

What is the State Underground Power Program?

The State Underground Power Program (SUPP) is a State Government initiative established in the mid-1990s to convert areas serviced by overhead wires to underground power.

To date there have been five rounds, plus a pilot project, which has converted around 87,000 households around Perth to underground power. These programs were established on the basis of (except for the pilot program) 50% funding from the State and 50% from each property owner.

In early 2016 the State allocated \$30 million to round 6 of the SUPP, and invited local governments to submit projects for funding consideration.

Local governments were required to submit projects of no more than 800 lots per project area.

The SUPP is coordinated by the Department of Finance, who established a SUPP6 Evaluation Team. Round 6 is a program that requires submissions to nominate (above the 50% threshold) how much Local Governments (and Property Owners) wish to fund their area.

Town of Cambridge submission to Round 6 SUPP

The Town of Cambridge submitted four proposals for SUPP6 funding consideration.

If all four projects were successful in securing SUPP funding, all areas of the Town serviced by overhead wires will be converted to underground power.

The projects would be funded jointly by the affected property owner, the State and the Town.

The following were submitted for funding consideration:

Project Area	Map	Lots
Floreat West	FW Map	797
Floreat East	FE Map	795
Floreat North	FN Map	787
Wembley / West Leederville	WWL	786
Sub Total		3165
Additional Lots		120
Total		3285

Under SUPP6 guidelines, project areas could contain no more than 800 lots. Because of this 120 lots at the eastern end of Wembley/West Leederville fall outside the project areas, however if our funding applications were successful, we will negotiate expanding the project area to take in the additional lots.

Why has the Town submitted four proposals?

Council saw submitting four proposals as the best way to achieve the objective of completing underground power for all remaining parts of the Town.

Council would like to see all areas converted to underground power for a number of reasons:

Property owners without underground power have strongly expressed their desire for underground power, and believe they have been disadvantaged by being staged later than areas of the Town that have benefited from earlier underground power programs.

There are real concerns future rounds of SUPP may be cancelled given the State's current priorities and the economic climate.

Underground Power features in the Town's Community Strategic Plan with an objective to provide underground power to the remaining parts of the Town. This objective was created, in part, from feedback during consultation to develop the Community Strategic Plan (see Strategy 4.3 - Make our neighbourhoods green and pleasant - Action: "pursue underground power in the remaining areas of the Town, in partnership with the state government").

Underground power was the second most popular priority area identified in the August 2012 Postcard survey of residents - a significant result considering two-thirds of properties already have underground power. It was again raised in the February 2013 Community Strategic Plan survey with Floreat residents listing it as their top suggestion to improve their suburb.

How will the underground power projects be funded?

The Town has proposed to fund the cost of underground power by a:

50% contribution from property owners (the same as in previous rounds)

40% contribution from Town of Cambridge (from its cash reserves)

10% contribution from State Government

Based on the State's estimates, the total cost to complete all four Town of Cambridge projects would be around \$42 million.

Under this funding model the State's contribution to complete all Town of Cambridge projects would be \$4.2 million.

The Town's contribution to complete the four projects would be \$16.8 million.

How will the Town fund the 40% contribution?

The Town's contribution will be funded from the proceeds of the Perry Lakes Development, which was delivered during 2016/2017.

Why the Town is proposing a 40% contribution?

The Town of Cambridge has not contributed any Council funds in previous rounds of SUPP. In those rounds the contributions have come 50% from the State and 50% from the property owner.

Securing funding under the SUPP is highly competitive and the Town has been unsuccessful in the last two rounds. As an example of the competitive nature of the SUPP, in Round 5 only 10% of the 89 proposals submitted were selected.

We anticipate SUPP6 will be equally competitive and based on the State's funding allocation of \$30 million, it's expected between six and ten projects will be selected.

Council believes our best chance of success will come from our preparedness to contribute to funding the projects. For this reason a funding model that would see the Town contribute 40% towards the project costs has been adopted.

Under this model, if all Town of Cambridge projects are selected, the State would still have \$26 million for other local government projects. If the Town had submitted proposals using the funding model used in previous SUPPs (50% State, 50% property owner) we believe it unlikely the State would allocate \$20 million of a \$30 million pool to Town of Cambridge projects.

Timing of funding rounds was also considered (generally five years apart) and the lack of certainty around whether the State Government will continue with the SUPP. Further, if there are future funding rounds they will no doubt be extremely competitive and again there is no guarantee of success.

Council is also of the view areas in the Town of Cambridge not selected in SUPP6 may never be completed under a SUPP. It would cost the Town significantly more to convert properties to underground power outside of the SUPP. Converting to underground power via the SUPP is cheaper than going direct to Western Power for a 100% funded project, with Western Power projects applying different cost structures.

In summary, taking into consideration:

strong competition for funding;

long delays between SUPP rounds

possibility the SUPP may not continue after Round 6;

extra cost of converting properties to underground power outside the SUPP; and

lack of certainty around when, or if, the project areas will be converted to underground power if they are not selected for SUPP6

Council felt it important to maximise our chances of getting all four projects selected by providing a 40% funding contribution.

When will I be asked to make a commitment?

The State Government announced a short list of 17 proposals successful under Round 6 of the State Underground Power Program. They also determined during this evaluation to place a cap on the number of projects with a maximum of 3 projects for any one Council.

Cambridge was successful for its 3 Floreat Projects but not the Wembley/West Leederville project due to this cap.

The three Floreat projects have now been designed and costed by Western Power.

The Town intends to survey Property Owners in these three areas later this year and after the survey closes decide to proceed or otherwise with these projects.

Separate works are for Wembley/West Leederville

What will underground power cost me?

The Town as adopted a pricing model for Property Owners that relates to how Western Power have designed capacity in the system for various types and properties

Generally speaking, owners of units in multi-unit developments will be asked to pay less than owners of a single residential property. Owners of commercial properties will generally be asked to pay more than owners of a single residential property.

The survey provided late in 2017 will provide specific costs applicable to your property.

Do Pensioner and Senior discounts apply?

Pensioners and seniors who currently receive a rebate on their council rates will be entitled to a rebate against their charges for underground power, in accordance with the State Government Pensioner and Seniors Rebate Scheme.

More information about the Scheme can be found in the State Revenue section of the Department of Finance website

What payment options will be available?

Upfront payment of underground power charges may be difficult for some property owners.

If a project does proceed, the Town will offer payment terms that generally allow property owners to pay for underground power by instalments over a number of years.

Will all the old overhead power lines and poles be removed?

In most project areas all overhead wires and poles will be removed. This may not occur in some areas until late in the project because some parts of the overhead system cannot be turned off until all properties have been changed to the new underground system.

There may be exceptions in some areas where some poles and wires need to remain for design and cost reasons (eg. transmission lines/poles and some stay poles).

View map showing locations of high voltage transmission lines

Discounts will apply if a high voltage transmission line runs past your property.

Does the cost per property include the connection to my meter box?

Yes. The cost includes a new underground property service connection from the green dome near the front of your property to your meter.

Some properties already have underground power from the front of the property to the meter box, will these owners still have to pay for the project?

They will but they will receive a discount. Most of the project cost is for underground network that replaces the old overhead system, and owners will need to contribute towards that cost.

What if my land is vacant?

Owners of vacant land will be charged for the cost of underground power, the same as for Council rates and deep sewerage.

Western Power will change each property over from the overhead to the new underground system. The old overhead system is then removed as soon as possible.

What is the timetable for Round Six projects? How will the work be implemented?

Round 6 will start in 2018 and is expected to finish in 2020, however this will depend upon the continued availability of Government funding.

Western Power will install the new underground cabling progressively through the street verges, and from the front of each property to the meter box (except where this cable already exists) using below ground boring methods.

Why are the costs so different between each project area?

Different amounts are charged in the three project areas due to the actual costs to install the underground power being different in each area.

The reasons for this can be best summed up as:

The prices are based on actual prices tendered by Western Power for each individual project area.

Each project area has differing proportions of apartments, commercial and other larger facilities all of which impact the Western Power cost of the project

Why couldn't we simply combine the projects and costs into one overall project?

The SUPP (State Underground Power Program) guidelines only permitted project areas up to a maximum of 800 lots. As a result Floreat needed to be divided into three project areas to qualify.

The funding for the projects is based on the actual costs of doing the work within each project area.

The State requires each of the project areas to be funded separately and they are not able to be combined.