

**SUBJECT: CCL 08/12/20 - LED STREET LIGHTING UPGRADE**

**REPORT BY: INFRASTRUCTURE AND PROPERTY**  
**CONTACT: DIRECTOR INFRASTRUCTURE AND PROPERTY /**  
**MANAGER ASSETS AND PROJECTS**

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## **PURPOSE**

To approve a replacement program for streetlights on residential and main roads in Newcastle, which will include replacement of non-efficient street lights with Light Emitting Diode (LED) lighting.

## **RECOMMENDATION**

That Council:

- 1 Resolves that, under section 55(3)(i) of the *Local Government Act 1993* (Act), calling tenders for the LED street lighting upgrade would not achieve a satisfactory outcome, as the monopoly nature of services means that there is only one company that could tender.
- 2 Enter into a contract with Ausgrid in the amount of \$4,000,000 to replace all remaining non-efficient residential and main road street lighting with LED lighting.

## **KEY ISSUES**

- 3 Ausgrid services around 250,000 streetlights on behalf of more than 30 local councils, community associations and statutory authorities across the network, including the dispatch of dedicated crews to repair faults. As a Distribution Network Service Provider (DNSP) Ausgrid is not responsible for street and other public lighting. This responsibility generally falls upon local councils or the roads authority. However, as a DNSP, Ausgrid is currently required to provide certain public lighting infrastructure services to enable the delivery of public lighting by local councils and other authorities. These services are provided to local councils as well as state or federal agencies, who are known as Public Lighting Customers.
- 4 In the Newcastle Local Government Area (LGA), Ausgrid currently maintains over 14,000 streetlights for City of Newcastle (CN). In 2018 Council accepted a proposal to replace the majority of lighting on residential roads with LED. Ausgrid now has options to replace the remainder on residential and main roads which are a mix of fluorescent, sodium and mercury vapour lighting. These are inefficient technologies, with higher energy use and maintenance costs. Energy use from street lighting accounts for around half of CN's total energy consumption.
- 5 After providing the option to replace most residential road lighting, Ausgrid is now offering to undertake accelerated replacement of street lighting on main roads to LED and remaining compact fluorescents on residential roads.

- 6 CN has identified 2,191 V-Category streetlights on main roads to be replaced with LED and 2,014 Compact Fluorescent Lights (CFL) on residential roads. The upgrade will result in a reduction in energy cost and consumption, with an average energy reduction of 45% and a reduction in annual maintenance charges. It will also assist CN in meeting its 2025 Climate Action Plan targets of a 30% reduction in electricity use and for 100% of all lighting to be LED.
- 7 Early acceptance of Ausgrid's proposal means that ordering of stock can begin and Ausgrid resources can be scheduled to commence works in early 2021. The aim being to complete the upgrade before the end of this financial year, enabling energy and maintenance savings to be realised as soon as possible.

### **FINANCIAL IMPACT**

- 8 The budget for this project is included within the adopted 2020/2021 Capital Works Program.

### **COMMUNITY STRATEGIC PLAN ALIGNMENT**

- 9 This project aligns with the following Newcastle 2030 Community Strategic Plan Directions:

#### **Protected Environment**

2.1c Greater efficiency in the use of resources.

2.3a Environment and climate change risks and impacts are understood and managed.

#### **Liveable Built Environment**

5.4b Plan, provide and manage infrastructure that continues to meet community needs.

#### **Smart and Innovative**

6.2a A culture that supports innovation and creativity at all levels.

#### **Open and Collaborative Leadership**

7.4b A local government organisation of excellence.

### **IMPLEMENTATION PLAN/IMPLICATIONS**

- 10 Implementation of the street lighting upgrade is dependent on CN authorising Ausgrid to commence the program. Once formal approval is provided, Ausgrid will schedule the work with CN.

### **RISK ASSESSMENT AND MITIGATION**

- 11 Ausgrid will be responsible for managing the upgrade of the streetlighting and has undertaken significant trials of the proposed lighting to ensure quality and compliance with road lighting categories.

## RELATED PREVIOUS DECISIONS

- 12 At the Ordinary Council Meeting held on 26 April 2017, Council received a report noting the Ausgrid trials being conducted with LED lights and that a further report would be tabled once this evaluation was completed and evaluated.
- 13 At the Ordinary Council Meeting held on 25 July 2017 Council adopted five key actions as part of its involvement in the Cities Power Partnership, which included an action to roll out LED street lighting across the LGA.
- 14 At the Ordinary Council Meeting held on 28 August 2018 Council resolved to replace non-efficient residential street lighting with LED.
- 15 At the Ordinary Council Meeting held on 22 November 2020 Council adopted the 2025 Climate Action Plan which includes targets to replace all lighting with LED and reduce electricity usage by 30% across CN operations.

## CONSULTATION

- 16 Extensive consultation with the community and key stakeholders was undertaken in development of the energy efficiency and street lighting targets in the 2025 Climate Action Plan.

## BACKGROUND

- 17 After undertaking an accelerated program for replacement of streetlighting on residential roads, Ausgrid has now completed a tender to select lighting replacements for main roads. Councils received notification of the LED tender outcome from Ausgrid in late October and are individually receiving Council specific proposals from December onwards.
- 18 Section 55 of the Act requires that Council calls tenders for contracts over \$250,000. However, under section 55(3)(i) of the Act, an exemption to calling tenders for a contract of this value is allowed, but it requires a Council resolution. The relevant part of the Act states:

*s55(3)(i) a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a Council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders.*

## **OPTIONS**

### **Option 1**

19 The recommendation as at Paragraphs 1 and 2. This is the recommended option.

### **Option 2**

20 That Council does not resolve to accelerate residential street lighting replacement and only replaces old street lighting as it fails. This will result in continued higher energy costs, consumption and higher maintenance costs. This is not the recommended option.

## **REFERENCES**

## **ATTACHMENTS**

Nil.