

SOUTH EAST COUNCILS CLIMATE CHANGE ALLIANCE  
SUBMISSION TO AUSTRALIAN GOVERNMENT'S  
REVIEW OF CLIMATE CHANGE POLICIES

MAY 2017

The South East Councils Climate Change Alliance (SECCCA) is a collaboration of 9 councils located in Melbourne's south and east. These councils span the metropolitan, peri urban and rural divide and they have some of the fastest growing residential developments on the fringe of the metropolitan Melbourne. Some SECCCA councils have high levels of manufacturing activity, others feature extensive agricultural areas bounded by the forests of the Great Dividing Range or across the South Gippsland hills. Together, these councils serve over one million residents.

Established in June 2004 and incorporated in 2009, SECCCA delivers high-quality, innovative projects and research programs at a regional level. These projects contribute towards achieving SECCCA's vision i.e. for the communities of south east of Melbourne to produce zero net emissions and be resilient to the impacts of climate change. SECCCA works across a variety of sectors within our communities, we have a range of innovative and successful projects underway and we are effective and efficient vehicles for regional action.

In addition to the collaborative work that SECCCA undertakes, member councils are implementing localised, practical, climate change programs and actions. These include energy and carbon data monitoring and inventory, increasing the installation of renewable energy on council buildings and the energy efficiency of public lighting and council assets, improving the management of stormwater water infrastructure, reducing fuel consumption by vehicle fleets. All SECCCA members have developed or are developing corporate emissions plans and many have emission reductions targets in place.

The comments below are informed by views of SECCCA members but do not necessarily represent the views of any member council.

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## **DISCUSSION PAPER RESPONSES**

### **Australia's Paris target**

*Australia has committed to considering a potential long-term emissions reduction goal for Australia beyond 2030. What factors should be considered in this process? What process could Australia use to implement its Paris commitment to review targets every five years? What are the issues in the transition to a lower emissions economy with respect to jobs, investment, trade competitiveness, households (including low income and vulnerable households) and regional Australia?*

A long term emission reduction goal for Australia beyond 2030, backed by policies and programs that deliver the emissions reduction, is essential. It will signal to the international community that Australia is committed to contributing to global efforts to reduce greenhouse gas emissions as well signalling to the Australian community the importance of reducing emissions and transforming the economy and thus being able to compete in carbon constrained global markets.

A bipartisan approach to a long term emission reduction goal is also important. Climate change politics have been volatile and this has made it difficult to navigate climate change policy and make investment decisions that will realise the opportunity that climate change transition presents. These investment decisions are numerous, wide ranging and involve the entire community. They range from developing the skills, knowledge, expertise and technology to transform economies and communities, to shifting away from large scale fossil fuel energy to energy that is zero carbon and locally generated, to incentivising the use of battery storage, to developing local public transport in regional areas, to helping business and household increase the uptake of energy efficiency.

The SECCCA region offers significant potential to play an active part in Australia's emission reduction target and stands to benefit socio economically from this challenge.

### **Electricity generation**

*What are the opportunities and challenges of reducing emissions from the electricity sector? Are there any implications for policy? How can energy and climate policy be better integrated, including the impact of state-based policies on achieving an effective national approach? Are there particular concerns or opportunities with respect to jobs, investment, trade competitiveness, households and regional Australia that should be considered when reducing emissions in the electricity sector?*

As is currently being examined by the Finkel Review, the energy trilemma presents tremendous challenge and opportunity. The transition to zero carbon energy generation is already underway, evidenced by installed renewable capacity as well as the large numbers of communities involved in renewable infrastructure development, from kilowatts to megawatts. Investment in community energy hubs, household generation and incentives for battery storage should be a focus of Federal, State and local governments; so too should programs that helping SMEs to increase the uptake of energy efficiency technology and the utilisation of non-fossil fuel energy generation technologies.

In addition to a long term emission reduction goal for Australia beyond 2030, a zero emissions target and strategy for the stationary energy sector is also essential. A zero emissions stationary energy sector strategy for Australia should outline how the socio economic well-being of the Australian community is maintained while the transition to zero emission energy generation is undertaken.

SECCCA councils are actively undertaking energy efficiency upgrades to reduce energy use and GHG emissions. Cardinia Shire Council has completed the Cardinia Life Environmental Upgrade that included; lights replaced with light emitting diodes (LEDs), variable speed drives installed on the air conditioning units, the building management system upgraded to give greater control, a co-generation system installed, a power factor control unit installed, an efficient domestic hot water system installed. The project is on track to save more than \$60,000 and 800 tonnes of CO<sub>2</sub>e per year.

The Baw Baw Sustainability Network is partnering with Beyond Zero Emissions to develop a transition plan to guide the whole shire of Baw Baw to net zero emissions by 2027 covering stationary energy use. Government Community groups are also starting to explore how they can become achieve zero carbon communities. These are just a couple of examples of initiatives in our member councils to address energy efficiency.

### **Households, small to medium-sized enterprises and the built environment**

*"What are the opportunities and challenges of reducing emissions for households, SMEs and the built environment? Are there any implications for policy? Are there particular concerns or opportunities with respect to jobs, investment, trade competitiveness and regional Australia that should be considered for households, SMEs and the built environment?"*

The challenge for small business is knowing how to reduce emissions while at the same time maintaining productivity, managing costs and achieving growth targets. SMEs need short ROI periods as well as direct support to make informed choices and investment decisions. Changeover periods and cost for machinery and equipment need consideration and compensation plans where feasible. SMEs would welcome investment opportunities where they are balanced with their cash flow forecasts and ROI. Support for adopting new technologies needs to be phased into business plans with realistic outcomes for both business and policy. Trade competitiveness can only be maintained if energy costs are manageable and regulatory compliance is achievable in realistic economic timeframes. The fact that a significant proportion of SMEs businesses operate in tenanted premises also imposes barriers to investment in emission reduction. Research and innovation that focusses on the development of technologies that assist business to reduce their emissions will benefit the economy and create new jobs in these areas.

Helping household to increase the uptake of energy efficiency technologies and renewable energy, and thus reduce GHG footprints, has been a key area of focus for SECCCA. Examining how to effectively implement energy efficiency in low-income households in the south-eastern suburbs of Melbourne was the aim of a major study that recruited and supported 320 householders from 6 local councils who were receiving Home and Community Care services. Households were audited and energy use data

collected to record energy use. The majority of the homes were old and owner occupied. They were inefficiently designed or built, or poorly maintained.

Providing retrofits plus behaviour change support achieved a 10% improvement in energy efficiency and improved indoor temperatures by 1.6oC. Retrofitting improved energy efficiency by 7% and winter indoor temperatures by 1.9oC. Providing behaviour change support alone did not produce significant results.

Low income householders face barriers to improving energy efficiency including poor physical and/or mental health. They may have acute health conditions, limited knowledge of energy efficiency, limited English and often need approval from landlords to undertake work on the home Energy efficiency in low income households saves money and also improves health outcomes.

There are also significant opportunities in the built environment to reduce emissions. In the absence of more stringent energy efficiency regulatory regimes that clearly identify contemporary energy efficient built environment standards, SECCCA is developing an easy to use template that will outline sustainability requirements for different council built assets. The ESD Matrix can be included in tender / quotation documentation and used as guide by project architects. The basic level of ESD specified through the ESD Matrix will be conducive to the design, meeting or exceeding a BESS pass mark, though individual Councils will retain the ability to modify matrix outputs to suit their specific ESD aspirations.

## **Resources, manufacturing and waste**

*"What are the opportunities and challenges of reducing emissions from the resource, manufacturing and waste sectors? Are there any implications for policy? Are there particular concerns or opportunities with respect to jobs, investment, trade competitiveness, households and regional Australia that should be considered when reducing emissions in the industrial sector?"*

There are enormous opportunities to reduce emissions from manufacturing and waste sectors. Investment in resource recovery through research and innovation would support business productivity and reduce emissions. The challenge is to raise awareness of new technologies and introduce payback schemes that enable small business owners to make the changes required. Increasing knowledge of conversions to more efficient processes would facilitate change management.

For example, Mornington Peninsula Shire Council has adopted a policy position to transition away from the practice of waste going to landfill as alternative waste technologies become available. While this approach presents significant opportunity to reduce emissions, support for the expansion of this technology, (i.e. state-wide policy development and target setting) has been lacking.

## **Transport**

*What are the opportunities and challenges of reducing emissions in the transport sector? Are there particular concerns or opportunities with respect to jobs, investment, trade competitiveness, households and regional Australia associated with policies to reduce emissions in the transport sector?*

While much of the SECCCA region is serviced by major freeways, there is a dearth of public transport in the urban fringe and regional council areas. Ensuring the growing residential and industrial areas are adequately serviced by public transport will deliver emission reductions as well as improve the productivity and liveability of these areas. Investment in public transport is the most effective way to reduce emissions from the transport sector, as well as promote the growth and/or incentivise electric vehicles. SECCCA Councils, in conjunction with the Department of Transport, have trialled a plug-in electric vehicle to see how it could meet their needs and how barriers to the expansion of this technology could be overcome. SECCCA councils are already reducing the engine size of fleet vehicles, investing in LPG, dual fuel and hybrid vehicles to reduce fuel use and emissions, developing carpooling programs and supporting sustainable transport infrastructure for community use (e.g. electric vehicle recharging stations)

SECCCA's Eco Driver Fleet Efficiency Program is a driver education and behaviour change program helping organisations improve the efficiency of their fleet. Drivers are taught techniques such as progressive gear shifting and braking, smooth operating, scanning ahead and optimum speeds. The program can reduce fuel consumption by an average of 15-20% with further savings expected on vehicle maintenance. Eco driver is now being implemented in other councils beyond the SECCCA membership.

## **Land and agriculture**

*What are the opportunities and challenges of reducing emissions from the land and agriculture sectors? Are there any implications for policy? What can be done to realise further benefits from emissions reduction activities beyond carbon abatement? Are there particular concerns or opportunities with respect to jobs, investment, trade competitiveness, households and regional Australia associated with policies to reduce emissions in the land and agriculture sectors?*

The land and agriculture sector presents opportunities to reduce emissions through carbon offsetting as well as transforming agriculture practices such as producing energy from livestock manure.

Through its Carbon Neutral Policy, Mornington Peninsula Shire Councils seeks to offset carbon emissions locally, within its municipality, though has struggled to identify opportunities to date. This has mostly been due to lack of land holder knowledge and lack of identified benefit to the land holder.

Carbon offsetting has a range of co benefits that includes improved biodiversity and biolinks through revegetation and planting project; improved soil nutrients leading to higher quality produce through soil carbon sequestration and improved productivity and reputation. Further education and promotion is required to attract further projects. Additional financial benefits to offset the possible loss of productivity will also increase the likelihood of emissions reduction activities.

## **Research, development, innovation and technology**

*What is the role of research, development, innovation and technology in reducing Australia's emissions? Are there any implications for policy? Are there particular concerns or opportunities with respect to jobs, investment, trade competitiveness, households and regional Australia that should be considered in relation to research, development, innovation and technology?*

It is critical that research and innovation are supported in Australia to develop technologies that can assist in reducing emissions. For industry to remain globally competitive it must keep costs down and maintain best practice in production and servicing. Increasing energy costs are affecting Australian business and they need to be educated on feasible alternatives that reduce emissions. Policy must encourage and support the development and deployment of alternatives for business as well as the domestic market.

Small business does not always have access to appropriate information to make choices on alternative technologies to reduce their emissions. Schemes to allow investment by small business in alternative technologies and renewable energy would support business growth as well as reducing emissions. New jobs could be created with encouragement to enter the innovation space, particularly in the recycling and remanufacturing of resource materials. Waste reprocessing investment would assist business to better manage their resource recovery and look at alternatives to current practice.

Ends.