



EASTERN ALLIANCE  
FOR GREENHOUSE ACTION

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21 February 2018

Local Government Act Review Secretariat  
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To whom it may concern,

**Re: Exposure Draft of the Local Government Bill**

The Eastern Alliance for Greenhouse Action (EAGA) is pleased to provide this response to the Department of Environment, Land, Water and Planning's (DELWP) *Exposure Draft of the Local Government Bill 2018*.

EAGA is a formal Alliance of eight Councils in Melbourne's East, committed to delivering mitigation and adaptation projects and advocating for initiatives that support sustainable, low carbon communities. Our members include:

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

The scope of this submission is confined to **Part 5 - Rates and Charges** and addresses the need to amend the draft bill to allow local governments to better use council rates as a financing mechanism for sustainability programs.

The success of these programs are often dependent upon the 'elegance' of the regulatory framework through which they operate. EAGA is leading the delivery of Solar Savers – local government's flagship program assisting vulnerable households to install solar PV to reduce electricity costs and stay cool in heatwaves. The program is supported by a \$0.76M State Government grant (via the New Energy Jobs Fund) and is being delivered in partnership across three Greenhouse Alliances and twenty-five participating councils. The program provides access to low cost finance through the

application of additional property charges via the Special Charges Scheme (Sec 163) of the current Local Government Act 1989.

Unfortunately, the current legislation imposes significant administrative requirements on councils utilising the Special Charges scheme for voluntary opt-in programs, largely as a result of the public notice and submission provisions within the Act. These requirements are constraining the delivery of the Solar Savers program and limiting its ability to be effectively scaled-up to the estimated 52,000 low income households that could benefit from such a program.<sup>1</sup>

### **Division 5 – Environmental Upgrade Agreements (EUA)**

We congratulate the State in making a number of improvements to the *Rates and Charges* section of the Draft Bill to address some of the challenges mentioned above, particularly the expansion of EUAs from the commercial and industrial sectors to the residential sector. EAGA applauds the State's responsiveness to EAGA's previous correspondence to the Minister for Local Government on these matters.<sup>2</sup> The proposed EUA provisions offer a number of advantages to councils using rates charges for voluntary programs, including:

- the charge can be declared and levied (by instrument of delegation) by the CEO, avoiding multiple, lengthy administrative requirements
- removal of the need for tripartite agreement, allowing councils to be the lending body
- the requirements for 28 days' notice has been removed, further streamlining the charge application process
- the arrangement can take debt off the balance sheet of council, when a project is funded by the third party

EAGA urges the State to consider the following refinements to the Draft Bill to further support the expansion of rates based financing programs:

- remove the requirement for rateable land to have an 'existing building'. This will allow other types of projects to be supported by councils, such as solar farms or farmland irrigation efficiency initiatives
- reduce or remove the requirement on council to undertake complex calculations and valuations prior to entering into an EUA (clause 135(2))

### **Division 2 – Special Purposes Charge**

Despite the obvious benefits of EUAs over a Special Purposes Charge for voluntary schemes, some councils are still likely to use a Special Purposes Charge, depending on their internal preferences and/or capacity to implement new processes to support on ground programs. We consequently urge the State to consider the following refinements to the Bill to allow for voluntary use of the Special Purposes Charge:

- allow councils to declare and levy a *Special Purposes Charge*, by instrument of delegation to the Chief Executive Officer, on receipt of a letter of consent from the land owner. Ideally, the declaration process should be harmonised with the EAU process in such instances.

EAGA is willing to work with the State Government and the Local Government Victoria legislative team to ensure that consistent and robust approaches for rates based programs are adopted. This includes working collaboratively to implement programs that unlock investment and generate meaningful environmental benefits for the State and long term savings for Victorian households.

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<sup>1</sup> Solar Rates Business Case Phase 2, EAGA (Sept 2016), Solar PV for low-income households ([link](#))

<sup>2</sup> <https://eaga.com.au/wp-content/uploads/2018/01/EAGA-Letter-LG-Act-Exposure-Draft-2017-10-13.pdf>

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

Kind regards,



Cr Josh Fergeus  
Executive Committee Chair  
Eastern Alliance for Greenhouse Action  
Councillor, City of Monash



*This submission has been approved through EAGA's formal governance structure as described in the EAGA Memorandum of Understanding 2017-21. The submission may not have been formally considered by individual member councils.*