



19 January 2024

ATTN: Arek Gulbenkoglu  
General Manager  
Australian Energy Regulator  
GPO Box 3131  
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Via email: [AERresets2024-29@aer.gov.au](mailto: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](mailto:ssroc@ssroc.nsw.gov.au).

Yours sincerely



Helen Sloan  
**CEO**  
**Southern Sydney Regional Organisation of Councils**



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Dear Arek,

**RE: Ausgrid Determination 2024-29 – Revised Public Lighting Proposal**

Thank you for the opportunity to comment on the public lighting aspects of Ausgrid's revised 2024-29 pricing proposal. In summary and as detailed below, SSROC remains broadly supportive of Ausgrid's 2024-29 public lighting proposal.

The Southern Sydney Regional Organisation of Councils Inc (SSROC) is an association of eleven local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney.

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 street lighting services for which they are responsible. That street lighting service is mainly provided to the councils by Ausgrid. The councils participating in the program collectively encompass over 230,000 street lights or more than 90% of Ausgrid's lighting and about 40% of the street lights in NSW.

SSROC and the councils in the SLI Program have sought to work together with Ausgrid through the SLI Program for many years on a range of pricing, technology and service-related issues.

Ausgrid and SSROC have previously reached agreement on more than 180,000 LED replacements and recently reached agreement on a further 62,000 LED replacements on main roads (in conjunction with smart controls and with additional ports for smart city sensors).

With reference to the revised public lighting proposal, SSROC makes the following comments:

- **Support for Ausgrid's Revised Submission**

On balance, SSROC continues to support Ausgrid's public lighting pricing proposal. SSROC does not necessarily agree with every assumption and input in Ausgrid's model but believes that a complex pricing model such as this must ultimately be considered in totality. SSROC is satisfied that the overall outcome is a fair and reasonable proposal. As per SSROC's submission of 12 May 2023 in response to the draft proposal SSROC identified eight specific reasons that it felt comfortable supporting Ausgrid's proposal and each of those remains valid.

- **Welcome Transparency**

As per our previous submission at the draft stage, consultations with Ausgrid have continued to be conducted in a transparent manner with Ausgrid offering SSROC access to



its analyst and its updated price modelling. SSROC has been given the opportunity to question and challenge key assumptions as well as having received full explanations of changes and corrections made to the model between the draft and revised stage. This degree of transparency and responsiveness is to be commended and SSROC trusts that it sets a solid precedent for future determinations.

- **Price Reductions Welcome**

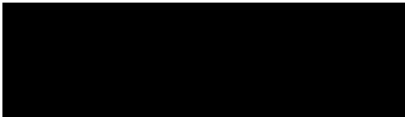
If Ausgrid's revised proposal is approved by the AER in its Final Determination, Councils will welcome price reductions in 2024-25. In future determinations, we'd encourage greater transparency about the overall and customer-specific price impacts of the initial proposal and the revised proposal. We'd also encourage greater transparency about the anticipated price change in the network distribution component of public lighting (e.g., Ausgrid Network Tariff EA401).

- **Column Pricing**

Subsequent to the Draft Proposal, a number of questions have arisen about Ausgrid's column pricing. In reviewing the Draft Determinations for the three NSW DNSPs, it appears that Ausgrid's column pricing is some 70-90% higher than the other DNSPs. Ausgrid has identified its traffic control requirements and use of footings as being key reasons for the higher prices. However, given the degree of price difference, we'd ask that the AER gives this matter some consideration. We note that column pricing has disproportionate impact on councils in the Central Coast and Hunter who tend to have a higher proportion of such assets.

Should you have any further enquiries in relation to this submission, please contact me by email [ssroc@ssroc.nsw.gov.au](mailto:ssroc@ssroc.nsw.gov.au).

Yours Sincerely



Helen Sloan  
**CEO**  
**Southern Sydney Regional Organisation of Councils**