



19 January 2024

ATTN: Arek Gulbenkoglu
General Manager
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Via email: AERresets2024-29@aer.gov.au

Dear Arek,

RE: Ausgrid Determination 2024-29 – Shared Public Lighting Assets

Thank you for the opportunity to comment on Ausgrid's revised 2024-29 pricing proposal. This separate submission relates to the equitable division of revenue derived from public lighting assets when they are used as shared assets.

The 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. As per SSROC's primary submission on public lighting, the SSROC Street Lighting Improvement (SLI) Program covers a wider footprint than our members. A total of 29 councils in metropolitan Sydney, the Central Coast and Hunter, work closely together to improve the provision of public lighting services for which they are responsible.

With specific regards to shared public lighting assets, SSROC uses the phrase shared asset to refer to the use of a public lighting asset for both a regulated service (e.g., public lighting) and an unregulated service (e.g., to support third-party telecommunications devices such as 4G and 5G small cells, to support private Ausgrid Lighting Solutions lighting services for third parties or to support other devices for third parties such as an EV charger).

SSROC makes the following points with respect to shared public lighting assets for the AER's consideration as part of the 2024-29 Ausgrid Determination:

- There are an estimated 60,000 street lights in the Ausgrid inventory which are dedicated public lighting assets with the light attached to either a dedicated steel or a dedicated wooden pole. This category represents about a quarter of the public lighting on the Ausgrid network.
- These dedicated public lighting assets, which offer aesthetic and other benefits, are often in higher profile locations due to the higher costs involved. They often are installed as part of customer-funded undergrounding works to improve streetscape amenity or where there is no existing DNSP pole in a suitable location for lighting needs.
- These public lighting assets are customer-dedicated assets where both the capital and on-going maintenance costs are fully paid for by the public lighting customer. They have either been gifted on to the Ausgrid asset register or 100% of the associated capital costs are being paid for by the public lighting customer through capital tariffs. As such, these dedicated public lighting assets constitute a unique sub-class of shared assets with one

specific customer fully paying for their presence on the network.

- The DNSPs do not currently seek the consent of Councils for the placement of third-party assets on these dedicated public lighting assets even though Councils are paying the higher costs of such assets due, in large part, to aesthetic considerations.
- If councils seek to move or remove dedicated public lighting assets with third-party attachments, they are frequently asked to pay large fees well in excess of the outstanding residual value of the assets they originally requested.
- Ausgrid's unregulated revenue from the use of public lighting assets is not transparent to councils. With increasing potential for the use of public lighting assets for commercial purposes (such as for EV charging infrastructure), this is a growing concern.
- Revenue from 4G and 5G small cell deployments is set to increase markedly during the course of the coming regulatory period.

Councils, as the public lighting customers, should reasonably be entitled to most of the unregulated revenue derived from these customer dedicated assets that they are fully paying for. SSROC proposes that the AER require either a substantial tariff reduction for shared public lighting assets or equitable division of the revenue from third parties.

Should you have any further enquiries in relation to this submission, please contact me by email ssroc@ssroc.nsw.gov.au.

Yours sincerely



Helen Sloan
CEO
Southern Sydney Regional Organisation of Councils