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**MINISTER FOR PLANNING AND INFRASTRUCTURE**

HON ALANNAH MacTIERNAN  
BA LLB BJuris JP MLA

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16 MAR 2004

Our ref: 2-39403

Ms Mia Betjeman  
Clerk Assistant  
Legislative Council of Western Australia  
Parliament House  
PERTH WA 6000

Dear Ms Betjeman

**STANDING COMMITTEE REPORTS: GOVERNMENT RESPONSE  
LEGISLATIVE COUNCIL STANDING ORDER 337**

Thank you for your letter dated 12 December 2003 regarding Western Power's underground power policy.

I have referred the report to the Department for Planning and Infrastructure (DPI) and the Chairman of the Western Australian Planning Commission (WAPC), and they have provided me with the following information.

**Background**

The Public Administration and Finance Committee (the PAC) has recommended that the Minister for Energy, the Minister for Planning and Infrastructure and the Minister for Consumer and Employment Protection examine the issue of electricity provision in rural areas to ensure there is clarity and consistency in the application of Western Power's underground power policy.

**Current Actions**

On 23 October 2003 a working group comprising of senior officers of Western Power and DPI met to reconcile Western Power and WAPC policies. It is acknowledged that there are some circumstances where Western Power is likely to require provision of underground power where the WAPC may be inclined to regard such requirement as unreasonable. However, for the large part, the issue is one that can be addressed through better understanding of each organisation's policies and by reviewing each organisation's policies in light of this understanding.

The working group has met twice. At the second meeting Western Power explained the Corporation's distribution and connection policies. The next task is to reconcile these policies, where reasonable, with the development control policies of the WAPC.

The process involves balancing the demand for affordable subdivision with the necessity for electricity distribution and connection to be safe.

The outcome will be a whole-of-government position to the provision of electricity distribution and connection that is reflected in Western Power's distribution and connection policies and the WAPC's development control policies and conditions.

### **Western Power's Underground Power Policy**

The PAC notes Western Power's position that existing overhead power lines must be removed and/or relocated where subdivision results in lot sizes of 10 hectares or less. It is further understood that where new lots are to be connected to power, it is mandatory that an underground connection be provided.

### **Subdivision Process**

Western Power's underground power policy is implemented through the subdivision approval process. It is generally a condition of subdivision approval that arrangements be made for subdivided lots to be provided with an electricity supply.

The WAPC refers applications to subdivide land to Western Power for comment. Where State Government policy does not mandate the provision of an underground electricity supply (ie, in non urban and urban fringe areas of the SWIS), the WAPC will generally attach the following condition to a subdivision approval:

"Arrangements being made for the provisions of a suitable electricity supply (as determined by Western Power) to the lots approved under this application to the satisfaction of the Western Australian Planning Commission. (Western Power)"

In practice, the WAPC relies on the advice of Western Power as to whether or not the lots will be provided with a suitable electricity supply. The WAPC will not endorse a deposited plan without such advice certifying compliance with the condition. The applicant is required to comply with all conditions before the issue of title to new lots.

### **Issues with Underground Power Policy**

The Department and the WAPC has some concerns regarding the blanket application of Western Power's underground power policy. Consistent with the terms of the petition, these concerns arise in non-metropolitan areas. There are two interrelated concerns: the reasonableness of an underground power supply condition in certain rural subdivision situations, and the effect of such a condition on the affordability of subdivision.

On 14 January 2003, the Chairman of the WAPC wrote to the Chairman of Western Power in the following terms:

In order for a condition of subdivision approval to be valid it must:

- be imposed for a planning purpose;
- relate to the development for which approval is being granted; and
- be reasonable, that is, a condition which a reasonable planning authority, properly advised, might impose.

Conditions should not be imposed unless they are necessary and effective, and do not place an unfair burden on the applicant.

I draw your attention to this matter because the Commission has observed several instances in recent months where the cost of electricity connection has been inflated by works which could not be related directly to the connection of electricity to subject lots.

This occurs in non-metropolitan situations where the value of land is often unable to carry high infrastructure costs, but where there is an economic or social warrant for new lots to be created.

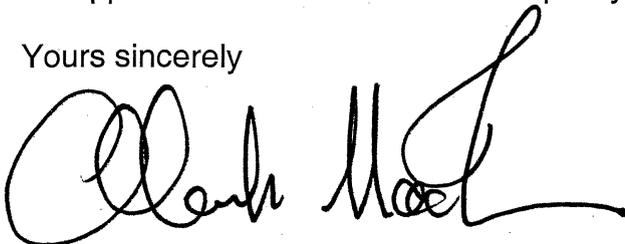
The Commission's policies do not require underground reticulation in all instances and it will not support the imposition of conditions which do not meet the tests of equity and reasonableness set out above.

It is also noteworthy that the WAPC's concern to ensure the affordability of residential subdivisions in rural and regional locations, without compromising safety, is longstanding. It is for this reason that the WAPC retained in its set of model conditions a condition that required the installation of an electricity supply to the satisfaction of Western Power Corporation as well as a condition that required underground power.

It is also noted that the Regional Development Council (RDC) has proposed a working group to address the issue. The RDC has proposed that this group should include representation from Western Power, WAPC, and Office of Energy, and chaired by a member of the RDC.

The RDC is "concerned that onerous and unnecessary conditions for the provision of power are being imposed on subdivision applications in regional areas".<sup>1</sup> The RDC writes, "It appears that Western Power is insisting on the provision of underground power for all subdivision applications that occur within the areas covered by SWIS. It is Council's view that such a 'one size fits all' approach is a misapplication of State Government policy".

Yours sincerely



ALANNAH MacTIERNAN MLA  
**MINISTER FOR PLANNING AND INFRASTRUCTURE**

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<sup>1</sup> Correspondence of 12 November 2003 from Ian Taylor, Chair, Regional Development Council to Terrence Martin, Chairman, Western Australian Planning Commission