



EASTERN ALLIANCE
FOR GREENHOUSE ACTION

C/O - MAROONDAH CITY COUNCIL
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20 May 2018

The Hon. Luke Donnellan MP
Minister for Roads and Road Safety
Level 22, 1 Spring Street
MELBOURNE 3000

Dear Minister Donnellan,

Re: Replacement of major road lighting with energy efficient LEDs

The Eastern Alliance for Greenhouse Action (EAGA) would like to raise an important issue relating to the finalisation of the State Government budget for the 2018/19 financial year and subsequent years budget planning. Specifically, this letter addresses the need for the State to allocate sufficient funding to co-invest with councils (now and in the future) to replace inefficient lights where operating costs are shared 60:40 between Council and VicRoads.

EAGA is a formal Alliance of eight councils in Melbourne's East, committed to delivering mitigation and adaptation projects and advocating for initiatives that support sustainable, low carbon communities. Our members include:

- City of Boroondara
- Glen Eira City Council
- Knox City Council
- Maroondah City Council
- City of Monash
- City of Stonnington
- City of Whitehorse
- Yarra Ranges Council

EAGA has recently commissioned the attached report which demonstrates the opportunity that can be captured if an equitable co-investment model can be reached. The findings show that:

- Replacing all inefficient major road lights with energy efficient LEDs in the EAGA region could save \$61.6M in electricity costs and cut emissions by 236,682 tonnes over the next 20 years
- If cost-shared lights remained unchanged, the region will forgo \$2.1M and 7,592 tonnes in savings annually
- An estimated up-front investment of \$8.8M is required from the State to unlock and bring-forward a larger investment of \$14.5M from EAGA councils, which would be recouped in ~5.5 years

These findings have significant implications for the State of Victoria, where there is an estimated 180,000-200,000 major road lights operating with outdated technology. Assuming other regions can realise similar savings to EAGA, Victoria could save approximately \$24M per year and reduce emissions by 86,500 tonnes annually, however, excluding cost-shared lights will mean that ~40% of this opportunity will be lost.

Some members of EAGA will be implementing their first upgrade of major road lights in the 2018/19 period, and without an equitable co-investment arrangement the upgrades will exclude cost-shared lights. Addressing this split incentive will be critical for avoiding a similar outcome in subsequent years as other councils commit to rolling-out upgrades within their municipalities. Whilst it is understood that the State has offered to share savings captured from the replacement of cost-shared lights, councils will not accept an arrangement that involves local governments funding State Government asset renewal in its entirety.

Victorian councils have a demonstrated track-record in the delivery of public lighting energy efficiency programs. To date, 72 of 79 councils have completed (or are currently undertaking) retrofits of their p-category residential street lights, making it the second largest public light energy efficiency program in the world. Councils are uniquely placed to leverage this experience and partner with the State on a coordinated, high profile initiative that can assist the State deliver on its zero net emissions goals.

EAGA is willing to work collaboratively with VicRoads and the Department of Treasury and Finance to establish a synchronised lighting upgrade program that is aligned with the future budget commitments of both levels of government. This coordinated approach will capture economies of scale, drive implementation efficiencies, and unlock investments that generate meaningful long term savings for Victorians.

If you have any questions or queries relating to this letter, please contact Scott McKenry, EAGA Executive Officer, on scott.mckenry@maroondah.vic.gov.au or 03 9298 4250.

Yours sincerely,



Cr Josh Fergeus
Executive Committee Chair
Eastern Alliance for Greenhouse Action
Councillor, City of Monash



This submission has been approved through EAGA's formal governance structure as described in the EAGA Memorandum of Understanding 2017-21. The submission may not have been formally considered by individual member councils.