

17 October 2023

Senator Jenny McAllister
Assistant Minister for Climate Change and Energy
Suite 1, 1 Park Avenue
Drummoyne NSW 2047

By email: jennifer.mcallister@aph.gov.au

Dear Assistant Minister McAllister,

Re: A new strategic partnership to address climate change

On behalf of our members, the Victorian Greenhouse Alliances (VGA) are writing to request a new strategic partnership between federal, state and local government to address the challenges of climate change.

The Victorian Greenhouse Alliances are formal partnerships of local governments and statutory agencies driving climate change action across Victoria's municipalities. The Alliances deliver regional mitigation and adaptation programs that provide economies of scale and enable projects typically beyond the reach of individual councils and agencies. Our project work is complemented by targeted advocacy, capacity building and regional partnerships.

As the risks and opportunities of climate change become increasingly clear, it is imperative that all levels of government work well together to accelerate the transition to net zero and to strengthen community resilience. To meet this challenge, the current fragmented approach to policy, funding and resourcing must be addressed. The recently released *Many Hands Makes Light Work*¹ report identifies that a new approach to climate governance is required to empower all spheres of government to fulfil their climate ambitions by promoting effective coordination between and across all levels of government. This 'multilevel governance' approach is intended to turbocharge climate action and give those on the frontlines a seat at the decision-making table. It is also designed to stimulate collaboration, engagement and communication between government portfolios and sectors of the economy.

Energy Consumers Australia have made the same recommendation to government in their *Stepping Up*² report, which calls for the creation of a new national partnership across all levels of government with the objective of ensuring an orderly and equitable shift to all-electric homes. The report states that this energy transition must be socially inclusive and appropriately managed to ensure that the benefits are shared by all users and costs are not unduly borne by vulnerable communities and those least able to afford it.

We would appreciate the opportunity to meet with you to explore options for trialling the multilevel governance model. Specifically, we would like to discuss:

- **Implementation of the Energy Savings Package** – we applaud the government's commitment to allocate \$1.6B in the 2023-24 budget for energy saving upgrades for homes, businesses and social housing. However, we urge you to consider the attached design recommendations that seek to improve the implementation of the Package, specifically by prioritising the \$1.3B Household Energy Upgrades Fund for vulnerable and low-income households. These recommendations seek to leverage the trusted brand and extensive experience of councils in the

¹ Melbourne Centre for Cities, [Many Hands Make Light Work](#), final report, July 2023

² Energy Consumers Australia (ECA), [Stepping Up: A smoother pathway to decarbonising homes](#), August 2023



delivery of residential solar and upgrade programs, particularly for vulnerable and culturally diverse communities.

- **Draft National Energy Performance Strategy (NEPS)** – the consultation paper released in November 2022 was silent on the role of local government. Whilst councils welcomed the round table discussions in June 2023, we recommend that local government is included in the governance arrangements in the draft NEPS to be published later this year.
- **Establish an ‘accord’ between the three tiers of government** – this approach should leverage the governance blueprint established under the NEPS to inform a broader ongoing ‘accord’ that defines common objectives to strengthen climate mitigation, adaptation and resilience.

We would welcome the opportunity to speak with you directly regarding the above opportunities for trialling the multilevel governance approach and explore how we can leverage the respective capabilities and resources of all levels of government to ensure the best outcomes for our communities.

Greenhouse Alliances and contacts

- Barwon South-West Climate Alliance (BSWCA), Sue Phillips, Executive Officer, sue.phillips@bswca.org
 - o City of Greater Geelong
 - o Golden Plains Shire
 - o Surf Coast Shire
 - o Borough of Queenscliffe
 - o Colac Otway Shire
 - o Warrnambool City Council
- Central Victorian Greenhouse Alliance (CVGA), Annika Kearton, Chief Executive Officer, ceo@cvga.org.au
 - o Ararat Rural City Council
 - o Ballarat City Council
 - o Buloke Shire Council
 - o Central Goldfields Shire Council
 - o Gannawarra Shire Council
 - o Greater Bendigo City Council
 - o Hepburn Shire Council
 - o Loddon Shire Council
 - o Macedon Ranges Shire Council
 - o Mildura Rural City Council
 - o Mount Alexander Shire Council
 - o Pyrenees Shire Council
 - o Swan Hill Rural City Council
- Eastern Alliance for Greenhouse Action (EAGA), Scott McKenry, Executive Officer, scott.mckenry@maroondah.vic.gov.au
 - o City of Boroondara
 - o Glen Eira City Council
 - o City of Knox
 - o Maroondah City Council
 - o Monash City Council
 - o Stonnington City Council
 - o Whitehorse City Council
 - o Yarra Ranges Council
- Gippsland Alliance for Climate Action (GACA), Tiffany Harrison, Coordinator, tiffany.harrison@gccn.org.au



- o East Gippsland Shire Council
 - o Latrobe City Council
 - o South Gippsland Shire Council
 - o Wellington Shire Council
- Goulburn Murray Climate Alliance (GMCA), Carole Hammond, Executive Officer, eo@gmca.org.au
 - o Alpine Shire Council
 - o Benalla Rural City Council
 - o Campaspe Shire Council
 - o Greater Shepparton City Council
 - o Indigo Shire Council
 - o Mansfield Shire Council
 - o Mitchell Shire Council
 - o Moira Shire Council
 - o Murrindindi Shire Council
 - o Towong Shire Council
 - o Strathbogie Shire Council
 - o Wangaratta Rural City Council
 - o Wodonga City Council
 - o Alpine Resorts Victoria
 - o Goulburn Broken Catchment Management Authority
 - o North East Catchment Management Authority
- Northern Alliance for Greenhouse Action (NAGA), Dean Thompson, Executive Officer, dean@naga.org.au
 - o Banyule City Council
 - o City of Darebin
 - o Hume City Council
 - o Manningham City Council
 - o City of Melbourne
 - o Merri-bek City Council
 - o Nillumbik Shire Council
 - o City of Whittlesea
 - o City of Yarra
- South East Councils Climate Change Alliance (SECCCA), Dan Pleiter, Acting Chief Executive Officer, dpleiter@seccca.org.au
 - o Bass Coast Shire Council
 - o Bayside City Council
 - o Cardinia Shire Council
 - o City of Casey
 - o Greater Dandenong City Council
 - o Frankston City Council
 - o Mornington Peninsula Shire Council
 - o City of Kingston
 - o City of Port Phillip

This letter has been approved through the Greenhouse Alliances governance structures but may not have been formally considered by individual members. The submission does not necessarily represent the views of all members.



Energy Savings Package – design recommendations

([media release](#))

Councils welcome the funding announcement and congratulate the Federal Government on taking action to drive down household and business energy costs and make homes and businesses cheaper to run. We call on the Federal Government to consult with councils on the design of the package's implementation, specifically to leverage the extensive experience in the delivery of residential and business upgrade programs. We urge the government to consider the following recommendations:

Household Energy Upgrades Fund

- Funding should be prioritised for low-income and vulnerable households. The energy transition must be socially inclusive, equitable and appropriately managed to ensure that the benefits are shared by all households and costs are not unduly borne by the vulnerable and those least able to afford them.
- Debt products should be zero interest and over a sufficient term to minimise additional cost of living pressures on households.
- Eligibility should require that savings from upgrades exceed any repayments, so households are cash-flow positive from day one.
- Evaluation of existing loan products should be undertaken through the design process. This should capture barriers to uptake and examine the accessibility issues that have limited the ability of some community segments to access previous finance options.¹
- A portion of the fund should be allocated to 'facilitation services' that educate households on the benefits of upgrades and enable them to take action through access to trusted installers. This should seek to amplify and scale-up existing initiatives on the ground. Examples of council-provided facilitation services generally include:
 - Targeted outreach campaigns to ensure program awareness and engagement to support household decision making
 - Referrals to experienced service providers that have been vetted by council
 - Assistance in accessing Victorian Government rebates and interest-free loans
 - Additional financial subsidies provided in some council areas on a case-by-case basis.²
- Leverage the experience of councils and their trusted brand. The experience of councils demonstrates that the administration and trusted facilitation process is critical for delivering long-term program outcomes. Program participants are typically inexperienced with managing upgrades, and rarely knowledgeable about the subject matter. Without the facilitation process, retrofit programs are at risk of failing to obtain take-up, and when homes have been upgraded, they are at risk of failing to deliver on their original intent.
- Reach out to diverse communities with trusted messengers. There is a cultural and language barrier to accessing existing energy rebates and information. Trusted communicators and location-specific information in everyday language is needed to reach diverse communities.
- The program design should readily facilitate home upgrades to rental properties to assist the growing portion of households who rent. These householders have typically had limited ability to make energy efficiency and electrification improvements to their homes. This could include support being provided to councils to develop and trial programs that can facilitate upgrades for renters through property rates (eg. residential EUAs). The residential EUA mechanism is largely untried in the sector, mainly due to the current legislative restrictions that limit

¹ <https://www.bsl.org.au/research/publications/enabling-electrification/>

² For example, this program in Merri-Bek has assisted 233 households to date
<https://zerocarbonmerri-bek.org.au/solar-and-energy-financial-support-for-residents-on-a-low-income/>



schemes to tripartite arrangements only. Trials should seek to address this barrier and unlock the potential of residential EUAs more broadly.

- Utilise the findings and success of programs such as Victorian Energy Smart Upgrades, Healthy Homes and Energy Savvy, and support the expansion of well-designed programs to provide financial and energy advice services, and improved thermal comfort (in heat waves, and cold winters) for low income and households at risk of energy stress. The Healthy Homes project particularly demonstrated the benefits of a multi-agency approach to upgrading homes of the most vulnerable residents (with central coordination from Sustainability Victoria) and councils identifying and leading on recruiting vulnerable residents. The project also showed that energy efficiency upgrades for vulnerable households could lead to significant savings in the government health bill.³
- Consideration should be given to an emissions weighted approach, to reflect the changing nature of the electricity generation mix. This will help reduce the burden of reduced fossil gas use at large on low-income households who may not be able to adapt as rapidly as other households.

Support for social housing

- Funding should be prioritised for community housing (before public housing), which is managed and owned by not-for-profit organisations.
- Funding should be prioritised for thermal and building envelope upgrades to address heat mortality and morbidity rates in the most at-risk locations, as identified in the Physical Environment Analysis Network 2021.⁴
- Support should be provided to increase the outcomes of existing initiatives such as the Community Housing Industry Association Victoria's community [housing energy efficiency upgrades program](#).

Small Business Energy Incentive

- Amplify and scale-up existing programs and initiatives that help to educate businesses and facilitate access to trusted and reputable providers. There are many of these programs currently operating across the local government sector that provide a similar 'facilitation service' as offered by councils in the residential sector.⁵ These programs typically require even longer-term funding support to accommodate the lengthy decision-making timelines for businesses (often over multiple financial years).
- Consider a mechanism to ensure that small businesses (the majority of which have a much smaller turnover than \$50M) can take advantage of the incentive. There should also be additional support for smaller businesses (those with a turnover of less than \$2M) so that they are not left behind; for example, a marketing campaign to reach small businesses, an assistance phone line with different language options and a guide for businesses on how to get started.
- Support should be provided to councils to facilitate upgrades to leased buildings through property rates (eg. EUAs). This should seek to scale-up and amplify the EUA programs already being administered by councils and provide additional resources to assist councils who have not yet initiated their own EUA programs to ensure state-wide coverage.

³ <https://www.sustainability.vic.gov.au/research-data-and-insights/research/research-reports/the-victorian-healthy-homes-program-research-findings>.

⁴ Physical Environment Research Network. (2021). Reducing Illness and Lives Lost from Heatwaves: Project Report. Canberra, Australia: Australian Government Data Integration Partnership for Australia. ([link](#))

⁵ For example, Energy Savers: <https://www.businessenergysavers.org/>



The Nationwide House Energy Rating Scheme

- Establish a compliance program in partnership with the building industry to undertake an as-built verification (ABV) assessment of the insulation coverage and air tightness through performance verification measures such as blower door testing and thermal imagery. This should leverage the findings of the National Energy Efficient Building Project (NEEBP) and expand previous trials.⁶
- Create a nationally consistent and recognised energy rating system. This will require a baseline study of the energy performance of existing homes to address gaps in current data on the building stock.
- Consolidate schemes across jurisdictions to avoid duplication, particularly in Victoria where the Energy Efficiency Scorecard has been introduced. This transition should include support for registered Scorecard assessors.
- Consider opportunities to support holistic assessment and rating systems measuring both energy performance and the resilience of buildings to extreme weather, leveraging the work of the Resilient Building Council, to enable households and businesses to make the most effective and efficient decisions for improving building performance in the context of climate change.⁷
- Prioritise the expansion of assessments in rental properties to build the evidence base for the introduction of mandatory disclosure and deliver on the recommendations of the Victoria's Infrastructure Strategy 2021-51 – specifically to strengthen the minimum energy efficiency standards for rented homes.

⁶ https://www.energymining.sa.gov.au/__data/assets/pdf_file/0009/820719/NEEBP-Electronic-Building-Passport-Public-Report.pdf

⁷ [Star Rating – Resilient Building Council \(rbccouncil.org\)](https://rbccouncil.org)

