground power for Hollywood west was completed in 2019, nearly two-thirds of affected ratepayers paid their 50 per cent share up-front. There is more than just a stated willingness to pay; residents have put their money where their mouth is.

According to a cost–benefit study commissioned by the city and conducted by ACIL Allen, residents who received underground power would receive a significant benefit of \$7.53 for every dollar spent, although the city as a whole would get back just 43¢ for every dollar. I note, however, that 78 per cent of residents have already enjoyed the benefits of underground power for 23 years. The cost–benefit analysis does not capture some of the intangible benefits of underground power for the entirety of the City of Nedlands, in particular the amenity and positive climate impact.

Despite this very clearly established community investment in and wish for underground power, according to a *Post* article earlier this month —

A long-awaited project to bury the last overhead powerlines in Nedlands could be a “bad idea”, mayor Fiona Argyle said ...

... delivering a blow to residents who have waited decades for underground power.

This blow was delivered based on the council’s lack of willingness to pay for underground power as it would apparently require it to ignore other maintenance works and projects. However, I note that the city has chosen to freeze rates for the last three years, and the mayor recently published in an advertisement in the *Post* that the city is currently operating under budget by \$1.6 million for this financial year, with staff costs alone currently \$730 000

under budget. It is unclear then how the council is aligning community wishes for underground power with claims it cannot afford it. Councillors have suggested, and I quote —

... Nedlands had been left out of State Government funding for underground power due to its affluence.

Rather, there have been 23 years for the council to participate in numerous government schemes, and the most affluent area of the city was granted underground power by the council decades ago. It could be suggested that the bias towards affluence is not that of the state government.

In a letter to the *Post* last week, another councillor stated —

There are 1701 dwellings in the City of Nedlands that are unlikely to receive underground power in the foreseeable future without the City itself taking a role, given the state government's lack of interest in the project.

It is rare that I agree with this councillor, but the city does indeed need to take a leading role. I refute that the state government is uninterested in the project, given that we have already completed our responsibilities towards it.

Given the wait residents in key parts of the City of Nedlands have had for the completion of underground power, which commenced over 20 years ago in Dalkeith, today I am seeking reassurance from the Minister for Energy that the state government is committed to the completion of underground power in the City of Nedlands and that it remains on the government's rollout agenda. I also seek confirmation that the design phase, which is the responsibility of the state government, is complete; confirmation of where the responsibility for the completion of underground power in the City of Nedlands lies; and confirmation that the state government's responsible authorities for underground power will work with the City of Nedlands to ensure that underground power is delivered to the remainder of Nedlands.

MR W.J. JOHNSTON (Cannington — Minister for Energy) [10.08 am]: I thank the member for Nedlands for the grievance. I know that this issue is regularly raised by constituents, and I congratulate her on bringing such a clear issue to me on behalf of the community. I will go through some detail, but I just want to make it clear that Western Power is ready to go on the undergrounding in Nedlands. Indeed, its plan is to commence the works in September 2023, so in just a few months' time. The only thing we are waiting for is the City of Nedlands to take its responsibility and allow us to proceed.

I will just give some background about underground power. Western Australia is the only place in Australia that does programmed underground power for existing suburbs. Obviously, new suburbs take underground power, but, generally speaking, for existing sites around Australia, it is a like-for-like replacement; overhead power is replaced by overhead power. Here in Western Australia, we have had this program since 1996. One hundred projects are seeing over 100 000 homes converted to underground power. Western Power works with local governments to implement these projects. At the moment, we are working with the City of South Perth and the City of Canning on retrospective underground power projects and, of course, we have worked with Nedlands in the past. I note that the member's neighbours at the City of Subiaco all have underground power. Some of that was done as part of the state government's underground power program, while others were funded entirely by the city but executed by Western Power. Perhaps that is a model that the City of Nedlands could look at, because it is literally just across the street.

There are four current programs for underground power. The state underground power program started in 1996 and it is now coming to an end, with the last projects to be completed next year. We have had a trial called the network renewal undergrounding program pilot that was run by Western Power to test the costs to make sure that it could be done in conjunction with local governments to overcome historic issues. That program has been a success and is leading on to the targeted underground power program. That program will replace the SUPP, the original project. The sites are not selected on the basis of tenders by the local government, which is what ended up happening there. If local governments wanted to pay more, they would get advanced. Instead, it is driven by the needs of the network; therefore, the investment that Western Power can make is maximised, which reduces the expectation of local governments. There is also the retrospective undergrounding project, whereby the local government chooses to fund the entire project, like the City of Subiaco did, and then it can come back to work together.

The City of Nedlands underground power project is a retrospective underground project in a partnership between the city and Western Power. I can confirm that Western Power and the state government are committed to this project and Western Power has completed all the detailed design phase. Indeed, Western Power's plan is to commence the construction of the project in September this year. However, the City of Nedlands has advised Western Power of a delay in its business case. It says that it will now present information to the council in May this year. I make it clear that we have directed Western Power to proceed with projects only when there is a vote of the elected members so that there can be no argument about whether the council has given approval, given that that was a challenge in previous years. If the council delays its decision until May, it may delay the project for a number of reasons, but principally because the engineering resources that would be applied to the project would necessarily

be applied to another project and therefore, because of planning issues inside Western Power, it would not have the resources available to do the project. It is very important that the council gives a clear indication to Western Power as quickly as possible that we have to get this project underway this year. Even if it makes a decision in June or July, it will be too late for the project to proceed this year. Western Power wants to continue to work closely with the City of Nedlands. I make it clear that the only reason there has been so much advanced work is that we have been engaged with the City of Nedlands and the City of Nedlands has been urging Western Power to do these works. I would be disappointed if the City of Nedlands changed its mind on wanting this benefit for residents in the member's constituency.

I want to address the next issue, which is the argument that some have raised about the government's commitment to areas with higher land values. We are committed to areas with higher land values, and Western Power continues to put resources into those projects. Everybody should understand that in a new suburb, regardless of the value of the land, the resident pays 100 per cent of the cost of undergrounding because it is done by the developer and included in the block price when the person purchases it. There is no subsidy at all for new fringe areas of the metropolitan area; we do not subsidise those at all. There is a subsidy here because we can take the future value of the overhead network renewal costs and apply it to the undergrounding project. The community is expected to meet only the gap, and that is why there is a charge to residents. Most local governments work with residents to make sure that those who are perhaps land rich but income poor can delay the payment of those charges, and other councils work with all residents to stretch the payments over time. Councils have effectively unlimited borrowing capacity, and many of them have millions and millions of dollars in reserves, so this should be no challenge for managing the costs of these projects. The fact that the City of Canning, out my way in Cannington, can manage these issues effectively without any challenges raises a question about why these challenges exist for the City of Nedlands.