

Impact Evaluation of Eastern Alliance for Greenhouse Action - Summary Findings

This summary report presents the independent opinion of RobertsBrown of the impact of the Eastern Alliance for Greenhouse Action (EAGA). EAGA is a collaboration of seven councils in Melbourne's east, working together across council boundaries to reduce greenhouse gas emissions (mitigation) and reduce vulnerability to the effects of climate change (adaptation). The "impacts" of EAGA are its effects on its external context; member councils, local communities, government, business and the environment. The full impact of EAGA's work will take some time to emerge and could not be fully assessed at the time of this evaluation. The evaluation considered: the impact of EAGA in the period 2012-17; its prospective impact to 2021 based on current projects¹; and other achievements that will contribute to longer-term impacts.

Findings

RobertsBrown found that:

1. **The establishment of EAGA resulted in significant climate change mitigation and adaptation work. Most of the work would not have been undertaken without EAGA. Much of it was beyond the reach of individual councils or would not have been done to the same standards without EAGA.**
2. **In the first five years of operations EAGA provided**
 - a significant return on investment (4.93) in the first four years of operation, including direct savings to Council expenditures of \$2.35M (ROI 3.38)
 - a reduction in greenhouse gas emissions of 13,411 tonnes
3. **Both the rate of return on investment and the rate of reduction in carbon emissions are likely to increase as projects come on-line.**
4. **EAGA has conducted important capacity-building work and research on how members might reduce vulnerability to the effects of climate change. The impacts of this work are only just beginning to emerge and cannot be quantified in this evaluation.**
5. **EAGA's advocacy work has had a significant impact on decisions by external stakeholders: State and Commonwealth governments and the private sector**

Underpinning the impacts

While the individual councils conduct their own projects and initiatives, EAGA has proved to be an effective collaboration model and has provided a shared service to its members. In the five years since its inception EAGA has conducted 26 advocacy submissions and 21 projects using the leverage that comes from representing a group of local governments with a substantial population. Many of the projects involve detailed research, consultation and workshops as a first stage in developing appropriate strategies. EAGA has enabled members to gain access to specialised skills and resources and to improve the capability of member councils. The establishment of EAGA has led to the development of a network of Councillors and council staff whose knowledge and skills of climate and energy issues have improved as a result of participation in meetings, workshops and informal networking.

Return on Investment

The table below shows the financial return for the investment by member councils. The return varies across councils, largely based on the participation of members in projects. The projected rate of return is likely to be higher than shown. The projections include the costs of asset renewal but do not include possible returns from the new projects that will be initiated in 2017-21.²

Period	Overall Return on investment	Direct Savings to Councils	Grants Received	Savings to Ratepayers
2012-17	\$3.43M (ROI 4.93)	\$2.35M (ROI 3.38)	\$0.43M	\$0.65M
2017-21	> \$7.24M (ROI >2.82)	> \$6.43M (ROI >2.50)	Unknown	> \$0.81M
Total	> \$10.67M (ROI >3.27)	> \$8.78M (ROI >2.69)	>\$0.43M	> \$1.46M

The return on investment is based on a range of factors from advocacy (see "Stakeholder Decisions" below), grants received for projects and specific projects such as

2012-17

- Live Green with Less (assisting households to install energy efficient products)
- Eco Driver (driver training for Council staff to reduce fuel consumption)
- Tariff Reviews (reviewing the tariff arrangements with providers to select the most appropriate ones)
- Street Lighting change over and AusNet Services price negotiation.

Other projects, currently being implemented, will increase the rate of savings in **2017-21**.

- Solar Savers (loans to low income households to purchase solar panels)
- Solar Suburbs (discount for households installing solar photovoltaic panels)
- Reduced council building operating costs through the joint Energy Performance Contract (EPC)
- Sporting Clubs program (energy efficiency for sporting clubs)

¹ The data does not include prospective grant funding or the returns from projects yet to be conducted.

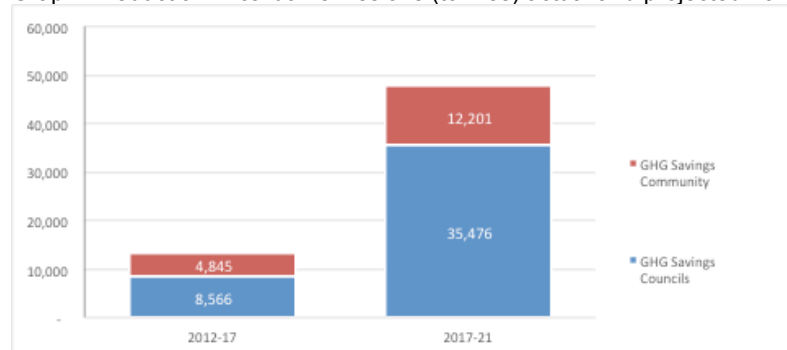
² Asset renewal (bulb replacement, refurbishing facilities) is a normal, on-going cost for councils but we have included the costs of asset renewals that are part of an EAGA project.

Reduced Emissions (mitigation)

The projects outlined above have resulted in emissions reductions. EAGA has made very conservative calculations of the reduction in emissions using the number of Kilowatt hours saved and the emissions factors for Victoria.³ The savings for the period 2012-17 are estimated at 13,411 tonnes of carbon. The projected savings from current projects, not including new projects, over 2017-21 is 47,676 tonnes making a total of 61,087 tonnes.

The substantial increase rate of reduction is due to the cumulative effect of new projects coming on line over time. The rate of reduction is likely to be higher than shown as new projects come on line.

Graph: Reduction in carbon emissions (tonnes) actual and projected 2012/21



Reductions in the impact of changes in climate (adaptation)

EAGA has conducted five projects looking at how member Councils might reduce vulnerability to the economic, social and environmental impacts of climate change; increasing their preparedness for such effects. The projects have been largely focused on research, understanding and sharing information about the nature of the opportunities and threats.

The projects include:

- Biodiversity Monitoring in Melbourne's East (project developing a framework for monitoring indicators of biodiversity health in partnership with Melbourne University, Australian Research Centre for Urban Ecology, Climate Watch and Birdlife Australia). Won 'UN World Environment Day Award 2016 & Premier's Sustainability Award.
- Bushland and Urban Biodiversity Management project (research to explore current knowledge and challenges for local government in managing climate change)
- Climate Change Adaptation Roadmap (region risk assessment and identified priority actions to address the impacts of climate change in the region)
- Future Assets Forum (training for Council asset and facility managers in embedding vulnerability assessments into planning and management of assets).
- Future Energy Planning (engages local governments and distribution network service providers to plan integrated energy solutions)
- Solar Savers (see above) will also contribute to reducing the vulnerability of low income households

External Stakeholder Decisions (advocacy)

EAGA has made 26 submissions to State and Commonwealth governments and conducted workshops and direct face to face engagement with a range of external stakeholders including regulators, energy distributors, financiers, researchers and others. EAGA has been able to exert significant influence on decisions based on its approach to developing partnerships and its credibility with the stakeholders. EAGA has:

- Taken the lead in cross-regional projects (e.g. Electricity Distribution Price Review resulted in savings across Victoria of \$22M in 2016/20 regulatory period).
 - Undertaken research is used and valued by other councils and regional groups
 - Been used as a source of information and advice by other regional groups
 - Facilitated spin-off projects outside EAGA
 - As a result of a submission to the Review of the *Local Government Act*, EAGA has been invited meet the legislative team in Local Government Victoria to incorporate changes to the Act that will facilitate broader use of rate based initiatives
- The outcomes of EAGA advocacy are numerous and include:
- Significant decreases to street lighting costs for councils
 - Increase in the residential solar feed in tariff from a minimum of 5c to 11.3c/kwh
 - More stringent Victorian Energy Efficiency Target (VEET)
 - Inclusion of street lights in the VEET
 - Victorian Climate Change Adaptation Plan – provides continuing funding for adaptation and collaboration with local government and local greenhouse alliances

³ National Greenhouse Accounts Factors, August 2016, Department of the Environment and Energy