



COUNCIL OF CAPITAL CITY LORD MAYORS

Submission to Climate Change Authority – Setting, tracking and achieving Australia’s emissions reduction targets

14 JULY 2023



Introduction

The Council of Capital City Lord Mayors (CCCLM) appreciates the opportunity to provide comments on the Climate Change Authority's issues paper *Setting, tracking and achieving Australia's emissions reduction targets*.

The CCCLM consists of the Lord Mayors of Adelaide, Brisbane, Darwin, Hobart, Melbourne, Perth and Sydney, and the Chief Minister of the ACT.

Australia's capital cities account for 70 per cent of the GDP and are the place of employment for more than 9 million Australians, and 2.3 million Australian businesses. As one of the worlds' most urbanised nations, Australia's capital cities are instrumental to the implementation of climate, transport and energy reform.

Capital city governments have been at the forefront of climate action for many years, implementing innovative policies that have generated successful emission reduction outcomes.

We would welcome the opportunity to discuss our submission further.

Sally Capp

Lord Mayor of Melbourne

Chair

Council of Capital City Lord Mayors

Summary of recommendations

The CCCLM welcomes the opportunity to provide comments on the Climate Change Authority Issues Paper: Setting, tracking and achieving Australia's emissions reduction targets.

Capital cities have been leading the way in setting and delivering on emissions reductions with their communities. However, whilst doing their share, much of the heavy lifting needs to be done by State, Territory, and the Australian Government.

This includes rapid improvements to things like the building code, energy policy, and transport standards. As the layer of government closest to businesses and residents, local government needs to be involved in the formation, and resourced to assist in the delivery of Government programs.

Recommendations are outlined in Q1 under the categories of:

- Federal support for cities
- Energy
- New buildings
- Existing buildings
- Transport
- Emissions and climate risk
- Funding the transition
- Partnerships and resources

Any investment by the Australian Government in decarbonisation will return dividends by supporting the new economy, reducing reliance on fossil fuels, improving health and liveability, and lowering cost of living through reducing energy bills.

Decarbonisation and resilience building with multitude benefits should be the Australian Governments number one priority, equitably funded by phasing out fossil fuel subsidised by an alternative funding mechanism.

Strategic Framework

1. What actions and enablers beyond those identified in the Strategic Framework could help Australia progress towards a prosperous and resilient net zero future? What are your highest priorities?

The framework needs to clearly outline the role of local government in setting and delivering on Australian Government climate policy.

Capital cities and other local governments have been leading the way in setting and delivering against emissions reduction targets. However, the most significant emissions reductions require policies, programs, and funding by States and Territories, and the Australian Government.

Cities and their communities would benefit by the Australian Government setting targets and delivering support for key sectors to improve efficiency and reduce emissions, specifically for: new and existing buildings, distributed clean energy, and zero emissions transport (including active transport).

These interventions would lower emissions, energy bills, reduce cost of living, and health costs whilst creating communities that are cleaner, healthier, and more resilient.

Local governments have significant insights in collaborating with their communities and need to be involved during the formation of Federal policy, rather than as an afterthought.

For example, apartments are the largest growing sector in many urban areas, and many people are renting. Yet most Government support to date has only focussed on houses, and home owners.

A major barrier to most cities is limited jurisdictional control. For example, it is mostly state or territory governments that approve planning controls, major transport, and social housing, and the Federal Government is responsible for the building code and national energy policy and support.

Despite this, cities have effectively communicated and partnered with sectors of their community to use energy more efficiently and reduce emissions for example by using renewable energy. These are largely voluntary programs, and cities resources have been significantly impacted by covid recovery support.

For these reasons, there is a huge opportunity for the Federal Government to help cities and their communities, simply by implementing programs (outlined below) and providing support to cities as delivery partners. In no particular order, the highest priorities for capital cities are listed below. The CCCLM is happy to provide more detail upon request.

Federal support for cities

- Establish a **national commercial building retrofit** investment fund with provision of a training and skills package.
- Support for increased efficiency and electrification of residential buildings with tailored investment for **apartment buildings**.
- Provide funding to capital city governments to expand the roll out of the highly cost effective **CitySwitch Green Office** program that assists commercial office tenants to monitor and reduce their energy consumption.
- Establishing 'Local Hub' program to mobilise households in **electrification and efficiency** to leave no one behind.

Energy

- Greater **collaboration and funding** for capital city governments (in partnership with States & Territories) for delivering initiatives that provide emissions reductions.
- Plan for future grid demand due to electrification with optimal mix and markets that value and integrate an **optimal mix of demand, supply, and distributed energy** resources.

- Prioritise policy reform and investment to allow greater penetration of localised and **distributed renewable energy** generation close to demand (e.g., virtual power stations, utility scale energy storage, community batteries and smart grids).
- Fund the **accelerated electrification of households** as outlined by the Castles and Cars work by Rewiring Australia, which will save households more than \$4,000 per year whilst improving comfort, health, efficiency, and fuel security.
- Add an **energy efficiency first** principle into relevant national laws and policies.
- Continue **Federal funding and programs** for renewable energy (Rewiring the Nation, Clean Energy Finance Corporation, ARENA, National Reconstruction Fund, Powering the Regions Fund, National Energy Transformation Partnership, and others).
- Expand remit of National Energy Transition Authority to **protect and empower low-income and vulnerable energy consumers** to benefit from renewable energy in addition to the workers and communities in regions undergoing transition.

New buildings

- **National Construction Code (NCC)** to set firm date (and define) “zero-carbon-ready, all electric, and climate resilient buildings” with clear interim uplifts by reforming the *Trajectory for Low Energy Buildings*.
- Introduce **mandates** for double glazing and cool building materials (in warm zones).
- Introduce embodied carbon targets into the NCC.

Existing buildings

- Nationally consistent **rating tool for home energy performance** with **mandatory disclosure** at the point of sale or lease (including for apartments).
- Expand the coverage of **NABERS** to all building types and extend the **Commercial Building Disclosure** program (through the Building Energy Efficiency Disclosure Act).

- support renters with **minimum energy performance standards for rental** properties.
- Remove regulatory barriers, provide incentives (i.e., metering, storage), and work with the property industry to invest in **grid interactive buildings** that use energy at times when renewable energy is abundant, reducing afternoon peaks.
- Create an **embodied carbon national database** for products and materials.
- Urgently **grow skills** and market readiness for electrification.

Transport

- Introduce **vehicle fuel efficiency standards** that will reduce greenhouse gas emissions, improve air quality, liveability, and public health in Australian communities. Thresholds should be set on par with USA and European standards and include delivery vehicles.
- Set goals and targets are to underpin interrelated federal policies and strategies, such as setting interim **national electric vehicle EV sales target**.

Emissions and climate risk

- The Federal Government can provide ongoing funding and remove barriers for **Cultural cool burning** at massive scale across the country. This will provide employment and cultural opportunities for First Nations people, whilst improving healthy ecosystems, lower emissions, and bush fire hazard reduction.
- Integrate **net zero and risk reduction** in all major Government decisions as outlined in the Australian Government's Mid Term Review of the Sendai Framework for Disaster Risk Reduction¹ highlights (pp 50-51). The review also highlights the significant role of local government in disaster risk reduction and notes councils are often not sufficiently resourced to play this role (p11).
- Develop a **National Climate Adaptation Plan** as outlined in the May 2023 Federal budget. It is strongly recommended that Local Governments and

¹ [Australia's National Midterm Review of the Sendai Framework for Disaster Risk Reduction 2015-2030 Report \(nema.gov.au\)](https://nema.gov.au)

communities participate in climate risk planning and policy development. Funding the transition

Partnerships and resources

- **In addition to** key organisations and resourced outlined in the Issues Paper, it is recommended that the Climate Change Authority meets with the following organisations. These organisations are experts with access to the latest information and best practice for the sectors they represent.
 - Aboriginal Carbon Foundation
 - Australian Business Roundtable for Disaster Risk Reduction and Safer Communities (ABDRR)
 - Australian Sustainable Built Environment Sector (ASBEC)
 - Australian Sustainable Finance Institute (ASFI)
 - Better Futures Australia
 - Carbon Market Institute (CMI)
 - Cities Power Partnership
 - Climate Emergency Australia
 - ClimateWorks
 - Energy Efficiency Council
 - Firesticks Alliance
 - Green Building Council of Australia (GBCA)
 - Infrastructure Sustainability Council Australia (ISCA)
 - Insurance Council of Australia (ICA)
 - Investor Group on Climate Change (IGCC)
 - Material Embodied Carbon Leadership Alliance (MECLA)
 - Planning Institute of Australia (PIA)
 - Property Council of Australia (PCA)
 - Rewiring Australia
 - Smart Energy Council

Progress Framework

2. How are you and the people around you impacted by or preparing for the net zero transition and Australia's climate future? How can governments better support you to prepare for or respond to the impacts?
3. What should the Authority measure or assess to determine progress towards a just transition and improved wellbeing?
4. What more could the Government do to help you reduce your carbon footprint?
5. What are the other challenges and opportunities the global context presents Australia with in responding to climate change?
6. What role is there for corporate action to 2030 and beyond?
7. When is it appropriate for the Government to regulate something?

3. The introduction of a wellbeing measure is welcomed. Any wellbeing measures used in jurisdictions may prove useful in building the wellbeing framework. These measures could be integrated with measurement of progress towards Sendai target commitments for disaster risk reduction, i.e., Target A: reduce mortality, Target B: reduce number of affected people, and Target C: reduce economic loss.

The Authority could also measure and report subsidies to fossil fuels that cause pollution against subsidies for decarbonisation (noting the current system is like trying to cool a home while the heater is on). The economic analysis should also assess the number of jobs in clean industries like energy efficiency, renewable energy, clean transport, and electrification, compared to jobs in polluting extractive industries. The Issues Paper outlines looking at the holistic socioeconomic impacts of emissions pathways - it should also assess the benefits.

4. Provide an accelerated retrofit program for Australian homes (including apartments) including efficiency upgrades (draft sealing and insulation) and electrification (appliances, equipment, and gas disconnection). This multi-billion investment is arguably the best way for the Australian Government to reduce costs and improve the lives of millions of Australians. It would rapidly reduce emissions toward meeting Australia's targets, lower cost of living and reduced energy bills, improve health and reduce costs to the health system, increase resilience of infrastructure and people to a changing climate, and reduce reliance on foreign oil, improving Australia's balance of trade.

Provide alternative funding mechanisms to fund decarbonisation for transport, commercial and residential transition.

7. The Issues Paper outlines that the National Construction Code could make mandatory levels that are currently voluntarily exceeded by construction companies. This is supported.

Target-setting framework	Not addressed.
Cross-cutting issues	
Leading indicators	Not addressed.
Sectoral pathways 10. What factors should the Authority consider when developing sectoral decarbonisation pathways? <ul style="list-style-type: none"> – What are the risks and opportunities for households, business, workers and communities affected by the transition? – Are there supply chain pressure points? 11. What is the role for Government in reducing these risks and assisting households, business, workers and communities to realise the opportunities?	12. In the building sector, the capability of industry and workers to electrify existing buildings (especially apartments) is a risk and potential barrier to achieving electrification at the scale and speed required. 13. Government should develop a pathway for the upskilling of industry and workers to meet the increasing demand for electrification in existing commercial and apartment buildings. As households, businesses, workers and communities will decarbonise at their own expense, the role of government is to support the most vulnerable cohorts, so they are not disproportionately impacted by changes they are least able to afford.
Contributing beyond Australia's borders 12. What are the most important things to consider when assessing the adequacy of a country's NDC? 13. How could Australia partner with other nations to accelerate global progress towards meeting the Paris Agreement goals? 14. What do you see as the challenges and opportunities from a phase out of fossil fuel production? What should the Government consider when determining a plan for the phase out of fossil fuels? 15. Should the Authority consider international maritime and aviation emissions in its advice?	17. The Authority should consider international maritime and aviation emissions in its advice. Cities, states and territories have limited influence on these emission sources. These sectors are best managed at a national level.
Preparing for change	Not addressed.
Targets	Not addressed.

<p>Are Kyoto-era schemes fit for the Paris Agreement era?</p>	<p>Not addressed.</p>
<p>Carbon credit integrity</p>	<p>Not addressed.</p>
<p>International units</p>	<p>Not addressed.</p>
<p>Other matters</p>	<p>Not addressed.</p>