



EASTERN ALLIANCE
FOR GREENHOUSE ACTION

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The Committee Manager
Legislative Assembly, Environment and Planning Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

By email: ClimateChangeInquiry@parliament.vic.gov.au

Dear Sir/Madam,

Re: Victorian Parliamentary Inquiry into Tackling Climate Change in Victorian Communities

The Eastern Alliance for Greenhouse Action (EAGA) is pleased to provide a submission to the Victorian Legislative Assembly Environment and Planning Committee's *Inquiry into Tackling Climate Change in Victorian Communities*.

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

EAGA urges the Committee to consider the following matters in formulating their report:

Climate Change Impacts in the EAGA Region

Climate change is an immediate threat that poses multiple risks to the core functions and service delivery objectives of Councils in Eastern Melbourne. Melbourne's East is already experiencing the impacts of climate change, with an increase in the frequency, severity and extent of extreme

weather events multiplying existing risks faced by Councils. Some of the implications of the changing climate include:

- Reduced service delivery and loss of business continuity
- Increased demand on council facilities and resources
- Increased damage to council assets
- Unbudgeted financial impacts from cumulative impacts of climate change
- Decreased public health and safety and mental and physical wellbeing
- Loss of environmental amenity and biodiversity values
- More frequent energy, transport and communications disruptions
- Reduced regional economic development
- Reduced food, water and energy security
- Increase in liability issues

More importantly, climate change is impacting 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

Actions being taken by community members and organisations to mitigate the severity of climate change, including actions to reduce greenhouse gas emissions.

EAGA and its member councils have a proud history of delivering significant climate mitigation initiatives, both at the regional scale and individual council level. Since 2012, EAGA initiatives have saved over 22,000 tonnes of greenhouse emissions in councils and the community. This is forecast to increase to over 56,000 tonnes by 2021 through projects currently being delivered. These greenhouse savings have been captured whilst delivering significant financial savings for councils and their communities.

Examples of mitigation initiatives led or facilitated by councils include:

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_Reivew_Report_FIN_AL.pdf

- *Local Government Power Purchasing Agreement*

EAGA has worked with its member councils and other Greenhouse Alliances across the state to form the largest renewable energy buyers group in Australia (by number of organisations with 48 councils involved). The group have come together to drive investment in renewable energy- resulting in pooling ~246GWh of electricity, which is the equivalent to powering 43,000 homes with renewable energy or taking 80,000 cars off the road each year. The committed councils are now in the tender stage to purchase renewable electricity for council operations through a long term Power Purchase Agreement (PPA). It is the largest ever emissions reduction project undertaken by local governments in Australia, aggregating approximately 45% of all Victorian Council electricity to switch to 100% renewable energy.

- *Solar Savers*

Since late 2016, EAGA has led a consortium of three Greenhouse Alliances and 26 council partners to deliver Australia's largest residential solar program for low income and vulnerable households. The program has installed over 434 solar systems (1.6MW) saving households an average of \$260 per year, and pioneered the use of council rates as an underpinning finance model. Independent evaluation demonstrates the ability of solar PV to provide low cost energy throughout the day means these householders can cool their homes during heatwaves without fear of 'price shock'.

- *Public lighting energy efficiency retrofits*

All eight EAGA members have successfully replaced old inefficient residential (category-P) public lighting with energy efficient alternatives. Emissions from the region's 53,223 street lights represent ~40% of the combined footprint of EAGA's members. This is part of a broader success story, where nearly 300,000 lights have been replaced by councils across the state, saving Victorians over \$0.5B and reducing emissions by ~2.2M tonnes.

- *Energy Performance Contracts*

Since 2016, EAGA has been delivering a joint Energy Performance Contracting (EPC) program – the first of its kind in the Australian Local Government sector. The program aims to reduce energy consumption and operational costs by ~30% in council owned buildings and facilities. A number of major energy conservation measures have been implemented that are now delivering ~\$200K/yr in savings and 1,500 tonnes of abatement for each council. The program has recently been expanded from four to six councils.

Actions by community members and organisations to adapt to the current and future impacts of climate change

EAGA councils are increasingly turning their attention to initiatives to enhance the region's resilience to climate impacts as demonstrated through the following projects:

- *How Well Are We Adapting*

EAGA members are working with networks of councils across the State to develop adaptation indicators for council service delivery. *How Well Are We Adapting* project is an innovative web-based climate change adaptation monitoring, evaluation and reporting tool for Victorian local governments.

- *Biodiversity Monitoring in Melbourne's East*

EAGA's multi-award winning Biodiversity Monitoring in Melbourne's East pioneered the development and trial of a new framework for monitoring indicators of biodiversity health in the context of a changing climate. The framework assists councils to develop a body of information to inform adaptive NRM practices, provide an evidence base to inform future investment and capture 'stories' to share with communities.

- *Future Assets Forum*

One of the key priority risks from climate change impacts is the increased potential damage to council facilities, leading to increased maintenance costs, reduced asset lifespan, increased OHS hazards for staff and reduced service delivery capacity. The Future Assets Forum establishes a regional approach to including embed building vulnerability assessment approaches within ongoing asset management practices and capital works programs. This enables staff to systematically identify risks for to the assets of the EAGA councils and prioritise key facilities for targeted upgrades or other improvements.

Other leading examples include:

- The Warburton Mini-Hydro scheme, facilitated by a partnership between the Yarra Ranges Council and the local community energy group
- Environmental Upgrade Agreement (EUA) initiatives in Knox and Monash, where councils facilitate investment in retrofits of commercial and industrial facilities through property charges
- Food Organics in Garden Organics program in Glen Eira, diverting food waste from landfill and cutting emissions across the municipality
- Climate Change Vulnerability Assessment for council buildings in Whitehorse to identify, prioritise and implement minor Capital Works projects to mitigate the impacts of climate change

Ways in which the government can best support communities in their efforts

Local governments require direct financial support to ensure they have the capacity to understand and address the wide-ranging impacts of climate change on their business and communities at a local level. In addition, tackling climate change requires coordination and collaboration between all levels of government, so stronger partnerships between local government and state government are crucial.

Grant funding is often considered the most straight-forward way to support local governments' initiatives. Councils acknowledge that many of the projects and activities outlined above would not have occurred in the absence of support from the Victorian State Government. However, most councils express concern that sufficient funding is not available to address regionally and locally determined priorities.

Moving forward there are several options for supporting local government in climate action. Councils would like to have long-term, flexible funding options and a regional approach to prioritising projects. Councils and communities need to be agile and respond quickly and directly to climate impacts based on local knowledge. This will continue to be a challenge if funding proposals are developed to align with asymmetric funding guidelines and criteria. Within reason, decisions and priorities should be made by the people closest to the specific need, and councils

should be empowered to implement projects that meet the needs of local communities and respond promptly to vulnerabilities.

It has been estimated that a \$10 billion fund is required to support local government and communities across the country to address climate change, both in terms of improving the resilience of local communities and reducing emissions.² At the state level, this could equate to approximately \$1.5 billion over 10 years. However, it is likely that this figure is very conservative given the population of Victoria. This could operate in a similar fashion to the Regional Roads to Recovery funding whereby councils can work collaboratively to identify regional priorities and be resourced for implementation.

Recent State Government funding for climate change has included the \$4.3 million Victorian Climate Change Innovation Partnerships and the \$1 million Community Climate Change Adaptation program. Both funding streams were significantly oversubscribed and demonstrate the need for such funding, but also the willingness for communities to take action with local solutions.

Dramatically increasing funding to climate change initiatives is not only desperately needed but it also can deliver significant social, environmental and economic returns. This assistance could help to deliver:

- Infrastructure upgrades to improve resilience to extreme weather events and hotter and drier conditions (e.g. critical community building assets, drainage improvements, streetscape upgrades and greening initiatives).
- Capacity building in planning systems to ensure communities are safe.
- Community and social resilience programs to ensure communities are informed, empowered and have capacity to respond to climate change.
- Local initiatives to decarbonise all sectors of the economy, including energy, transport, agriculture etc.
- Support for local and regional governance to improve service delivery and decision-making processes. This could include internal resources to embed climate change across council service areas.
- Improved service delivery capacity in the face of extreme weather events as well as longer term chronic issues associated with climate change.

Some of the key short-term priorities for councils include but are not limited to:

- **Cost shared model for major road lighting:** For the past three years, EAGA councils have been advocating to the State Government to contribute to the costs of replacing major road streetlights with energy efficient LED. The operating costs of ~16,000 lights in the EAGA region are cost shared between councils and the State Government. It is critical that equitable cost sharing model is established between local governments and the State. EAGA's business case report demonstrates that the region may forgo savings of \$2.1M and 7,592 tonnes of emissions annually if the lights remain unchanged. Replacing all major roads lights across the State could save ~\$24M and reduce emissions by ~86,500 tonnes annually. An estimated up-front investment of \$8.8M is required from the State to unlock and bring-forward a larger investment of \$14.5M from EAGA councils, which would be recouped in ~5.5 years. Councils are not prepared to

² 2019 ALGA National General Assembly Motion: Climate Emergency

'bankroll' asset upgrades of the State, especially when there is a clear compelling business case for both parties to work together.

- **Funding or finance for green infrastructure:** A critical challenge across the region is ensuring our communities can stay safe, healthy and resilient despite climate impacts such as more extreme heatwaves. Councils have an important role to play in reducing this vulnerability by investing in street trees, irrigated parklands and shadeways etc. Despite councils across the region doing what they can with limited budgets and investing in urban forests and street trees, additional funding will ensure that these initiatives can be expanded and coordinated across the region. A matched fund for local governments to access to support Green Infrastructure in the next three years would significantly improve the resilience of towns and cities going forward.
- **Support for embedding climate change in council decision making processes:** Moving forward, councils will be required to embed climate change across most aspects of council decision making and are facing increasing legal responsibilities and liabilities. Many councils require capacity building and resourcing to ensure that climate change is adequately considered and integrated. This could work like the emergency management model whereby councils each have a funded resource who can concentrate on embedding climate risk across the organisation. Similarly, the Officers for the Protection of the Local Environment (OPLE) pilot program has seen 11 new authorised EPA officers assigned to 13 council areas across the state. This program is seen to be a positive example of providing the resources to improve council service delivery.
- **Tackling the waste crisis:** The recent recycling crisis is only one element of the waste challenge facing local governments across our region. Waste is a significant source of emissions yet is a systemic issue that is beyond one or even multiple councils' capacity to address. Priority should be given to establishing organic processing facilities at several regional locations across the state to reduce long distance transport of food and garden waste and avoid emissions associated with decomposition at landfill. This should be complimented with support to local initiatives for reducing and recycling organic waste, through providing incentives to hospitality and food outlets and community gardens for minimising and repurposing organic waste. Greater support for programs like Food Organics and Garden Organics (FOGO) should be given to councils to improve waste stream separation and avoid landfill emissions. Councils also support the State Governments intentions to build more circular economies and incentives for stimulating waste to energy technologies providing it fits within the waste hierarchy.
- **Support for low emissions vehicles:** Although some councils are introducing low emission vehicles into their own fleets, much more could be done to stimulate fleet transition plans in local government. A state-wide program to build capacity of councils to transition fleets as well as financing mechanisms to access low emissions vehicles would create benefits for the whole of economy and stimulate a second hand EV car market. Similarly, targeted programs to support trials for electric and hydrogen fuel cell heavy vehicles would help to unlock barriers to full fleet conversions. In addition, councils are well placed to partner with the State Government to ensure Victoria has a comprehensive network of public charging infrastructure for electric vehicles (EVs).
- **Improved localised data of future climate scenarios:** Councils would like the state government to extend its Climate Ready Victoria work to provide climate forecast information at a more local scale (5km grids or finer), to enable more meaningful communications with the community. In addition, councils need adequate resourcing to

understand how to integrate and utilise this data, as well as opportunity to inform datasets through local data inputs.

- **Support for business transition:** There is scope for business operations of all sizes to minimise the offsite environmental impacts of their operations and to transition to changed climatic conditions. Councils in the region would like to see the state government continue its support to the business sector through programs that direct energy efficiency in current operations, and provide additional programs that support businesses to transition away from fossil fuels (for example, converting from gas to renewable energy) and to transition to changing markets (for example, proving incentives or subsidies for local small scale economic development like clothes production).
- **Support low emission, resilient buildings:** Improving energy efficiency in the built environment represents a significant opportunity for emissions reductions by the wider community, and for ensuring buildings can perform well under changed climate conditions. These opportunities include:
 - Increasing the minimum energy efficiency standard for new buildings and large renovations through the planning and / or building approvals process.
 - Supporting low emissions construction materials, including through supporting the low carbon cement industry through government sponsored road and infrastructure projects.
 - Introducing energy efficiency standards for rental properties and public housing.
 - Funding sustainable design advisory services within local government.
 - Continuing to provide financial incentives and support for installation of solar panels and energy efficiency upgrades across the residential and commercial sectors.
- **Support for transitioning the agricultural sector:** The agricultural sector plays a critical role in producing and / or sequestering greenhouse gas emissions. Farming is also one of the most vulnerable sectors to the impacts of climate change. Opportunity exists to work with farming communities to promote animal and land management practices that reduce emissions from livestock, store carbon in soils, sequester carbon emissions through revegetation, while also building on-farm resilience to drier conditions and extreme weather. This could take the form of one-on-one advice as well as workshops and financial incentives. Local government, catchment management authorities or state government departments and agencies could deliver this function.

Interstate and overseas best practice models that could be implemented in Victoria

Whilst it is important to look beyond Victoria for best practice models, it is important to first acknowledge that the greenhouse alliance model represents a global best practice model.

The Greenhouse Alliances have been recognised in Australia and internationally as a best practice governance model for climate change. Beyond Zero Emissions, ICLEI and Ironbark Sustainability recently released a report on the role local governments are playing across Australia on climate change. The comprehensive review demonstrates the key role local governments have played over the past 20 years in leading on climate change action. In particular, the report highlights how Victorian local governments are well above the national average on addressing a range of climate change challenges, from setting ambitious corporate and community targets to information provision and on the ground actions. A key recommendation of the review is for other states to replicate the Victorian Greenhouse Alliances model.

The Victorian Greenhouse Alliances have also been recognised as a best practice global model by a review for the Atmospheric Fund in Toronto, Canada. The TAF have worked for 25 years on reducing greenhouse gas emissions in the City of Toronto through grant provision, impact investing and program development. Recently their mandate has expanded to work more regionally, and so engaged a consultant to examine best practice models of regional climate change governance. The report identified: “An interesting example of a best practice decentralized network is the Victorian Greenhouse Alliances. Essentially, local governments have established nodes throughout the region to convene strategic discussions, plan and implement greenhouse gas emissions reduction projects, and advocate for local governments at the state and national level. They have successfully engaged a wide range of stakeholders, bolstered the capacity of local governments, and improved coordination between municipalities and regions.”

The function of the Greenhouse Alliances in Victoria is a unique advantage for the State that should be maximised. It is important to consider how the State can support and work with Greenhouse Alliances in stronger partnerships to scale up climate change mitigation and adaptation actions.

Local governments are on the frontline of tackling climate change. They have led the way consistently for decades in mitigation and adaptation. Going forward, it is critical that they are given much more support from state government to address the all encompassing challenges that climate change presents.

If you have any questions or queries relating to this letter, please contact Scott McKenry, EAGA Executive Officer, on scott.mckenry@maroondah.vic.gov.au or 03 9298 4250.

Yours sincerely,



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.