

INQUIRY INTO CLIMATE RESILIENCE

Organisation: Yarra City Council

Date Received: 22 April 2024



19 APRIL 2024

Legislative Council Environment and Planning Committee
Parliament of Victoria

Yarra City Council
ABN 98 394 086 520

PO Box 168
Richmond VIC 3121

03 9205 5555
info@yarracity.vic.gov.au
yarracity.vic.gov.au

To Whom It May Concern

Inquiry into Climate Resilience

Thank you for the opportunity to make a Submission on behalf of the City of Yarra to the Legislative Council Environment and Planning Committee Inquiry into Climate Resilience.

Councils are at the forefront of managing the impacts of climate change on communities, built assets and natural environments. These impacts are felt locally, and action to adapt to our damaged climate, and build resilience, must be undertaken at this level to meet the diverse needs of communities and places. This submission outlines the key challenges and barriers faced by Yarra City Council and other local governments in building climate resilience in our communities. Following deep community consultation in 2023, Council has recently endorsed a Draft Climate Emergency Plan (2024-2030) to be placed on public exhibition and consultation, and many themes in this submission build from this draft Plan.

Adaptation investment, particularly in new or upgraded public infrastructure, is far **outside the financial capacity of local government**, despite local governments being best placed to manage localized climate impacts. While we lack reliable estimates of the costs of adapting civil infrastructure to manage locked-in climate change (let alone the impacts of increased emissions), we know these costs are likely to be in the order of hundreds of millions nationally. However, the return on this investment is significant; the Insurance Council of Australia estimates that resilience funding could provide returns of \$8.10 by 2050 for every \$1 invested under a scenario where global temperatures remain at current levels¹.

State and Federal government action is necessary to both directly fund local government adaptation investments, and to establish **frameworks that mobilise public and private capital** into the adaptation financing gap. Local governments would benefit from coordinated State and Federal financing mechanisms for large climate-adapted infrastructure grants backed by sound business cases that demonstrate both economic and social resilience benefits. In addition, State and Federal action is necessary to provide incentives (through tax credits or other benefits) to attract private finance to invest in adaptation infrastructure. The need to fund improved public infrastructure is urgent and requires rapid capital mobilisation.

¹ Insurance Council of Australia, 'Reaping the rewards of resilience', Insurance Council of Australia (2022), 10, https://insurancecouncil.com.au/wp-content/uploads/2022/02/R_ICA_Resilience_Final_220218.pdf

State government decisions have created and transferred climate risk to local government. Historically, the Planning Scheme (which is a State Government instrument) has not been appropriate to creating climate adapted and resilient communities, and currently does not include adequate provisions to allow statutory planners to require climate adaptation in new developments, especially at the precinct scale. This resulted in developments which create significant local climate risks (e.g., urban flash flooding and urban heat islands) which are managed by local governments, and expose residents to climate impacts (e.g., through the construction of thermally unsafe housing).

The current planning system has resulted in the creation of a range of locked-in climate risks. The **Victorian Planning Scheme needs to be amended** with a robust and comprehensive response to climate change. As per Yarra's adopted position, the next step to planning reform should be progressing the Elevating Targets Planning Scheme Amendment proposed by 24 Victorian Councils and the Council Alliance for a Sustainable Built Environment (CASBE). This amendment already details measures for zero carbon and climate resilient development and has been with the Minister for Planning since July 2022 waiting authorisation for public exhibition. Further recommendations are detailed in the Council Alliance for a Sustainable Built Environment (CASBE) submission to this Inquiry.

Addressing risks created by historic development requires **funding and concerted policy action**. These risks lie in both inadequate infrastructure and substandard housing stock. The need for State and Federal government action to fund upgrading of civil infrastructure is discussed above. Housing similarly requires coordinated action across all levels. Historic housing policy has acted to create climate exposure within our community through the lack of adequate, appropriate, and accessible housing.

The housing stock in Yarra, and other inner-urban municipalities, includes a significant proportion of homes that are not thermally or environmentally safe in the current climate, and will become increasingly unsafe under climate change. These homes are often occupied by renters and people in insecure living situations who do not have the power or financial means to improve the safety of their homes; high energy costs and health impacts then amplify existing inequalities. Recent changes to rental laws are welcome but do not go far enough in meeting residents' needs, e.g., the requirement that landlords provide heating in the main living area, but not cooling, does not align with evidence of increasing morbidity and mortality during progressively hotter summers².

Improving the climate resilience of inner-urban housing requires the State government to mandate **stringent minimum standards for rental housing and improving energy ratings for new homes**. In addition, coordinated State and Federal government incentives to improve housing for low-income renters and homeowners would be beneficial. These might include low/no-interest loans and tax rebates for investors who improve the environmental liveability of their properties³. State and Federal policy frameworks to improve housing conditions are more economically efficient than local government programs to directly fund thermal improvements for low-income households, and are likely to yield longer-lasting returns.

² Australian Institute of Health and Welfare, 'Let's talk about the weather: injuries related to extreme weather', 2023, <https://www.aihw.gov.au/reports/injury/extreme-weather-injuries/contents/extreme-heat>

³ Australian Housing and Urban Research Institute, 'Brief: Climate change and low-income housing', 2021, <https://www.ahuri.edu.au/research/brief/Climate-change-and-low-income-housing>

Inner-urban municipalities also hold a large proportion of social housing, much of which is highly thermally inefficient and environmentally unsafe. The State Government managed high rise public housing estates located in Yarra are not climate adapted and expose their residents to significant thermal stress; Yarra City Council support residents to manage extreme heat through the Collingwood Neighbourhood House, but does not have jurisdiction to improve the thermal comfort of the buildings. Consultation with these residents has shown that they are materially disadvantaged by the quality of their housing, and that these impacts will worsen as climate change progresses. State government action is vital to improve the quality of these facilities, while protecting the rights of tenants to remain in their communities.

Beyond localized climate risks, State government coordination and financial support is necessary to **build climate resilience at regional scales**. Some climate risks are so significant that they cross local government boundaries and require rapid and coordinated action. While local governments collaborate on these risks, their capacity to develop and fund large-scale projects at speed is limited. Effective State government coordination is necessary to address these spatially significant risks and build regional climate resilience. A concrete regional approach to climate adaptation (beyond the aspirational and unfunded Regional Adaptation Plans) might produce projects that have the potential to attract State or Federal grants funding, as well private financing (supported by incentives, as discussed above)⁴.

In the emergency management space, local governments require **sustained, hazard agnostic funding and support**. Currently, conducting sustained and in-depth preparedness activities is largely beyond local government resourcing. Local governments need funding for full-time Municipal Recovery Managers to conduct preparedness activities and build community resilience when not engaged in recovery operations. This funding should be provided on a hazard agnostic or “all hazards” basis for community-based preparedness.

Local governments are well placed to lead and engage communities in all-hazard emergency preparedness, including through land use planning – assuming the State government commits to investing in and empowering them to do this work. Robust preparedness activities will be far more effective in managing the increase in climate-related emergency events than conducting increasingly frequent and expensive emergency responses. Continued growth in response investment at the expense of resilience is no longer sustainable⁵; **State investment must shift to focus on preparedness and climate resilience**.

Finally, a greater focus is needed on the **socioeconomic drivers of climate resilience**. Accelerating climate impacts reveal and exacerbate the inequalities and injustices across our community, with socioeconomically disadvantaged communities experiencing the effects of climate change first and worst. These communities are more likely to live in substandard housing or in proximity to infrastructure which fails to mitigate climate risk. While significant action and investment is necessary in developing the climate resilience of infrastructure and the built environment, broader socioeconomic factors underly the resilience of communities.

⁴ Genevieve Mortimer, Belinda Whelan and Christopher Lee, ‘Adaptation Finance: Emerging approaches to solve the climate adaptation finance gap’, Climate-KIC Australia, 2020, https://climate-kic.org.au/wp-content/uploads/2020/11/Adaptation-Finance_300ppi.pdf

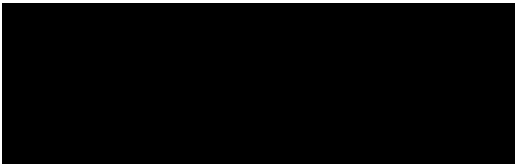
⁵ Municipal Associate of Victoria, ‘The Role of Local Government in Emergency Management: Position Paper’, 2022, https://www.mav.asn.au/_data/assets/pdf_file/0012/30351/MAV-Position-Paper-Role-of-Local-Government-in-Emergency-Management-in-Victoria-June-2022.pdf

In addition to upgrading infrastructure to increase resilience, substantial investment is required towards:

- Reducing social and economic disadvantage and improving equity and social cohesion.
- Improving environmental determinants of health e.g., reducing urban heat through greening spaces and improving water retention in the landscape.
- Improving equitable access to essential goods and reliable services, including adequate nutrition, healthcare, and transport.
- Ensuring community service organisations are resourced to deliver services which improve preparedness, endurance, and recovery from climate events.

The City of Yarra appreciates the opportunity to make a submission and looks forward to continuing to work with the Victorian Government to address climate risk and build climate resilience in our communities.

Yours sincerely,



Sue Wilkinson
Chief Executive Officer
Yarra City Council