

Inquiry into Tackling Climate Change in Victorian Communities

1. Introduction

An alliance of 8 councils located in Melbourne’s south and east, the SECCCA region spans the metropolitan, peri urban and rural divide. The Local Government Areas contain some of the fastest growing residential developments on the fringe of the metropolitan Melbourne, some of the highest levels of manufacturing activity, some have extensive agricultural areas bounded by the forests of the Great Dividing Range or across the South Gippsland hills. Others are bordered by considerable coast lines.

Together, the SECCCA councils serve approximately 1 million residents. The current and future impacts of climate change present a significant concern and management challenges.

Local government plays a key role leading the transition to zero carbon and supporting communities to be more resilient to the impacts of a changing climate. The transition brings challenges and also exciting opportunities for local governments and its communities.

SECCCA delivers, on behalf of members, climate change strategies, projects and advocacy that drive a zero emissions economy and build community resilience. Our members collaborate to undertake climate change projects that would be unviable for them individually achieving economies of scale and value for money on targeted climate change action.

SECCCA advocate to local, regional, state and national stakeholders for effective responses to climate change.

SECCCA member councils are putting in place emission reduction and energy efficiency targets. Some have now declared a climate emergency. Most SECCCA Councils have made individual submissions to this Inquiry. This submission reflects the work that SECCCA is currently undertaking to assist its members to address climate change.

This submission is informed by views of SECCCA members but does not necessarily represent the views of any member council.

For further information on this submission, please contact SECCCA’s Executive Officer, Dominique La Fontaine e: dlafontaine@seccca.org.au.



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

a. Working For Member's Communities

New Homes Energy Advisory Service

The NHEAS is delivered by SECCCA and is funded by the Victorian Government. The project helps new home buyers in Victoria's largest growth corridor by providing expert advice on how to improve energy efficiency. The project operates at two display locations in partnership with Villawood and Parklea sales displays.

NHEAS provides in depth and tailored energy advice based on new home buyers building plans to find the balance between improving energy efficiency and installing renewable energy, in accordance with budgets and household needs.

During consultations with home buyers SECCCA reviews building plans and discusses all the available options to improve energy efficiency and those with the greatest benefit. Participants are provided with a toolkit explaining the critical information to ask their builder and a cost estimator to make decisions on what to do. SECCCA provides further support through the process, providing as much advice as needed along the way to participants building their new home.

NHEAS has informed recommendations which have been provided to the National Construction Code Scoping Study. These recommendations prioritise affordability, housing comfort and zero carbon outcomes; over and above the minimum National Construction Code 6 Star NatHERS standard, to ensure all houses into the future are certified, affordable, comfortable and zero carbon.

SECCCA identified an opportunity to expand the program with funding support from Sustainability Victoria and the CRC for Low Carbon Living. This aspect of the program grew into an opportunity to build a sales display and a net zero-carbon home. For more information please visit https://www.sjdhomes.com.au/cms/content/uploads/2018/10/SJD_Z-Range-Brochure.pdf

SECCCA has numerous case studies following the build process with home buyers under development; with final reporting, conclusions and recommendations made in early 2020.

Residential Energy Efficiency Scorecards

SECCCA delivered the pilot of the Residential Energy Efficiency Scorecard in the south east region, undertaking over 200 free assessments. The Scorecard is an Australian-first home energy rating program. The Scorecard provides a star rating for homes, in the same way as a fridge or washing machine has a star rating. It guides efficient and cost-effective home improvements.

Accredited assessors Scorecard webtool to rate the energy efficiency of a home's construction, fixed appliances and other key features such as solar PV energy production. The two-page rating certificate also recommends upgrade options to improve a home's rating.

ZERO EMISSIONS LIFESTYLE STAFF EDUCATION SESSIONS

SECCCA delivers behaviour change sessions to community groups (and council staff) on creating a zero emissions lifestyle. SECCCA members recognise that the buy in from community is vital in shifting culture and embedding behaviours and decisions consistent with a zero emissions lifestyle.

b. Working for Member Councils

Environmentally Sustainable Development (ESD) Matrix

Councils build and renovate large numbers of buildings and structures annually. The ESD Matrix provides an easy on-line tool for Council project managers to develop a customised and specific brief for architects and builders, resulting in better designed buildings and structures which are more resilient to climate change and cheaper to operate.

Environmentally Sustainable Development (ESD) Policy

Embedding the utilisation of the ESD Matrix and ensuring that Council buildings are consistently designed and constructed with efficiency at their core requires a Council policy. Originating from learnings of implementing the ESD Matrix, a template ESD policy is being developed to help Councils develop a consistent vision and foundation for Environmentally Sustainable Designed buildings and structures.

Eco Driving and Eco Driving EV

Fleet emissions comprise a large proportion of Councils emission profile. Teaching Council staff to drive more efficiently (and safely) reduces emissions and in the case of electric vehicles, reduce range anxiety. This program offers theoretical and practical training to Council staff, utilising their own vehicles to ensure maximum comfort for participants. Some Councils have reported up to a 15% reduction in fuel use as a result of the training.

South East Melbourne Renewable Energy Project

SECCCA undertook a feasibility study that explored how councils in the SECCCA region can aggregate council's energy loads through a Power Purchase Agreement (PPA), procuring energy that delivers socio economic benefits to the region.

As part of SEMREP, and funded by a Collaborative Council grant, Ashurst were engaged by SECCCA to examine the potential issues and project structures involved in the development of solar projects across multiple council-owned sites. Ashurst was not able to identify any 'fatal flaws' that would prevent such a project being progressed. The report also identified key issues that would need to be considered by Councils to progress the project.

Zero Emission Strategy for The South East Region

Most SECCCA members have an understanding of their community emissions. This project will utilise Monash Sustainability Institute students to develop an emissions profile and strategies to help achieve a zero emissions region.

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

Climate risk governance

SECCCA has hosted climate risk governance expert Sarah Barker, Head of Climate Risk Governance at Minter Ellison, at a Regional Forum attended by over 30 Council representatives and followed by individual council presentations. Based on the how the corporate sector and governments globally address the physical, economic and legal risks that climate change presents, the presentations explain the implications of climate risk governance specific to local government. SECCCA will continue to build the knowledge and capacity of member councils to strengthen their approach to climate risk governance.

Assessing Climate Change Impacts –Council Assets, Services, Expenditure and Income

How the changing climate will impact Council assets, revenue stream and services is largely unknown. SECCCA has designed a project to develop a web-based platform enabling Councils to future proof assets by undertaking vulnerability assessments of assets (initially focusing on roads, buildings and drains), revenue streams and services based on climate risk. Member councils have committed over \$100K to the project cost. The project has been submitted to the Victorian Government 3CA grant program.

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

Supporting Local Government to address Climate Change

For local government, climate change presents a multitude of significant financial, infrastructure and reputational challenges, including the future socio-economic wellbeing of communities. Climate change is much more than an environmental issue, it is impacting every part of council business. And there are major economic opportunities presented by embracing zero carbon development.

The Australian Accounting Standards Board (AASB) and Auditing & Assurance Standards Board (AuASB) have issued a joint guidance statement on the integration of climate change-related risks into financial statement materiality considerations. The Guide represents an unequivocal statement by Australia's accounting and audit standard-setters that climate-related risks are relevant to accounting estimate. It states that *entities can no longer treat climate-related risks as merely a matter of corporate social responsibility and should consider them also in the context of their financial statements.*

The physical and economic impacts of climate change are being experienced by local governments and their communities today. These impacts will become more serious and debilitating. Local government must reduce greenhouse gas emissions from their own business as well as ensure their operations and services are resilient to climate change impacts. Local governments are also expected to play a key role in leading and supporting their communities to reduce emissions and strengthen climate resilience.

It is essential therefore that local government is supported as it is faced with the reality and urgency of climate change action. This includes ensuring local government has the capacity to understand

and address the wide-ranging impacts of climate change on their business and communities at a local level. It has been estimated¹ that a national \$10 billion fund is required to support local government to address climate change, both in terms of improving the resilience of local communities and reducing emissions.

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, whether energy, transport, agriculture etc. including regional zero emissions strategies;
- Support for local and regional networks to promote collaboration and best practice (e.g. Victorian greenhouse alliances), and or internal resources to embed climate change across council service areas; and
- Improved service delivery capacity in the face of extreme weather events as well as longer term chronic issues associated with climate change.

The Paris Agreement acknowledged the importance of sub-national governments, including local governments, in addressing and responding to climate change. Victorian Government support for local government action can help to accelerate and achieve the State and Federal Government climate change commitments.

Supporting Victorian Greenhouse Alliances and the Municipal Association of Victoria

The Victorian Greenhouse Alliances and the Municipal Association of Victoria are key local government organisations that help councils address climate change. However, these organisations operate with very limited resources.

The MAV for example has only 1 FTE working on 'environment' generally and has almost entirely focused on responding to the recycling crisis over the last 12 months. The Victorian Greenhouse Alliances are largely directly funded by local governments and typically represent groups of at least eight councils. Alliances support capacity building and real action on climate change across large catchments and could be even more impactful with greater resources.

SECCCA's Advocacy platform

Local governments have a key leadership role to play ensuring that fast and real action is taken. The following actions have been identified by SECCCA as being essential to reducing greenhouse gas emissions, adapting to a zero-carbon economy and building resilience to the impacts of a change.

Victorian Government support for these actions is strongly welcomed:

¹ 2019 ALGA National General Assembly Motion: Climate Emergency

1. PLANNING – reform the planning system and building scheme so that buildings are zero emissions and resilient to a changing climate;
2. FINANCE – ensure that carbon accounting is implicit in every transaction; investment decisions consider emissions impacts and the impact of a changing climate on revenue streams understood;
3. REPORTING – have all organisations to report against Sustainable Development Goals;
4. PROCUREMENT – transform the supply chain to be zero net emissions and resilient to a changing climate;
5. INFRASTRUCTURE – understand at a localised level the impacts of a changing climate change on all assets, and as they are renewed are climate resilient;
6. SERVICES – ensure service delivery is zero emission and climate resilient;
7. LEADERSHIP – ensure that organisations make decisions which are focused on delivering a thriving, zero emissions lifestyle for the community of the south east of Melbourne, who are resilient to a changing climate; and
8. COLLABORATION - Councils, in partnership with other organisations and agencies, are working regionally, leveraging strengths and resources to deliver efficient outcomes.

Grant Assistance

The Victorian Government makes available, on occasion, grant funding that contributes towards the delivery of climate change projects. SECCCA has delivered several successful projects on the basis of this funding.

These grants are generally, and appropriately, competitive processes and considerable effort is invested in the development of the project brief. Often local governments also make financial commitments to co-contribute to the project costs. When government decision making about the grant outcomes is considerably delayed beyond the initial grant timeframes, this delay causes uncertainty about the ability of the project to be undertaken and impacts council and SECCCA budgeting. Timely decision making about the outcomes of important climate change grant programs is essential.

Victorian Interim Emissions Reduction Target

The Victorian Government should implement an emission reduction target of 67% below 2005 levels in 2030. This will ensure economic signals occur as early as possible to incentivise Victorian businesses and households to transition sooner rather than later. It will also ready the economy for global competitiveness. The targets will incentivise businesses to invest in processes and programs that reduce emissions.

Support for Zero Emissions Strategies and actions

Regional economies need support to understand, plan for and embrace the opportunities presented by the transition to zero carbon economies. This support needs to be matched by consistent government policy and a whole-economy approach, providing incentives for emissions-reducing activities and behaviour and disincentives for polluting activities and behaviour.

National Construction Code

Review of the National Construction Code presents an opportunity to implement regulation that can address the greatest barriers to uptake of energy efficiency and zero carbon homes which is the lack

of knowledge about energy efficiency and the maintaining of the status quo of minimum compliance under the National Construction Code (NCC) 6 Star standard.

The Victorian Government can support the following amendments to the National Construction Code (as discussed in full in SECCCA's submission to the NCC Scoping Study) by:

1. 6 Star Plus (must meet minimum 6 Star current requirements plus additional requirements – this may and will lift many homes to beyond 6 Stars, possibly to 7.3)
2. Plus an appropriately sized solar system to offset the remaining power needs based upon a set energy budget.
3. Plus Double Glazing (Argon filled, 12mm)
4. Plus insulation upgrade to R2.5 in the walls and R5 in the roof
5. Plus draught sealing to less than <6ACH@50Pa
6. Plus a centralised or decentralised mechanical heat recovery ventilation system (HRV)
7. Plus shading strategy implemented
8. Plus verification and certification through an independent onsite assessment including a blower door test and whole-of-house assessment such as the Residential Efficiency Scorecard to achieve 10 stars.
9. Plus two additional building surveyor visits must also occur prior to insulation to check draught sealing according to guidelines and prior to plaster to check that insulation is installed correctly. Photo evidence required to be passed onto the Scorecard Assessor.
10. Plus introduce 'dynamic' demand control device on inverters to ensure issues with grid stability and voltage are managed
11. Plus if homes exceed the energy 'budget' or unable to install solar they must purchase accredited Green Power
12. Gas connection, gas appliances and evaporative cooling removed from the building code. Homes to be fully electric

Declaration of Climate emergency

Around the world, national and sub-national governments, including many local governments across Australia, are declaring a climate emergency. To continue its leadership, the Victorian Government should consider making its own climate emergency declaration, becoming the first Australian state government to do so. This would clearly signal the critical and existential threat that climate change poses. Declaring a climate emergency would also suggest new avenues for the Victorian Government to respond more effectively to climate change, including developing a carbon drawdown strategy, complementing existing investigative work undertaken in this area by local governments.

5. Conclusion

SECCCA Member councils are all experiencing the impacts of climate change. At a recent SECCCA forum, members from across the region shared their councils and communities experience dealing with climate change. These issues range from unprecedented flooding, to extreme heat events causing distress, to infrastructure and asset investment needs, to biodiversity and land degradation impacts. Critically, it is also the back to back nature of extreme events that significantly challenge council's ability to consistently respond to community needs.

Local governments are at the front line of climate change whether it's managing the impacts of climate change on the business of council, or supporting communities to respond, adapt and realise opportunities climate change presents. The Victorian Government's acknowledgment of and support for local governments critical climate change role is a key first step.