

Maya Stuart-Fox
Assistant Secretary
Emissions Reduction Taskforce
Department of the Environment
GPO Box 787
CANBERRA ACT 2601

Email: emissions-reduction-submissions@environment.gov.au

18th November 2013

Dear Ms Stuart-Fox,

Re: Emissions Reduction Fund Public Consultation

The Eastern Alliance for Greenhouse Action (EAGA) welcomes the opportunity to respond to the Department of Environment's public consultation relating to the Emissions Reduction Fund (ERF).

EAGA is a formal Alliance of seven Councils in Melbourne's East, including:

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

EAGA is one of nine Victorian Greenhouse Alliances delivering regional scale mitigation and adaptation projects that typically lay beyond the reach of individual municipalities. EAGA has a demonstrated track record in leveraging networks of regional stakeholders to successfully implement emissions reduction projects and is ideally placed to assist the Government in the implementation of *Direct Action* initiatives.

Our Councils recognise the importance of Government support in overcoming the financial barriers facing emission reduction initiatives and therefore have a significant interest in ensuring the ERF is administered in a value adding and equitable manner. ***We therefore urge the Government to structure the ERF in a way that ensures Local Government and non-for-profit sectors can access the Fund.***

Selecting projects by the sole criteria of cost per tonne of abatement will mean that projects originating in the Local Government and non-for-profit sectors will not be supported. These sectors often deliver innovative projects targeting the residential sector (as demonstrated by the 1000+ households retrofitted in EAGA's [Live Green with LESS program](#)) which attract higher transactions costs and are therefore will be at a competitive disadvantage when assessed on a cost per tonne basis.



EAGA

EASTERN ALLIANCE FOR
GREENHOUSE ACTION
Maroondah City Council
Braeside Ave
Ringwood VIC 3134
www.eaga.com.au
Ph: 03 9298 4250
Mob: 0431 133 592



EAGA

EASTERN ALLIANCE FOR
GREENHOUSE ACTION
Maroondah City Council
Braeside Ave
Ringwood VIC 3134
www.eaga.com.au
Ph: 03 9298 4250
Mob: 0431 133 592

One way the Government can address this short coming is to segment the ERF into appropriate abatement categories. This could be achieved systematically and objectively through a marginal abatement cost curve (MACC) similar to that developed by ClimateWorks Australia.¹ This analysis provides an ‘apples with apples’ approach for comparing abatement opportunities and demonstrates that all sectors of the economy have a role to play in achieving a meaningful 2020 emissions reduction target. The 62 lowest cost abatement opportunities identified in the ClimateWorks MACC are typically grouped into three simple categories – energy efficiency, land, and cleaner power. This simpler grouping maybe more appropriate from an administration perspective, whilst still providing an appropriate framework for further segmentation by sector (e.g. commercial building energy efficiency, residential retrofits) that could facilitate more equitable access to the Fund.

The EAGA is willing to work with the Federal Government to ensure that consistent and robust approaches to funding emission reduction opportunities are adopted which represent the best value proposition for households, business and Councils.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Maria McCarthy', with a stylized flourish at the end.

Cr Maria McCarthy
Executive Chair
Eastern Alliance for Greenhouse Action
Councillor, Yarra Ranges Council

¹ ClimateWorks Australia (2010), *Low Carbon Growth Plan for Australia*.