

Victorian Streetlighting Investment 2026-2031

This document outlines the outcomes from the Alliance's advocacy to the 5-year Distribution Network Service Providers (DNSPs) streetlighting price review 2026-2031. This includes plans to rollout \$150m in capital expenditure to replace all lights to LED and establish a 200,000+ smart lighting system.

About the Alliance's Advocacy on the EDPR

Every five years the Victorian DNSPs consult on plans for street lighting and energy infrastructure investments for the upcoming five-year period.

These plans are submitted to the Australian Energy Regulator who reviews them and makes decisions on the final content and implementation of these plans. The Regulator's determination then sets the strategies and pricing of the DNSP's plans for the coming five-year period.

The Victorian Greenhouse Alliances (VGAs) have coordinated significant advocacy and a statewide response to this process for the last three review periods. **This advocacy has resulted in avoided costs/savings of \$53.5m across Victorian local government over the last two review periods (\$31.5m for the 2021-2025 period and \$22m for the 2016-2020 period).**

For the 2026-2031 period, the VGAs and consultant Ironbark Sustainability, supported councils and directly engaged the DNSPs, the Australian Energy Regulator (AER) and the Essential Services Commission (ESC) to influence the DNSP's public lighting pricing and strategies.

Historically local governments have themselves invested in large scale LED upgrades. Our ongoing advocacy for energy efficiency over more than 15 years has significantly influenced a change in approach where investment is predominantly being driven by DNSPs.

The DNSPs initially proposed a \$100m investment in energy efficient technology for the 2026-2031 period. The Alliances successfully encouraged an expansion of this program of works that resulted in the DNSPs investing a further \$51m into energy efficiency works across Victoria. About \$10 million of this additional investment is for EAGA councils.

Councils benefit from reduced maintenance from the long-life LEDs but will need to pay back the capital investment over 20 years.

This is the largest single energy efficiency program in streetlighting ever proposed by Victorian DNSPs.

This includes the replacement of all streetlights to LEDs and the rollout of a smart lighting system across all major roads in the state (215,000 streetlights).

The Impacts of our Advocacy¹

Over the life of the new LED streetlights, Victorian local governments will **avoid/save \$240m of energy costs and greenhouse gas emissions of 860,000 tonnes.**

¹ All numbers and avoided costs/savings are estimated based on Australian Energy Regulator final decision April 2026. All data is over the 20-year asset life. Emissions avoided/saved assumes black power use. These numbers include expected smart lighting avoided costs/savings (one third of emissions and energy avoided costs/savings) - which will only occur with proactive council and regional input into the coming five-year program of works.

For EAGA councils this is equivalent to almost \$33m in electricity savings over 20 years and 180,000 tonnes of greenhouse gas emissions.

Additional benefits include a significant reduction in light pollution and wasted light and improvement in road safety outcomes including an estimated improvement in community **road safety costs as a result of the smart lighting system of \$1.2bn.**²

Total electricity cost savings for EAGA councils from Smart lighting (~\$16.4m, subject to council planning as discussed below) and LEDs (\$32.9m) is estimated at \$49.3m. Further analysis is required on maintenance savings, particularly for AusNet customers, which will further adjust these figures. This will be completed and circulated to councils prior to the regional workshop.

Every Victorian local government will benefit from the advocacy and the projects being rolled out over the 2026-2031 period.

Council Project Planning (June to December 2026)

Councils have a short-term opportunity to influence the program of work and realise additional avoided costs/savings on energy expenditure across Victoria of \$120m and a further reduction in greenhouse gas emissions of 430,000 tonnes. This will also lower light pollution from major roads by an estimated 30 per cent.

For EAGA councils this represents approximately \$16m in potential electricity savings.

The Alliances, Ironbark and MAV will be leading planning work for all Victorian councils over this period. Ironbark will complete analysis for all councils to understand the costs, savings and impacts of the rollout program. Regional workshops will be held to discuss program options and seek direction from councils to influence the project roll out. Core to this will be councils undertaking design and preparation work in advance of the DNSP projects and to access additional funding from the Victorian Energy Upgrades Fund.

The EAGA session has been scheduled online for **28 July 2026 at 10.00am**. Sustainability, street lighting and finance staff are all encouraged to attend.

For further information on this process please contact Sharon MacDonnell (Sharon.macdonnell@maroondah.vic.gov.au) or Paul Brown at Ironbark (paul@realaction.com.au).

² Road Safety benefits are calculated based on Australian Road Lighting Standards and the improved maintenance regime afforded by smart lighting (on major roads) which directly reduces accident volume and severity.