



11 October 2022

Submission by email: yoursay@ausgrid.com.au

Ausgrid Draft Plan 2024-29 – Public Lighting Services Consultation Paper

Thank you for the opportunity to comment on Ausgrid’s Public Lighting Services Consultation Paper, and for your willingness to engage with SSROC and councils on public lighting matters. Making Ausgrid’s draft positions and modelling on public lighting available for feedback is an important step in Ausgrid’s engagement with its stakeholders.

Southern Sydney Regional Organisation of Councils Inc (SSROC) is an association of twelve local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney. Together, our member councils cover a population of about 1.8 million, one third of the population of Sydney, including Australia’s most densely populated suburbs. SSROC advocates for the needs of our member councils and bring a regional perspective to the issues raised.

One of SSROC’s functions is to coordinate and facilitate council collaboration on matters of particular importance, including with non-member councils where appropriate. SSROC’s Street Lighting Improvement (SLI) Program has been a major project since it began in 2003, gradually expanding in scope to include 29 councils across the area where Ausgrid operates extending from Sutherland through to the Hunter areas. The provision of street lighting is the responsibility of councils as the road authority, using the services provided by Ausgrid. This project has allowed SSROC’s team insights into councils’ priorities and concerns in relation to Ausgrid’s role service levels beyond the scope of strictly public street lighting.

This short submission relates specifically to the separate [Public Lighting Services Consultation Paper](#) that Ausgrid published on 12 September 2022.

During the past three weeks, SSROC has held a large number of consultation meetings with councils on its SLI Program work program and used this opportunity to raise the points made in the Consultation Paper with councils. Where possible, this submission reflects the additional recent feedback that SSROC has had from councils.

Key items raised in Ausgrid’s Consultation Paper and our response are as follows:

PRICE RATIONALISATION	<ul style="list-style-type: none">• Councils generally support price rationalisation provided that adverse overall bill impacts are negligible (eg sub-1%) and that strong price reflectivity remains for new technology that is currently being installed in large volumes.• With regards to brackets, the use of multiple weighted average prices based on either specific price ranges or sizes may be acceptable. Without a detailed understanding of the quantities on each asset type on the network and modelling of the overall impact on total pricing, it is difficult to comment further.
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	<ul style="list-style-type: none"> • With regards to decorative lighting and floodlighting, the use of multiple weighted average prices based on specific price ranges may be acceptable. However, SSROC does note that it is highly unlikely that further installations of the entire existing portfolio of decorative lighting and floodlighting will be made after 2023. Ausgrid has indicated it intends to consult on and stage a decorative lighting tender in 2023 and thereafter, councils are likely to want to initiate upgrade discussions with Ausgrid on legacy decoratives. Similarly, many councils have indicated to SSROC that they are planning substantial upgrades of floodlighting at pedestrian crossings in the coming years. <p>Based on the effective discontinuation of the entire portfolio of existing decorative and floodlighting types and the likely replacement of many of these legacy luminaires in the coming years, it may not be particularly important or helpful to consolidate their pricing.</p> <p>Proposing basic pricing bands for decoratives and then revisiting decorative pricing after Ausgrid's 2023 decorative lighting tender may be the most effective course of action.</p> <ul style="list-style-type: none"> • With regards to luminaire maintenance pricing, the use of multiple weighted average prices based on specific price ranges may be acceptable. SSROC notes that LED maintenance pricing is already effectively consolidated into two relatively tight price bands for Category P and Category V lighting. <p>As noted above, it may not be particularly important or helpful to consolidate the maintenance pricing of legacy luminaires that look set to be replaced in a relatively few years. Without a detailed understanding of the quantities on each decorative asset type on the network and modelling of the overall impact on total pricing, it is difficult to comment further on this aspect.</p>
ACCELERATING PRE-09 CHARGES	<ul style="list-style-type: none"> • Based on all our discussions with councils in recent weeks, our expectation is that 80%+ of council will either explicitly support or not object to Ausgrid's proposal to accelerate pre-2009 pricing. • However, some of the councils that are more impacted or in a more difficult budget position have already or are highly likely to say no. • It is therefore important for Ausgrid to ensure that councils have the choice and can opt-in to this accelerated payment proposal if they wish. • Some councils have indicated that they wish to accelerate pre-09 (and post-09) residuals and, in particular, have the option of paying these off entirely at any point including as new and replacement assets are installed. • Councils would like pre and post-09 residuals be more transparent for individual assets as well as having their total off-balance sheet liability to Ausgrid be more transparent and readily available.

Major Road LED Deployments by June 2026	<ul style="list-style-type: none"> Councils are strongly supportive of all efforts by Ausgrid to accelerate major road LED deployments (complete with smart controls and additional smart city interfaces on each luminaire). At least 30 of 33 councils served by Ausgrid have already provided that confirmation in writing to Ausgrid.
Decorative and Floodlighting LEDs	<ul style="list-style-type: none"> Councils are strongly supportive of Ausgrid efforts to completely update its decorative lighting portfolio with modern LEDs and to then accelerate the deployment of these new choices starting the rollout of LED decorative lighting and floodlights in the 2024- 29 period. SSROC notes that Ausgrid has, over multiple previous pricing reviews, indicated that it wished to exit decorative lighting. There is therefore the need for some thorough consultation with councils about Ausgrid's new strategy including how the installation and maintenance of lighting in areas like parks can be better managed in the future to avoid damage to other infrastructure.
Smart Controls Deployments on Other Types of Lighting	<ul style="list-style-type: none"> Councils support having the option to deploy smart controls on residential roads, on decorative lighting and on floodlights. This may be driven by a desire to have better oversight of lighting maintenance, by environmental concerns (eg enabling off-peak dimming or shutting off lighting near sensitive ecosystems) or by safety concerns (eg enabling Ausgrid to monitor safety-critical locations such as pedestrian crossings).
Smart Controls & Zhaga-Based Sensor Agreements	<ul style="list-style-type: none"> Based on 2021 discussions with Ausgrid, SSROC made initial proposals to Ausgrid on 30 May 2022 for agreements for smart controls and Zhaga-based smart city sensors. Ausgrid has yet to respond to these proposals. Having a clearly agreed framework covering ownership of devices, access rights to install devices, ownership of data and what is to be charged for has important implications for the pricing review and needs to be progressed. There will be material council concerns if the principles are not agreed before main road luminaires with smart controls are installed and AER pricing proposals are made.
Pricing of New Technology	<ul style="list-style-type: none"> Councils support Ausgrid proposing a pricing approach to the AER which allows new public lighting technology to be adopted sooner, without needing to wait for Annual Price Reviews. Lighting technology updates are now so frequent that an Annual Pricing Review process is no longer appropriate. Seeking approval of a generic pricing model that Ausgrid and councils can use as a basis for agreeing on interim pricing may be more appropriate. The AER's role could then be to review any recently agreed pricing at its Annual Pricing Review to ensure that it is consistent with the approved model and that all inputs are reasonable.
Minor Capital Works & Contestable Works	<ul style="list-style-type: none"> SSROC strongly welcomes reform in the inter-related areas of Minor Capital Works and Contestable Works. Councils have expressed widespread, sustained and heartfelt concerns and frustration about the costs, complexity and lengthy

	<p>delays with Minor Capital Works and the inappropriateness and extraordinary costs of the Contestable Works process for smaller lighting projects.</p> <ul style="list-style-type: none"> • With specific regards to upgrading of pedestrian crossings, many councils have undertaken systematic reviews of lighting of crossings in recent years and found much of it to be manifestly non-compliant. Councils are seeking a cost-effective and streamlined process for the systematic upgrade of pedestrian crossings as a particularly important subset of MCW/small contestable works reform.
<p>Revenue Sharing</p>	<ul style="list-style-type: none"> • Where Ausgrid allows the installation of 3rd party devices on customer-dedicated street lighting assets, councils are seeking an equitable share of the revenue from such assets. • Councils have noted that, whether gifted or paid off over time, the pricing regime is based on them funding 100% of the capital costs of these dedicated assets. As such, they should be entitled to a return or a discount when the assets that they are paying for are put to other uses.

Conclusion

Thank you for the opportunity to comment on Ausgrid's Public Lighting Services Consultation Paper. Please note that, in order to meet the deadline for submission, it has not been possible for this submission to be formally reviewed by all 29 councils participating in the SSROC SLI Program nor received and endorsed at a meeting of SSROC. Should any issues arise as a result, I will be in touch.

SSROC is very keen to continue to have a role in facilitating the dialogue between councils and Ausgrid, and to develop common policies where appropriate. Should you have any further enquiries in relation to this letter, please contact me at ssroc@ssroc.nsw.gov.au.

Yours faithfully,



Helen Sloan
Chief Executive Officer
Southern Sydney Regional Organisation of Councils