



2nd February 2018

Submission to Bayside City Council Regarding the Draft Carbon Neutrality Action Plan 2017 – 2020

Bayside City Council has prepared a draft update to its Carbon Neutrality Action Plan for the period 2017 – 2020. In the Draft Update, BCCAG is acknowledged as a key stakeholder and accordingly our feedback has been requested. This is the BCCAG response to that request.

1. Introduction

In 2008, Bayside City Council committed to becoming carbon neutral in its operations by 2020. The decision reflected Council's recognition that climate change is a critical issue requiring concerted action locally as well as both nationally and globally.

In 2012 the Council published a Climate Change Strategy. The Strategy incorporated the Carbon Neutrality Action Plan for Council's operations but went further. It describes how Council will play a role in helping the community reduce its emissions. Furthermore, in recognising that we are already experiencing climate change impacts that will increase, it outlines a program of actions for adapting to climate change.

In 2015 Council commissioned the consultancy firm Point Advisory to review Council's progress to carbon neutrality and to submit recommendations for the task ahead. The Draft Carbon Neutrality Action Plan 2017-2020 (CNAP) appears to be a response to the Point Advisory report.

The Plan was developed with the intention of conforming to best practice in line with the National Carbon Offsets Standard (NCOS) and relevant greenhouse gas management systems. NCOS certification provides a nationally recognised benchmark as to the credibility and value of Bayside's Plan.

The Plan has been presented as a demonstration to the community that Council is committed to using resources wisely, reducing its contribution to climate change and investing in renewable energy and energy efficiency to eventually reduce ongoing costs.

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2. Vision Statement and Principles

The plan incorporates a vision statement and set of principles which articulate the commitment of Council to minimise its contribution to climate change and to achieve carbon neutrality.

Guiding principles include:

- an evidence based decision making process,
- a process of monitoring, reporting and capturing outcomes to improve future planning,
- prioritising carbon neutrality considerations in procurement, leasing and building design,
- a whole of organisation approach involving staff, contractors, suppliers and partners alike.

BCCAG supports this vision and the general principles articulated. However, the real test will be in the detail of actual plans, the resourcing set aside to achieve this vision and the extent to which Council staff and other stakeholders can be recruited, trained and motivated to support the Plan.

3. Objectives

Council aims to fulfil the following strategic objectives in its quest to achieve carbon neutrality in its operations by 2020:

1. Avoid GHG emissions by enabling staff to change behaviour and contribute to achieving the carbon neutrality goal.
2. Reduce GHG emissions from Council buildings and assets by 30% compared to 2012/13.
3. Increase energy from renewables by 30% compared to 2012/13.
4. Reduce the greenhouse gas emissions intensity from Council's fleet and staff travel, by 30% compared to 2012/2013
5. Reduce Council's total organisational greenhouse gas emissions, by 5% each year
6. Accurately measure and report on Council's greenhouse gas emissions, with independent verification.

The Plan sets out measurement, management and reporting principles to achieve these objectives based on EPA Victoria's Greenhouse Gas Management System, the National Carbon Offset Standard and the International Greenhouse Gas Management Framework.

BCCAG supports this approach and notes that the objectives stated are reported as allowing Council to achieve its goal of carbon neutrality in its operations by 2020.

4. Discussion Points

Awareness and Behavioural Change

The Plan aims to enable staff to change behaviour and contribute to the achievement of Council's carbon neutrality goal. Furthermore, it envisages that its fulfilment will demonstrate to the community the Council's commitment to reducing its contribution to climate change and investing wisely in renewable energy and energy efficiency.

BCCAG agrees that having staff identify with and support that goal is critical to its success. However, we feel that the Draft Plan lacks clarity, details and the financial resources needed to achieve this particular objective. We believe the five actions listed are insufficient to achieve the changes needed and think additional funds to the \$18,000 allocated will be needed for this program to be successful.

Whilst a majority in the community support action on climate change, the subject is seldom discussed in any detail. There remains a pervasive reluctance generally to confront the severity of the climate change risks we face and the urgency with which climate solutions must be adopted to avoid potentially catastrophic consequences. As an issue, climate change is not on people's agenda. We suspect that there is very low awareness amongst staff and other stakeholders of the seriousness of the challenges we face as a community and of the actions needed to address those challenges. Changing that mindset and gaining support for the comprehensive action needed will require additional resources.

Educational programs will be needed to have staff understand the value and the urgency for change and to willingly embrace measures like revised thermostat settings, turning off lights, computers and other equipment, using public transport in preference to driving where applicable, responsible waste disposal, maximising recycling options, sustainability in procurement preferences etc. New information is constantly emerging so regular briefings and updates are needed.

Protocols will need to be developed to monitor progress in the changes needed. Having already achieved carbon neutrality, Moreland Council can, no doubt, provide assistance in developing such protocols.

And finally, the Plan, if credible and successful, can help motivate the general community to adopt similar measures at home and in the work place to mitigate climate change. We recommend that Council actions in accordance with the Plan be well publicised with appropriate commentary through Council's and other media.

Scope 3 Emissions

We note and welcome the inclusion of a range of Scope 3 emissions within Council's organisational boundary to be accounted for, including purchased electricity, gas and water, fleet fuel and consultants and contractors. On the other hand, we query the exclusion of community waste, since, according to the Australian Govt website, it is the responsibility of local government to handle community needs such as waste collection¹.

Emissions from Waste.

In 2009, The Australian Government adopted a National Waste Policyⁱⁱ. That policy includes amongst its aims, 'to contribute to the reduction in GHG emissions', and sets out the strategies for achieving that.

We believe the NCOS test of relevance of the emissions sources to the organisation (clause 2.3.1) supports the view that emissions from waste fall within the organisational boundary of municipal government. Based on the relevance test, community waste management is an activity:

- that was previously undertaken within the organisation's boundary or from outsourced activities,
- that is deemed relevant to key stakeholders (the general public and other levels of government),
- over which Council has the potential to influence the reduction of the emissions from that source.

Recognition of community waste management as being within Council's organisational boundary would make Council a stakeholder in reducing waste and emissions from waste with flow-on benefits to the community. Those benefits could include:

- Council working harder to reduce food waste and plastic packaging,
- The promotion of composting,
- Biogas recovery from landfill and utilisation as a fuel,
- The development of materials recovery and value adding business opportunities
- The deployment of emissions-free trucks for waste collection as Moreland Council is doingⁱⁱⁱ.

Leased Buildings

Many or most of the leased buildings are used by the community for a range of cultural and recreational purposes. They are, in fact an important inter-face between Council and the community. As such energy upgrades to these buildings will be highly visible and can play a key role in demonstrating Council's ambition to the community to achieve emissions reductions and mitigation.

Building an emissions reduction requirement into leases and permit conditions would drive appropriate behaviours and outcomes. An additional requirement for tenants and providers to report on their annual emissions should be negotiated. Whilst verification may not always be feasible, it does give some basis for management of targets. We recommend allocation of resources to facilitate such processes, and to assist tenants to meet the requirements.

Procurement

We are glad that Objective 3 includes reference to a review of procurement policy and support the recommendation contained there to refer to 'low carbon procurement' in procurement guidelines. However, the guidelines should also refer to procurement of recycled materials such as recycled soft plastics which may not be captured by low carbon procurement.

Energy Efficiency Performance Standards

Investing in energy efficiency measures is, arguably the most cost effective way of reducing emissions. Since the purchase of electricity and gas are one of the main sources of Council's emissions, substantial resources need to be devoted to energy efficiency measures to reduce energy use. Council needs to adopt best practice performance criteria on which to guide investment decisions and measure progress. We understand that procedures and performance standards are currently being prepared by Council.

In a previous submission, we recommended the adoption of the NABERS 5.5 star standard as a minimum for energy efficiency rating, to ensure the best return on investment and its long-term validation and success.

Targets

The targets of this Plan are fairly ambitious when considered over an action period of 3 years. However, the end result is modest when considering the carbon neutrality goal was established in 2008 for implementation over 12 years. It is regrettable that substantial residual emissions will remain against which offsets will need to be purchased. We know that since 2016, substantial progress has been made, with the street lighting replacement program and installation of solar panels at the Corporate Centre. We hope this ambition and level of achievement will continue.

Verification and Reporting

There appears to be some inconsistency in the Draft as to the frequency of verification and reporting. Whilst reporting is stated to be annually, verification of the carbon inventory is stated to be biennially. Given that targets over a limited 3 year period are fairly ambitious relative to past achievement, we believe that the entire verification and reporting process should be scheduled annually to ensure discrepancies are identified and lessons can be learnt in good time.

Offsets

According to the NCOS rules, (clause 2.3.5), if the organisation purchases a product or service that has been certified by NCOS as carbon neutral, (e.g. retail electricity) the product is considered to contribute zero emissions to the organisations carbon account. Therefore, electricity purchased from an energy retailer with NCOS certification will not add to the Council's carbon account. This strategy may be simpler and more cost effective than purchasing offsets against electricity supplied by a non-certified retailer. We recommend that Bayside arrange for electricity purchase from an NCOS certified retailer.

The NCOS rules also recognise the renewable energy product, *GreenPower* as zero emissions power. Bayside Council purchased *GreenPower* up until 2011 when it was decided to allocate the funds saved to energy efficiency improvements instead. This was

regarded as a more efficient use of those resources long term. Other options discussed below may offer more cost-effective access to zero emissions electricity.

Bayside residents are being asked whether they prefer offsets that cost as little as \$1.50 /tonne. Clearly no offset offered at such a unrealistic low price can inspire confidence that a sound investment has been made. If offsets are to be purchased at all, they must be of the highest grade attainable. This should not be an attempt to buy a low cost, poor product, simply because those making the purchase will not be around in 50 years to stand judgment.

Community Solar

BCCAG has put forward a proposal to Council for establishing a Community Solar Project which would mobilise investment from the community in a commercial solar array along the lines of the Lismore Model^{iv}.

Such a project could provide Council with renewable energy without the need for up-front funding from Council.

Renewable Energy Bulk Purchasing

There are significant gains to be made by joining forces with other Councils and organisations working to reduce their carbon footprint and reduce emissions. Melbourne City Council was the lead player in a project to bulk purchase renewable energy and reap the benefit from working with others.

We propose that BCC, together with SECCCA, initiate the establishment of a group renewable energy purchasing project along the lines of the Melbourne Renewable Energy Project (MREP)^v.

MREP also provides guidance for other Councils and organisations to follow their example.

Renewable Energy Knowhow Sharing.

At no cost, Bayside can join with the City of Port Phillip and other municipalities in the **Cities Power Partnership**. The Partnership connects members to participant councils working on similar programs and acts as a vehicle for sharing ideas and experience. Participants receive access to the national knowledge hub to help with emissions reductions projects, and to the Power Analytics tool to help track emissions, energy and costs savings. Details can be found on their website^{vi}.

Resourcing

We are not convinced that adequate resources have been provided for in the Draft to achieve the carbon neutrality vision in accordance with the NCOS guidelines. Our impression is that too much reliance is made on purchasing offsets to an extent that NCOS may not certify and the costings may not adequately allow for. Investing in climate mitigation is not a luxury; it should be viewed as a matter of urgency and priority that will also reap dividends.

Council's annual budget is in excess of \$120 million and furthermore Council is now debt free. With such a financial position, we believe there is the capacity to raise an additional \$900,000 over 3 years, on top of the estimated \$1.8 million costing of the scope of work in the Draft Plan. Most of the additional funds would finance further renewable energy installations and energy efficiency measures to help reduce electricity and gas consumption further all of which would pay back the investment within several years.

Also, we think additional funds may be needed in avoidance programs and staff training and motivation programs as well as enhancing monitoring and verification arrangements, not to mention needed reforms to waste management.

The additional \$900,000 might be allocated as follows:

Renewable Energy	\$450,000
Energy Efficiency	\$350,000
Additional for Miscellaneous as above.	\$100,000

5. Conclusions

The Draft Plan acknowledges on p. 18, that 78% of the Victorian population think that climate change is an issue that requires urgent action now and 87% want action from local government. This indicates that there is an appetite for serious climate action upon which more ambitious targets can be built.

BCCAG would support an expansion of the Draft Plan's ambition by increasing investment in renewable energy and energy efficiency measures. We also support engaging further with contractors, suppliers and partners to promote carbon reduction across all areas of activity within Council's boundary of responsibility, including waste management. To achieve the ambition, verification and reporting must take place annually.

We emphasise that capital expenditure directed to renewable energy, energy efficiency and street lighting should be regarded as a sound investment that will deliver savings immediately and repay with dividends within a matter of years.

We also emphasise the importance of staff and community awareness in building behavioural change and avoidance. We regard Council staff as potential ambassadors to the wider community. Council leadership has a pivotal role in creating community awareness.

Upgrades to buildings leased by Council can be a showcase to the community of Council's carbon neutrality ambition and hence should be viewed as an integral part of the Plan. The CNAP has the potential to create ripples of positive action throughout the Bayside community.

There is great scope for co-operation with other Councils and organisations, both directly and through existing intermediary bodies and alliances to mutual benefit. The

opportunity to utilise these relationships and promote BCC as a responsible leader should be maximised.

Every reasonable effort should be made to reduce Councils actual emissions rather than relying on the purchase of offsets that may not stand the test of time. Overreliance on poor quality offsets will seriously compromise the integrity of the Plan.

Finally, there is a need to increase council and community awareness of the risks and opportunities posed by climate change, now and into the future. Regular briefings and ongoing educational activities are needed to develop attitudes and behaviours that support carbon neutrality and develop climate resilience.

References

i About Local Government:

<https://www.australia.gov.au/about-government/how-government-works/local-government>

ii About Australia's National Waste Policy

<http://www.environment.gov.au/protection/national-waste-policy/about>

iii Moreland Council deploys Emissions-Free Garbage Trucks:

<http://www.abc.net.au/news/2017-08-05/zero-emissions-garbage-trucks-moreland-city-council/8777900>

iv The Lismore Plan for Community Solar:

<http://farmingthesun.net/lismore/business-model/>

v Melbourne Renewable Energy Project:

<http://www.melbourne.vic.gov.au/business/sustainable-business/mrep/Pages/melbourne-renewable-energy-project.aspx>

vi Cities Power Partnership:

<http://citiespowerpartnership.org.au/what-is-the-partnership/>