

Positioning Latrobe City for a Low Carbon Emissions Future

**Consolidated Progress
& Achievements
2014**

Executive Summary

This document is a review of Council's policy 'Positioning Latrobe City for a Low Carbon Emissions Future' that was adopted in 2010. Since that time, Council has worked tirelessly to ensure completion of as many of the 30 action items as possible. With a largely complete policy, Council has demonstrated that it is committed to and capable of leading a local transition to a low carbon economy.

The purpose of this review document is for Council to reflect on its transition work to date, consider the effectiveness of its policy, and provide a report back to the broader community. The review covers the period from 2009 when the Australian Government was considering a price on carbon, to the present day in 2014 when the community continues to experience policy uncertainty. It tracks Council's responses to changing national macro-economic policies that focus on reducing carbon dioxide emissions, whilst placing little emphasis on the real effects these policies would have on Latrobe City's economy.

While Council has been implementing its transition plans since April 2010, a new Australian Government in 2013 signals further policy uncertainty as it has flagged its intention to repeal the carbon tax and implement an alternative policy. Once again, the Latrobe Valley is waiting to see what will happen at a federal level, and will potentially need to adjust its response accordingly.

This review is divided into four themes - the Journey, Progress and Achievements, the Victorian and Australian Governments, and Conclusions. Under these themes is provided a comprehensive outline of Council's policy journey, from its pre-policy thinking and the drivers behind development of the policy, to the development, implementation of the policy and complementary stakeholder activities. It details the extensive lobbying, advocacy and relationship building efforts that Council has made to ensure that the community is represented at all levels of government and receives as much structural adjustment support as possible. Finally, a number of important conclusions are drawn about how well Council has done in implementing the policy and what benefits have resulted from this work.

The review ultimately concludes that Council is now in an excellent position to reflect on the successes and achievements that have been possible as a result of this policy and to consider a new, updated policy or strategy that will lead the community into the future.



“ Latrobe City Council saw the need to develop a strategy to deal with structural adjustment pressures that were likely to result from the introduction of a price on carbon and a changing Australian economy ”

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The Journey

“ Our goal is to ensure that our community is strongly positioned to take advantage of structural adjustment funding opportunities and other initiatives ”

Background

Latrobe City Council (Council) has led the way regionally in focussing on a transition to a low carbon emissions economy. Council's ground-breaking policy, 'Positioning Latrobe City for a Low Carbon Emission Future' (the policy) was the first of its kind in Australia and has helped to shape discussion at all levels of government since its adoption in 2010. However, Council's journey began well before adoption of the policy when it recognised that changes were on the way.

In early 2009, Australia was on the cusp of major economic policy change with the Australian Government considering a pricing mechanism on carbon emissions to help address climate change issues. It was clear that any changes in macro-economic policy would be likely to impact Latrobe City's local firms, community and the electricity generation capacity of the State of Victoria.

For much of 2009, the introduction of a Carbon Pollution Reduction Scheme (CPRS) by the Australian Government appeared imminent. The general feeling within the local community was one of concern in relation to the introduction of a scheme, because the Latrobe Valley, (consisting of Latrobe City, Baw Baw Shire and Wellington Shire), produce around 90% of the State's electricity, generated from the Valley's extensive brown coal resources.

Employment in Latrobe City has long been heavily reliant upon the income obtained from electricity generation and coal mining activities. Currently, there are around 331 jobs in the mining sector, 866 jobs in electricity generation, and 323 jobs in electricity distribution. Total jobs in mining and

electricity is 1,520 of 25,620 (5.93%) in Latrobe City. The electricity sector alone yields \$1,388,294,000 in output per annum in Latrobe City, out of a total of \$8,669,960,000 output (16%)¹.

Local concern centred on a perceived lack of engagement by the Australian Government in a region that its Climate Change White Paper explained would be adversely impacted by the introduction of a scheme. The community saw that the energy industry was obtaining audiences with ministers, but the wider community did not have a clear path to the Australian Government. Early attempts by Council to engage with senior Australian Government ministers and departmental representatives were largely unsuccessful.

By mid-2009, Council and the local community understood that a successful transition to a low carbon future would be critical to Latrobe City's future because the brown coal electricity generation industries in the Latrobe Valley were particularly vulnerable under any new emissions reduction policy, primarily because of the high emissions related to brown coal power generation.

¹. *Compelling Economics Report, June 2013.*

“ Council decided to take a proactive approach in considering what action was required to place the local community and economy in the best possible position to deal with these macro-economic changes and the effects they were anticipated to have on the Latrobe Valley ”

Council’s observation at the time was that it appeared that not a lot of work had been undertaken by any level of government in the area of regional or local community impact.

In response, Council decided to take a proactive approach in considering what action was required to place the local community and economy in the best possible position to deal with these macro-economic changes, and the effects they were anticipated to have on the Latrobe Valley. Critically, Council decided to develop a policy designed to assist with transitioning Latrobe City to a low carbon emissions economy.

In considering the proposed scheme, Council arrived at the view that the Latrobe Valley is a region that would be disproportionately adversely affected by a price on carbon emissions due the local intensive brown coal energy generation industry. Any price on carbon emissions will directly affect the local community, regardless of the mechanism. Thus, Council has not taken a position on any particular carbon emissions pricing mechanism and instead committed to work with the government of the day to achieve the best possible outcome for the community.

The Policy and its Development

The approach taken by Council in the development of the policy was collaborative. In fact, collaboration was seen as the key in order to successfully address the challenges and opportunities presented by a proposed scheme and to enable an effective policy position to be developed.

The project development plan consisted of seven stages:

- Stage One: Pre-work and Planning
- Stage Two: Education and Awareness Program
- Stage Three: Interactive Workshops
- Stage Four: Draft Policy Positions
- Stage Five: Stakeholder Consultation
- Stage Six: Finalisation of the Policy Position
- Stage Seven: Formulation of Ongoing Arrangements

Two stages are particularly relevant in considering the effectiveness of the final result. These are stages five and seven and have been outlined below.

Stage Five focussed on stakeholder consultation. Targeted workshops were held with over 100 representatives from groups and firms including:

- Latrobe City Council Climate Change Consultative Committee
- Power Generators
- Education and Research Sector
- Gippsland Local Government Network- Economic Development Managers and Directors
- Local Business Associations
- Unions
- Relevant State and Commonwealth Departments and Agencies
- Industry – including engineering firms, sub-contractors and manufacturers.

The willingness of all of Council’s stakeholders to provide support and advice was invaluable in developing the policy. Many of the stakeholders located within Latrobe City met with Council and worked through the challenges of the scheme for their organisation and sector and at times worked to ensure that we were able



to keep abreast of negotiations and changes to scheme design. Their contribution added depth to the policy, and signalled the willingness of the broader community to be part of a coordinated transition effort.

Stage Seven involved the formulation of ongoing arrangements. Council adopted the policy “Positioning Latrobe City for a Low Carbon Emission Future” and also committed to a terms of reference for a Latrobe City Council Low Carbon Emissions Future Transition Committee that was to be established after the introduction of emissions trading legislation. In response to the release of the former Victorian Government’s White Paper on Climate Change in 2010, Council decided to establish this Committee.

The Committee helped Council drive the transformation at a local and regional level and played a strong role in advocating on behalf of the community. The Committee became a focal point for government representatives who wished to discuss the Latrobe Valley’s concerns about proposed carbon emissions reduction legislation and Council’s plans for the future.

Council hosted many Committee meetings with senior Australian cabinet ministers, including Simon Crean, Minister for Regional Australia, Local Government, Art and Sport; Martin Ferguson, Minister for Resources, Energy and Tourism, and Greg Combet, Minister for Climate Change, Industry and Innovation.

Council’s exposure to senior Australian Government Ministers and the relationships we were able to build with them and their staff, led to an ongoing and useful dialogue. It signalled that Council is both well informed and has the capacity and willingness to take a proactive approach to the challenges its community will face in a changing world that necessarily involves a price on carbon emissions.

Adopting the Policy

Council formally adopted the policy on 6 April 2010 and began implementing the policy actions immediately. In less than one year, Council had gone from being a low carbon transition observer with a limited understanding of the proposed scheme, its opportunities and challenges for the community, to being ahead of the game. At this stage, the Australian Government had not yet

passed any carbon emissions reduction legislation and was still working on a policy design.

Council’s view in April 2010 was that while the policy was initially developed in response to the Australian Government’s proposed Carbon Pollution Reduction Scheme, the policy framework should be generic so that it could remain relevant under an altered or alternative Australian Government scheme.

On Sunday, 10 July 2010 the Prime Minister announced the Clean Energy Future (CEF) package. Legislation was successfully passed in late 2011 and the CEF package took effect on 1 July 2012. A fixed price was set of \$23 per tonne of carbon emissions. This was only to be paid by Australia’s largest polluters and not by individuals, households or small businesses; however, a Household Assistance Package of funding was established to counteract any flow-on price rises.

Implementing the Policy

Council’s policy contains 30 actions. Of these, 11 are considered complete, with 18 ongoing and one superseded by other initiatives. The implementation of the majority of these actions has been



Council's Low Carbon Transition Committee meeting with Martin Ferguson, Minister for Resources, Energy and Tourism



independent of Australian Government policy, meaning that Council could be proactive in the lead up to the introduction of the CEF.

The legitimacy of this approach was underscored by the release of the previous Victorian Government's White Paper on Climate Change. Actions of the Policy were assessed against the White Paper actions and objectives and were found to be relevant and complementary.

The Policy is underpinned by three themes:

Pursuing and realising opportunities.

A smooth and successful transition to a low carbon emissions future will require Latrobe City and the broader Gippsland region to continue to grow and develop existing business as well as harness new opportunities which arise as a consequence of government emission reduction schemes. In this policy theme, actions were identified that allowed Latrobe City Council to capture opportunities and enable business innovation and growth.

Contingency planning.

Contingency planning involves identifying threats along with possible outcomes and identifying measures to avoid or manage detrimental impacts. The policy actions proposed in this theme allowed Council, governments and other stakeholders to put in place the necessary safeguards and plans to ensure they could respond quickly and provide support to the community during the transition period.

Working together.

Latrobe City Council recognises the scope of the adjustment task is beyond the capacity of Council acting alone and wished to work in partnership with the community, businesses, industry, neighbouring municipalities, state and federal governments, and others to proactively plan for the smooth and successful transition.

A collaborative approach

Council has always recognised that the scope of the structural adjustment task in the Latrobe Valley is beyond the capacity of Council acting alone. Where possible, Council has sought to take a collaborative approach to finding solutions to structural adjustment challenges. Example collaborative approaches include:

- The establishment of the Coal Councils Alliance (the Alliance) with Wellington Shire Council and coal-reliant Councils in Queensland and New South Wales. The Alliance was managed by Council and worked across state borders in order to engage with the Australian Government on issues and opportunities for communities likely to be most adversely impacted by a price on carbon. The Alliance commissioned 'The Challenge of Change' a position paper that raised issues particularly important in the context of an introduction of a price on carbon. In June 2012, the Alliance was discontinued with the agreement of all members.
- The establishment of the Latrobe City Council Low Carbon Emissions Future Transition Committee (the Committee) with membership from across multiple industries and interest groups, including tertiary education, agribusiness, small and medium enterprise, manufacturing, forestry, power generation, engineering and unions, and observers from state and federal government.

The first meeting was addressed by Professor Ross Garnaut, who was commissioned by the Australian Government to undertake the Garnaut Climate Change Review that was presented to the Prime Minister in 2011.

Through its participation in stakeholder meetings, community forums and by meeting regularly

to discuss issues and share information, the Committee successfully helped raise awareness with the Australian Government and the local community about the challenges of transitioning Latrobe City to a low carbon economy. In April 2013, the Committee was wound up by Council resolution.

- Participation in the Victorian and Australian Government's joint ministerial Latrobe Valley Transition Committee (LVTTC), including Mayoral Reference Group and Senior Officer's Group. Council hosted the establishment of this initiative in December 2011 and continues to participate in meetings and discussions.
- Council became a member of the Global Carbon Capture and Storage Institute² (GCCSI) based in Canberra. "The GCCSI champions CCS as a vital, safe and clean technology, in a suite of technologies, required to reduce greenhouse gas emissions from power generation and industrial sources."³

Council broadly supports research and development of carbon capture and storage, and decided to join the GCCSI in order to better keep up to date with the work being undertaken in this area. Council remains the only local government member and hosted a meeting with senior GCCSI representatives at Council Headquarters in 2012.

² More information about the GCCSI can be found on their website at <http://www.globalccsinstitute.com/>

³ See GCCSI website at: <http://www.globalccsinstitute.com/>

TWO

Progress & achievements

“ Council has focussed its energy and efforts on working constructively and collaboratively where possible, and has developed a clear list of priorities that focus on long term job security ”

How did we do?

Since 2011, an annual report card has been prepared that sets out progress against each policy action. This has been important in allowing Council to reflect on its work and to share information about its achievements with the community.

Key achievements in the final year of the policy include:

1. Development and implementation of communication strategies to maintain investor confidence, including Securing Our Future 2013, participation in the Regional Living Expo 2013 and planning for the Major Projects Summit in 2014.
2. Continued lobbying and advocacy work for priority projects at all levels of government, including attending meetings with senior Victorian and Australian Government ministers, their advisors and departmental staff, and members of the federal opposition

3. Successful negotiation of the third year of funding for an Industry Link Officer under the Skilling the Valley initiative, run by the Victorian Government's Higher Education and Skills Group

4. Formation of the Gippsland Regional Plan Low Carbon Transition Strategy Group in 2013, chaired by Latrobe City Council's CEO and preparation of a project brief for funding under the Victorian Adaptation and Sustainability Partnership initiative.

5. Contribution to the Gippsland Tourism Strategic Direction 2013 and the Latrobe Valley Industry and Employment Roadmap Tourism Industry Plan project with Destination Gippsland.

Table 1.1 below represents the consolidated Policy Progress and Achievements report covering the policy's three years and show that Council has steadily worked towards completing most of the actions. Some actions are also ongoing, and will continue beyond the life of the policy.

Pursuing and Realising Opportunities

Policy Actions	Progress 2010/11	Progress 2011/12	Progress 2012/13
Lead the formation of a Gippsland Local Government Network (GLGN) sub-committee to develop and implement activities requiring GLGN involvement.	Leading the implementation of the Gippsland Regional Plan priority “Gippsland Low Carbon Economy Transition Plan” which is based on work already undertaken by Council.	Complete.	The Low Carbon Transition Strategy Group was formed in February 2013. This group is chaired by Council’s CEO and meets regularly. The Group is seeking funding to implement a low carbon transition project for all of Gippsland.
Support proposal for establishment of the Centre of Excellence for Sustainable Technologies.	We have been actively advocating for the Centre in stakeholder and government discussions. The proposal can be found on Council’s website.	Council actively advocated for the Centre – now called the Centre for Sustainable Industries – to be established at the Monash University’s Gippsland campus at Churchill. Council initiated conversations with Australian Government ministers and senior officials, and supported the University’s several efforts to further this project, including as a representative on its steering committee.	Council support a Centre for Sustainable Industries based at the Churchill tertiary education campus and has included this project in Securing Our Future 2013. Due to changes at the Churchill campus, together with changing priorities of government, this project has not yet been realised. Efforts continue to raise the importance of local research and development and of the benefits the Centre would bring to the region.
Liaise with Department of Primary Industries (DPI) to ensure the balanced development of coal resources and with the Department of Sustainability and Environment that needs of local community are considered in allocation of water supplies.	Council participated in the Victorian Brown Coal Roadmap workshop that brought together leaders in government, industry, and academia to analyse pathways for using coal in a carbon-constrained future.	Council continued to participate in conversations with DPI about the Victorian Brown Coal Roadmap. Activities have included providing DPI with the opportunity to brief Councillors directly on the progress of the Roadmap and meeting with senior officers from the Department to discuss the progress of this piece of work.	Council has sought more information where possible from the Victorian Government regarding brown coal developments. The Brown Coal Roadmap has not yet been released. Council has maintained contact and relationships with the Department of Environment and Primary Industries and has sought more information about the status of the Roadmap.
Work with the GLGN and Department of Primary Industries to assist land owners and managers to implement bio sequestration and biomass production activities.	Council supports the Victorian Bioenergy Network through dissemination of information as appropriate.	Council supports the Victorian Bioenergy Network through dissemination of information as appropriate.	Council continues to support the Victorian Bioenergy Network, attending conferences such as the All-Energy Conference in 2012 and 2013, and referring inquiries onwards wherever possible.
Advocate for and support the expansion of State Government regional offices.	On-going action and Council has sought clarification on the commitment by the former Victorian Government to relocate Victorian Government jobs to Moe.	A number of meetings were held with the current Victorian Government. Council continues to advocate for decentralisation of government offices. However, with recent budget cuts across Victorian government departments, we understand that there is little scope for expansion of regional offices at this time.	Council remains of the view that regionalisation of Victorian and Australian government offices would provide benefits for the regional economy and for services more generally. However, the Victorian government remains in a phase of reducing offices and staff numbers, providing few opportunities to increase offices in the municipality. The Australian Government has considered opportunities for decentralisation but no commitments have been made.
Work with Destination Gippsland and Tourism Victoria to progress regional tourism initiatives.	Council actively supports Destination Gippsland on a range of regional tourism initiatives.	Council actively supports Destination Gippsland on a range of regional tourism initiatives. In 2012, Council participated in Destination Gippsland initiatives including the Gippsland Walks brochure, Gippsland Rider and National Caravan and Camping Show.	Council has continued to support and participate in Gippsland Destination Ltd initiatives such as the Gippsland Accessible Tourism Plan and brochure, Gippsland Fishing, and the Caravan, Camping and Outdoors Supershow. Council contributed comment for the Gippsland Tourism Strategic Direction 2013-2018 and the Latrobe Valley Industry and Employment Roadmap tourism project.

Table 1.1 – Policy Progress and Achievements 2010-2013

Policy Actions	Progress 2010/11	Progress 2011/12	Progress 2012/13
Investigate opportunities for early National Broadband Network (NBN) Rollout in Gippsland.	Council has lobbied the Australian Government on this issue and also attended roll-out information sessions.	In 2012, Traralgon, Morwell and Churchill were included as part of the five-year roll out plan for the NBN. Council continued to lobby to have NBN rolled out in Moe and other main towns. Council provided NBN Corp the opportunity to provide briefing sessions to both Councillors and officers and has encouraged consultation with our community about the project.	Council worked proactively with NBN Co to encourage rapid rollout in new estates, resolving planning issues quickly. Traralgon is now progressing well for delivery in 2014. Further development on existing built-up areas are contingent on Australian Government policy.
Work with Skills Victoria and the Gippsland Regional Skills forum to identify future regional skills needs and to tailor courses accordingly.	Skills Victoria through its Skilling the Valley Initiative is funding four positions to be located within the Latrobe Valley to progress the skills needs analysis for the region in transitioning to a low carbon future.	Council successfully negotiated the second year of funding for Council’s Industry Link Officer (ILO). The focus for Council’s ILO in 2012/13 was more communication with neighbouring councils about Skilling the Valley initiatives, as well as continued support of other ILO activities, and meeting with stakeholders to keep abreast of emerging issues.	Council successfully negotiated a third and final year of funding to be provided for Council’s Industry Link Officer (ILO). The focus for Council’s ILO in 2013 was on communication with neighbouring councils about Skilling the Valley initiatives, and providing support of other ILO activities, and providing relevant information to the Victorian Government and stakeholders including Gippsland Tertiary Education Council.
Become a member of the Global Carbon Capture and Storage Institute (GCCSI)	Council became a member of the GCCSI to ensure that Council is able to keep up to date with the work being undertaken on carbon capture and storage.	Complete.	Council became a member of the GCCSI in 2011, the only local government organisation to do so. Council continues to support the aims of GCCSI.
Lobby government to establish low emissions coal research projects in Latrobe City.	This is an on-going initiative.	Council had a number of conversations with senior government ministers about locating projects in Latrobe City. Council published Securing Our Future (2011) which listed a range of coal-related projects and opportunities for research and development in Latrobe City.	Council continued to lobby for the establishment of low carbon projects in the Latrobe Valley, and welcomed the 2012 announcement of the \$90 million Advanced Lignite Demonstration Program, designed to support new low carbon energy sources from brown coal. Council supports the activities of Brown Coal Innovation Australia, regularly attending meetings and forums.
Review the Latrobe City Council Economic Development Strategy (2007), related priorities and resourcing. This includes developing priorities and implementation plans for policy actions.	Finalisation of a review of Council’s Economic Sustainability Strategy 2011-2015 is complete. The review has assisted Council to ensure that our priorities and resources will contribute to a smooth transition to a low carbon future.	Complete.	The Economic Sustainability Strategy (2011) supports Council’s low carbon transition policy. Council intends to review the Economic Sustainability Strategy during 2014-15.
Promote “good news” stories and conduct Latrobe City “road shows” for key Government agencies.	On-going action achieved through media releases, Council publications, conference presentations and strong government relationships. A number of ‘road shows’ have been delivered in order to ensure government investment agencies and departments have a full understanding of our local economy and investment opportunities.	Throughout 2012, Council participated in numerous “good news” stories for print, radio and television, including through appearances in television news pieces created by the ABC and SBS for national release. Council pursued opportunities to publish a number of articles about its efforts, including in Council Manager Magazine. Officers participated in conferences, including the Low Rank Coal Symposium, and gave a substantial presentation at the Local Government Managers Association conference in Perth.	This is an ongoing activity and Council actively pursues opportunities to contribute to public and national awareness of issues in the Latrobe Valley, through the distribution of media releases and direct engagement with stakeholders, including key government agencies and Ministers at a State and Federal level. Throughout 2013, Council continued to participate in promoting “good news” stories for print, radio and television.

Policy Actions	Progress 2010/11	Progress 2011/12	Progress 2012/13
Commission market research to ascertain information on external perceptions of Latrobe City and barriers to investment in the City. This includes sharing the results with local stakeholders and implementing effective follow up actions.	This action is yet to commence and will be incorporated into the development of an Investment Prospectus.	Council has commenced the City Image Strategy which will incorporate market research on these issues. The City Image Strategy Project Reference Group commenced meeting in September 2012, and will drive this initiative forward in 2013.	Council undertook perceptions research as part of the City Image Strategy project in July-September 2012. The final research findings and recommendations were adopted by Council at its Ordinary Council Meeting on 17 December 2012.
Work to attract new residents and business through delivery of advertising campaigns.	This action is on-going and delivered through new resident kits and business attraction marketing activities.	In April 2012 Council participated in the Regional Living Expo at the Melbourne Convention Centre. Council produced the publication 'Securing Our Future' (2011) and circulated over 4000 copies to businesses and other stakeholders. Throughout 2012, Council initiated initiatives designed to market our city, including commencing work on the City Image Strategy and running the successful "Latrobe Story" campaign which encouraged people to share their experiences in living, working and playing in Latrobe City.	In April 2013 Council participated in the Regional Living Expo, to attract new residents to our community. Council published Securing Our Future 2013, with new projects and an acknowledgement of our recent successes, to encourage further investment by businesses and governments into the region. Securing Our Future 2013 has been distributed to almost 5000 businesses in the Latrobe Valley, as well as being provided to Ministers and Opposition members, and departmental representatives.
Progress planned infrastructure programs including identified upgrades to town centres, community facilities and the Gippsland Logistics Precinct (GLP) development.	This action is on-going and a number of actions have been delivered, including: a long term lease for one component of the GLP was signed with VicTrack; an Expression of Interest to secure private sector involvement closed recently and Council is currently considering it with the assistance of the appointed Steering Committee. The results of this process are scheduled to be released in late 2011.	This is on-going and a number of actions have been delivered. The GLP process continues to progress and Council anticipates the results of a Request for Proposal process conducted during 2012 and aimed at securing private sector involvement at the GLP, will be released in mid-2013.	The GLP is anticipated to become increasingly appealing to the market as freight volumes grow. Qube Logistics is now operating an open access terminal from the Maryvale Siding, and has indicated that expected growth in freight volumes may require the development of the GLP within five years. Stage 1 of the Moe Rail Precinct Revitalisation Project is completed with undergrounding of power lines. The next stage is contingent on Australian Government funding.
Seek Australian Government Funding for "Carbon Assist" positions located in Council offices.	Council secured \$300k in funding from the Victorian Government for a senior officer to be employed by Council over three years to assist Council implement our Low Carbon Policy. This is particularly important as the policy implementation function was not previously fully resourced. Council actively pursued funding from the Australian Government for two Carbon Assist Officers: one to educate and engage our community and one to work with our SME sector to assist in a smooth transition.	Council pursued funding from the Australian Government for two Carbon Assist Officers through meetings with Minister and Departmental representatives. While interest was shown in this initiative, ultimately it did not provide funding for dedicated, specialist officers as suggested by Council. A departmental officer was located with Council for two days a week over ten weeks to strengthen existing relationships with the department, and for the officer learn more about Council's activities.	Complete.
Implement communication strategies to maintain investor confidence during the transition period.	Delivery of this action will commence in line with the timeframe set by the policy of one-three years.	Council pursued different ways of communicating with investors to encourage confidence during the region's transition period, including through forums, direct contact and business publications. Council has pursued international opportunities by hosting delegations and participating in the Victorian Government's trade delegation to China in 2012.	Council participated the India Super Trade Mission in March 2013, and is an active participant at Avalon Air Show, promoting the services of Latrobe Regional Airport and supporting Mahindra GippsAero. Securing Our Future 2013 was published in June 2013, highlighting investment opportunities and potential for future growth. Council will be hosting the Major Projects Summit 2014, highlighting the significant investment pipeline for Latrobe Valley businesses.

Contingency planning

Policy Actions	Progress 2010/11	Progress 2011/12	Progress 2012/13
Lead and assist local groups to obtain funding under the Victorian Government's Climate Communities Program.	This is an ongoing activity and recent actions include supporting a Gippsland Climate Change Network funding application.	Council remains committed to assisting where possible.	Council is an active financial member of the Gippsland Climate Change Network, and supports the network's education and awareness activities.
Work with Coal Councils Alliance (CCA) to undertake Social Impact Analysis.	The CCA completed a project scoping exercise for the Social Impact Analysis across the member Councils.	With the approval of the CCA, Latrobe City Council commissioned a project brief for a full Social Impact Analysis for Latrobe City and lobbied extensively for the funding to complete the project. The CCA was wound down in 2012 with the agreement of all members.	Complete.
Advocate for and participate in a regional based response group to oversee the development of costed contingency plans to address potential negative economic impacts of Australian Government policies to reduce carbon emissions.	This activity will commence after the introduction of the Australian Government's scheme.	Council is active member of the joint ministerial Latrobe Valley Transition Committee (LVTC), Mayoral Reference Group and the Senior Officers Group. These activities have allowed Council to contribute to high level discussion about the regional governance structure for delivery of funding and programs.	Council remains a member of the LVTC, Mayoral Reference Group and Senior Officers Group. These groups await a response to the LVTC Report to Governments, which was delivered in July 2012. The Senior Officer's Group continues to meet to review progress of the Latrobe Valley Industry and Employment Roadmap and discuss emerging issues.
Advocate for regional funding commensurate with the cost of contingency plan actions.	This activity will commence after the introduction of the Australian Government's scheme. However, we continue to work in partnership with the Australian and Victorian governments to ensure smooth transition.	Council strongly advocated for funding for the region's contingency plan actions. The Victorian State Government committed \$35M across several initiatives, including through the Latrobe Valley Industry and Innovation Fund, which has been accessed by eligible businesses. Council lobbied the Australian Government to provide funding outside of identified schemes such as the Regional Development Australia Fund (RDAF).	Council continued to advocate for funding for the region's contingency plan actions. Council remains committed to working in partnership with the Australian and Victorian Governments to ensure a smooth transition for our community and will continue to lobby and advocate for structural adjustment assistance to be made available to our community.
Advocate for and assist in the development of a regional governance structure for the delivery of Australian Government funding and programs.	This activity will commence after the introduction of the Australian Government's scheme.	Council lobbied the Australian Government for immediate and substantial structural adjustment funding to be provided from its \$200M Regional Structural Adjustment Assistant fund (RSAA).	In June 2013 the \$200 million RSSA was withdrawn by the Australian Government, with a \$15 million total fund (including existing commitments) made available to the Latrobe Valley. Council has continued to participate in the Latrobe Valley Transition Committee, Mayoral Reference Group and Senior Officers Group, influencing Australian Government funding priorities via these forums.
Develop scenarios for contingency planning processes.	This activity will commence after the introduction of the Australian Government's scheme.	Council continues to pursue engagement opportunities with other levels of government with a view to influencing structural adjustment priorities and activities for the benefit of our community.	This activity has been superseded by other initiatives, including Council's ongoing participation in the Senior Officers Group that monitors implementation of the Latrobe Valley Industry and Employment Roadmap.
Advocate for and participate in multi-agency contingency planning processes.	This activity will commence after the introduction of the Australian Government's scheme.	Council as an active member of the joint ministerial Latrobe Valley Transition Committee (LVTC), Mayoral Reference Group and Senior Officers Group. Council contributed substantially to the direction of the Report to Government and Latrobe Valley Industry and Employment Roadmap, both of which contain contingency plans for the Latrobe Valley.	Council remains a member of the LVTC and Senior Officers Group. Council successfully negotiated with the Victorian State Government for funding for a Business Development Officer to commence with Council in early 2013 for 12 months.

Working together

Policy Actions	Progress 2010/11	Progress 2011/12	Progress 2012/13
Form alliance with other coal industry Councils - Coal Council's Alliance of Australia (CCA).	Membership from Victoria, NSW and Queensland and facilitated the development of a position paper for the CCA utilising internal expertise and ACIL Tasman. CCA met on in July 2011 in Canberra with Minister Combet's Chief of Staff, Professor Garnaut and senior staff from the Department of Regional Australia.	The CCA was wound up in June 2012, following a decision by all members to discontinue with a formal structure. Having established the relationships, the group was open to informal discussion in future as desired.	The CCA was wound up in June 2012, following a decision by all members to discontinue with a formal structure. The CCA proved to be a useful initiative, particularly in terms of gaining government attention and access to Australian Government stakeholders in the early days of our transition work.
Support and further develop regional industry networking, partnership and knowledge sharing events.	Promotion of sustainable business programs such as "Grow Me the Money" and "Carbon Down" to our SME sector. Council supported the Gippsland Trades and Labour Council in the delivery of low carbon transition forums.	Council supported other groups within the region by attending and assisting with networking, partnerships and various transition related event including the Gippsland Trades and Labour Council two-day Just Transition forum; Regional Development Victoria community consultation activities for the draft Latrobe Valley Industry and Employment Roadmap; attendance at the Deputy Premier's Business Leaders Forum, and attendance at a range of other events.	Council attends and promotes a range of trade shows and conferences and sponsors an award at the Bendigo Bank Business Awards. Council sponsored the preparation of an Industry Capability Statement in October 2013, highlighting skilled mining and power generation expertise in the Latrobe Valley. Council holds regular developers forums, and will hold the Major Projects Summit in February 2014.
Establish the Latrobe City Low Carbon Transition Consultative Committee.	Established the committee and Professor Garnaut addressed its first meeting in April. The Committee also met with a range of Australian Government Ministers. The Department of Climate Change has committed a representative for each meeting.	The Committee held regular meetings throughout 2011 and 2012, including with Australian Government Ministers. Representatives from the Australian Government attended a number of meetings and responded to questions from the group. The Committee also received briefings from internal and external stakeholders, and members participated in a delegation to Canberra in September 2012.	In April 2013 Council resolved to discontinue the Committee. Council wrote to all members to thank them for their participation.
Establish ongoing communications processes and forums with key State and Federal Government departments and relevant Ministers.	Council met with and developed relationships with advisers for a number of Australian Government ministers, all of whom committed to ongoing communication and support. In June Council held a Community Conversation with Professor Garnaut and a panel of experts. Three community forums were planned to take place before the end of 2011.	Council continued to pursue opportunities to meet with and develop relationships with key State and Australian Government ministers, their advisors and departmental staff. In 2012, Council travelled to Canberra for the purpose of meeting with stakeholders, as well as hosting ministerial meetings at Council.	Council hosted the Victorian Parliamentary Committee on Economic Development and Infrastructure in Traralgon in May 2013, in its inquiry into local economic development initiatives in Victoria. In June 2013 Council met with key Australian Government Ministers, Shadow Ministers and their officers in Canberra, sharing Securing Our Future 2013 and providing an update on the Latrobe Valley's requirements for transitional assistance. Council also travelled to Hastings to meet with a Shadow Minister, and continues to host quarterly parliamentarian briefings at Council Headquarters.

Policy Actions	Progress 2010/11	Progress 2011/12	Progress 2012/13
Provide briefings on Latrobe City's transition policy and specific transition needs for the relevant State and Federal Government Ministers as well as Shadow Ministers.	Briefed the Office of the Prime Minister and the Deputy Secretary of the Department of Prime Minister & Cabinet on Council's policy implementation and on the need for social impact analysis to be undertaken.	Council briefed Victorian and Australian Government ministers, their advisors and departmental officers on many occasions about Latrobe City's transition policy and the needs of our community. Council established strong relationships with key agencies: Department of Regional Australia, Local Government, Art and Sport; Department of Resources Energy and Tourism, and Department of Climate Change and Energy Efficiency. Council regularly hosts local MP briefings, and has taken this opportunity to keep them up to date on our activities, and to lobby for funding and other support.	Council has continued to brief both Victorian and Australian Government ministers, their advisors and departmental officers on many occasions about Latrobe City's transition policy and the needs of our community. In June 2013 a Council delegation to Canberra met with Ministers and Shadow Ministers, discussing Latrobe City's needs and presenting Securing Our Future 2013. The Mayor and CEO met with Greg Hunt MP in his electorate office in July 2013. The Mayor has written to many of the new Australian Government Ministers to advocate for the community and request meetings.
Advocate for local representation on the Climate Change Action Fund stakeholder committee.	Latrobe City Council was represented on the Climate Change Action Fund stakeholder committee in 2010-11. The Fund was abolished when the proposed Carbon Pollution Reduction Scheme was deferred.	Complete.	Complete.
Develop and nurture partnerships and networks with local stakeholders and interest groups.	Council engaged in numerous activities to develop and nurture relationships, and presented Council's policy to a variety of interested local organisations and groups including industry. Council continued to work with organisations such as the Gippsland Climate Change Network, ClimateWorks and the Department of Primary Industries on a range of initiatives including the Gippsland Low Carbon Growth Plan.	Council continued to work with local organisations including the Gippsland Climate Change Network, the Department of Primary Industries, the Department of Planning and Community Development and Regional Development Victoria, as well as the Regional Development Australia Gippsland Committee. Council attended and contributed to public forums and discussions wherever relevant and possible. Council's held three Low Carbon Transition community conversations in late 2011, drawing considerable crowds and representatives from each level of government.	Council continues to work closely with local organisations and further develop partnerships and networks and remains involved in a range of forums relevant to low carbon economic transitioning for the Latrobe Valley, including the Gippsland Local Government Network, Gippsland Regional Plan Leadership Group, and the Gippsland Climate Change Network. Council is an ongoing participant in the Latrobe Valley Transition Committee and Senior Officers Group. Council is also active in the South East Australian Transport Strategy group, lobbying for improved transport connections across south-eastern Australia.
Establish ongoing communications processes and forums with key State and Federal Government departments and relevant Ministers.	Council met with and developed relationships with advisers for a number of Australian Government ministers, all of whom committed to ongoing communication and support. In June Council held a Community Conversation with Professor Garnaut and a panel of experts. Three community forums were planned to take place before the end of 2011.	Council continued to pursue opportunities to meet with and develop relationships with key State and Australian Government ministers, their advisors and departmental staff. In 2012, Council travelled to Canberra for the purpose of meeting with stakeholders, as well as hosting ministerial meetings at Council.	Council hosted the Victorian Parliamentary Committee on Economic Development and Infrastructure in Traralgon in May 2013, in its inquiry into local economic development initiatives in Victoria. In June 2013 Council met with key Australian Government Ministers, Shadow Ministers and their officers in Canberra, sharing Securing Our Future 2013 and providing an update on the Latrobe Valley's requirements for transitional assistance. Council also travelled to Hastings to meet with a Shadow Minister, and continues to host quarterly parliamentarian briefings at Council Headquarters.

Ongoing policy uncertainty

In July 2013, the Australian Government proposed moving from a carbon tax to an Emissions Trading Scheme. However, the federal election intervened in early September 2013, and the carbon tax remains in play, pending repeal by the new Australian Government that intends to replace a carbon tax with its Direct Action Plan.

The Direct Action Plan is intended to efficiently and effectively source low cost emissions reductions. It will build on the Carbon Farming Initiative and includes an Emissions Reduction Fund (ERF) to provide incentives for abatement activities across the Australian economy.

Prior to the September election, the former Opposition indicated it would commit \$60 million to develop the Latrobe Valley, Hunter and Central Queensland regions as Clean Energy Employment Hubs to drive clean energy research and development, and support the identification and attraction of new employment opportunities to assist the transformation of local coal industry jobs transformation to clean energy jobs. This initiative was axed shortly before the election as it was decided the Renewable Energy Target and Australian Renewable Energy Agency are the most appropriate mechanisms for supporting investment in renewable energy.

An opportunity exists for Council to continue to proactively plan for a low carbon emissions economy, taking into account further policy changes and uncertainty. Council has already begun the process of developing relationships with the new Australian Government, and hopes to see its efforts translate into real support and funding for projects that have the potential to create long term job opportunities and encourage investment in the region.

Lobbying and Advocacy

An over-arching element of Council's transition work has been ongoing lobbying and advocacy. Council has seen the value of pursuing relationships with both state and federal government ministers and their staff, departmental representatives, and local industry and business representatives.

2010 - 2013

Since the announcement of the CEF package in July 2010, Council has met former senior Australian Government Ministers including the Minister for Regional Australia, Local Government, Art and Sport, the Minister for Resources, Energy and Tourism, the Minister for Climate Change and Energy Efficiency and the Prime Minister. Council also met with a range of senior advisory and departmental staff, as well as members of the federal opposition.

The purpose of these meetings has been to discuss Council and community concerns, and local needs for structural adjustment assistance. This has included advocating for funding for initiatives and projects designed to create jobs and encourage investment. Council's clear message has been that the Australian Government must share responsibility for this enormous task, and that sustainable jobs creation, investment attraction and liveability are key to a thriving future.

A particular highlight was meeting then Prime Minister Julia Gillard one week after her carbon tax announcement. At short notice, the Prime Minister met with the Mayor and key senior staff at Council Headquarters, listened to Council's concerns and committed to a departmental presence at each of Council's three community consultations to explain the proposed carbon tax to the community.

In November 2012, a general local government election was held and

three new Councillors were elected to Latrobe City Council. Throughout 2013, and particularly in light of the federal election announced in January, Council continued to actively pursue opportunities to lobby and advocate for the community.

In June 2013, two Councillors travelled to Canberra with senior Council staff, and participated in meetings with a number of key government stakeholders, including:

- Mr Gary Gray, Minister for Resources and Energy, Minister for Small Business, Minister for Tourism
- Mr Allen Behm and Mr Guy Ragen (Chief of Staff and Adviser to Minister for Climate Change)
- Mr Simon Tatz, Chief of Staff to Sharon Bird, Minister for Higher Education and Skills
- The Hon Katherine King, Minister for Road Safety, Minister for Regional Services, Local Communities and Territories
- Senator Richard Colebeck, Shadow Parliamentary Secretary for Innovation, Industry & Science
- Mr Ian Macfarlane, Shadow Minister for Energy and Resources and Mr Graham Edney Adviser to the Shadow Minister
- Mr Darren Chester, Member for Gippsland
- Mr Russell Broadbent, Member for McMillan
- Matthew Canavan, Chief of Staff to the Shadow Minister for Regional Development, Local Government & Water
- Phil Lindsay, Adviser Office of the Leader of the Opposition The Hon Tony Abbott

During these meetings, Council focussed on the need for ongoing structural adjustment support from the Australian Government, and stressed the importance of funding for projects, despite the proximity to a federal government election.

In August 2013, the Mayor met with Mr Greg Hunt, Member for Hastings and Shadow Minister for Climate Action, Energy and Heritage at his electoral office in Hastings. Council had been invited by Mr Hunt, after a chance meeting in the halls of Parliament House in June. Senior Council officers also attended, and provided Mr Hunt with briefing materials about Council's low carbon transition activities, and the need for funding of a number of projects, including the Moe Rail Precinct Revitalisation Project. Mr Hunt provided information about the Direct Action Plan and suggested Council may be eligible for funding under the Plan. Council will consider its eligibility for funding under the Plan, should it become policy.

September 2013 and beyond...

On 7 September 2013, a federal election was held, resulting in the formation of a new Australian Government, under the leadership of Prime Minister Tony Abbott. Letters to new Australian Government ministers were signed by the Mayor in October, inviting them to meet with Council (either in Canberra or at Council Headquarters) to discuss Council's transition activities and asking them to adopt a strong partnership approach with Council in addressing transition challenges.

Council believes it is essential to develop and maintain good relationships with both sides of government to ensure we remain well informed and continue to demonstrate its flexibility and willingness to collaborate. Council will seek to stay in contact with key



Professor Ross Garnaut addresses the Community Conversation in June 2011; Simon Crean, Minister for Regional Australia, Local Government, Art and Sport visits City of Latrobe; Martin Ferguson, Minister for Resources, Energy and Tourism at Council HQ in Morwell

Opposition stakeholders, as well as working with the new Australian Government to transition the local community wherever we identify an opportunity to do so.

Throughout 2013, a key focus for Council's lobbying has been the Moe Rail Precinct Revitalisation Project (the Moe project), a strategic infrastructure project that has broad community and business support. The Moe project would provide a much needed economic and social boost to Moe's town centre and improved access to a range of essential services to all members of the community. In recognition of its strategic, economic and practical value to the region, a commitment for funding of \$7.5 million was made by the former Australian Government in July 2013.

The funding committed was not part of the Regional Development Australia Fund, but was promised as a separate, focussed effort to provide structural adjustment assistance to the Latrobe Valley. Funding was committed after a lengthy and comprehensive process where Council and the community made significant efforts to convince both levels of government of its strategic importance and relevance. As a result, both the Victorian State Government's Latrobe Valley Industry and Employment Roadmap and the joint ministerial Latrobe Valley Transition Committee's Report to Government (June 2012), recommend that this project be funded as a priority. Unfortunately, a funding agreement was not signed prior to the election on 7 September 2013.

In October 2013, the Mayor wrote to key senior Australian Government ministers, including the Prime Minister, to request urgent meetings to discuss the new government's commitment to funding the Moe project.

Key strategic documents

To assist in clearly articulating its priorities Council has invested time and resources in producing quality documents (besides the Policy) that stress the focus of economic development, and provide a starting point for discussion. Two such documents are:

- Economic Sustainability Strategy (2011): describes the framework by which Council will work with the community to cultivate sustainable economic development in Latrobe City and contribute to the delivery of the liveable, vibrant and enterprising region described in the Latrobe 2026 community vision.
- Securing Our Future 2013: this is Council's key lobbying tool in highlighting opportunities for investment and jobs creation in Latrobe City. It catalogues a range of proposals at varying stages of readiness across the municipality, and calls for funding and other support by the Victorian and Australian Governments.

These documents – and many others – are accessible on Council's website, and can also be found at service centres.

Securing Our Future

Securing Our Future 2013 – Government Investment Opportunities in Latrobe City, is a comprehensive revision of the Council document, Securing Our Future – Latrobe City Council Low Carbon Transitional and Immediate Opportunities (2011).

Securing Our Future (2011) was a breakthrough document that Councillors first worked on in 2011 as community representatives. It set out Council's low carbon transition and immediate opportunities, including a range of specific projects. The message was "jobs jobs jobs", with the burden



Economic Sustainability Strategy 2011



Securing Our Future 2013



The Prime Minister, Julia Gillard visits City of Latrobe, July 2011

placed on the Australian Government to assist with structural adjustment issues now – not once the impact is being felt. It was a very innovative piece of work and one which has garnered the attention of both state and federal governments for its boldness.

As with the earlier version, Securing Our Future 2013 document clearly articulates the importance Council places on local jobs creation and investment, and the need for government assistance to achieve these goals. Long term advantages would be created by these projects, including longer term jobs, and added liveability for all in the region. As a secondary benefit, the document demonstrates Council's commitment to economic development to the local business community. Almost 5000 hard copies of Securing Our Future 2013 have been distributed within the community, and a fact sheet was developed to assist staff in explaining it to people.

Over time, many areas of the organisation have taken an increasing role in advocacy activities, from participating in distribution of these documents, attending external stakeholder meetings and events, and by actively being involved in advocating for priority projects.

External stakeholder efforts

External stakeholder lobbying and advocacy efforts have been an important part of the transition activities that have taken place across the Latrobe Valley in recent years. Since adoption of the policy in 2010, new committees have been formed and some existing groups have taken up the challenge of lobbying state and federal governments for specific projects and more general structural assistance. These efforts are broadly consistent with Council's approach and help demonstrate that the wider community shares Council's view that a proactive

approach is necessary to tackling the challenges of transition.

Council has developed strong relationships with stakeholders from across industry, government departments, education providers and unions. A range of different views and perspectives is vital to building a complete picture of what transition looks like and different people and organisations bring different, and often very valuable, expertise to the table. The relationships Council has formed have been invaluable in terms of collaborating about ideas and strategy, and keeping up to date with developments.

Community

The local community is vital to the success of Latrobe City's transition, and Council has an obligation to keep the community informed and involved – including via publications, forums and ongoing discussion. Council realised early on in its transition work that the community wanted to be informed and play a role in shaping its own future. However, the community clearly needed more information.

In the wake of the CEF package announcement in 2010, Council organised three community forums to bring people together to share information and encourage discussion. These were held across the municipality and were open to all members of the community to attend. Council's Low Carbon Transition Committee members made up the bulk of a panel of local experts at each meeting. As agreed by the former Prime Minister, a senior Australian Government representative also attended each meeting to provide information and respond to questions about the CEF package.

The community forums were very successful, with each session attracting a diverse cross section of the community, from people wanting to learn the basics about the CEF to those already engaged in the conversation. In total, around 200 people attended these sessions and feedback from the community was positive.

Council worked collaboratively with Monash University Gippsland to host a Community Conversation at the Gippsland campus in June 2010. The conversation provided an opportunity for the community to ask questions of a panel of local stakeholders, as well as Professor Ross Garnaut. The event attracted over 250 people and garnered national media attention.

Another way in which Council seeks to inform the community about its

low carbon transition activities is via regular media releases. A range of media releases have been issued during 2013, including the following:

- Council adopt new Securing Our Future document to attract jobs, 20 June 2013, in which the Mayor outlined the document and its purpose;
- Mayor outlines transition activities with shadow minister, 5 August 2013, in which the Mayor provided information about her meeting with Greg Hunt, Shadow Minister for Climate Action, Energy and Heritage;
- Latrobe City Council calls for commitment prior to election, 26 August 2013, in which the acting mayor called on the Australian Government and opposition to commit to helping Council continue its proactive transition efforts;
- Direct action plan uncertainty provides opportunity to improve partnerships, 16 September 2013, in which the acting Mayor described the Australian Government's announcement that it was withdrawing funding for Clean Energy Employment Hubs, as disappointing, given that one would have been established in Latrobe City; and
- Council seeks support on repeal of carbon price legislation, 22 October 2013, in which the mayor asked the new Australian Government to engage with Council and commit to funding the Moe project, as promised by the previous government prior to the election in September.

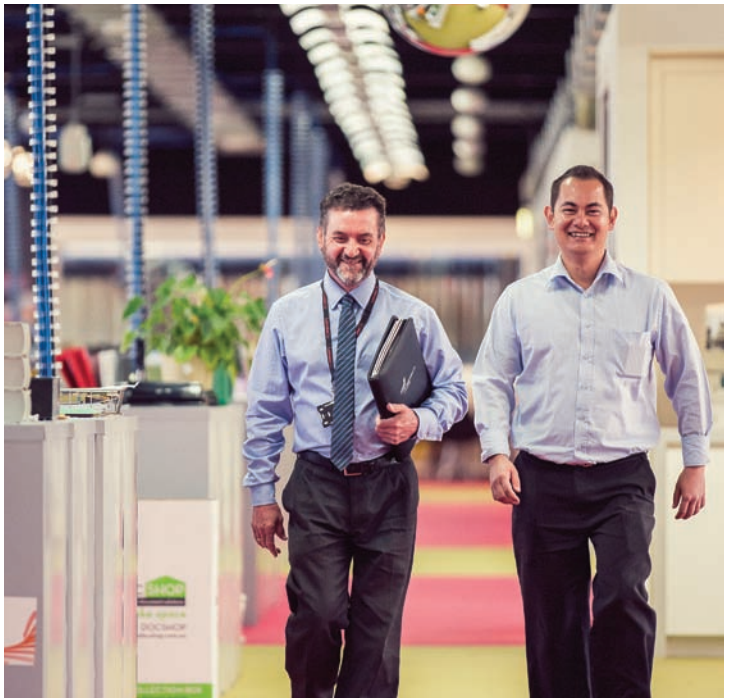
In addition to regular media coverage and comment about Council's transition efforts, a number of articles have been published, including in the publications Sustainability Matters and Council Manager Magazine, and Council has provided

information for a history of the Latrobe Valley that is expected to be published in 2014. All of these sorts of efforts help Council to reach a much larger interested audience, and maintain its profile as leaders of transition.

Broader participation:

Council supports a range of other relevant initiatives, events and programs.

- The development of the Gippsland Regional Plan (GRP)⁴ under the Gippsland Regional Plan Leadership Group, brings together senior representatives from the region's federal, state and local governments and the private sector. Four thematic strategic advisory groups guide the work of the GRP: Economic Development, Low Carbon Economy Transition, Environment and Natural Resource Management, Health and Community Wellbeing. Council's CEO chairs the Low Carbon Economy Transition Strategy Group which has responsibility for development of the Gippsland Low Carbon Action Program.
- The Regional Growth Plan (RGP)⁵ has been identified as one of ten key regional priorities in the 2010 Gippsland Regional Plan. The RGP was prepared by the Victorian Department of State Development, Business and Innovation in partnership with the region's six Councils, including Council, and is one of either regional growth plans for Victoria that the state government has committed to. It aims to provide broad direction for regional land use and development over the next 30 years, as well as detailed planning frameworks for key regional centres.
- Council participates in the Gippsland Climate Change Network (GCCN), a not for profit organisation with a diverse membership consisting of





Prof Tim Flannery, Climate Commission's Chief Commissioner, September 2011



Peter Ryan, Latrobe Valley Roadmap Launch at Latrobe Regional Airport

organisations from across all levels of government, private business, community groups and other organisations across Gippsland. GCCN's focus is to provide information, consultation and facilitation to enable action on climate change, whilst also providing a voice for Gippsland on climate change issues. It is working to deliver practical aspects of the Gippsland Low Carbon Growth Plan, which was prepared by ClimateWorks Australia in 2012 and focusses on cost-effective emissions reduction activities.

- ClimateWorks Australia (ClimateWorks)⁶ was founded in 2009 through a partnership between the Myer Foundation and Monash University, with a mission to substantially reduce Australia's greenhouse gas emissions over the next five years. To support the implementation of the GRP, ClimateWorks was commissioned to identify a range of practical actions for the region to reduce emissions, while working to implement its longer-term strategic regional plan. The plan was funded through the Latrobe Valley Advantage Fund by Regional

Development Victoria in partnership with Council on behalf of the Gippsland Local Government Network.

In October 2011, ClimateWorks released the Low Carbon Growth Plan for Gippsland,⁷ (the Plan) which identifies a range of low cost emission reduction opportunities. The Plan considers opportunities in the Manufacturing, Mining and Freight, Commercial and Services sectors, in Households and On the Land. It was developed with the participation of members of Gippsland's business, industry and government communities who provided data, identified actions and reviewed the Plan's findings.

- In 2011, the Royal Melbourne Institute of Technology's (RMIT) Office of Urban Transformations Research (OUTR) approached Latrobe City Council to provide support for its Transiting Cities research project focussed on the Latrobe Valley. Council has supported the OUTR team by providing resources and information for its initiatives that have included an international design competition,

street market, and shop front in Morwell. The research explores strategies for an adaptive and resilient regional centre which can respond to the variable challenges the region may face, including a transition to a low carbon economy that will result in disused power generation infrastructure.

The Latrobe City Transiting Cities – Low Carbon Futures International Design Competition asked designers to promote and encourage new innovative and alternative opportunities to emerge in order for Latrobe City to transition into a low carbon, prosperous and vibrant future. It drew competitors from around the world and entries were displayed in the Latrobe Regional Gallery.

Council has been invited to participate in conferences Australia-wide to speak about its transition work, including:

- Municipal Association Victoria – 2010
- Committee for Economic Development Australia – 2010

- Gippsland Trades and Labour Council Transition Conference – 2010

- Agribusiness – 2011

- Government Sustainability Conference – 2011

- Gippsland Climate Change Network – 2011

- United Nation Association of Australia – 2011

- Advance Morwell – 2011

- Local Government Managers Australia Conference – 2012

- 6th Making Cities Liveable Conference – 2013

- Clean Coal Victoria – 2013

Council has also been asked to present and provide information to research students, including to later year Monash University Environmental and Political Journalism students in 2011,

and hosted a visit by the federal Department of Climate Change graduate group in 2012.

In September 2011, Council hosted a visit by Professor Tim Flannery, the Australian Climate Commission's Chief Commissioner, and a number of his colleagues. The Climate Commission was established in February 2011 to inform Australia's approach to addressing climate change and help build the consensus required to move to a competitive, low pollution Australian economy, including through public outreach events. Council discussed the region's challenges and opportunities with Professor Flannery, as well as assisting with arrangements for the Commission's public outreach events.

In 2012, Council's Manager Regional Partnership was awarded a prestigious Churchill Fellowship, and travelled the globe to study the transition strategies and activities of other local governments and organisations. Meetings with organisations across the United States, the United Kingdom and Denmark resulted in a wealth of information and ideas that was transformed into

a Fellowship Report, published in February 2013 and entitled "Local Government Strategies for Transitioning Communities."

Churchill Fellowships are designed to allow people to undertake study that will benefit their community, and as such, recipients must have demonstrated considerable abilities and knowledge in their chosen area. This award highlighted that Council is in a position to attract expert knowledge and build its capacity so that it may better respond to challenges and represent the community.

⁴ <http://www.gippslandregionalplan.com.au/>

⁵ http://www.dpcd.vic.gov.au/__data/assets/pdf_file/0017/1151901/Gippsland-plan-final-web-1-23072013.pdf

⁶ <http://www.climateworksaustralia.org/>

⁷ <http://www.climateworksaustralia.org/project/regional-plan/low-carbon-growth-plan-gippsland>

THREE

Victorian & Australian government efforts

“ Our hope is that through this type of open and genuine discussion these departments and ministers will gain a better understanding of the needs of our community, the people, the industry and commerce, and the aspirations ”

Australian Government

Council has made significant efforts to develop relationships with the Australian Government of the day. Council has consistently held the view that a government which makes macro-economic policy changes that will adversely affect an entire region, must take responsibility for the structural adjustment required by the region to cope with these changes. This includes providing funding and other support that may be needed as the community adjusts.

Running parallel to the carbon tax was the 'Contract for Closure' process whereby the former Australian Government sought to remove around 2000MW of highly emissions intensive generation capacity by 2020. The contract for closure was a voluntary process whereby Australia's biggest carbon dioxide emitters essentially bid for a contract to close. The idea was that the government would pay for emissions to be removed from the atmosphere, whilst also ensuring reliable ongoing power generation and providing certainty to investors in lower emissions generation capacity. No budget was ever announced to fund the closures and negotiations took place over approximately one year, during which Council kept in close contact with the department managing the process.

Following an Expression of Interest phase, five generators were invited to proceed to the negotiation phase. The local generators involved were Energy Brix (HRL), Hazelwood Power Station (Hazelwood Power Partnership, 91.8% owned by International Power GDF Suez Australia), and Yallourn Power Station (TRUenergy). Ultimately, the process was abandoned in

September 2012 as the Australian Government was unable to reach a deal with any of the five generators.

The Australian Government responded to concerns raised in the Latrobe Valley and elsewhere in regions of Australia that expected to be adversely affected by the price on carbon as follows:

1. Regional Structural Adjustment Assistance fund (RSAA) – \$200 million was set aside for structural adjustment assistance to support workers, regions and communities that remained strongly affected by carbon pricing after other forms of assistance have been provided. The need for structural adjustment assistance would involve consideration of the following:

- how rapidly the region's economy must transition as a result of carbon pricing
- how significant the introduction of carbon pricing is to the region's economy
- whether the region is vulnerable to increased socio-economic disadvantage as a result of the introduction of carbon pricing

- whether the region has the potential to be viable without ongoing support.

The RSAA was reduced to \$15M in early 2013.

Funding announcements were made by the Australian Government in July for the Moe project and Latrobe Valley University Training Clinic. Unfortunately, funding agreements were not signed prior to the federal election in September. The new Australian Government has not confirmed that funding will be provided for the University Training Clinic, however funding was announced for the Moe project in December 2013.

2.

The Latrobe Valley Transition Committee (LVTC)⁸ was formed as a part of joint ministerial response by the Australian and Victorian Governments. It was designed to bring together a group of key local stakeholders, including local government and its main task was to provide advice for the Australian Government to:

- Identify the challenges and opportunities facing the region’s economy
- Set a clear, long term direction for industry development and employment growth; and
- Outline processes to support coordinated planning and investment between levels of government, regional institutions and businesses.

In addition, a Mayoral Reference Group was established to provide the Committee with first-hand knowledge of local issues and concerns of the Latrobe Valley community. A Senior Officer’s Group consisting of senior representatives from each organisation was also established to monitor progress and help inform the Committee.

The LVTC completed the Report to Government (the Report) in June 2012.⁹ The Report provides advice on the necessary actions and investments needed to support the Latrobe Valley to respond to challenges facing the economy and labour market and achieve growth and diversification of the regional economy. The Report includes strategic directions and actions to be considered by Australian and state governments in developing their respective responses to structural adjustment in the Latrobe Valley.

There are two Australian government policies that may significantly influence events in the Latrobe Valley over the next three years:

- The Direct Action Plan (DAP) – the DAP may provide new opportunities for innovation and major projects in the Latrobe Valley that reduce emissions. It is likely to provide a substantial funding source for new technology not only for generators, but also other industrial and major facilities.
- The Renewable Energy Target (RET) – the RET will continue to mandate the building of additional wind and other power generation. Little of this additional generation capacity is likely to be built locally.

Other Australian Government policies and initiatives (such as for a Green Army and carbon farming) may provide opportunities in Latrobe City. The Australian Government is also potentially a key backer of carbon capture and storage technologies, and has responsibilities for promoting relevant research and development.

Victorian Government

The Victorian Government has committed significant time, funds and resources in the Latrobe Valley through a number of initiatives and programs, including as a partner with

the Australian Government in the Latrobe Valley Transition Committee.

1. Latrobe Valley Industry and Infrastructure Fund¹⁰

The Latrobe Valley Industry and Infrastructure Fund (LVIIF; formerly the Latrobe Valley Advantage Fund) was created to provide funds for initiatives across the Latrobe Valley. Total funding of \$35 million was provided under this fund, which covers three streams or areas of focus:

- Creating jobs and attracting new investment in industries: supporting development of industries and jobs through networks, cooperation and partnerships; investment in enabling infrastructure; and innovation support for small, medium and large enterprises;
- Skilling the Valley¹¹: investing in local capabilities, supporting the establishment and expansion of emerging industries; identifying new business opportunities and preparing the current and future workforce through development of skills and training opportunities; and
- Supporting sustainable research and development: investing in new research, development and demonstration opportunities in the Latrobe Valley and broader Gippsland region, particularly sustainable use, restoration of natural resources and low-emissions energy.

A particular achievement for Council in respect of LVIIIF has been the three year contract under the Skilling the Valley initiative that has allowed Council to employ a senior officer to focus on implementation of its low carbon transition policy. The Industry Link Officer program will attract a total of \$300,000 (incl GST) over three years is now in its final year.

2. The Latrobe Valley Industry and Employment Roadmap¹²

The Latrobe Valley Industry and Employment Roadmap (the Roadmap) was funded under the one billion dollar Regional Growth Fund and launched in July 2012 to address impacts of a national carbon price on energy intensive business in the Latrobe Valley. The Roadmap is the result of extensive research and consultation in the Latrobe Valley, and was created to give the Victorian Government a clear understanding of the challenges facing the local economy.

The Roadmap includes early actions and intervention to create employment and stimulate new investment, ahead of restructuring the power generation sector and the full impacts of a national carbon price. It sets out seven strategic directions grouped into short term, medium term and long term outcome stages, and contains thirty-six actions to achieve these outcomes.

Council provided substantial support and input during the development of the Roadmap by providing information and by facilitating a well-attended public consultation forum for the relevant Victorian Government department. Council provided input and feedback through ongoing discussion with Victorian Government representatives, and via formal submissions. By doing so, Council was able to influence the final report by ensuring the inclusion of important priority projects that are consistent with Council’s agenda, such as the Gippsland Logistics Precinct and the former Lurgi site redevelopment.

Implementation of the Roadmap is the responsibility of the Victorian Government and a range of its departments are involved, with Regional Development Victoria coordinating the overall response through its office in Traralgon.

This includes the Senior Officers Group which continues to meet monthly for an update on the progress of the Roadmap’s implementation and to discuss emerging issues.

As a result of Council’s input, the Roadmap is broadly consistent with Council’s own low carbon transition policy “Positioning Latrobe City for a Low Carbon Emission Future” (2011), Council’s “Economic Sustainability Strategy” (2010), and key lobbying document “Securing Our Future” (2013). Council continues to support the implementation of the Roadmap, primarily through participation in the Senior Officers Group meetings and relevant actions.

A related Victorian Government initiative is Clean Coal Victoria (CCV), which was set up in 2009 to maximise the value of Victoria’s coal resources in order to best deliver the economic, social and environmental objectives for local communities and Victoria. \$12.2 million was provided by the Victorian Government to form CCV, whose principal functions are strategic planning, regional environmental planning, research and investigation of the coal resource, and engaging with the industry, the community and other key stakeholders.

The CCV is responsible for the development of the Victorian Brown Coal Roadmap, designed to articulate potential pathways for coal development in the future. This is an evidence-based document identifying technology opportunities that may be realised over time. In addition, CCV set up the CCV Advisory Committee in 2010 with members representing key stakeholder groups.

FOUR

Conclusions

“ A proactive approach has demonstrated Council’s leadership, putting Council ahead of the game in considering strategies to ensure a prosperous future ”

Council took the lead in proactively addressing uncertainty created by proposed changes to federal carbon pricing policy that would adversely affect the local economy and community. Since work began in 2009, the drivers for the policy may have changed, but Council has continued to lead action and information sharing in Latrobe City, and has demonstrated capacity and commitment to representing its community. Council has also learned a great deal in responding to transition challenges and has lifted its profile in doing so.

Part of the challenge for Council has been in convincing other levels of government – particularly the Australian Government – that the community has already been adversely affected over the years by changes in the local economy, and that despite recovering from the privatisation of the State Electricity Commission in the 1990s, proposed macro-economic policy changes continue to take a toll on the local economy and investor confidence.

Coupled with the challenge of convincing government to acknowledge the adverse effects its policy changes have had on the local community, is the challenge of extracting commitments to support and invest sufficient resources to deal with the issues in a way that works best for the community.

Both an achievement and a challenge is obtaining funding from the Victorian and Australian Governments. Council attracted structural adjustment type funding from the Victorian Government early on, while the Australian Government announced a \$200 m allocation of funds, this was later reduced to \$15 m. Council continues to lobby

and advocate strongly for funding for a range of priority projects that are important to the survival and success of the region. In 2013 alone, Councillors and senior officers have met with a range of Australian Government ministers and shadow ministers to discuss projects such as Moe.

Council has never adopted a formal position on any of the carbon emissions reduction schemes that have been proposed over the years, and supports the balanced use of our brown coal resources. However, it has maintained a view that it is the responsibility of the Australian Government to provide structural adjustment assistance to the local community. Council has committed to working with the government of the day to ensure the community receives the maximum structural adjustment assistance possible and recognises that the scope of the adjustment task is beyond the capacity of Council acting alone.

The success of Council’s policy approach can be measured by completion of action items, and more broadly in the following ways:

- A proactive approach has demonstrated Council’s leadership, putting Council ahead of the game in considering strategies to ensure a prosperous future. Council has focussed its energy and efforts on working constructively and collaboratively where possible, and has developed a clear list of priorities that focus on long term job security.

This approach has inspired others to take up the challenge of preparing the region for a low carbon emissions future, including other levels of government, industry, community groups and a range of committees. It has allowed discourse, discussion and dialogue to become common place, and has spawned an interest in the academic consideration of the region’s economic, environmental and social issues.

- Recognising the link between economy, community and environment has been important in planning for the future, through economic and environmental strategies and supporting activities.
- Sending a strong message to the community that Council is committed to putting its interests first and advocating on its behalf has served to strengthen local relationships, and encourage ownership of issues and responses by stakeholders through engagement and involvement in the process.

Relationships have been developed and maintained with a broad range of stakeholders, including all levels of government, business, industry and the community. A collaborative approach has been important and Council’s approach has led to engagement with other levels of government in a way that had not previously been achieved.

- Raising Council’s profile as a well-informed, proactive organisation responsible for Victoria’s fourth major regional city. Council achieved a change in profile and dynamic with the other levels of government, particularly the Australian Government and now has regular conversations with the policy makers and politicians. Council works very hard to ensure commitments to share information, support activities, and work together are met.

Challenges continue to exist and although they may change with time, they will always be part of this sort of work. As well as the challenges already discussed, managing community and industry expectations about what Council can realistically achieve is an ongoing task, as is pursuing relationships with a diverse range of stakeholders.

Implementing the policy has largely been achieved and importantly, Council now has a range of additional policy and strategy documents that assist in preparing the local community and economy for a structural adjustment change in future, including the Economic Sustainability Strategy and Securing Our Future 2013.

While a great deal of work has been done to turn Council’s plans and goals into actions, policy uncertainty remains as the new Australian Government has flagged an intention to repeal the carbon tax and implement an alternative policy. Once again, the Latrobe Valley is waiting to see what will happen at a federal level and will potentially need to adjust its response accordingly.

Latrobe City Council can be proud of the low carbon transition policy work it has undertaken since 2009, including the development and implementation of the policy and

its ongoing actions today. Council is in a better place than where it would be if it did not have a policy as a base from which to work. This policy position allows Council to be able to work closely with other stakeholders in the low carbon transition space and to be prepared for future developments.

Council is now very well placed to decide whether it will develop a new policy or strategy to take the community forward, and if it does it will need to carefully consider what that new policy will look like and what will its focus be. Regardless, Latrobe City Council has cemented its position as a leader of local transition.

¹³ Funding relates to specific structural adjustment amounts, not to funds provided through existing funding streams widely available, including the Regional Development Australia Fund, through which Council received funding for airport infrastructure.





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