



23 August 2019

Climate Change Authority
GPO Box 787
Canberra ACT 2600

Dear Sir/Madam,

Updating the Authority's advice on meeting the Paris Agreement

Thank you for the opportunity to provide input to the Authority's updated advice to the Commonwealth Government on policies to meet Australia's greenhouse gas emissions reduction commitments under the Paris Agreement.

This submission is made by the Victorian Greenhouse Alliances, local government partnerships working with our communities to deliver regional emissions reduction and climate change adaptation projects. The greenhouse alliances represent 70 of the state's 79 councils. (See the list of member councils at the end of this letter.) Our projects are complemented by targeted research, advocacy, capacity-building initiatives and state, regional and community partnerships.

Climate change presents local government with significant risks to council services, assets and finances. More importantly, it has impacts on the wellbeing of local communities and economies. Those communities are increasingly expecting their councils to respond to these risks, reduce their carbon footprints and prepare residents and businesses to respond appropriately. Currently, 28 (about 5%) of Australia's 537 local governments have declared or announced a climate emergency, in most cases having been directly petitioned and/or informed by their residents.

In response to the key role of local government in addressing climate change, most Victorian councils now have greenhouse emissions reduction targets and objectives for their own operations (corporate emissions). This includes 25 councils with 'carbon neutral' targets and 34 with targets to reduce a percentage of their emissions, some up to 100 percent. With the active support of their greenhouse alliances, these targets and objectives are achieved through energy efficiency, onsite solar and other initiatives, such as plans to transition council fleets to electric vehicles. Councils also directly support initiatives in their communities, and at least 20 have specific targets for reductions in community greenhouse emissions. Analysis shows that Victorian councils are well above the national average for local government in undertaking and supporting these initiatives.¹

¹ ICLEI, Beyond Zero Emissions, Ironbark Sustainability (2018) *Australian Local Government: Climate Review 2018*, p 21.

https://www.ironbarksustainability.com.au/fileadmin/public/downloads/IRO_GEN_001_Local_Government_Review_Report_FINAL.pdf

1. The need to update the Authority's previous advice

We support the Authority's goal to provide updated advice on the Commonwealth Government's policy toolkit, on the basis of developments in the economics and science of climate change as recently as 2018.

The most material change is the continued growth in emissions, globally and domestically. It is now clear that Australia is not on track to meet its current emissions reduction target, let alone any greater ambition.²

The Commonwealth Government's policies, mainly the Emissions Reduction Fund (ERF), have not been able to reverse that trajectory. The Clean Energy Regulator reports that only three contracts were awarded in the ninth auction conducted in July 2019 and that cumulative abatement delivered through all nine ERF auctions has fallen away almost completely³.

Infrastructure Australia's latest audit report also identifies major increases in emissions from particular sources, especially transport, direct combustion and fugitive emissions⁴. These increases effectively offset reductions made under the ERF.

Therefore, we believe stronger recommendations are now required, aligned with the policy principles outlined in the Authority's consultation paper: economic efficiency, environmental effectiveness, equity, public interest, impact on households, businesses, workers and communities, supporting an effective global response, and consistency with Australia's foreign policy and trade objectives.

2. Recommended policy changes

Increased emissions reduction target

We understand that the Authority does not at this stage intend to make recommendations about the level of Australia's 2030 emissions reduction target. Yet, the existing target allows the Government to continue to rely on policy such as the 'Climate Solutions Package' (a rebranding of the ERF) and its intention to carry over credits from the Kyoto Protocol to meet that target. The insufficient 2030 target provides cover for measures which are ineffective in reversing the emissions trajectory, despite the investment of \$4.55 billion in public funds in the ERF and its successor.

A strong target would signal the need for supporting policy. Accordingly, we recommend that the Authority include a more ambitious target in its updated advice, aligned with Australia's national carbon budget of 10.1 Gt CO₂-e. In 2015, the Authority recommended a 2030 target of 40 to 60 percent below 2000 levels on the basis of climate science and the

² NDEVR Environmental, 2019, 'Tracking 2 Degrees Report', Quarterly Report Q3/FY2019

³ <http://www.cleanenergyregulator.gov.au/ERF/Auctions-results/july-2019>

⁴ Infrastructure Australia, June 2019, *The Australian Infrastructure Audit 2019: An Assessment of Australia's Future Infrastructure Needs*

costs and benefits of emissions reduction⁵. Since then, those reasons have only strengthened.

Overarching market mechanism

We appreciate the Authority's previous advice and its sectoral approach to policy, including recommendations for measures in the transport sector, such as fuel efficiency and emissions reduction standards for vehicles, and in agriculture and the land sector, such as support for carbon farming. We also support national and collaborative initiatives such as the Trajectory for Low Energy Buildings⁶ and the National Waste Policy⁷, which address specific barriers to emissions reduction and climate resilience within particular sectors.

We also believe, however, that these policies need to be underpinned by a comprehensive market-based incentive in order to angle all sectors of the economy towards achieving emissions reductions and to address the social costs of energy and emissions. The Australian Carbon Dividend Plan⁸ is an approach which would tax emitting industries and return dividends to Australian citizens. A significant benefit of this instrument is that it would provide a direct financial return to every adult, which would be relatively larger for low-income people; it could not be dismissed as a 'big new tax' on average Australians.

The carbon dividend approach, recently outlined and promoted by the University of New South Wales, could actually be popular and offers hope for a bipartisan economy-wide climate policy in Australia. Canada has provided a precedent for a socially and politically accepted carbon price with the Pan-Canadian Approach to Pricing Carbon Pollution⁹. Bipartisan carbon pricing bills have also just been introduced into the United States Congress on 25 July 2019, which the World Resources Institute hails as 'one of the smartest and most effective steps we can take to reduce carbon emissions'¹⁰.

Initiatives such as the Australian Climate Roundtable show that collaboration across the political divide is not only possible but already underway in our own country. The Roundtable is a partnership and a shared commitment to climate action across very different interests by the Australian Aluminium Council, the Australian Conservation Foundation, the Australian Council of Social Service, the Australian Council of Trade Unions, the Australian Energy Council, the Australian Industry Group, the Business Council of

⁵ <http://www.climatechangeauthority.gov.au/sites/prod.climatechangeauthority.gov.au/files/Final-report-Australias-future-emissions-reduction-targets.pdf>

⁶ <http://coagenergycouncil.gov.au/publications/trajectory-low-energy-buildings>

⁷ <https://www.environment.gov.au/system/files/resources/d523f4e9-d958-466b-9fd1-3b7d6283f006/files/national-waste-policy-2018.pdf>

⁸ <https://www.grandchallenges.unsw.edu.au/article/australian-carbon-dividend-plan>

⁹ <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/putting-price-on-carbon-pollution.html>

¹⁰ <https://www.wri.org/news/2019/07/statement-bipartisan-carbon-pricing-bills-signal-hope-us-climate-action>

Australia, the Investor Group on Climate Change, WWF-Australia and – most recently – the National Farmers’ Federation¹¹.

While there are social and political reasons to support a carbon price, it should also not be forgotten that the Australian version of the policy introduced with the *Clean Energy Act 2011* reduced emissions in those sectors of the economy to which it was applied, and that emissions have been rising since its repeal in 2014. At the very least, it should therefore be reviewed and seriously considered for its potential to reverse our emissions trajectory now.

Support for Australian research

The Authority’s consultation paper outlines many other areas of recent positive developments which would justify strong carbon policy in Australia. These include improvements in the costs of abatement technologies and improvements in our understanding of climate impacts.

These developments are led by continual research. One important piece of research is the IPCC’s latest report, on carbon emissions in agriculture and the land sector, which shows that better land management is critical to global emissions reduction¹². Australian scientists and research institutes play a leading role in the IPCC. For example, researchers from Murdoch University, University of Queensland, University of Western Australia and Curtin University were on the writing team of the IPCC Special Report, *Global Warming of 1.5 Degrees*, published in October 2018. This fact is actually promoted by the Commonwealth Government, as evidenced by the Department of the Environment and Energy singling out Australian contributions to the IPCC on its website¹³.

Australia’s involvement with the IPCC only serves to highlight the world-leading contributions by our researchers to understanding climate change and how to address it. As well as pointing out the increasing problems of climate change, there is authoritative Australian research on the opportunities; for example, a cost-benefit analysis titled *Australia’s Clean Energy Future: Costs and Benefits*, published in June 2019 as a collaboration between the Melbourne Sustainable Society Institute and SGS Economics, supported by the University of Melbourne, the Australian Research Council and the Queensland Government¹⁴. That study conservatively found that there would be a net benefit of \$16.2 billion to Australia of nation-wide emissions reduction actions¹⁵.

The Commonwealth Government should base its policies on such politically independent and evidence-backed advice. Accordingly, we suggest that the Authority include a recommendation that the Government explicitly support climate research efforts by the IPCC and our leading institutes, including the Bureau of Meteorology, CSIRO and major Australian universities. We also wish to express support for the Climate Change Authority itself and its role in providing reliable advice to the Government. It is unhelpful for the

¹¹ <https://ipcc.org.au/australian-climate-roundtable-renews-its-commitment-to-successful-action-on-climate-change/>

¹² https://www.ipcc.ch/2019/08/08/land-is-a-critical-resource_srccl/

¹³ <https://environment.gov.au/climate-change/climate-science-data/climate-science/ipcc>

¹⁴ <https://sustainable.unimelb.edu.au/publications/issues-papers/australias-clean-economy>

¹⁵ Ibid, p4

Government to dismiss authoritative research, as witnessed by the Deputy Prime Minister Michael McCormack referring to the IPCC's 2018 findings as 'some sort of report', in order to continue with existing ineffective policies¹⁶ - and this should be acknowledged.

3. Local government's role in greenhouse emissions reduction

As already stated, local government plays a leading role in reducing emissions across councils' own operations and assets and in facilitating action by the community. For this reason, the Australian Local Government Association passed a motion at its 2019 general assembly to request a \$10 billion fund from the Commonwealth Government to support local government to address climate change¹⁷ and that the Government declare a national climate emergency¹⁸.

Examples of emissions reduction policies, programs and initiatives underway by Victorian councils include:

- Corporate renewable Power Purchase Agreements (PPAs)
 - The Melbourne Renewable Energy Project is a collaboration between four councils, the Cities of Yarra, Moreland, Port Phillip and Melbourne, and other organisations purchasing 100% of their electricity through renewable energy.
 - More than 45 councils have joined the Local Government renewable energy PPA led by Darebin City Council and the Municipal Association of Victoria (MAV) for new electricity contracts for council operations commencing from July 2020. This project has the potential to deliver over 1.2 million tonnes of abatement over the project period.
 - Eleven councils have committed to a renewable PPA led by Procurement Australia.
- Facilitating community energy initiatives, such as the 'Totally Renewable' movement in regional Victoria through Totally Renewable Yackandandah and other towns.
- Shifting local government fleets to electric vehicles (EVs), installing EV charging infrastructure and trialling innovative technology. For example, Hobsons Bay City Council has just completed a trial of a hydrogen-fuelled vehicle with Toyota, and City of Casey is using electric trucks for hard waste collection. The Victorian greenhouse alliances are also collaborating with the Electric Vehicle Council of Australia on a project titled 'Charging the Regions' to explore how to expand and coordinate EV charging infrastructure across the state.
- Improving urban design to support active transport and energy efficient development. A collaboration of regional and metropolitan cities in Victoria is developing best practice guidelines for sustainable subdivisions that will enable efficient buildings, reduce car dependency and reduce pollution.

¹⁶ <https://www.theguardian.com/australia-news/2018/oct/09/australian-government-backs-coal-defiance-ipcc-climate-warning>

¹⁷ <https://www.icleioceania.org/news-item-1/2019/6/20/australian-councils-motion-federal-government-to-declare-national-climate-emergency>

¹⁸

- Installing rooftop solar and undertaking investment in large-scale renewable energy for their corporate energy use.
- Improving the energy efficiency of their facilities and privately owned buildings through environmentally sustainable design (ESD) policies and planning guidelines.
- Supporting businesses and residents to be sustainable through offering to enter into Environmental Upgrade Agreements (EUAs), advice on energy and climate impacts, Solar Savers Program (for low income households) and solar bulk buys. For example, in the west of Melbourne, more than \$1 million has been invested by building owners for environmental improvements to commercial buildings in the past three years through EUAs.
- Integrating their greenhouse emissions reduction goals and actions in policy and operations, to demonstrate leadership to local communities.
- Developing integrated water management strategies to retain water in the landscape to reduce the urban heat island (UHI) effect.
- Urban forest strategies to increase canopy cover and vegetation to improve resilience and reduce emissions, including, for example:
 - *Living Melbourne: our metropolitan urban forest*, a strategy to significantly increase greening across Melbourne, by Resilient Melbourne, a partnership of 32 councils
 - Individual council initiatives such as the Bass Coast Biolinks Project, which aims to increase native vegetation cover and form wildlife corridors with strong collaboration between Bass Coast Shire Council, the local community and landholders in the region.

4. The Victorian greenhouse alliances

The alliances and their member councils are:

- *Central Victorian Greenhouse Alliance (CVGA)*
 - Ararat Rural City Council
 - City of Ballarat
 - Buloke Shire Council
 - Central Goldfields Shire Council
 - Gannawarra Shire Council
 - City of Greater Bendigo
 - Hepburn Shire Council
 - Loddon Shire Council
 - Macedon Ranges Shire Council
 - Mildura Rural City Council
 - Mount Alexander Shire Council
 - Pyrenees Shire Council
 - Swan Hill Rural City Council
- *Eastern Alliance for Greenhouse Action (EAGA)*
 - 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

- *Northern Alliance for Greenhouse Action (NAGA)*
 - Banyule City Council
 - Darebin City Council
 - Hume City Council
 - Manningham City Council
 - City of Melbourne
 - Nillumbik Shire Council
 - Moreland City Council
 - Whittlesea Council
 - Yarra City Council

- *South East Councils Climate Change Alliance (SECCCA)*
 - Bass Coast Shire Council
 - Bayside City Council
 - Cardinia Shire Council
 - City of Casey
 - City of Greater Dandenong
 - Kingston City Council
 - Mornington Peninsula Shire
 - City of Port Phillip

- *Western Alliance for Greenhouse Action (WAGA)*
 - Brimbank City Council
 - City of Greater Geelong
 - Hobsons Bay City Council
 - Maribyrnong City Council
 - Melton City Council
 - Moonee Valley City Council
 - Moorabool Shire Council
 - Wyndham City

- *Goulburn Broken Greenhouse Alliance (GBGA)* – a partnership of councils and state agencies in north eastern Victoria

This submission has been approved through the greenhouse alliances' formal governance structures but has not been formally considered by individual members. The submission does not necessarily represent the views of all councils. In the event that



individual councils have positions which go beyond this submission, they may provide additional feedback.

Yours sincerely,

A handwritten signature in black ink that reads "J. McDonald".

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