



Mr Martijn Wilder AM
Independent Review Committee (Chair)
Climate Change Act review Secretariat
Department of Environment, Land, Water and Planning
PO Box 500
Melbourne VIC 3002

31 July 2015

Dear Mr Wilder,

Re: Review of the Climate Change Act 2010

The Northern Alliance for Greenhouse Action (NAGA) is pleased to take this opportunity to submit a response to the review of the Climate Change Act 2010.

NAGA is a network of nine northern metropolitan councils operates across metropolitan region of Melbourne working to achieve significant emissions abatement and energy cost savings by delivering effective programs and leveraging local government, community and business action. Our council members include Banyule City Council, Darebin City Council, Hume City Council, Manningham City Council, City of Melbourne, Moreland City Council, Moreland Energy Foundation Limited, Nillumbik Shire Council, City of Whittlesea and the City of Yarra. NAGA formed in 2002 to share information, coordinate emission reduction activities and cooperate on research and develop innovative projects.

In our response, we have aligned our contribution with the questions posed by the Independent Review Committee.

1. How effective is the current Climate Change Act 2010 in driving climate change action by government, business and the community?

It is NAGA's opinion that climate change action in Victoria lacks coordination and drive towards a future outcome, whether that is expressed as a defined vision and/or a target, such as the current 20 per cent reduction in emissions by 2020 on 2000 levels. Rather, Victoria has experienced both forward momentum, such as the recent rapid uptake of domestic rooftop solar PV, as well as stalling or reversing of policy, such as the previous state government's proposals to eliminate the Victorian Energy Efficiency Target. NAGA believes that an updated *Climate Change Act 2010* should provide a clear framework not only for current action but also a clear pathway forward to achieve the levels of reduction required to avoid the worst impacts of climate change (i.e. to ensure no more than a 2°Celsius increase in average temperature). Currently, action taken by different sectors and by different levels of government proceeds in an uncoordinated fashion resulting in missed opportunities that could have been created through a collaborative and integrated approach.

In its current form, the Act underplays that there is a role for a range of mitigation actions in responding to climate change by overstating the contribution of just one form of mitigation, namely carbon sequestration on both private and crown land. The Victorian Government previously estimated that the land use, land use change and forestry sector fluctuates between acting as a sink and a source of emissions.

For example in 2000, it was estimated that the sector contributed 0.33 million tonnes of carbon dioxide (MtCO₂) whilst in 2009 it was a sink of 0.69 million tonnes in 2009¹. With hotter and drier conditions and increased bushfire risks, under climate change, managing carbon in Victoria's forests will become increasingly difficult. The Victorian LandCarbon project estimated that 70 million tonnes of CO₂ has come from bushfires in Victoria over the past decade². With more frequent, intense and severe wildfires projected in coming decades, recent research suggests it is likely our forests will shift from carbon sinks to sources of emissions³.

Therefore it is unwise to identify forest sequestration as the sole mechanism for driving emissions reductions in Victoria. We support the existing provisions for forest sequestration in the Act and believe that these activities are important, yet this should be treated as its own sector for emissions management and not as an offset to emissions from other sectors. As a result of this focus, the state government has largely been absent from meaningful contributions to climate change responses for the past five years. NAGA believes that other mitigation actions need to be included within the scope of the Act, that these need to be target-oriented and drive structural changes required to achieve these targets.

NAGA recognises that the Act has been useful through its requirement for a Climate Change Adaptation Plan, which led to support for local government programs through the Victorian Adaptation and Sustainability Partnership (VASP). These have built capacity within the local government sector, and the communities they serve, and increased the resilience of the sector to respond to the projected impacts of climate change. For NAGA, this contributed to the development of a regional climate change adaptation strategy, which will form the basis for our future adaptation work. We note however, the roles and responsibilities of State and Local Government for adaptation are yet to be adequately defined.

What role should the Act play in:

a. Reducing greenhouse gas emissions?

The Act should be the framework for a coordinated greenhouse gas emissions reduction plan, now and into the future. At the heart of this should be a robust and challenging greenhouse gas emissions reduction target, based on a combination of scientific evidence and the legislative reach of the Victorian Government. This target, currently set at a 20 per cent reduction on 2000 levels, should reflect current scientific understanding and align with government efforts to reduce global emissions to a point within a 2° Celsius rise in global temperatures. It should also align with any Federal Government target set at the up-coming Paris conference but should not be constrained by this target if it is the opinion of the Independent Review Committee that this federal target does not comply with the scientific consensus.

The target should be subject to regular review through a transparent and independent process, which will check whether the target is adequate and as new scientific evidence emerges.

The Act should be amended to include additional mitigation actions, such as energy efficiency and support for the development of renewable energy. NAGA's opinion is that all mitigation actions, including the current text regarding carbon sequestration on both private and crown land (Parts 4 and 5) should be subsumed into a new Part of the Act regarding Mitigation Actions, to provide greater policy coherence.

NAGA believes there is a need for the Act to establish an independent body akin to the federal Climate Change Authority, with responsibility for developing future targets reflective of climate change science with an objective to restrain global emissions to a relatively safe increase in the average global temperature of 2° Celsius. This body should also provide independent advice to the Minister and assist in the coordination of Victoria's climate change response. This independent body should be reflective of a broad constituency within Victoria, including state and local government, academia, environmental groups and business. It is the opinion of NAGA that the creation of an independent body with effective power can contribute to a more recognisable collective response by the state, and greatly reduce the vagaries and uncertainty arising from political posturing around this issue. The latter is critical to

¹ Department of Sustainability and Environment (2012) *Report on Climate Change Emissions and Greenhouse Gas Emissions in Victoria*, Melbourne

² Department of Sustainability and Environment (2009) *VicLand Carbon and Bushfire*, Melbourne.

³ Fairman, T (2013) Ash to ashes – what could the 2013 fires mean for the future of our forests? *The Conversation*, <https://theconversation.com/ash-to-ashes-what-could-the-2013-fires-mean-for-the-future-of-our-forests-12346>, accessed 24 July 2015

the development of an efficient alternative energy sector in this state with all the employment, socio-economic and industry development benefits that will enable.

b. Adapting and preparing for the impacts of climate change?

The Act needs to expand the current Division 2 section, Climate Change Adaptation Plan, into a stand alone Part of the Act to reflect a broader role for the Victorian Government in climate change adaptation. Specifically, this Part should include:

- due regard for the risks, as well as the associated responsibilities for proactive addressing of those risks, associated with projected future climate change impacts; and
- clear definitions of the roles and responsibilities of state and local government in addressing projected climate change impacts.

In doing so, the Act should build upon the work that underpinned the development of a Memorandum of Understanding between state and local government, in 2014, to ascribe roles and responsibilities of different government sectors in addressing projected impacts of climate change.

NAGA recommends that the aforementioned independent body akin to the federal Climate Change Authority also have responsibility for setting guidelines, reviewing and supporting state and local government climate change adaptation responses based upon most current research. In particular, local governments have noted the need for relevant up-to-date information on projected impacts such as shifting flooding and at-risk fire areas, and changing biodiversity areas.

Finally, the need to consider how to adapt to a changing climate requires the addition of the *Planning and Environment Act 1987* to the list of Acts (Schedule 1), as well as relevant codes, guidelines and regulations, including urban design and the proposed vulnerable use buildings regulations, in which decision makers are required to have regard to climate change. The lack of inclusion of the *Planning and Environment Act 1987* Act in the current form of the *Climate Change Act 2010* is a major weakness; without it, there remains the possibility for land use development of a kind, which without regard to projected climate change impacts will increase the vulnerability of future generations, including on-going development in already known flood and fire prone areas, energy inefficient designs and poor urban design that undermines social and ecological resilience.

c. Growing a globally competitive Victorian economy

NAGA believes that the state government needs to actively facilitate a shift towards a smarter, greener economy which not only takes account of its contribution to the causes of climate change, but which seeks to take advantage of the economic opportunities afforded by seeking to reduce those climate change contributions.

NAGA supports the outcomes of modelling produced by ClimateWorks, in collaboration with CSIRO and the Centre for Policy Studies. This work projects national GDP growth of 150 per cent by 2050 while achieving a fall in net national emissions to zero by 2050⁴. This is achieved through a focus on:

- using energy more efficiently;
- producing low carbon electricity;
- a shift to an electrified economy supported by cleaner fuels; and
- capturing non-energy emissions and offsetting.

To this end, NAGA recommends that the Act consider the role of the Victorian Government in creating a framework to support these emerging industries. Within this framework, NAGA would also recommend that the Act recognise the contribution of increased resource and materials efficiency to reducing climate change emissions. Sustainability Victoria's work with small to medium enterprises has demonstrated the potential of improving the performance of Victorian industry, both in terms of emissions reduction potential and financial savings for participating businesses.

⁴ ClimateWorks (2015) Pathways to a Low Carbon Future, www.2050pathways.net.au



d. Providing accessible information to the Victorian community on climate change

The current information provisions within the Act compel the Minister to prepare reports every two years on the progress of the Victorian Government towards meeting the targets set down in the Act.

NAGA recommends that these reports be supplemented by more regular reporting to the Victorian community on the progress towards the targets, in the form of reporting on programs designed to deliver adequate emissions reductions. This should be designed to contribute to the creation of the aforementioned collective response by the state to climate change.

In addition, NAGA recommends that the Victorian Government compel the collection and public availability of data, which would assist in tracking current emissions from specific sources. For example, local governments constantly battle to extract information from energy distribution businesses on electricity and gas consumption at a local level. Compulsory reporting of such data would allow governments to be able to track current consumption and related emissions, as well as plan for future interventions.

Based on the Terms of Reference, is there anything else you would like the Independent Review Committee to consider when developing its report and recommendations?

NAGA would recommend two additional points for consideration by the Independent Review Committee. The first is to seek to “lock-in” gains achieved through the policy and programs emanating from a revised *Climate Change Act 2010*. The second pertains to the relationship between state and local government.

Locking in future gains

Climate change has been classified as a super wicked problem for governments, comprising four interrelated complexity factors: there is a limited time to respond, it is caused by those who are seeking a solution; there is weak or limited central government and future benefits are discounted. Best practice policy responses contain three key factors: they are “sticky” in that they gain immediate public support, they have the capacity to gain wider public support quickly and support for the policy deepens over time⁵.

In the climate change adaptation field, leading governments, such as the UK and the Netherlands, have adopted an adaptation pathways approach, which allows for the exploration of different policy options in developing effective climate change responses. It does this without cutting off access to alternative policies without retreating to less effective policies. As a result, it has in common with the super wicked problem approach, the creation of policy which locks-in gains achieved and makes it difficult for future governments to reverse these gains.

The Act can contribute to good policy development through the creation of a guiding principle (Division 3) to take account of the impacts of current policy (as addressed in the principle of equity) and the formation of future policy in a manner that ensures that policy represents measureable progress towards targets associated with the Act, whether that be the existing target or a revised, stronger target or towards improving the resilience of the Victorian community in responding to the projected future impacts of climate change. This policy development should proceed in a manner that doesn't leaves open future opportunities for stronger policy development.

⁵ Levin, K. Cashore, B., Bernstein, S. & Auld, G. (2012) Overcoming the tragedy of super wicked problems: constraining our future selves to ameliorate global climate change, *Policy Sciences*, 45 (2), pp. 123-152.



A strong and sustainable governance relationship

NAGA believes that progress towards a low-carbon future in Victoria is best achieved through a partnership between state and local government, business and communities. A partnership between state and local government would recognise the different capacities each level of government can bring to a collaborative response: local government benefits from a close connection with the communities it serves while state government provides a strategic level response and resources. In addition, Victoria is well served in this arena by an intermediary level of governance through the greenhouse alliances.

Greenhouse alliances, such as NAGA, cover 70 of the state's 79 councils and provide a link between individual local governments and their peers, state government and key stakeholders, including industry groups and academia. The alliances assist in the development of innovative projects responding to climate change, as well as sharing best practice between members and seeking support for the replication of successful projects. For example, NAGA is currently working with our counterpart in Melbourne's east, the Eastern Alliance for Greenhouse Action (EAGA) to build regional replication of a successful project delivering solar to residents in the City of Darebin. The original project, delivered by council, resulted in the installation of 294 solar PV units on low-income pensioner households; each unit is paid for through a special rates charge applied to the dwelling, which is less than the savings on the household energy bill produced by the solar system. NAGA and EAGA are actively exploring a variety of finance models to replicate this project and consulting with the solar PV industry and state government.

The Act provides an opportunity to accelerate not only the pace of such projects, but also the collaborative effort required. Specifically, amending the Act to give greater weight to current purpose 1 (c) – “to promote collaboration, cooperation and innovation in the Victorian response to climate change by strengthening the role of communities and other measures” – could help to create a governance framework to more effectively develop and deliver programs and policies to meet this purpose. NAGA recognises that this partnership only applies to governments and that other frameworks could be developed to meet the needs of other stakeholders, such as industry or agriculture.

To achieve this, NAGA suggests that the Act include an additional principle, a principle of collaborative decision-making. This should include the:

- the establishment of shared goals and priorities between state and local governments;
- the development of long term strategic resource allocation and funding to meet delivery expectations and acknowledge resource capacity amongst local governments;
- alignment and cooperation in service delivery to ensure the effective delivery of climate action programs, particularly for outcomes relevant to both spheres of government; and
- the creation of procedures for regular, effective evaluation and review to ensure progress towards climate change mitigation and adaptation goals, increase understanding of climate change and incorporate feedback into future action.

Part 3 of the Act should be revised to establish an appropriate architecture for the partnership and set out its broad objectives, including (but not limited to):

- Support the development and delivery of regional scale mitigation and adaptation measures that address the specific needs of each region's communities and the major activities of particular regions
- Work with regional alliances of local governments, in addition to peak bodies in order to gain commitment and support action from all 79 councils in Victoria
- Increase the level of engagement on climate change action within and across local governments and build an understanding of the local environmental, social and economic benefits of local climate change action
- Build the capacity of smaller councils to take action on climate change with their communities

- Strengthen the capacity of local greenhouse alliances so that they are effective facilitators of local and regional climate change action amongst their local government members and stakeholders.

Taken together, NAGA believes these recommendations have the capacity to improve Victoria's response to the super wicked problem of climate change. It would help ensure the future development of policy and programs that will gain immediate "sticky" acceptance, that would spread quickly throughout the population and gain a deep level of public support over time.

Please contact me (phone: 9385 8507 or email paul@mefl.com.au) if you would like further information, case studies or any clarification regarding the issues raised in this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read "Paul B. Murfitt". The signature is fluid and cursive, with a large, stylized initial "M" at the end.

Paul Murfitt
NAGA Chair

The views represented in this submission do not necessarily represent the views of all NAGA members individually.