



Climate Change Policy Unit  
Climate Change Division  
Department of Environment, Land, Water and Planning (DELWP)  
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27<sup>th</sup> June 2016

Dear Sir/Madam,

**Re: Discussion paper - options for state government to support local government in climate change adaptation**

The Eastern Alliance for Greenhouse Action (EAGA) welcomes the opportunity to respond to the DELWP's consultation regarding the development of Victoria's Second Climate Change Adaptation Plan and the issues and options presented within the discussion paper.

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 support sustainable, low carbon communities. Adaptation is a central component of our work, driven through EAGA's Climate Change Adaptation Roadmap which is widely recognised as the sector's most practical and project focused adaptation plan.

We applaud the State Government for proactively engaging with the Local Government sector on the critical issue of climate change adaptation and acknowledge the open spirit of collaboration that underpins the discussion paper.

The recommendations within this submission are presented within the context of the following key considerations:

- EAGA's Climate Change Adaptation Roadmap is a substantive adaptation plan which is currently being implemented through a range of high profile regional initiatives. This is one of many regional adaptation plans lead by Victoria's Greenhouse Alliances which collectively provide the State a strong basis to build upon.<sup>1</sup> It is important that a State-wide framework harmonises and supports these plans whilst adding further value by identifying and filling any gaps
- The introduction of rate capping will reduce local government's ability to provide funds to sufficiently respond to climate change risks. The second Victorian Parliamentary inquiry into rate capping<sup>2</sup> has recently found that under rate capping, councils lack operational capacity and budget certainty or flexibility to develop long term financial plans for infrastructure and other needs, which is essential to address uncertain and worsening climate change risks and impacts
- Councils require sufficient time to consider and comment on the draft Climate Change Adaptation Plan. Given the final plan is due to be released by 31 December, council officers will need at least four weeks (at a busy time, post council elections) for a thorough assessment of the draft plan. All relevant internal departments should be engaged and asked to consider the draft and their responses will need to be coordinated by senior management
- The plan should articulate how it relates to other relevant state plans, such as Plan Melbourne Refresh, the Resilient Melbourne Strategy and Infrastructure Victoria's 30 year strategy. To ensure that the importance of adaptation is properly understood and given due weight as an overarching condition in decision-making, we also recommend that a vision for how Victoria will respond to climate risks and inevitable impacts be included in Victoria's Climate Change Framework. The pledge system, Take2, developed to help Victorians contribute to achieving the state's emissions reduction target, could be extended to encourage – and in the cases of Victorian Government departments, agencies and sectoral plans, mandate – pledges relating to adaptation

With these issues in mind, we urge the Department to consider the following recommendations:

### **General comments**

The scope of the discussion paper and 'pillars' (illustrated on page two) appear be biased towards 'hard' assets and infrastructure and excludes references towards the services provided by government. Measuring the ability of services to cope with and recover from climate impacts and

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<sup>1</sup> <http://www.victoriangreenhousealliances.org/reports.html>

<sup>2</sup> Parliament of Victoria (2016) Second Report into Rate Capping Policy ([link](#))

setting minimum service levels will be critical for prioritising resource allocation, enhancing transparency and building accountability across the sector. Experience abroad demonstrates that the establishment of minimum service level requirements is effective in securing bipartisan support for adaptation measures and identifying the scale of investment required to meet anticipated impacts on services levels.<sup>3</sup> For instance, the City of Copenhagen has employed this approach to determine investment requirements to maintain transport service levels in flooding events. Domestically, there is precedence of this approach within the water supply industries and the national energy market where services reliability standards are a key driver of network investment.<sup>4</sup> These models are designed in a way that is flexible and responsive to the local context – this adaptive approach will be critical for securing buy-in and support from all relevant stakeholders.

Setting service levels for the future does not have to involve inventing new processes. Councils and state agencies already have experience and established protocols for setting and meeting service levels, including community consultation, budget allocation and accountability. Service levels may be guaranteed (i.e. if the authority doesn't meet them, it has to pay its ratepayers/customers), but even if they are not guaranteed they may be benchmarked and serve as an incentive for improvement. Similarly, reporting processes could be integrated within DELWP's existing Local Government Performance Reporting Framework.

### **Discussion Topic 1: Climate change adaptation in land-use and urban planning**

EAGA strongly supports the discussion paper's commitment to reform the Victorian Planning Schemes and the wider Victorian planning system to improve local government's ability to adapt to climate change. There is currently little emphasis or practical guidance on climate change adaptation within the Victoria Planning Provisions (VPP) and State Planning Policy Framework (SPPF) within Planning Schemes other than coastal impacts (Clause 13.01), agricultural areas (Clause 11.11 and Clause 11.12) and regional and growth areas (Clauses 11.05, 11.08 and 11.10) and alpine areas (Clause 12.03). This offers little support for metropolitan municipalities that do not fall within those existing categories. As a result, some councils have created their own policies and requirements, such as in the City of Moreland's Municipal Strategic Statement (Clause 21.01 and Clause 21.02) and its local Environmentally Sustainable Design (ESD) policy at Clause 22.08.

EAGA urges the state to adopt a clear policy for integrating climate change adaptation into the planning permit process and that the VPP and SPPF policies in Planning Schemes contain specific quantifiable and measurable targets, rather than only policy objectives and statements. Without the incorporation of mandatory minimum targets and requirements, such as those within Clause 22.08, councils will struggle to administer climate change adaptation due to insufficient policy backing and standards. For example, the 'energy efficiency' standard within Clauses 54 and 55 is non-prescriptive and rarely achieves positive environmental outcomes. Conversely, requirements in Clause 22.08 and Clause 56 for storm water management are much more successful because of minimum best practice storm water targets which are backed by scientific research.

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<sup>3</sup> Climate Adaptation – Copenhagen (2016) Climate Risk & Resilience, Ramboll Environ (link)

<sup>4</sup> <http://www.aemc.gov.au/getattachment/2f4045ef-9e8f-4e57-a79c-c4b7e9946b5d/Fact-sheet-reliability-standard.aspx>

A state-wide reform of the Victorian planning system also offers many benefits additional to the state government, local government, and external stakeholders. Feedback from the ESD industry and development industry has consistently called for state wide consistency regarding climate change adaptation. Currently there are only six councils across Victoria formally requiring ESD in the planning process. Reform of the VPPs, the SPPF and the entire Victorian Planning system will provide certainty and leadership from the state government, ultimately making it easier for local government to administer climate change adaptation in the statutory planning framework, and for the industry to appropriately respond.

EAGA also believes there is greater opportunity for integration between land-use planning and electricity network planning. Currently, electricity network planning and land-use planning currently occur in isolation, meaning long term, viable and sustainable options for integrating demand and supply side opportunities are lost, resulting in inefficient investment and higher prices on consumer bills.

Whilst both land use planning schemes and the national energy market objectives intend to serve the long term interest of the community, they cannot do so whilst operating in isolation. Despite the implications land use planning has on local energy use and demand patterns, existing regulatory requirements do not require either sector to synchronise their respective planning processes.

Under the current operating environment the expected rapid growth in Victoria's population, adding an extra 774,000 households in the next fifteen years, will result in expensive network infrastructure upgrades, ultimately leading to higher network charges on consumer bills as network companies have little awareness of projected planning changes resulting in specific local growth hot spots. An alternative scenario would involve coordinated planning resulting in smarter tailored integrated energy solutions that seek to alleviate the costs to consumers. This will also ensure that consumers have equitable access to a range of emerging energy services and are not constrained by traditional market models.

The current consumer engagement processes for network planning, such as the Regulated Investment Test (RIT-D), are overwhelmingly complex and time consuming for local (and to a lesser extent state) governments to proactively engage with. For example, a number of councils in Melbourne's north have recently been consulted by their distribution business a few days prior to the RIT-D due date, with the distributor seeking local government support for substation upgrades. This is an example of this process failure and highlights the need for improved engagement. Greater efforts are required to build the capacity of local and state governments to effectively participate, advocate and collaborate in future network planning decisions to ensure more efficient outcomes for their respective communities.

To address the challenges described above, we recommend that the State:

- Introduce requirements for distribution network planners to proactively engage with land use planners in the state and local government sectors on an ongoing basis

- Facilitate data sharing between parties to deliver improved forecasting and more efficient infrastructure planning
- Develop shared mapping resources to assist in the identification of cross sector initiatives, particularly in areas of the network that are constrained
- Provide capacity building training to ensure effective cross sector initiatives are effectively scaled and replicated across distribution regions

## **Discussion Topic 2: Climate change adaptation in infrastructure and asset management**

From October to November 2015, EAGA delivered a customised training program for council asset and facility managers to embed building vulnerability assessment approaches within ongoing asset management practices and capital works programs. The initiative supports the first priority of EAGA's Climate Change Adaptation Roadmap – to conduct a regional building vulnerability assessment.

The capacity building program was developed and delivered in collaboration with NAGA and Arup and featured presentations from the Essential Services Commission on the rate capping and variation framework and the requirement for evidence based approaches in proposed variations. This was accompanied by detailed a case study presentation from the City of Whitehorse where the building vulnerability assessment methodology has been in use since 2012. In addition to the workshops, a number of resources were developed for practitioners across the sector, including all assessment sheets, training guide and outcomes from attendee pilot trials.<sup>5</sup>

On the back of the success of this program, a number of councils applied for State funding (under the Victorian Climate Change Grants 2015) to support additional capacity building training, online tools and regional scale pilots. The City of Port Phillip have recently invested in broadening the scope assessment framework to include sea level rise vulnerabilities. This demonstrates that councils value these resources and require ongoing support to ensure they are effectively mainstreamed within asset management practices across the sector.

EAGA strongly supports an infrastructure resilience assessment test for new major capital works but stresses that this test should be as comprehensive as possible. Greater efforts could also be undertaken by the State Government to increase awareness of and strength of the AS 5334, an 'Australian Standard for 'Climate change adaptation for settlements and infrastructure - A risk based approach' (Standards Australia, 2013). The standard could be adopted as part of the planning approval process. This could be a standalone requirement or incorporated into environmental impact assessments. This would allow for major projects to be independently assessed for consideration of climate change impacts and transparent and open to public scrutiny. There is very slow uptake of this best practice standard, and part of the reason for this maybe that the standard is not referenced or called up in legislation which means that councils and developers are not legally required to follow it.

Further options include:

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<sup>5</sup> [eaga.com.au/projects/futureassetsforum/](http://eaga.com.au/projects/futureassetsforum/)

- Integrate climate change risks into Asset Management Plans and capture trend data on asset damage and reduced lifespans from climate change impacts, and of management actions to reduce or manage those risks
- Analyse the comparability and complementarity of ESD standards and adaptation options
- Facilitate broad adoption by Councils of the latest Built Environment Sustainability Scorecard (BESS) in statutory planning processes
- The provision of back-up power for emergency relief centres

### **Discussion Topic 3: Information state government can provide to assist local government**

The State can play a key role in setting a 'universal' set of expected climatic changes and scenarios over a long term and interim time series. This will be critical for the establishing service level benchmarks and measurement approaches as described on page 2 of this submission. This will be particularly important for harmonising planning, decision-making and coordinating investment through a regionally consistent methodology for cross municipal issues (i.e. coastal inundation, flooding etc). Failure to plan under a consistent set of assumptions will lead inefficient investment, duplication and possible mal-adaptation.

Councils also require clear and consistent guidance (or options) for incorporating consideration of climate change in municipal health and well-being plans. Whilst this is mandated, there are no details regarding quality or expectations.

### **Discussion Topic 4: Supporting local government adaptation work**

In the first instance, EAGA recommends that the Sustainability Fund be used to directly support local government climate change initiatives. This is in line with broadening of the Sustainability Fund Priority Statement to include climate change in 2015. Investment decisions should ideally be made by an independent panel, rather than at Ministerial discretion.

EAGA also recommends the introduction of an agreed rate capping 'variation method' specifically for local governments to fund climate change initiatives. Whilst existing arrangements allow councils to seek approval for increases to the cap via the Essential Services Commission (ESC), the Second Report into Rate Capping by the Parliament Victoria showed that "the administrative arrangements for this policy are inconvenient and unnecessarily onerous for local government".<sup>6</sup> Through the establishment of an agreed variation methodology, administrative processes could be streamlined to allow councils to fund initiatives that directly align with the objectives of the Adaptation Plan and the Victorian Climate Change Framework. This process should be transparent whilst still providing sufficient flexibility for self determination of local needs.

The State can play a key role in providing capacity building for local government staff, particularly through targeted training for practitioners to support specific interventions or programs. For instance, in-house training on building vulnerability assessment for asset and facility managers is

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<sup>6</sup> Parliament of Victoria (2016) Second Report into Rate Capping Policy ([link](#))

preferable to providing generic '*adaptation training for decision makers*' which is often delegated to the organisation's sustainability officer.

### **Discussion Topic 5: Governance arrangements for adaptation between state and local governments**

As an alternative to the stalled work on the Memorandum of Understanding on roles and responsibilities for state and local government, EAGA recommends the Local Climate Action Partnership (LCAP) model as set out in previous submissions to DELWP on the Climate Change Framework.<sup>7</sup>

The LCAP model provides a framework to synchronise and maximise the effectiveness of local climate action across the state. LCAP's architecture is mindful that local communities are already working hard to effectively respond to climate change, often in tandem with their local governments. Local governments, in turn, are supported by Victoria's greenhouse alliances. The work of communities, local governments and alliances can be leveraged to greater effect when linked through a coordinated network of action across the state.

The guiding principles for the partnership should include (but not be limited to):

- Establishing shared local goals and priorities - create a forum for collaboration and exchange between state and local governments and to establish shared goals and clear responsibilities, conducted with trust, respect, timeliness and accuracy
- Developing long term strategic resource allocation and funding - develop joint approaches to funding allocation that meet delivery expectations and acknowledge resource capacity and constraints and the existing networks and capabilities at the local level
- Pursuing alignment and cooperation in service delivery - increase communication between and within levels of government for delivery of climate action programs, particularly for outcomes relevant to both spheres of government
- Improving procedures for regular, effective evaluation and review - ensure progress towards climate goals, increase understanding of climate change and continually develop mechanisms for incorporating feedback into future action

Establishing a shared understanding and commitment to a common agenda should be articulated through a set of broad objectives, such as:

- Support the development and delivery of regional scale mitigation and adaptation measures that address the specific needs of each region's communities and the major activities of particular regions
- Work through regional alliances of local governments in order to gain commitment and support action from all 79 councils in Victoria
- Increase the level of engagement on climate action within and across local governments and build an understanding of the local environmental, social and economic benefits of local climate action

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<sup>7</sup> <https://eaga.com.au/wp-content/uploads/EAGA-Letter-DELWP-Climate-Change-Framework-2016-02-25.pdf>

- Build the capacity of smaller regional councils to take action on climate with their communities
- Strengthen the capacity of existing local government networks and greenhouse alliances so that they are effective facilitators of climate action amongst their communities and stakeholders

A robust governance model should underpin long-term collaborative solutions and shift away from the existing approach in which the state provides short-term funding for uncoordinated local projects. It would be linked to and supported by key ministers (Climate Change, Water, Energy, Local Government and Planning) and liaise with peak local government bodies. Its functions would be to:

- Act as a clearing house for resolving ongoing climate action issues
- Act as a forum for strategic discussion and resolving inter-jurisdictional issues
- Bring together broad local government interests for input in state policy-making
- Advise the Government on funding and priorities for investment
- Provide a pathway for the Government to engage with councils, local communities and relevant regional stakeholders regarding climate policy, strategy and program design.

EAGA is willing to work with the State Government and Department to ensure that consistent and robust approaches for adaptation planning. This includes working collaboratively to implement programs and initiatives that generate meaningful long term outcomes for all Victorians.

If you have any questions regarding this submission, please contact Scott McKenry, EAGA Regional Coordinator on [scott.mckenry@maroondah.vic.gov.au](mailto:scott.mckenry@maroondah.vic.gov.au) or 03 9298 4250.

Kind regards,



Cr John Mortimore  
Executive Committee Chair  
Eastern Alliance for Greenhouse Action  
Councillor, Knox City Council



*This submission has been approved through EAGA's formal governance structure as described in the EAGA Memorandum of Understanding 2012-16. The submission may not have been formally considered by individual member councils.*