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Local Governments Urge Feds to Support the Future

Leading Victorian local governments are banding together to urge the Federal Government to rethink its apparent determination to undermine the renewable energy sector in Australia. They fear that recent instructions to the Clean Energy Finance Corporation (CEFC) not to fund wind or small scale solar projects is the latest move in the Abbott government's campaign to nobble the renewable energy sector - an industry that is essential to Australia's future economy, prosperity and sustainability.

Local governments in Melbourne's north have worked in alliance for over a decade to develop and implement greenhouse gas emissions reduction initiatives for their council facilities and for their broader communities. This includes installing solar on homes, businesses and on their own facilities, such as libraries and aquatic centres. Local governments have also led the way in harnessing the benefits of solar for those that can't afford the up-front costs, but would benefit from reduced energy bills.

"Solar energy is a really strong option for Councils – there's both financial and environmental benefits, and these arrays provide a strong community leadership message and demonstration of action on climate change", said Paul Murfitt, Chair of the Northern Alliance for Greenhouse Action (NAGA)¹. "Many of our member councils have installed solar on buildings like their libraries, council offices and leisure centres. Solar provides attractive financial pay-back, especially with escalating energy costs. Low-cost finance, such as that facilitated by the CEFC, really helps boost the amount of solar councils can install".

NAGA considers that innovative finance measures and a finance market that is confident to invest in renewable energy is a critical part of our response to climate change. One of the CEFC's core functions is to facilitate a mature lending market for renewable energy and stimulate new lending models for technologies like solar. In particular, CEFC's support will be vital for encouraging the uptake of solar in those sectors of the market not well served by standard commercial operations, such as low income, vulnerable households.

Northern councils have direct experience of running innovative projects to address this sector. In 2014 Darebin City Council installed solar energy systems on almost 300 pensioner households, with the cost paid back over 10 years through their rates. Because these households then buy less energy from the grid, they are saving money from the day their solar is installed. CEFC support is crucial to enable councils in Victoria, South Australia and NSW to replicate this model.

NAGA agrees that the future energy market and the broader economy must be low carbon, affordable and secure. Solar and wind energy will be a big part of this. There will be benefits for our local economies and to the broader Australian economy and we would like to see the Federal Government take a positive approach to the development of this important sector.

For further comment, please contact Paul Murfitt (03) 9385 8507 or 0401 990 273.

¹ The Northern Alliance for Greenhouse Action consists of the City of Banyule, City of Darebin, Hume City Council, City of Manningham, City of Melbourne, City of Moreland, Shire of Nillumbik, City of Whittlesea, City of Yarra and the Moreland Energy Foundation. The views represented in this statement do not necessarily represent the views of all NAGA members individually.