

City of Port Phillip
Submission response to the Victorian Climate Change Green Paper

Introduction

The City of Port Phillip (CoPP) has a strong commitment to urgent and accountable local action to address climate change concerns, and welcomes this opportunity to respond to the Victorian Climate Change Green Paper.

Whilst the Green Paper's preface places emphasis on taking urgent and decisive action now to avoid the worst effects of climate change, the Paper fails to subsequently demonstrate a relevant and effective policy framework for achieving this critical agenda.

Of particular concern to CoPP is that the Green Paper does not provide a strong, integrated set of strategies for effective and urgent climate action in the very near term. These include the failure to:

1. Demand relevant and science-based federal government emissions reduction targets – CoPP strongly endorses the current scientific consensus to target at least a 40% reduction by 2020 and 85-95% reduction by 2050;
2. Critically and comprehensively examine the new policy nexus required between the three tiers of government to effectively develop and deliver both national emissions reductions as well as relevant and timely on-ground climate adaptation actions. Of particular concern is a growing policy disjunct between greenhouse abatement and climate adaptation strategies and the lack of an integrated policy response framework that recognises the critical interconnection between abatement and adaptation;
3. Challenge assumptions put forward in the proposed *Carbon Pollution Reduction Scheme* about the adequacy and relative effectiveness of a 'one-size fits all' market mechanism as the main format for gaining emissions reductions in Australia;
4. Recognise the critical role voluntary community abatement plays in fostering local innovation, behaviour change and local green markets;
5. Provide a strong state agenda and framework for supporting the growth of new renewable energy sources.

Summary Recommendations to the Climate Change Green Paper

That the resulting Victorian Climate Change White Paper reflect and address the following recommendations:

Part 1 – Recommendations resulting from analysis of the Green Paper (Please also see detailed submission that follows) -

Recommendation 1: That the Climate Change White Paper reflects and addresses the issues raised in City of Port Phillip submission section 1b.

Recommendation 2: That the White Paper provide a much stronger implementation and resourcing strategy for accelerated renewable energy generation in Victoria in the short-term that is decoupled from any Carbon Capture and Storage strategy.

Further, that the White Paper focus on developing a more equitable resourcing strategy for Carbon Capture and Storage that requires higher contributions and demonstrated emissions reductions from the Victorian coal industry.

Recommendation 3: That the White Paper consider the impact of mandating the use of rail for the majority of container freight movements and seek an expanded *TravelSmart* program to achieve

mode shift at a community level. With regard to integrated land use, the White Paper should consider the impact of the expansion of the Urban Growth Boundary on future transport related greenhouse gas emissions.

Recommendation 4: That the White Paper determines how practical small-scale and local renewable energy projects can be supported and encouraged in a substantial manner.

Recommendation 5: That the White Paper support already existing mechanisms that strengthen the development of a local green economy, particularly:

- Recognition of voluntary abatement actions
- The development of resource and incentives programs for small scale renewable energy development.

Recommendation 6: That the White Paper support proven motivators, particularly beyond market signals, to drive both the growth of energy efficient technologies and products and induce behaviour change to use less energy.

Recommendation 7: That the White Paper clearly provide policy leadership to ensure minimum building efficiency standards in both planning and building regulations to assist all Victorians, including our vulnerable communities.

Recommendation 8: That the White Paper provide urgent policy leadership for clear and consistent adjusted planning and building regulations that cover the development of climate-adept built form and infrastructure standards.

Recommendation 9: That the White Paper address the need for clear, comprehensive and locally relevant information and modelling to determine climate risks at a local level. More critically, that the White Paper present options for how it will consult with relevant sectors (such as local government, business and industry) for any emerging/assumed responsibilities.

Recommendation 10: That the White Paper clearly respond to the complexities of building resilience in our ecosystems, securing Victoria's water future and adapting to change in the built environment.

Recommendation 11: That the White Paper ensure that consultation mechanisms with key stakeholders in emergency management, such as Local Governments in the inner region, are developed to understand the issues about increasing responsibilities and expanded actions.

Part 2: Broad Response to Green Paper - Local Government as partner

The City of Port Phillip is a signatory to the Victorian Sustainability Accord which includes the primary aim of better consultation, collaboration and partnered environment outcomes between state and local governments. To this end, Local Government is a valuable partner in considerations to develop integrated state policy that is locally relevant; as well as advocacy upward to gain commensurate and integrated federal policy, strategy and resourcing. Local Government is also a primary contributor to building local community capacity through existing and proposed programs, and can provide valuable evidence, experience and feedback on what actually works (or does not) on-the-ground.

Recommendation 12: The City of Port Phillip strongly urges the Victorian Government to include comprehensive formal consultation with Victorian Local Governments in the development of the White Paper. We believe this will result in better and more effective outcomes for the subsequent development of Victoria's Climate Change White Paper.

Detailed submission

1. The Policy Context – Part 1: Victorian Climate Change Framework and Part 2: The Challenge of our Generation

- 1a New Victorian policy landscape for climate change** - Green Paper accepts the federal government's proposed *Carbon Pollution Reduction Scheme* or CPRS (largely an emissions trading scheme {ETS} and the accompanying price on carbon) as the primary mechanism for reducing Australia's greenhouse gas emissions. It proposes that Victoria's new role is to develop and implement policy complementary to the CPRS. To this end, the subsequent policy and action context proposed for state and local governments is in the design and delivery of adjustment (to a low carbon economy) and adaptation (to climate risks and impacts) programs, and ensuring local markets and regulatory frameworks to support the CPRS.
- 1b The Challenge of our generation** – the Green Paper outlines how climate change is likely to impact Victoria and its regions, including Melbourne. It also presents Victoria's greenhouse gas emissions profile by sector and within the context of state and territory emissions profiles, as well as Victoria's emission reduction challenges.

The City of Port Phillip considers that there are several key issues with the current design of the proposed CPRS that the Green Paper should acknowledge and critically examine, as follows:

- That the current design is flawed because it relies almost solely on a market/price signal. A balanced and effective CPRS would also seek to introduce complementary regulatory amendments and incentives;
- That the focus on the market economy as the primary regulator for effective carbon reduction strategies and growing a green economy is neither responsible nor effective as a primary carbon reduction policy;
- That the current proposed short-term target (5% reduction by 2020) does not concur with science-based targets and in effect, proposes a target that supports a dangerous level of climate change (3°C or more). Scientific evidence strongly suggests that we should provide a target that supports a maximum of 2°C global temperature rise;
- That the CPRS negates voluntary abatement action by local communities, businesses and governments. Instead, verified voluntary action can be turned in to further carbon offsets that will make it easier for polluting industries to meet their requirements under the ETS. A design-modified CPRS can easily accommodate voluntary abatement as additional emissions reductions to internationally binding targets.
- The Green Paper in effect proposes a policy disjunct between carbon abatement strategies and targets (set nationally), and climate adaptation strategies (largely undertaken by states/territories and local governments).
- The primary concerns from City of Port Phillip's perspective are that:
 - The proposed 'soft' emissions reduction target has the potential to dramatically increase the level and cost of implementing climate adaptation and resilience strategies at the local level in both the short and long-term; and
 - Local Governments will wear a significant cost burden from implementing local climate adaptation without commensurate incentives or funds from revenues raised through mechanisms such as the ETS. This is in direct comparison to

the proposed strategy that Australia's large carbon polluters will enjoy heavy subsidisation through offset permits without having to guarantee minimum reductions in actual carbon emitted.

Recommendation 1: That the Climate Change White Paper reflects and addresses the issues raised in City of Port Phillip submission section 1b.

2. Greenhouse Gas Abatement – Part 3: Complementing the CPRS and Part 4: Adjustment to a Low Carbon Economy

2a Reducing carbon emissions – Green Paper Section 3.1.

The Green Paper proposes that this will largely be through Carbon Capture and Storage (CCS) in order to continue to utilise Victoria's plentiful coal supply.

Comment:

- It is unlikely that CCS will be a viable and implemented technology for at least another 12-15 years from now. Therefore, dependence primarily on CCS provides for no significant carbon reduction strategy for at least another decade.
- Whilst CCS has an important role to play, CoPP does not consider that it provides a valid short – medium term technical solution, given that the proposed technology is unproven. Therefore, it would be better balanced with a strong and decoupled simultaneous focus on implementing renewable energy generation (such as wind and solar) – this would introduce the necessary market competition and incentives to develop clean energy technologies.

Recommendation 2:

That the White Paper provide a much stronger implementation and resourcing strategy for accelerated renewable energy generation in Victoria in the short-term that is decoupled from any Carbon Capture and Storage strategy.

Further, that the White Paper focus on developing a more equitable resourcing strategy for Carbon Capture and Storage that requires higher contributions and demonstrated emissions reductions from the Victorian coal industry.

2b Transport – Green Paper Section 3.3.

The Green Paper acknowledges that transport is the second largest producer of greenhouse gas emissions after stationary energy production. Despite this, the Federal Government has indicated that motorists will be protected from the cost impacts of CPRS.

Comment:

- A raft of measures will be required to reduce transport demand, reduce the impact of high emission modes and shift trips from high emission modes to sustainable transport.
- Within the State jurisdiction improvements can be achieved through integrated land use, seed funding for sustainable transport and aggressive measures to shift freight from trucks to trains.

Recommendation 3: That the White Paper consider the impact of mandating to use of rail for the majority of container freight movements and seek an expanded *TravelSmart* program to achieve mode shift at a community level. With regard to integrated land use, the White Paper should consider the impact of the expansion of the Urban Growth Boundary on future transport related greenhouse gas emissions.

2c Growing alternative sources of electricity (renewable energy sources) – Green Paper Section 4.1

The Green Paper proposes that growth in Victorian renewable sources of energy generation (wind and solar) will be driven by the (electricity) price increases that the CPRS will induce; the *Victorian Renewable Energy Target* (10% by 2016); the National Renewable Energy Target (20% BY 2020); the feed-in tariff; \$50 million in new solar technology; and removing planning barriers to the uptake of low carbon energy forms.

Comment:

- Most of these measures already exist and a substantial component of new technologies funding will go to large-scale projects.

Recommendation 4: That the White Paper determines how small-scale and local renewable energy projects can be supported and encouraged in a substantial manner.

2d Developing a green economy – Green Paper Section 4.3

The Green Paper proposes that CPRS price/market signal, a Green Jobs Action Plan and ‘smoothing the transition’ will drive green innovation and technology and the growth of local green markets.

Comment:

- Given the CPRS largely covers polluting industries and will not recognise voluntary abatement, the result may be less incentives and demand for local green jobs and infrastructure investment, particularly at the small-scale level. Obvious and already proven strategies for stimulating the local green economy include:
 - Recognising voluntary abatement as a substantial current driver for motivating action and stimulating local innovation, particularly in energy efficiency outcomes.
 - Provision of higher incentives for small-scale local renewables development.

Recommendation 5: That the White Paper support already-existing mechanisms that strengthen the development of a local green economy, particularly:

- **Recognition of voluntary abatement actions; and**
- **The development of resource and incentives programs for small scale renewable energy development.**

2e Energy efficiency – Green Paper Section 3.2

The Green Paper proposes that CPRS price/market signal will drive both the growth of energy efficient technologies and products and induce behaviour change to use less energy.

Comment:

- Price increases have historically been proven to be a poor motivator for using less electricity. Despite this, the Green Paper suggests that this is adequate as a primary behaviour change motivator.

Recommendation 6: That the White Paper support proven motivators, particularly beyond market signals, to drive both the growth of energy efficient technologies and products and induce behaviour change to use less energy.

2f **Built form – Green Paper Section 3.4**

The Green Paper broadly acknowledges the need for higher building efficiency standards, split incentives for owners and tenants, and continued incentives to install insulation and double glazing.

Comment:

- There is a need for clear, transparent and regulated building efficiency standards that are demonstrated at the permit stage.
- There is a critical need to accept the cognisance between building and planning regulations and that building efficiency can be more effectively and consistently gained from having minimum building efficiency standards in both planning and building regulations. This may also include regulations to ensure the protection of sustainability investments on neighbouring properties (for example overshadowing of solar panels).
- Higher building efficiency standards and requirements and/or incentives for implementation of energy and water efficient actions by apartment-owners/landlords will play a vital role in supporting our vulnerable communities.

Recommendation 7: That the White Paper clearly provide policy leadership to ensure minimum building efficiency standards in both planning and building regulations to assist all Victorians, including our vulnerable communities.

2g **Adjusting to a low-emissions economy – Green Paper Section 4.4**

The Green Paper proposes that this is primarily about behaviour change to adjust to a carbon price as well as ‘smoothing the transition’ for sectors and low-income households that may suffer perverse effects or a heavy (initial/subsequent) cost burden.

Comment:

- The City of Port Phillip is concerned that there are additional issues to be addressed as listed in the recommendations above.

3. Adapting to a Changing Climate – Part 5: Adaptation: A New Reality

3a **Planning and Building – Green Paper Section 5.3**

The primary strategy suggested in the Green Paper for building resilience through state policy amendments to land use planning and building performance is the development of ‘defensive planning’ frameworks. This is to prevent development in areas deemed at an increased risk from climate impacts.

Comment:

- Whilst this is valid, it is a narrow approach that does not recognise the important and wider role of state policy amendments that encourage a proactive and climate-adept approach to building resilience. To this end, clear and consistent planning and building regulations that cover the development of climate-adept built form and infrastructure standards would be a critical starting point. In fact, the current Victorian planning policy framework must now be recognised as defunct and requiring significant revision in order to meet the challenges of climate adaptation.

Recommendation 8: That the White Paper provide urgent policy leadership for clear and consistent adjusted planning and building regulations that cover the development of climate-adept built form and infrastructure standards.

3b Assisting private action – Green Paper Section 6

The Green Paper proposes that a primary support mechanism will be the provision of information resources that assist households and some business sectors to undertake action to build personal and community resilience to a changing climate.

Comment:

- There is an urgent need for clear, comprehensive and locally relevant information and modelling to determine the climate risks at a local level in order to inform which private actions will be relevant. Whilst the Green Paper clearly acknowledges that we can no longer rely on historical data/information or use conventional ways of 'doing', it provides little direction and clarity on what's relevant or how it is based on current climate science. Further clarity is required for this area by the State Government.
- The Green Paper assumes that some business sectors (namely construction and engineering, media and banking/finance) will expand their current roles to respectively construct climate-adept built form, monitor hazards and communicate risks, and finance adaptation investments and provide risk coverage. This abrogates responsibility for serious systemic and infrastructure changes to private action without commensurate regulation or policy support mechanisms. As yet, the Victorian Government has not yet initiated formal dialogue or consultation with these sectors for these newly assumed responsibilities and the Green paper provides no indication of whether such consultation is intended.

Recommendation 9: That the White Paper address the need for clear, comprehensive and locally relevant information and modelling to determine climate risks at a local level. More critically, that the White Paper present options for how it will consult with relevant sectors (such as local government, business and industry) for any emerging/assumed responsibilities.

3c Building resilience in our ecosystems, securing Victoria's water future and adapting to change in the built environment – Green Paper Sections 5.1 and 5.2

Since the introduction of the Our Water Our Future Plan in 2004, much has been done towards securing Victoria's water future. The Green Paper notes that increased use of stormwater will play a critical role.

Comment:

- However, the Green Paper does not note or explore the complex institutional arrangements that are known to currently hamper the implementation of such projects. Given the vulnerability of Melbourne's water future, these arrangements need to be explored, resolved and agreed upon to enable a proactive and appropriate response to emerging challenges and the implementation of key initiatives.
- Whilst there is acknowledgement that the Victorian government has a critical role to play in policy adjustments to land use planning and building performance, there is no clarity or detail about what such amendments might look like.
- The subsequent planning adjustments and risk management tools proposed are largely defensive (preventative land use planning) and reactive (in the event of a catastrophe) rather than proactive in developing climate adept built form.

Recommendation 10: That the White Paper clearly respond to the complexities of building resilience in our ecosystems, securing Victoria's water future and adapting to change in the built environment.

3d Emergency services – Green Paper Section 5.4

The Green Paper primarily proposes that because there is now a higher likelihood of unpredictable extreme weather events, the focus will now be on prevention, mitigation and preparedness (of climate risks).

Comment:

- There is an urgent need to develop consultation mechanisms with key stakeholders in emergency management (such as Local Governments) to understand what this agenda means in terms of increasing responsibilities and expanded actions.
- The Green Paper does not acknowledge that the majority of inner metropolitan councils and their communities currently not only have no strategies for building community resilience such as community-based capacity building for fire risks/threats in bushfire-prone areas; nor that inner metropolitan councils face rather different threats such as flooding.

Recommendation 11: That the White Paper ensure that consultation mechanisms with key stakeholders in emergency management, such as Local Governments in the inner region, are developed to understand the issues about increasing responsibilities and expanded actions.