



EAGA
EASTERN ALLIANCE FOR
GREENHOUSE ACTION
Maroondah City Council
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The Hon Matthew Guy MLC
Minster for Planning
Department of Transport, Planning and Local Infrastructure
GPO Box 2392
Melbourne VIC 3001

By email: planmelbourne@dtpli.vic.gov.au

2nd December 2013

Dear Mr Guy,

Re: Draft Plan Melbourne Public Consultation

The Eastern Alliance for Greenhouse Action (EAGA) welcomes the opportunity to respond to the Department of Transport, Planning and Local Infrastructure's draft Plan Melbourne.

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 committed to delivering mitigation and adaptation projects and advocating for initiatives that promote sustainable, low carbon communities. Our Councils recognise the importance of financing mechanisms in overcoming the barriers to energy efficiency and therefore have a significant interest in the draft Plan's initiatives targeting energy consumption and supporting cleaner energy. In particular:

Initiative: 5.7.1 Support local governments and the private sector in their efforts to promote energy efficiency - Amend the Local Government Act 1989 so that local governments can use environment upgrade agreements as has occurred with the City of Melbourne Act 2001. Department of Transport, Planning and Local Infrastructure (Planning)

Whilst EAGA's Councils applaud the State Government's move to make this type of finance available beyond the City of Melbourne, **we urge the Government to implement the change to the Act immediately**, rather than relegating this simple, no-cost initiative to a "medium term" action.



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Importantly, there are clear and significant economic benefits to Victoria from implementing this minor legislative change. Through a joint initiative of the Victorian Greenhouse Alliances, the benefits of EUA enabled retrofits have recently been estimated at \$4.5B of direct investment and the creation of over 18,000 new jobs. The findings demonstrate that EUA finance can overcome structural and market barriers to energy efficiency retrofits, unlock substantial financial investment, reduce energy demand and increase employment in Victoria's regions. Unnecessarily delaying the change to the Act will mean that some of this opportunity will be lost. The summary report can be accessed here: <http://eaga.com.au/advocacy/environmental-upgrade-agreements/>

Following the amendment to the Act, the establishment of an appropriate administration model will be critical for stimulating the retrofit market in Victoria's regions. A rigorous assessment of a number of administration models has already been undertaken by the South Australian Government who is currently moving to establish a state wide EUA program. This report¹ recommends that EUAs be administered by an independent third party - a model consistent with the mechanism currently operating in the City of Melbourne. EAGA's Councils advocate for the adoption of this proven model, which could leverage existing capabilities and create economies of scale for Councils wanting to opt in to a Victoria-wide program.

EAGA is willing to work with the State Government to ensure that consistent and robust approaches to financing energy efficiency opportunities are adopted which represent the best value proposition for business and Local Government.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Maria McCarthy'.

Cr Maria McCarthy

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

¹ South Australian Department of Environment, Water & Natural Resources (2013) Environmental Upgrade Finance: Business Model & Business Case, SGS, Final Report.