

6 August 2021

To the DELWP Energy Strategy Team

Gas Substitution Roadmap

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide a brief response to the “*Help Build Victoria’s Gas Substitution Roadmap*” consultation paper.

The MAV is the peak representative and advocacy body for Victoria's 79 councils. The MAV was formed in 1879 and the Municipal Association Act 1907 appointed the MAV the official voice of local government in Victoria.

Since May 2017, the MAV has formally recognised that we are in a state of climate emergency that requires urgent action by all levels of government, including Victoria’s councils. We support an accelerated transition away from fossil fuels including natural gas and welcome the Victorian Government’s draft roadmap with its focus on energy efficiency and electrification.

On several pages, the consultation paper refers to the need to “decarbonise gas”. We question the use of this language given its potential to contribute to community confusion about whether natural gas is or could become a clean energy. With Victoria committed to net zero emissions by 2050 the science is clearly indicating that we need to be doing more to reduce emissions sooner. We believe the roadmap should be clear about the pressing need to achieve a mass shift (as much as possible) away from natural gas to clean energy sources.

As stated in the consultation paper, energy efficiency is one of the best ways to reduce emissions and cut energy costs for households and businesses. We support the various measures and opportunities identified to improve energy efficiency in our built environment. These include:

- Regulatory reform to building standards to improve building thermal performance and require installation of efficient appliance and equipment.
- Regulatory reform to increase minimum efficiency standards for new buildings and rented homes.
- Setting comprehensive national standards for appliances and equipment energy efficiency
- Further standards for ceiling insulation and draught-sealing (ensuring buildings are efficient to heat) and hot water
- A review of building and planning settings to ensure they are able to embrace a rapidly changing energy mix and innovations in new technologies

We also note the paper’s finding that in most cases it is cheaper to establish new homes as all-electric now rather than replace gas with electric appliances later. In the context of a climate emergency and ongoing challenges with housing affordability, this finding should influence and



inform Victorian Government planning and building policy and regulations as a matter of priority.

The sooner the Victorian Government mandates ambitious environmentally sustainable design in new development, the better. It makes no sense to continue to allow development that will add to the already enormous number of buildings that need substantial work and investment to make them low or zero carbon and resilient to climate change.

The MAV is proud to host the Council Alliance for a Sustainable Built Environment (CASBE), an alliance of 38 Victorian councils working together to achieve environmentally sustainable development (ESD), with a key focus on influencing Victoria's planning system. We support CASBE's submission in response to the consultation paper and we urge the State to support CASBE's work towards a carbon positive built environment.

Since the release of the consultation paper, Infrastructure Victoria (IV) has released its "Towards 2050: Gas infrastructure in a zero emissions economy" interim report. The report rightly notes the need for clear policy direction on future gas use to allow governments and stakeholders to manage risk. It also notes the need for the Victorian Government to ensure 'all legislation, regulations and standards are aligned with the state's net zero emissions target, which is not currently the case.'

Having long advocated for schedule 1 of the Climate Change Act 2017 to be amended to capture a broader suite of legislation, including planning, building, agriculture, and transport legislation, we welcome IV's illustration of how Victorian planning and building regulations are actively impeding the shift to a zero emissions future. Addressing this obvious weakness in the Climate Change Act is a critical and much overdue step to embedding climate change considerations across all-of-government decision making.

IV's interim report includes a number of other findings which we support, including:

- improving thermal performance of buildings is a 'no regrets' measure for all future scenarios
- as the technical and economic feasibility of hydrogen, biogas and carbon capture and storage is developing, governments can support trials, pilots and demonstrations, including by ensuring adequate safety and other frameworks for testing to occur.
- the Victorian Government will have a key role in building community knowledge and engagement on the changes ahead
- all future scenarios for net zero emissions will require significant infrastructure installation, which will require many planning, manufacturing, construction and maintenance jobs. The Victorian Government must play a role in identifying future skills gaps and developing appropriate training programs

The MAV and Victorian councils are committed to working with the State to support an accelerated transition to net zero emissions. We look forward to continued engagement with the Victorian Government on the gas substitution roadmap.

Yours sincerely



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