



# Moreland Energy Foundation Business Plan 2009–2010

September 2009

# Contents

## **Context** **5**

---

About the Moreland Energy Foundation Limited  
Climate change science  
International  
Federal Government  
Council of Australian Governments  
Victorian Government  
Moreland City Council  
Local Government  
Community

## **Our 2009/2010 program** **6**

---

Zero Carbon Moreland  
Coburg Initiative  
Moreland Energy Services  
Energy Hub  
Northern Alliance for Greenhouse Action (NAGA)  
Housing Design  
Training Program  
New Projects and Consultancy  
Communications  
Monitoring and Measurement  
Advocacy  
Administration

## **Our current strategic directions and outcomes** **9**

---

We lead community-based solutions on sustainable energy  
We build partnerships and alliances for sustainable local communities  
We grow and share energy knowledge with the community  
We implement excellence in business practice

## **Key performance indicators** **11**

---

Lead community based solutions on sustainable energy  
Build partnerships and alliances for sustainable local communities  
Grow and share energy knowledge with the community  
Excellence in business practice

## **Strategic challenges and opportunities** **12**

---

The challenge of delivering our program  
Our changing operational context  
Creating the evidence to drive effective change  
Delivering sustainability through diverse partnerships  
Developing our expertise, reputation and profile  
Looking after MEFL and our future

# Context

## *About the Moreland Energy Foundation Limited*

Moreland City Council established the Moreland Energy Foundation Limited, or MEFL, to reduce greenhouse gas emissions from the Moreland community. The Council's commitment to establish MEFL was shaped by a long local history of leading community-based sustainable energy action - including the provision of energy efficiency services and advocacy for sustainable political, economic and social change.

Before the privatisation of the electricity industry, the City of Brunswick's Electricity Supply Department provided high profile programs to promote energy efficiency in the community. Privatisation of the electricity industry resulted in the sale of the Brunswick and Coburg Electricity Supply Departments. In 1996, the incoming first Moreland City Council decided to set aside 10% of the invested proceeds from the sale of the electricity supply assets to provide a base for the creation of the Foundation. MEFL was established as a public company in December 2000.

Since we commenced operations in 2001, MEFL has grown from a staff of three people and an initial operating budget of under \$300,000 to the current level of around 20 staff and a 2009/2010 budget of around \$4.5 million. Current staffing and budget levels are substantially higher than in previous years primarily because of the influence of a large Federal Government grant through the Solar Cities Programme.

While the growth in staff numbers, activity and revenue provides a great opportunity for MEFL and for our community, we need to be aware of and prepared for the implications for our organisation of maintaining this level of activity. The majority of current grant funds are projected to be expended at the end of the 2010/2011 financial year, and there can be no assurance that MEFL will continue to attract such sizable grants following the completion of our Solar Cities project. Over the 2009/10 financial year, the MEFL Board will be undertaking a comprehensive strategic review and will establish our next strategic plan, for the period 2011-2015.

The increased size and budget of MEFL creates a need for ensuring that our systems for governance and accountability are robust. With the number of different programs underway, it will also be important to ensure that there is effective transfer of knowledge and experience across programs, so that staff learn from the experience of other programs as well as the one on which they are working.

MEFL's operational context is subject to many influences, and it is constantly changing - at the local, Victorian, national and international levels. MEFL must keep up with these changes and be clear about the implications for our program and for our community. The future context will bring both opportunities and challenges for MEFL and we need to ensure that we are flexible enough to respond to and influence the emerging context where we can.

## *Climate change science*

Virtually every update to the science related to the effects of climate change is reporting the likelihood of more severe damage than previously thought. Over the next century climate change is likely to adversely affect hundreds of millions of people, through rises in sea level, health impacts, more severe natural disasters and other effects.

As one of the IPCC scientists recently stated, "The more we learn about the problem, the more severe the risk becomes and the nearer it looms. Cutting emissions of greenhouse gases promptly is the surest way to reduce the risk, and that's how governments should be responding."

There is increased urgency for effective implementation of the types of programs delivered by MEFL.

## ***International***

The lead up, proceedings and follow-up to the Copenhagen Climate Change Conference will attract high levels of media attention on the issue of climate change and countries' willingness to take action. This should further increase community awareness of the issue, and pressure for government action, but it may not provide the type of information that the community needs to directly relate the issue to local and individual action.

## ***Federal Government***

The major focus of the Commonwealth Government is on gaining approval for the Carbon Pollution Reduction Scheme (CPRS). There are likely to be modifications to the current proposal for the scheme to gain Coalition support. There is also widespread concern amongst community groups and others about the potential impact of the CPRS on voluntary action – the types of actions taken in response to many of MEFL's programs. Further clarification of the CPRS (and perhaps modification) will have implications for MEFL.

The Government has established the Climate Change Action Fund to provide targeted assistance to smooth the transition to a carbon constrained economy - initial funds will be available this financial year, although major funding will coincide with the implementation of a CPRS. Stimulus funding is being provided for home insulation, although the program for landlords and renters has been reduced. The Green Loans program makes funding available for assessments of homes and loans for improvement.

## ***Council of Australian Governments***

In July 2009, the Commonwealth Government and the States, through the Council of Australian Governments (COAG), drafted a National Energy Efficiency Strategy (NEES) intended to guide action over the next 10 years. The final form of the NEES will be an important basis for driving large scale energy efficiency outcomes. These developments at the federal level, amongst others, hold implications and opportunities for MEFL's current program and for our future.

## ***Victorian Government***

The Victorian Government's Green Paper on climate change was issued in June 2009, and the subsequent White Paper is expected sometime early in 2010. The Green Paper places Victoria's action on climate change within the context of the CPRS, and states that a State target for reducing emissions no longer has much value. The Paper identifies directions and objectives for action, but does not spell out specific programs or actions. It places greater emphasis on adaptation than previous State policy papers on climate change. A number of current State-based initiatives - including the Victorian Energy Efficiency Target (VEET) - have a significant impact on MEFL activities and will continue to do so into the future.

## ***Moreland City Council***

Moreland City Council remains committed to strong action on climate change and to maintaining a leadership position on sustainability across our region. It continues to be supportive of the work of MEFL and is our key stakeholder and partner. The current agreement between Moreland City Council and MEFL expires in July 2010, so a new agreement will be established during the 2009/2010 financial year to underpin the next phase of our relationship.

## ***Local Government***

Local governments in Victoria are continuing to increase their level of activity on energy efficiency and greenhouse gas emissions reduction. More communities are adopting targets for carbon neutrality by a specified date. The City of Yarra is investigating the potential for establishing an independent entity similar to MEFL to serve its community while other local governments are considering approaches that may be based on aspects of MEFL's activities.

These activities, while welcome in tackling the issue of climate change, are likely to have implications for MEFL's operations, although the nature of that effect is not yet clear. On one hand, it may mean increased competition for funds from State and Commonwealth grant programs. On the other hand, it could mean increased demand for MEFL services to assist other local government with their efforts.

The outcomes of the Northern Alliance for Greenhouse Action's Towards Zero Net Emissions report provides a foundation for co-operative action between MEFL and the NAGA member councils as we implement a range of programs. MEFL will be the lead organisation on some of these projects, and will work with other NAGA members on others. The projects will create the basis for further partnerships with the NAGA councils, and may in fact lead to partnerships with other councils outside the NAGA region. In many cases, funding for implementation of programs has not yet been acquired.

## **Community**

Awareness of climate change and energy issues continues to increase within the community. There are high levels of knowledge about some of the options for energy efficiency - such as compact fluorescent globes - in part attributable to the many programs targeted at their distribution and installation.

Results of a CSIRO study reported in March 2009 showed that "People want to be properly informed and be able to make the connection between what they're doing and the positive impact it's having when it comes to climate change. The more people know, the more willing they are to accept new technologies and make positive changes."

Polls have also shown that the community is strongly in favour of stronger action on climate change and broadly supports the Federal Government's Carbon Pollution Reduction Scheme (CPRS) though understanding of the detail is low.

Strong community sentiment should provide a supportive context for community responses to MEFL programs and indicate a continuing need for programs aimed at education as well as providing assistance in improving energy efficiency, installing low greenhouse energy supply options and reducing greenhouse gas emissions generally.

# Our 2009/2010 program

## *Zero Carbon Moreland*

Zero Carbon Moreland is a community action project that aims to sign up 10 per cent of the Moreland community to commit to reducing greenhouse pollution by 20% by 2010. It is part of the Moreland Solar City initiative.

### **2009/2010 actions**

- 2500 households signed up to the program
- 250 businesses signed up for the program
- 25 community organisations signed up for the program

## *Coburg Initiative*

The Coburg Initiative is an exciting inner urban project to redevelop a major portion of central Coburg to deliver new community amenities, infrastructure, housing and shopping featuring environmentally sustainable designs, low energy use and low impact construction. It is part of the Moreland Solar City project.

### **2009/2010 actions**

- Energy maps and scenarios developed as input to Master Plan
- Strategy developed for best practice sustainability input to the Coburg Initiative

## *Moreland Energy Services*

Moreland Energy Services will establish structures to develop local sustainable energy generation through technologies such as gas cogeneration and solar photovoltaic. It is part of the Moreland Solar City initiative.

### **2009/2010 actions**

- Energy services business study completed
- Energy management strategy adopted by Moreland City Council
- Small-scale aggregated purchasing scheme rollout
- Distributed generation plant commissioned

## *Energy Hub*

Energy Hub will develop a community enterprise to deliver 1000 energy efficiency audits and retrofits for low-income households. It is part of the Moreland Solar City project

### **2009/2010 actions**

- Advocacy program to support low-income household sustainability retrofits conducted
- 500 houses retrofitted
- Auditors and retrofitters trained

## *Northern Alliance for Greenhouse Action (NAGA)*

The Northern Alliance for Greenhouse Action is a network of nine Councils and MEFL aiming to achieve significant greenhouse abatement by delivering effective programs and leveraging council, community and business action. Its Towards Zero Net Emissions (TZNE) report identifies a wide range of projects that NAGA members will co-operatively implement.

### **2009/2010 actions**

- 100 % funding support from Councils maintained
- Funding secured to implement programs from TZNE report

## *Housing Design*

Our Housing Design program provides advice and assistance to promote energy efficient housing.

### **2009/2010 actions**

- New renovation services model developed
- New Technical Advisory Service established
- MEFL's role in Council Alliance for a Sustainable Built Environment (CASBE) formalised

## *Training Program*

MEFL provides a number of different training programs on energy efficiency to a range of different audiences.

### **2009/2010 actions**

- Training strategy and communications plan implemented
- Use of STEPS/SDS sustainability tools increased across Councils and industry
- More HACCP providers trained in sustainability
- Training revenue targets met

## *New Projects and Consultancy*

### **2009/2010 actions**

- Complete current project commitments
- Commence new project which align and support our strategic priorities
- Revenue targets met

## *Communications*

### **2009/2010 actions**

- Communications strategy completed
- Revised membership strategy implemented
- Monthly e-bulletins produced
- Two newsletters produced
- Media strategy developed

## *Monitoring and Measurement*

### **2009/2010 actions**

- Database put into operation
- Interval data equipment installed at 28 households
- Target number of household and business audits conducted
- Results of audits analysed

## *Advocacy*

### **2009/2010 actions**

- Methodology for capturing project learnings developed and implemented
- Provide submission to the Victorian Green Paper
- Influence better outcomes for the CPRS
- Make submissions on proposals and policies as they arise

## *Administration*

### **2009/2010 actions**

- Complete office refurbishment
- Establish protocols for the management of our systems and equipment
- Staff learning and development plans established
- Governance review completed

# Our current strategic directions and outcomes

We are currently operating on the basis of a Strategic Plan developed in 2006, for the period 2006-2010. Our work is based on four strategic directions. The strategic outcomes and current programs for each strategic direction are shown below:

## *We lead community-based solutions on sustainable energy*

### > **Strategic outcome:**

- Reductions in local greenhouse gas emissions
- More informed community
- Greater influence in energy policy debates, locally, state-wide and nationally
- Increased take up of renewable energy sources

### > **Current activities**

- Zero Carbon Moreland for households, businesses and community organisations
- Energy Hub delivery
- Coburg Initiative – Scenarios development
- Moreland Energy Services – Delivery models
- Solar Cities project management
- Community Power
- Advocacy

## *We build partnerships and alliances for sustainable local communities*

### > **Strategic outcome:**

- Broader front in advocacy for sustainability
- High influence in government, business and community
- Broader community take-up of sustainable solutions
- Conversion of successful community outcomes into sustainable actions

### > **Current activities**

- Energy Hub management
- Coburg Initiative: Strategic advice
- Moreland Energy Services – Council facilities (strategy and implement)
- Moreland Energy Services – Strategic advice
- NAGA coordination
- NAGA strategy
- Sustainable design assessment in the planning process – Advocacy & strategy
- Advocacy
- Beyond 5 Star homes

## *We grow and share energy knowledge with the community*

### **> Strategic outcome:**

More informed and engaged community on climate change and what can be done to address it

Sharp knowledge base within MEFL

Strong culture of knowledge sharing

### **> Current activities**

Coburg Initiative: Energy Map

Training strategy and management

Training for planning and design, assessments and retrofit and energy management

NAGA: Towards Zero Net Emissions

Renovators' service

Technical advice services

Take Action

Website development

Monitoring and measurement

Consultancy projects

## *We implement excellence in business practice*

### **> Strategic outcome:**

Healthy financial position

Project success – completion of goals, on time within budget and to satisfaction of stakeholders

Efficient and effective use of resources

High level of staff satisfaction

Excellent governance

An annual plan

### **> Current activities**

Office refurbishment

Systems equipment management

Staff development

Operational management systems

Governance review

OH&S policy

Business plan & development

Business strategy development

Board reporting

# Key performance indicators

## *Lead community based solutions on sustainable energy*

- > Local greenhouse gas emission reductions
- > Local take up of renewable energy sources
- > Reputation locally and among community focussed organisations
- > Awareness of MEFL brand and programs
- > Local media coverage
- > Policy outcomes attributable to MEFL influence

## *Build partnerships and alliances for sustainable local communities*

- > Number of partnerships
- > Diversity of partnerships
- > Partner/alliance feedback

## *Grow and share energy knowledge with the community*

- > Community awareness on climate change solutions
- > Use of our website by the community
- > Knowledge reputation among peers, partners and potential sponsors

## *Excellence in business practice*

- > Revenue targets met
- > Expenditure within budget
- > Governance charter up to date
- > Repeat business with partner or sponsor
- > Projects completed successfully
- > Greenhouse gas reductions/dollar spent
- > Staff satisfaction
- > Annual plan

# Strategic challenges and opportunities

## *The challenge of delivering our program*

MEFL is embarking on our biggest program of delivery since we were established in 2001.

Our program for 2009/2010 includes challenging goals across a range of areas - from urban development through to distributed energy generation and large scale behaviour change programs. While we are confident of the feasibility of achieving the intended outcomes of our program, there will be significant challenges along the way. These challenges will span technical, financial and operational dimensions.

The Moreland Solar City (MSC) project has meant that we have been able to expand the range and extent of activities that MEFL will be involved with in the coming year and beyond. The MSC project gives us the opportunity to “scale up” the work we have done with households, businesses and community groups in the past.

We have established a talented and committed team of staff to rise to these challenges. To achieve our goals, we must be aware of the pressure that can arise from the challenge of our work and make sure that we have established a solid foundation for staff management, development and support.

### **Some key actions for 2009/2010:**

An organisational structure of functional teams and line management has now been established. A key feature of this system is our Learning and Development (L&D) program. During 2009/2010 all staff will be supported to develop their own L&D Plan to reflect the skills development they will need to enable them to deliver their projects at MEFL, and also to support them in their broader career development objectives.

We have now developed and trialed a new operational system to support project managers to define and agree on what their projects will do and the resources they need to achieve project outcomes. This system will be fully implemented in the first quarter of 2009/10 and will be the key to managing our human and financial resources as we deliver our program.

To enhance the longer-term benefits we acquire through conduct of an expanded program, it is important that the knowledge and skills developed in one program be transferred to staff working on other programs. We will adopt procedures for the improved transfer of information among staff involved in different programs to improve their knowledge and skills for their future work.

## ***Our changing operational context***

Our operational context is constantly changing - at the local scale, at the Victorian level, nationally and internationally. MEFL must keep up with these changes and be clear about the implications for our program and for our community. The future context will bring both opportunities and challenges for MEFL and we need to ensure that we are flexible enough to respond to and influence the emerging context where we can.

As climate change science is making it increasingly clear that we will experience substantial impacts from climate change regardless of the efforts being undertaken to reduce emissions, there is an increased focus on the need for adopting measures to adapt to likely changes. The Victorian Government is placing increasing focus on adaptation measures. MEFL will examine potential adaptation strategies and identify actions that have synergies with our existing strategic directions and priorities.

### ***Some key actions for 2009/2010:***

Build on our partnership with aligned organisations (such as the Alternative Technology Association and Environment Victoria) to influence government policies, strategies and regulations.

Develop a MEFL Advocacy Strategy that will assist us to plan for and respond to important changes in our operational context.

As part of our strategic review and development of strategic directions for the period from 2010 to 2014, we will look at the potential role of adaptation measures as a part of the MEFL program. We will be seeking to identify adaptation measures that are consistent with MEFL's objectives and that achieve synergies with efforts to reduce greenhouse emissions and improve energy efficiency.

Although elimination or reduction of greenhouse gas emissions is the highest priority for efforts to control climate change, not all emissions can be readily eliminated. There is value, therefore, in the purchase of carbon offsets to compensate for residual emissions. MEFL is keen to see the development of offsets that provide a direct benefit to the Moreland community. We will examine existing offset programs to identify the availability of locally beneficial offset approaches or determine the potential for establishing such a program locally or in partnership with other organisations.

## ***Building the evidence to drive effective change***

MEFL is a unique organisation delivering unique programs and as such our experience makes a valuable contribution to the broader understanding of the effectiveness of responses to climate change. We provide practical evidence for change.

Our practical experience allows us to bring informed and relevant positions to local, state and federal policy and strategy discussions. We must remain confident of our evidence and bring the full experience of our program delivery to push for regulatory and policy changes that support large scale greenhouse gas emission reduction.

MEFL is already regarded as an informed and expert voice in the field of local sustainability. The depth, range and diversity of our current program presents us with an opportunity to build clear and compelling evidence to support effective change. Our opportunity is not just to demonstrate best practice in achieving local sustainability, but also to tell people about it!

The outcomes of our work can drive new, higher standards of practice and also engage and influence the way others operate so that other sectors, as diverse as the residential development and social welfare sectors, can also drive sustainability outcomes through their work and through the investments that they make.

### ***Some key actions for 2009/2010:***

A fundamental goal of the Energy Hub partnership with the Brotherhood of St Laurence is to advocate for the removal of constraints that are identified through the implementation of retrofits to low-income households. In this way the research and advocacy elements of the project are of the same priority as the delivery of retrofits to low-income households.

We have commissioned the development of a database to manage the data coming from our projects. While the database will ensure that we meet the reporting requirements of the Moreland Solar City project and other obligations, it will also be used to compile an important body of evidence to inform our input to government policy and strategy development.

The ability to measure and report the outcomes of our programs in terms of the reduction of greenhouse gas emissions will become increasingly important as greater emphasis is placed on achieving carbon neutrality or specified reductions by identified dates. Our new database will enhance the reliability of our data gathering and recording, and we will build on this to develop robust techniques for estimating the greenhouse gas emissions and energy reductions that result from our programs.

## *Delivering sustainability through diverse partnerships*

Establishing strong and effective partnerships is central to our program.

To achieve our goals, MEFL must continue to maintain and grow our partnership with the Moreland City Council as well as with the State and Federal governments and their agencies. We have also commenced partnerships with a range of other interests such as Yarra Trams, RMIT University, property developers, training organisations and a broad range of community organisations and businesses in our community. Partnerships can be challenging but they can also give us the platform to achieve sustainability outcomes through the actions of others. These partnerships can be further enhanced by sharing our knowledge and the outcomes of our projects, for example, by attending and presenting at conferences and workshops.

One of our most successful partnerships is with the local governments that together form the Northern Alliance for Greenhouse Action (NAGA). The development of the Toward Zero Net Emissions for the Northern Region strategy provides a template for change that will see MEFL working together with the nine Councils in the northern region of Greater Melbourne to implement projects in a co-operative and strategic fashion; building on the strengths and priorities of each NAGA partner for the benefit of all.

Further to this, several other local governments in our region have adopted ambitious targets for achieving carbon neutrality and/or are currently considering how they can achieve greenhouse gas emissions reductions in their communities through establishing "a MEFL" or similar. This may provide an opportunity for MEFL to work with other local governments in a range of new and exciting ways.

### ***Some key actions for 2009/2010:***

The Zero Carbon Moreland campaign has signed up high profile local partners such as RMIT Brunswick Campus, Moreland City Council and Yarra Trams. During 2009/10 we will work with these and other local organisations to drive local action on climate change through our partners' customer, client and staff networks.

The Moreland Solar City project brings a new depth to our partnerships with the Moreland City Council, Brotherhood of St Laurence and Sustainability Victoria. While we have established formal arrangements with these organisations, our focus in 2009/2010 will also be on building relationships based on regular communication and clear agreement with regard to the expectations and partnership priorities of each organisation.

MEFL's contract with Moreland City Council expires in July 2010. This contract covers the funding arrangement between Council and MEFL, as well as expectations regarding program delivery. A new contract will be negotiated to ensure a smooth continuity of arrangements and a solid foundation for local emissions reduction.

## ***Developing our expertise, reputation and profile***

Our expanded program for 2009/2010 provides a valuable opportunity to expand our expertise and experience and also to build a platform for MEFL's future business opportunities.

There will be a high level of interest and attention paid to the outcomes of our program in the next few years. Successful program delivery has the potential to significantly build MEFL's reputation and profile. Many of our staff members have deep experience in working in the sustainability field, and we have also attracted staff with skills in training, urban planning, data management, human resources and organisational management, amongst other fields. A common element amongst our staff group is a high level of commitment and excitement about the MEFL program.

We are investing in expanding our volunteer base so that we can bring committed people into the organisation and benefit from their skills and experience while also giving them valuable experience through working with us. Student projects contribute to our organisation and our priorities and also give students the opportunity to experience a dynamic and supportive sustainability organisation.

### ***Some key actions for 2009/2010:***

We will develop a Critical Reference Group to provide expert critiques of our program as it develops and is delivered.

We will complete a Communication Strategy to ensure that our communications are well targeted, effective, of the highest quality, and enhance the MEFL brand. As part of this strategy, we will build in mechanisms for evaluation of our communications activities and materials.

## *Looking after MEFL and our future*

MEFL has developed strategic directions and priorities that have been in place since 2006 and have served us well in guiding our activity, priorities and resource allocation. In many ways, the future is a fresh canvas for MEFL and this carries risks if we do not define and pursue a new agenda that will take us beyond the current short-term program

As MEFL has grown substantially, we will review and develop our governance arrangements and internal policies and programs to ensure that they meet the needs of the organisation we have become and will be in the future. We will ensure that the value that we have created in the MEFL brand is protected and enhanced. Funding security is critical to maintaining an effective and strong organisation and that is why it is critical that we act now to analyse our strategic context and understand what the major opportunities and priorities will be for MEFL in the medium and longer terms.

The relatively high level of resourcing that MEFL is currently experiencing provides an opportunity to establish a strong organisation for the future. We are building operational systems and resources that will support our staff as they rise to the challenge of transforming our community into a leading example of sustainability. We are ensuring that our systems and processes are invested in now so that we have a solid operational foundation going forward.

This basis will not only allow us to deliver our current program efficiently and effectively, but it will also allow us to expand our program delivery into the future.

### ***Some key actions for 2009/2010:***

We will undertake a review and update of our business strategy so that the challenges we face and the opportunities available to us provide a solid basis for MEFL into the future

We will ensure the financial stability of MEFL through the creation of revenue streams to support and enhance the organisation and our work

We will continue to improve our systems for governance and internal program management to support the operation of the organisation and enhance program delivery.