



NORTHERN
ALLIANCE FOR
GREENHOUSE
ACTION

c/- Moreland Energy Foundation Limited
Level One 233 Sydney Road Brunswick
Postal Address PO Box 276 Brunswick 3056
Telephone 03 9381 1722
Facsimile 03 9381 1733
judy@mefl.com.au

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Victorian Climate Change Summit Paper *A Climate of Opportunity*

Introduction

Northern Alliance for Greenhouse Action (NAGA) welcomes the release of the Climate Change Summit Paper, and the opportunity to provide a submission.

Climate change provides huge and complex challenges to our established ways of life; the Summit Paper recognises the requirement for a wide and varied suite of measures to effectively implement the mitigation and adaptation responses to climate change.

About NAGA

The **Northern Alliance for Greenhouse Action (NAGA)**, which began operating in 2002, is an alliance of Moreland Energy Foundation and the nine councils spanning the northern region of Melbourne from the CBD to the rural/urban fringe (see footnote). The Alliance shares information, coordinates and implements community based emission reduction activities, undertakes research into reducing carbon emissions across the NAGA region, and cooperates on the research and development of innovative corporate emissions projects. NAGA also establishes partnerships and linkages with state and federal government agencies and departments, local government and industry associations, community groups and consultants to facilitate climate change action in the Northern Metro region.

Over the last 2 years, NAGA has attracted more than \$1,000,000 in cash and in-kind contributions to implement climate action projects in the NAGA region, demonstrating significant emission reduction innovation at the local government and regional level.

Structure of this submission

This submission includes an overview of NAGA's strategic position on climate change mitigation and adaptation, the essential role of energy efficiency, local government roles and actions. This overview is followed by responses to each of the 10 strategic directions outlined in the Summit Paper.

Climate Change Action

Scientific evidence is supporting the need to **keep warming below 2°C** to avoid dangerous climate change. The urgency of the action required means that **short term targets based on the science** are of increased importance, to achieve deep cuts relatively quickly and move toward a low carbon economy.

Climate change provides huge and complex challenges to our established ways of life; the Summit Paper recognises the requirement for a wide and varied suite of measures to effectively implement the mitigation

MEMBER ORGANISATIONS

BANYULE CITY COUNCIL, DAREBIN CITY COUNCIL, HUME CITY COUNCIL, MANNINGHAM CITY COUNCIL, CITY OF MELBOURNE, MORELAND CITY COUNCIL, MORELAND ENERGY FOUNDATION LIMITED, NILLUMBICK SHIRE COUNCIL, CITY OF WHITTLESEA, CITY OF YARRA

and adaptation responses to climate change. Market mechanisms including emissions trading schemes are unlikely, by themselves, to achieve the level of mitigation required within the short timeframes that the scientific evidence is increasingly indicating is required to avoid dangerous climate change. Market mechanisms do not guarantee reductions in emissions, stimulate localised energy generation, address energy efficiency nor guarantee the diversity of solutions that we require as highlighted in the Wedges Summit Paper report. To realise the scenarios identified in the Wedges Report will require government targeted programs for each identified technology.

Government Leadership

The community is demanding evidence from all levels of government that they are taking action and leadership in addressing climate change. At the same time, all levels of government have a critical responsibility to inform and educate the community on the urgency and difficulty in addressing climate change, and that climate change responses WILL involve changes to our lives, whilst also recognising that there are opportunities as well as threats, and benefits as well as costs.

Energy Efficiency

The huge economic potential across sectors of energy efficiency measures, as demonstrated by the NREE process and the McKinsey Review, must be recognised, and programs to support its implementation expanded.

Sustainability as a key driver in Government policies and programs

Sustainability must be included as a key deliverable for State Government, its regulators, departments and agencies to ensure sustainability and climate change policy are incorporated into all decision making processes. Decisions made today (for example on infrastructure, housing, planning, biodiversity conservation and habitat retention), will continue to impact for years to come, and we should not be missing the opportunities to facilitate climate change action, as well as prevent actions that will only exacerbate future mitigation efforts. There is also an urgent need to remove perverse incentives (e.g. where polluting industries and larger vehicles receive higher levels of subsidisation than renewable energy technologies and energy efficiency measures). The State Government should work through COAG to achieve national outcomes, for example: in undertaking tax reforms as part of the implementation of the Carbon Pollution Reduction Scheme, the Fringe Benefits Tax incentives for increased car use need to be removed and redirected to decreased car use, having a substantial impact on governments' and companies' fleets.

Global action

As well as mitigation and adaptation responses, climate change action must include a contribution to global action, including exchanging information on innovative responses and technologies; and providing assistance to vulnerable communities, including to those displaced by climate change impacts [known as climate change refugees or displaced peoples].

Local Government actions and roles

Local government, and regional greenhouse alliances (of which more than half Victoria's municipalities are members), have been active in implementing climate change programs and policies for a number of years, and are well placed to work in partnership with the state government to deliver programs at local and regional scales that are targeted to the specific characteristics of their communities, including targeting socially disadvantaged sectors. Effective delivery of climate change action programs can be achieved through the provision of adequate resources from State Government (research information, policy frameworks and funding) to local government and their alliances. The Victorian Local Sustainability Accord has been working to strengthen cooperative efforts between State and local government sectors, with significant achievements in some areas; the Accord should be continued and expanded as a key partnership and delivery mechanism for sustainability initiatives.

NAGA is one of 6 Regional Greenhouse Alliances in Victoria. The Greenhouse Alliances bring together local governments, state government departments and agencies and other key players to plan, design and implement regional programs for climate change mitigation and adaptation. They have demonstrated their

effectiveness and efficiency in delivering regional programs, and the establishment of such alliances across Victoria should be encouraged and supported.

As noted in the Interim Report of the Garnaut Climate Change Review, 'the development of, and the marshalling of community understanding and support for steady policies that can be sustained over long periods' (p 58) is of critical importance. Community-focussed organisations and alliances, such as NAGA, and including NAGA's members (local government sector, and the not-for profit sector) are well placed to significantly contribute to this process of community engagement and support. The role of these organisations, alliances and partnerships should be recognised and their ongoing existence advocated as part of the development of the Climate Change Green Paper.

Monitoring and data provision

To effectively plan, monitor and evaluate program outcomes and mitigation efforts, there is an urgent need for provision of ongoing, reliable and consistent energy use data, for both household and commercial sectors at the local statistical areas level. It is essential that the State Government ensure provision of energy use data from electricity and gas distribution businesses and retailers, if necessary by legislating for data provision as a requirement from the distribution businesses.

Specific comments on the 10 Strategic Directions of *The Climate of Opportunity*

In developing the Climate Change Green Paper, the 10 Strategic Directions detailed in this summit paper need to be backed by the identification of detailed supporting policies, actions and funding sources.

Strategic Direction 1. Positioning Victorian industry to capitalise on the new jobs, new technologies and new markets that will flow from the transition to the low carbon economy.

- Victoria has significant advantages in terms of renewable resources; existing technologies can be rolled out widely, with appropriate levels of support. Measures include provision of gross feed-in tariff for residential and larger scale renewable energy installations; investment for small scale local (distributed generation) projects; improving/facilitating planning approval processes (including streamlining heritage requirements) for installation of residential solar PV systems.
- Support for development of 'Eco trades', such as the EcoSmart Electricians program. NAGA delivered a pilot 'Green Electricians' project in 2005 which contributed to the establishment of the national EcoSmart Electricians project; the NAGA project provides a demonstration of how such programs and industry partnerships can be fostered.
- Support for programs such as those developed and delivered by Brotherhood of St Laurence targeting provision of training and skills in new low carbon trades sector for socially disadvantaged sectors.
- There are emerging skill requirements in areas such as carbon accounting; there is the need for provision of support to skill up accountants and technicians.
- Energy efficiency programs provide an opportunity for transition to a low carbon future; barriers such as split incentives (e.g. for landlords/renters) must be addressed in design of programs. The State Government should provide support for investment in smaller innovative energy efficiency measures being produced locally that have the potential to meet specific local needs.
- The design of the Victorian Energy Efficiency Target Scheme should ensure maximum support for and stimulation of the energy services sector development, maintaining sector development as a key objective of the scheme.
- The recommendations of CSIRO's 'Growing the Green Collar Economy' report should be implemented.

Strategic Direction 2. Supporting an emissions trading scheme (ETS) with complementary measures that smooth the transition for the Victorian economy.

- Scientific evidence is showing the need for deeper cuts than 60% by 2050, as well as strong short-medium term targets. Many Victorian local governments have established ambitious targets for their own operations and for their communities; given Victoria's significant per capita contribution to greenhouse emissions, the State Government has an urgent responsibility to set science-based targets to achieve substantial cuts in the state's emissions.
- An Emissions Trading Scheme is important to place a cost on emissions and assist the economy to make the transition to a low carbon future; to ensure a robust, efficient and effective scheme, NAGA strongly opposes giving away free permits. Whilst an Emissions Trading Scheme is a key element in our climate change response, it is a medium-long term measure and will not, of itself, achieve rapid deep cuts.
- An emissions trading scheme is only one element in what needs to be a broad mitigation program that incorporates a wide range of actions to promote energy efficiency and uptake of renewable and low carbon energy production. An Emissions Trading Scheme alone is insufficient to drive the speed and scale of the transition required. Victorian targets for 4 years (2012) and 10 years (2018) are required.
- Climate change action requires significant changes to our cities. Sustainability measures will *improve* liveability; both urban and building design, and community building contribute significantly. Measures include decentralisation of water and power systems through investment in small scale systems (e.g. residential water tanks and solar PV systems).

Strategic Direction 3. Pursuing cost effective emissions reductions in sectors of the Victorian economy not covered by the ETS.

- The recent McKinsey report has demonstrated that energy efficiency is the least cost measure that can deliver substantial cuts in emissions.
- Regulation and statutory planning requirements for building standards and sustainable infrastructure need to continue to be improved. There are a number of existing programs that have established

minimum standards and targets, such as 5 star for new houses. For these programs to continue to be effective, there should be annual tightening of standards or levels; otherwise what was once world's best practice will progressively be eclipsed.

- The links between sustainable living, health and wellbeing are being documented, and implementation of local programs is continuing to demonstrate these results (both environmental and social indicators).
- Urban vegetation, in parks, and habitat corridors such as waterways, has a vital role in mitigating heat island effects.

Strategic Direction 4. Ensuring the continued security, efficiency and affordability of Victoria's energy supplies by encouraging low-emission and renewable energy options.

- Energy star ratings and minimum energy performance standards should be expanded to cover a much broader range of appliances, particularly as recent reports indicate that many household appliances will outstrip whitegoods on their energy use.
- The State Government can play a strong role in supporting installation of solar PV and other renewable energy generation through an effective feed-in tariff. Key features of an effective feed-in tariff include mandating the tariff at 60c/kW, and gross production metering
- Streetlighting is the single largest source of greenhouse gas emissions for most Victorian councils. NAGA has been actively working with State Government departments and agencies to facilitate the switch to more energy efficient lighting. Cost sharing arrangements (between State and local governments and electricity distribution businesses) must be negotiated, as well as establishment of a framework for future testing, approval and adoption of more energy efficient lighting, as new technologies are developed.
- Avoided infrastructure from reduced demand, particularly peak demand will lead to significant savings, both financial and greenhouse.
- Distributed and small scale energy supply will build resilience in Victoria's energy supply.

Strategic Direction 5. Assisting households to adjust to the rising costs of electricity, fuel and other commodities.

- There is a lack of knowledge within the community, as well as a lack of clear leadership messages, about the impacts of climate change and the range of measures necessary for effective mitigation action.
- Implementation of energy efficiency measures can be a complex raft of measures; there is a lack of integrated, skilled-up trades services; there are opportunities through the delivery of VEET to support development of integrated services.
- Upfront costs continue to be a barrier to uptake (even though payback periods may be promoted). Split incentives are also a major barrier for the rental sector; measures to address this include tax deductibility for sustainability retrofits for landlords; compulsory disclosure of energy performance for rental properties, and targeted programs for low income renters.
- NAGA, both as an alliance, and through its members individually, has been implementing a range of residential-focused programs for a number of years. NAGA and its members have developed significant experience in successful methodologies, engagement processes and community capacity building. NAGA is also an industry partner in RMIT's Carbon Neutral Communities project, which is researching how to effectively develop community capacity.
- Maintain and expand existing programs for low income households as they are unlikely to benefit significantly from measures such as Feed-in Tariff, VEET

Strategic Direction 6. Increasing our knowledge about climate change impacts and adaptive needs and possibilities.

- Gaps in information on climate change impacts should not provide an excuse for lack of firm action; risk management planning often proceeds without full information set.
- Regional alliances are an important source of information for their members. NAGA recently organised a workshop, with assistance from DSE, on planning for climate change impacts and adaptation. The workshop participants were highly engaged in the issues and keen for assistance in planning for adaptation for their local areas. Local councils have a range of existing plans and frameworks (including emergency management plans, municipal health plans and risk management frameworks) that provide a foundation for adaptation planning, but most require further assistance and resourcing to integrate climate change adaptation planning across all council operations.

- Explore and facilitate measures that have multiple benefits, e.g. urban vegetation improves passive cooling and reduces heat island effect, thus contributing both mitigation and adaptation benefits.

Strategic Direction 7. Increasing the climate change resilience of the state's regions and communities.

- Lack of clear and strong messages on climate change impacts stand in the way of communities' adaptation to climate change.
- Local governments and regional alliances are well placed, with provision of adequate resourcing, to assist State Government in increasing communities' resilience.
- Planning considerations must take into account access to local economic development and local food production to ensure development of more sustainable local communities, including access to local employment opportunities, efficient sustainable transport options, and fresh food outlets.
- Adjustment will involve provision of cost-effective alternatives for households, including public transport.

Strategic Direction 8. Assisting our natural assets and ecosystems deal with the pressures and challenges that climate change will bring.

- Climate change impacts on natural systems have been well documented, with modelled changes to the ranges of pest plants and animals, increased pressure on some rare and threatened species and increased need for effective habitat linkages.
- There is an increased need for incentives for permanent protection of biodiversity on private land, including recognition of the value of biodiverse ecosystems beyond their simple carbon value.

Strategic Direction 9. Supporting Victorian individuals and communities to get active on climate change.

- Local government, and regional greenhouse alliances (of which more than half Victoria's municipalities are members), have been active in implementing climate change programs and policies for a number of years, and are well placed to work in partnership with the state government sector to deliver programs at local and regional scales that are targeted to the specific characteristics of their communities, including targeting socially disadvantaged sectors. Effective delivery of climate change action programs can be achieved through the provision of adequate resources from State Government (research information, policy frameworks and funding) to local government and their alliances.
- Community climate action groups have established in a number of areas across Victoria; a number of these groups have demonstrated effectiveness in encouraging local action, establishing group purchases of solar panels, water tanks and other sustainability measures, and building community linkages. Their establishment can be fostered through provision of untied State Government funding.
- Support should also be extended to existing groups such as Landcare, to include climate change in their suite of actions.
- Communication between community climate action groups and other sustainability groups, and the State Government can be fostered by resourcing Environment Victoria as the peak body for these groups.

Strategic Direction 10. Ensuring Victoria continues to play an active role in global efforts to address climate change.

- Victoria should be leading on climate change mitigation actions not continuing to lead on per capita emissions! To achieve this, we must reduce our reliance on brown coal (and geosequestration).
- We need strong targets, including short term targets.
- Victoria's contribution to global action should include exchanging information on innovative responses and technologies; and providing assistance to vulnerable communities, including to those displaced by climate change impacts [known as climate change refugees or displaced peoples].
- Victoria has a major challenge to get its own greenhouse issues in order. This demonstration will attract and spawn initiatives elsewhere, and will provide scope to build on existing friendship ties with East Timor and Pacific Island nations.