



City of Melbourne Submission to Parliamentary Inquiry

Climate Change (National Framework for Adaptation and Mitigation) Bill 2020 and Climate Change (National Framework for Adaptation and Mitigation) (Consequential and Transitional Provisions) Bill 2020

Introduction

The City of Melbourne welcomes the Standing Committee on the Environment and Energy's Inquiry into the Climate Change National Framework for Adaptation and Mitigation) Bill 2020 and Climate Change (National Framework for Adaptation and Mitigation) (Consequential and Transitional Provisions) Bill 2020.

This submission is provided on behalf of the management of the City of Melbourne and is based on endorsed Council policy, including:

- **2020 Response to the Climate and Biodiversity Emergency**
- **Climate Change Mitigation Strategy to 2050**
- **Climate Change Adaptation Strategy 2017**
- **Transport Strategy 2030**, and
- **Waste and Resource Recovery Strategy 2030**.

Climate change is a critical issue for Melbourne and all Australian cities - it is an issue that is intricately bound to our community's health, wellbeing and future economic prosperity.

City of Melbourne is committed to the goal of net zero emissions and increasing resilience to climate change. On 16 July 2019 Council unanimously declared a Climate and Biodiversity Emergency. In response, in February 2020, Council brought forward its emissions target and set a zero emissions target by 2040 for the municipality.

The City of Melbourne recognises that communities will bear the brunt of climate change impacts due to increasingly severe heatwaves, bushfires, flooding and sea-level rise.

Climate change is a systemic risk that requires management at a local, regional, and national level. It is also a risk multiplier because it exacerbates underlying vulnerabilities in society. Action is needed to address and prepare for the interdependencies of climate change impacts and the environmental, social and economic disruption that will result as businesses and markets respond to climate risk and stranded assets.

Australian cities face long term strategic challenges in responding to climate change.

A national framework for climate change action is needed to address these challenges and support local governments to respond to the climate challenge in ways which protect the health and livelihoods of communities, and create economic growth.

The City of Melbourne believes a national response to the challenges of climate change would create opportunities for the most efficient and effective deployment of solutions across Australia to the benefit of all communities.

We urge the Australian Government to increase its ambition to address the climate emergency in partnership with local governments and communities.

The Bill aligns to established and operational mitigation frameworks including the Paris Climate Agreement, and Victorian legislation including the *Climate Change Act (2017)* and Victorian *Local Government Act (2020)*.

The City of Melbourne therefore commends and supports

- ***The intent and approach set out in the Bill and recommends that it is passed into legislation (with minor amendments) by the Australian Parliament.***
- ***The establishment of a long-term, economy wide net zero emissions targets. The bill would be strengthened by requiring the Minister to set interim emissions reduction targets based on advice from the independent commission.***
- ***The establishment of an independent climate change authority.***
- ***The development of 5-yearly carbon budgets and national planning processes.***
- ***Legislation that requires the Australian Government to undertake national climate risk assessments and develop adaptation plans for all sectors.***

Climate change is already impacting our community

Greater Melbourne contributes nearly 60 per cent of Victoria's greenhouse gas emissions (13.39 tonnes CO₂ equivalent per person or 66.67 million tonnes CO₂ equivalent in total in 2017). We are accelerating action to address climate change within our powers under the *Local Government Act 2020* by implementing comprehensive strategies to address climate change mitigation and adaptation risk. On 4 December 2018 Council committed to the first Council Pledge under the Victorian *Climate Change Act*. It describes the actions we can take to reduce emissions from energy supply, buildings, transport and waste in our municipality by 2025. Local governments can be key partners in the just transition from fossil fuel powered cities to renewable and climate resilient communities, but we need supporting policy changes and action by the Victorian and Australian Governments.

Climate change impacts such as drought, flooding and extreme heat events affect local government directly, with significant risks to council services, assets and finances. To address these risks we are committed to restoring and conserving biodiversity, improving the resilience of our assets and preparing our community for the impacts of climate change. We are doing this through implementing strategies such as Climate Change Adaptation Strategy Refresh 2017, Municipal Public Health and Wellbeing Plan, Urban Forest Strategy and Green Our City Strategic Action Plan. While directly impacted, local governments cannot tackle these challenges alone. We need to ensure that our efforts are aligned, complementary, and supported by national policy and frameworks to address the impacts of climate change.

Greenhouse gas emissions from the municipality of Melbourne are among the highest per capita in the world due to our reliance on brown coal-fired energy supply and transport patterns. Currently, 94 per cent of municipal emissions come from fossil fuels such as coal, oil and gas. In response to community concern about the climate emergency, the City of Melbourne has accelerated action to transition away from fossil fuels, including removing gas from Council buildings through electrification and heat pump technology. This builds on previous efforts supported by the Clean Energy Finance Corporation to upgrade the energy efficiency of our building portfolio and installation of additional solar panels.

A National Framework is required for emissions reduction and adaptation

The City of Melbourne's *Climate Change Mitigation Strategy: Melbourne Together for 1.5°C* is part of our contribution to the local and international movement of cities stepping up to address climate change.

The strategy aligns to the Paris Climate Agreement and the international effort to stay below a 1.5°C rise in global average temperatures. It describes the actions we can take together to address the greenhouse gas emissions that cause climate change under four strategic priorities:

1. 100 per cent renewable energy
2. zero emissions buildings and precincts
3. zero emissions transport
4. reducing the impact of waste.

The Strategy includes the first formal Council Pledge to reduce emissions made under the Victorian Climate Change Act for the period 1 January 2021 to 31 December 2025, with a two-year preliminary period from 1 January 2019 to 31 December 2020. A comprehensive technical and economic analysis was conducted to identify the best opportunities to reduce emissions from the major sources of emissions generated in the municipality. Interim targets were calculated for 2025 and 2030.

The City of Melbourne is committed to social inclusion in the approach that we take to implementing the Council Pledge and to delivering environmental, social and economic benefits to the community.

A national framework for climate change action would help businesses, investors, consumers and cities like Melbourne to collectively achieve these outcomes and create economic growth. If there is no change to the current level of ambition on Australian climate change policy, it will cost the Melbourne economy around \$12.6 billion by 2050 as a result of climate change impacts (City of Melbourne, 2018).

As part of the our commitment to the Paris Climate Agreement, City of Melbourne has set a target to achieve net zero emissions by 2040 for the municipality and is committed to transitioning away from fossil fuels. We urge the Australian Government to increase its ambition to address the climate emergency and legislate a target of zero emissions by 2040.

- ***City of Melbourne supports the establishment of a long-term, economy wide net zero emissions targets. The bill would be strengthened by requiring the Minister to set interim emissions reduction targets based on advice from the independent commission.***

An independent Climate Change Commission is needed to oversee the transition

Effective climate policy and action requires independent, up-to-date, and expert advice to inform decision making. City of Melbourne's climate change responses are based on best available

science. We consider climate change adaptation and mitigation in an integrated way, identifying interdependencies to maximise efficiencies, deliver social and economic co-benefits, and minimise investment risk.

The City of Melbourne has comprehensive measurement and evaluation plans to accompany its climate strategies and we transparently report our progress publically. This allows our performance to be tracked, evaluated, and benchmarked against other cities, and meet the expectations of our community. In this way, the City of Melbourne is able to review its progress and adjust its plans as required to meet the climate challenge.

We urge the Australian Government to also adopt an integrated, evidence-based approach to climate policy and ensure that systems for monitoring, evaluation and reporting of progress towards net zero emissions are robust and transparent.

The City of Melbourne believes that an independent Climate Change Commission should be established to provide expert advice to government to guide policy making, and to ensure transparent monitoring and reporting of carbon budgets and climate risks, and accountability for overall progress towards zero emissions.

- ***The City of Melbourne supports the establishment of an independent Climate Change Commission***

An effective response to climate change requires medium and long term planning

Transitioning all sectors of the economy to zero emissions will require comprehensive planning and a mix of delivery mechanisms; with emissions reduction pathways developed with reference to carbon budgets for each sector.

Infrastructure and assets such as energy systems, transport systems, buildings and precincts have multi-decade long life spans and the development of pathways to net zero will require a consistent, long term approach. Reducing emissions in a planned and integrated way will reduce the future costs of climate change impacts and economic transition, and provide investment certainty necessary for the creation of new jobs and business opportunities.

The approach set out in City of Melbourne's Climate Change Mitigation Strategy outlines long term strategic priorities and a rolling 5-year Implementation Plan. This approach aligns well to the framework set out in the Bill (refer Part 5, Division 1: Emissions budgets and Division 2: Emissions reduction plans).

A 5-yearly carbon budget and national planning process would assist Local, State and Federal Government approaches to climate change mitigation to integrate effectively, thus reducing administrative burden and cost. National consistency in this regard would create opportunities for the most efficient and effective deployment of solutions across Australia to the benefit of all communities.

- ***City of Melbourne supports the development of 5-yearly carbon budgets and national planning processes***

Climate change is a systematic risk that needs to be managed at a local, regional, and national scale

Climate change adaptation is a critical issue for Melbourne and all Australian cities - it is an issue that is intricately bound to our future economic prosperity. City of Melbourne is committed to increasing resilience to climate change.

We have identified risks associated with the physical impacts of climate change to the organisation's assets and the municipality. We are implementing actions to reduce these risks through the Climate Change Adaptation Strategy Refresh 2017. Climate change hazards can amplify existing risks through incremental changes in climate such as sea level rise, changing rainfall patterns, average temperature rise and associated changes to air pollution and vector-borne disease. Hazards also occur with the increased frequency and severity of climate-related events such as heatwaves, floods, and storms.

Consideration has also been given to interdependencies between major categories of climate change risk and the relationship between adaptation and mitigation goals. Examples include the impact of electricity blackouts on buildings and transport during heatwaves, and the impact of storms and floods on transport, housing, public buildings, businesses and events.

Addressing the risk and impact of climate change is crucial in the planning, design and construction of new infrastructure and the maintenance and renewal of existing infrastructure. All levels of government, agencies and private developers have a role to play in ensuring our infrastructure responds to the changing climate. This will avoid costly retrofits in the future.

All levels of government have responsibility to manage physical risks, transition risks and legal liability in relation to climate change. For local government in Victoria, the mitigation and planning for climate change risks is included in the principles of good governance that Councils are required to follow (S9.2 9c Local Government Act 2020).

The systemic nature of climate change risk means that some local government areas are more vulnerable than others, not only in terms of the physical environment regarding heatwaves, bushfires, drought, flood, and sea-level rise, but also in terms of social and economic impacts as industry transitions to low emissions technology and climate change impacts upon public health and safety, town water supply, tourism and primary production.

Similar to the pandemic, climate change is a risk multiplier because it exacerbates underlying vulnerabilities in society. This means the impacts will more severely impact by those who are already disadvantaged in relation to health, demographics, socio-economic status, and geography.

For these reasons, environmental sustainability underpins Melbourne's liveability and prosperity. To address the physical and transition risks of climate change it is critical that the Australian Government undertake climate risk assessments and develop adaptation plans for all sectors.

- ***City of Melbourne supports legislation that requires the Australian Government to undertake national climate risk assessments and develop adaptation plans for all sectors.***

Local action and leadership must be matched by all levels of Government

We urge the Australian Government to increase its ambition to address the climate emergency in partnership with local governments and communities.

Many actions identified in the City of Melbourne's Climate and Biodiversity Emergency Response and Climate Change Mitigation Strategy rely on action by Victorian and Australian Governments. City of Melbourne has identified that in order to respond to the climate and biodiversity emergency, the Australian Government needs to:

- Align to the best available science, increase Australian targets under the Paris Climate Agreement, introduce climate change legislation with a net zero target and avoid double counting.
- Increase funding for health and emergency services, habitat restoration and infrastructure to respond to heatwaves, droughts, bushfires and floods.
- Support investment in biodiversity and resilience, carbon farming and other natural climate solutions by agreeing the Paris Climate Agreement rules for Article 6 to avoid double counting.
- Fast track strong changes to National Construction Code to enable the transition to zero net emissions buildings.
- Create a circular economy by extending the responsibility of producers to design out waste and reuse materials.

The Climate Change Bill 2020 would enable many of these actions to be progressed and the City of Melbourne recommends that it is passes into legislation by the Australian Parliament.

Conclusion

Climate change is already impacting our communities and action and alignment is needed by all levels of government in Australia to address the risks presented by climate change, as well as take advantage of the great economic opportunities. This cannot happen with a long term target and a legislative framework for reducing emissions and adaptation planning.

This bill would deliver a consistent national framework for emissions reduction and adaptation planning, which would not only assist local government to deliver for their community, but also provide the certainty needed for businesses to invest in the change needed to adequately respond to climate change.

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Appendix – Council plans and strategies

- [Responding to the Climate and Biodiversity Emergency, 2020¹](https://www.melbourne.vic.gov.au/about-council/committees-meetings/meeting-archive/meetingagendaitemattachments/886/15806/feb20%20fmc%20agenda%20item%206.5.pdf)
- [Climate Change Mitigation Strategy to 2050: Melbourne Together for 1.5°C²](https://www.melbourne.vic.gov.au/sitecollectiondocuments/climate-change-mitigation-strategy2050.pdf)
- [Emission Reduction Plan for Council Operations 2016–2021³](https://www.melbourne.vic.gov.au/SiteCollectionDocuments/emissions-reduction-plan.pdf)
- [Climate Change Adaptation Strategy Refresh 2017⁴](https://www.melbourne.vic.gov.au/SiteCollectionDocuments/climate-change-adaptation-strategyrefresh-2017.pdf)
- [Nature in the City Strategy: Thriving Biodiversity and Healthy Ecosystems⁵](https://www.melbourne.vic.gov.au/SiteCollectionDocuments/nature-in-the-city-strategy.pdf)
- [Green Our City Strategic Action Plan 2017–2021⁶](https://www.melbourne.vic.gov.au/sitecollectiondocuments/green-our-city-action-plan-2018.pdf)
- [Waste and Resource Recovery Strategy 2030⁷](https://www.melbourne.vic.gov.au/SiteCollectionDocuments/waste-resource-recovery-strategy.pdf)
- [Transport Strategy 2030⁸](https://www.melbourne.vic.gov.au/SiteCollectionDocuments/transport-strategy-2030-city-of-melbourne.pdf)

¹ <https://www.melbourne.vic.gov.au/about-council/committees-meetings/meeting-archive/meetingagendaitemattachments/886/15806/feb20%20fmc%20agenda%20item%206.5.pdf>

² <https://www.melbourne.vic.gov.au/sitecollectiondocuments/climate-change-mitigation-strategy2050.pdf>

³ <https://www.melbourne.vic.gov.au/SiteCollectionDocuments/emissions-reduction-plan.pdf>

⁴ <https://www.melbourne.vic.gov.au/SiteCollectionDocuments/climate-change-adaptation-strategyrefresh-2017.pdf>

⁵ <https://www.melbourne.vic.gov.au/SiteCollectionDocuments/nature-in-the-city-strategy.pdf>

⁶ <https://www.melbourne.vic.gov.au/sitecollectiondocuments/green-our-city-action-plan-2018.pdf>

⁷ <https://www.melbourne.vic.gov.au/SiteCollectionDocuments/waste-resource-recovery-strategy.pdf>

⁸ <https://www.melbourne.vic.gov.au/SiteCollectionDocuments/transport-strategy-2030-city-of-melbourne.pdf>