

11 September 2020

«Owner»
«Mailing_Address1»
«Mailing_Address2»

**Kardinya South
Underground Power Project
Property Owner Survey**

Property Address:
«PROP_Addr1», «PROP_Addr2»

Thank you to all the residents who contributed to previous surveys regarding the proposed Kardinya South State Underground Power Program Project. We are sorry for the delay in responding to you with the results of the second survey as we have been working with Western Power on the implications for the project.

The purpose of this letter is to:

1. Advise residents on the results and implications of the second survey on the Kardinya South Underground Power Project
2. Inform residents of the revised proposal from Western Power
3. Complete a third and final survey to residents on the acceptability of holding the price from 2016 (\$422 per property)

The second survey results indicated that residents did not support the project at a higher average cost, with 53% (378) response rate, 39% (146) of property owners supporting the project and 61% (232) of property owners not supporting the project.

Due to the survey results the project was at risk of being cancelled. This would result in the overhead power lines remaining in place and significantly reduce the likelihood and viability of this area being considered for underground power in the future. Further to this, a significant amount of overhead network renewal works will need to be undertaken.

In recognition of this project being cancelled and Kardinya South not having the option of underground power in the future, Western Power reviewed project costing and examined other opportunities to reduce costs residents to bring them in line with the average annual costs per property supported in the September 2016 survey.

In response to the State Government's commitment to provide funding toward stimulus projects that could be implemented in the short term to provide jobs, support the construction industry and boost the economy, Western Power has agreed to provide additional funding for the Kardinya South Underground Power Project to enable the project to be constructed at the same average cost as the original survey in 2016 of **\$4,424** per property which received majority support.

As your property is in the area of Kardinya that has underground power your charge is estimated to be **\$422**.



There would be a charge to your property as you are connected to a transformer on Farrington Road which is in turn connected to the existing overhead network which will be undergrounded and there will be upgrades to the lighting in your area.

The enclosed project facts sheet provides further detail and background information on the project.

Please complete the enclosed third and final survey by returning the survey sheet and reply paid envelope by **Friday, 2 October 2020**.

If the final survey results contain more than 50% of respondents agreeing, the project will start during this financial year 2020-2021. Properties will not be charged until the following financial year. It will be included as an item in your 2021-2022 rates notice and a relaxed payment plan can be arranged for those with financial constraints.

We look forward to receiving your completed survey by **2 October 2020** and will advise you of the outcome as soon as possible.

If you have any queries on this matter please contact the City of Melville on **1300 635 845 | 9364 0666** or email melinfo@melville.wa.gov.au.

Yours sincerely



Mick McCarthy
Director Technical Services

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Kardinya South Underground Power Project

Property Owner Third and Final Survey

Please tick the box indicating your choice;

I Do Support

The proposed Kardinya South Underground Power Project

I Do Not Support

The proposed Kardinya South Underground Power Project

Property Owner: «Owner»

Property Address: «PROP_Addr1», «PROP_Addr2»

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Kardinya South Underground Power Project – Facts Sheet

As your property is in the area of Kardinya that has underground power, your charge is estimated to be **\$422**.

What is Underground Power?

Underground power involves removing existing overhead power lines and poles and taking them underground. Some of the benefits are:

- Improved security and reliability of your power supply
- Improved and more efficient street lighting
- Safer environment
- Safer roads
- Improved street view
- Improved property values

Western Power installs the new underground cabling and streetlights along street verges, connecting each home to underground power. Once each household is connected existing lines and poles are removed and recycled if possible.

Background of Kardinya South Underground Power Project

First Survey (September 2016)

In September 2016 the State Government, through the Public Utilities Office, invited all affected residents in Kardinya South to take part in a survey to determine the level of support from property owners for underground power to be installed in the area.

The September 2016 survey indicated that 59.5% (378) of respondents supported the project, which enabled the project to progress into the detailed design phase.

In the first survey the cost to the property owner was quoted to be on **average** a total cost of \$4,424 per property, which at the time was the best estimate based on available information. Following Western Power's completion of the detailed design work, the cost of the project increased by 24.5% to an average of \$5,508 total cost per property.

For this reason, the City of Melville in conjunction with the State Underground Power Program Steering Committee consisting of representatives from, Western Power, WALGA and the State Government commenced a second survey in November 2019, which concluded on 18 December 2019.

Second Survey (December 2019)

The second survey results indicated that residents did not support the project, with 53% (378) response rate, 39% (146) of property owners supporting the project and 61% (232) of property owners not supporting the project.

Due to the survey results the project was at risk of being cancelled. This would result in the overhead power lines remaining in place and reduce the likelihood and viability of this area being considered for underground power in the future. Further to this, a significant amount of overhead network renewal works will need to be undertaken in the near future.



Current Situation

Third and Final Survey

In response to the State Government's commitment to provide funding toward stimulus projects that could be implemented in the short term to provide jobs, support the construction industry and boost the economy, Western Power has agreed to provide additional funding for the Kardinya South Underground Power Project to enable the project to be constructed at the same average cost as the original survey in 2016 of **\$4,424** per property which received majority support.

Due to timeframes and the revised average cost we will be surveying Kardinya South residents for the third and final time.

If the result is more than 50% of respondents supporting underground power the project will go ahead.

Estimated Charges

In establishing the estimated charges, the City has considered the following factors:

- Property density
- kVA requirements as advised by Western Power
- The City's existing differential rating methodology for commercial properties
- Any existing infrastructure in-situ

The charges to be levied against a property comprise of two components. These are:

- Contribution to works external to the property which includes the new underground cabling, removal of the existing overhead powerlines, installation of the new street lighting system and installation of the ground mounted transformer and switchgear cabinets. This is identified as the **Network Service Charge**.
- Contribution to the installation of a green dome and the underground cable from the green dome to the meter box where required. This is identified as the **Network Connection Fee**.

The final charges to be levied for each individual property are dependant on the number of houses on the lot and the type of connection required at the time the project commences.

The City is aware that there are number of properties around Arnold Crescent and Urwick Close that were part of a localised undergrounding of power, as part of a sub-division in the early to mid-1980's. The properties at that time were part of the City of Cockburn.

It is not uncommon for a small number of properties within a project area to have underground power as part of a previously undertaken localised project. In previous underground power projects facilitated by the City of Melville, concessions have been applied to the affected properties in order to reflect the work previously completed and this will be done in this instance.

Western Power has confirmed that you are connected to a transformer on Farrington Road which is in turn connected to the existing overhead network which will be undergrounded.

The cost of upgrading this portion of the network is directly related to the supply of power to your property. In addition, upgrades to the existing poles and lights in your area will occur.



You will be charged a substantially reduced network charge to cover the cost of these works as described below:

Network Service Charge

Properties included in the Kardinya South Underground Power Scheme area around Arnold Crescent and Urwick Close will each be charged an estimated network service charge of **\$422**.

Network Connection Fee

No Network Connection Fee will be charged as your properties already are connected.

When and How Would I be Charged?

If the final survey results contain 51% or more of respondents agreeing, the project will commence during this financial year 2020-2021. However properties will not be charged until the following year and included as an item in your 2021-2022 rates notice.

Please note that pensioners and seniors who are eligible for a State Government funded Pensioner Rebate may receive a rebate on the above charges or defer payment in accordance with the provisions of the State Government's *Rates and Charges (Rebates and Deferments) Act 1992*. The City will also work closely with residents to help develop payment plans that match individual financial circumstances.

Payment can be made in instalments over an extended period of time, incurring a minimal interest charge (currently 2%) which is determined each year by Council. If you are interested in an extended payment plan please contact the City's Rates Department on **1300 635 845 | 9364 0666** or melinfo@melville.wa.gov.au when you receive your 2021-2022 rates notice.

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