14 August 2024

Mr Jim Betts
Secretary
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594
Canberra ACT 2601

Dear Mr Betts,

Submission to the Transport and Infrastructure Net Zero Consultation Roadmap

The Australian Local Government Association (ALGA) welcomes the opportunity to provide a submission to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts' Transport and Infrastructure Net Zero Consultation Roadmap (the Roadmap).

ALGA is the national voice of local government in Australia, representing 537 councils across the country. In structure, ALGA is a federation of state and territory local government associations. This submission should be read in conjunction with any separate submissions received from state and territory associations as well as individual councils.

Local governments are key partners in delivering on emissions reduction, including transport and infrastructure. As managers of 77 percent of Australia's road network, as well as being the largest collective authority on land use, development planning and urban design, local governments are well placed to recognise what needs to be done.

Local governments play two important roles in emissions reduction: reducing their own emissions and supporting their communities to also do so. In 2024, 74 percent of local governments were found to have (or intend to) developed strategies and action plans to reduce their emissions (Ironbark Sustainability 2024). Among these, 83 percent have strategies to address fleet and plant emissions. Local governments support broader community emissions reduction through, for example, education, installation and hosting of enabling infrastructure such as EV chargers, and in public and active transport delivery.

The Roadmap can support and enable the value that local governments are already contributing to emissions reduction. Including local government perspectives will ensure that a community and place-based approach complements and underpins the success of broader industry transformation. However, this value must also be recognised in combination with acknowledgement of the cost burden that local governments carry for transport and infrastructure.

Local governments collect just 3 percent of total taxation revenue nationally yet are responsible for more than 30 percent of the nation's public infrastructure. As such, any changes to transport to reduce emissions must be cognisant of the significant flow on impacts for local governments throughout the lifecycle of assets and their operation.

A final Roadmap and Action Plan should be based on honest cooperation between all tiers of government which encourages all parties to reduce their emissions. Appropriate responsibility and cost sharing will serve as the foundation for long-term sustainability of transport emissions reduction, as the absence of such planning often results in the cost being transferred to local government. A recent example of where this has occurred is in the Commonwealth's commitment to the UN Disability Charter. Implementation requires improving accessibility of bus services and footpaths. Local governments require clearer planning which stipulates the timeframe for implementation and associated budget if they are to help deliver on these commitments.

For councils to play their part in delivering the policies, plans and actions nested within a national Net Zero Plan, they require adequate funding and assistance to develop the tools, skills and capacity required; particularly for engaging with new or expanded policy and investment frameworks.

Feedback on the Consultation Roadmap

The Consultation Roadmap is a promising foundation for decarbonisation of the transport and infrastructure sector. ALGA's feedback responds to the questions posed in each chapter.

<u>The approach</u>

Emissions reduction should account for and enhance the social, culture and economic aspects of the community. Local government can direct this integration as it is the level of government closest to the community. With adequate resourcing, local governments can also support with contextualising emissions reduction pathways as local governments know what will work in their community.

The Roadmap should take a multi-pronged approach to reducing emissions by adopting the Avoid-Shift-Improve framework. Without greater attention to the 'Avoid-Shift' parts of the hierarchy, policy and investment will likely default to 'Improve' alone and be inadequate to meet decarbonisation targets and co-benefits (ClimateWorks 2024). Local governments are key partners in designing and delivering public and active transport which align to these parts of the framework.

The Avoid-Shift-Improve framework could serve as the basis for 'Principle 1: Maximise emissions reduction,' to improve coherence for how the framework will drive decisions through the Roadmap and Action Plan.

In respect to the other guiding principles:

- 'Principle 3: Maximise economic opportunity' should be reframed to 'maximise community wellbeing opportunity' to reflect a more holistic perspective of prosperity. Doing so would improve alignment with Australia's national wellbeing framework (Treasury 2023). Transition and emissions reduction are successful where pathways account for the social, economic, cultural, and environmental context in which job creation is being encouraged. Local governments are well placed to advise on how these integrated factors can inform emissions reduction pathways.

- 'Principle 4: Inclusive and equitable' should be prioritised more highly to support the other principles, along with social objectives. Inclusive and equitable also applies to disparities that can bet experienced between regional and urban areas, and between inner and outer metropolitan areas, and the differing costs and impacts associated with transport emissions reduction.
- 'Principle 5: Evidence based' should include acknowledgement of the social sciences and local knowledges which can support emissions reduction pathways. Evidence is essential; however, absence or incompleteness of evidence should not be a barrier to decisions and investments being made on prudential or 'no regrets' bases.

It is positive that the Roadmap acknowledges that the final Roadmap and Action Plan will have links with other Net Zero Sector Plans and Commonwealth policy. Inter-departmental and cross-jurisdictional collaboration is required to ensure that policy drivers drive towards consistent outcomes. Local governments bear real and significant costs that come from policy incoherence.

Rethinking our transport networks and systems

A proposed national policy framework for active and public transport ('the Framework') would be useful for driving emissions reduction, providing that it has clear objectives and mechanisms for additional investment, decision making and implementation across government scales.

The Commonwealth should increase its investment in active travel and public transport. This includes an increase to the Active Transport Fund which is commensurate with need, and a commitment and investment plan over the time horizons specified in the Consultation Roadmap (2024-30; 2030-40; 2040-50). The Commonwealth should engage with local governments to refine the funding guidelines and investment planning, as it has thus far engaged only with states and territories.

The Framework should be underpinned by transparent methodologies for selecting and distributing investments. Investments could be based on 'regional transport decarbonisation plans' informed directly by local governments, to ensure that context and need is appropriately captured.

The Framework should include exemplar guidelines for the legislative and regulatory framework that will be required to support the at-scale uptake of micromobility devices, both for personal transport and the transport of goods. This should be undertaken in collaboration with state and territory governments as the primary regulators of such devices, and local governments. This holistic framework for micromobility devices should include, for example:

- Importation and access: Addressing gaps in the importation pathway for non-bicycle classified micromobility devices. Currently state and territory governments are being required to regulate their use due to their illegal use on the road network and a nationally consistent approach is required.
- Consumer needs and preferences: Increasing uptake and having a national approach to user safety.
- Comprehensive product stewardship and e-waste management: How lithium-ion batteries will be reused and recycled at end of life, including how local governments will be supported to manage the costs and risks of batteries in their waste facilities.

The objectives and actions of the Built Environment and Energy Net Zero Sector Plans should be incorporated into the Framework.

Duplication with other policies (such as the National Urban Policy) should be avoided, and the Commonwealth can consider how the Framework's policy objectives are integrated into existing investment mechanisms to maximise their impact. For example, this could include assessing the suitability for active and public transport to be considered by Infrastructure Australia for its Infrastructure Priority List.

Net zero pathways for each transport mode

Light vehicles
The Consultation Roadmap identifies the clear pathway for light vehicles to achieve net zero is through electrification and identifies the challenge of developing adequate and reliable EV infrastructure. Equity issues are important and should continue to be given attention in the final Roadmap and Action Plan. The National Electric Vehicle Strategy identifies 'ongoing collaboration with states and territories' as an underpinning element for success. The Commonwealth should revise this to include local governments in design and implementation, as the Strategy currently does not provide any specification for how it sees local government's role and value. It also fails to address who bears the financial burden for implementation.

Heavy freight
Successful implementation of lower-emissions technologies and standards to decarbonise Australia's transport system will be enabled by acknowledging the costs to local governments and funding them commensurately.

Australian heavy vehicle standards are more than 90% harmonised with international vehicle standards (depending upon the vehicle category). Incentivising lower-emitting vehicles for heavy freight requires Australian adoption the UN 'Euro VI emission standard.' Adoption of this standard means vehicles will be larger and heavier. Local roads maintained by local governments which previously had a lifespan of 50-60 years may be reduced to 40 years, leading local governments having to resurface earlier than anticipated. Any changes to road maintenance impacts on the financial sustainability of local governments.

In addition to actions suggested in the Consultation Roadmap, better quality data on the movement of freight would support local governments in reducing emissions.

The rollout of the National Automated Access System (NAAS) for heavy vehicles will include the introduction of telematics for all heavy vehicles, providing regulators and road managers an accurate picture of freight and other heavy vehicle movements. A clearer understanding of freight and heavy vehicle movements would help land and transport planners identify where efficiencies in the freight network can be made, and help inform transport nodal development. This will be a critical factor in the decarbonisation of the freight and supply chain network as identified in the *Review of the National Freight and Supply Chain Strategy*.

The Commonwealth should expedite the rollout of the National Automated Access System, focussing on local government's access to data, working with them to identify and upgrade key freight routes while seeking opportunities to lower Vehicle Kilometres Travelled and enabling a multi-modal freight network.

Aviation

Despite representing a smaller proportion of our national emissions, aviation is a sector of concern given the immaturity of low carbon liquid fuels and the criticality of aviation to Australia's economy and our society. This is particularly acute for rural, regional and remote communities which are reliant on aviation for connectivity to urban centres for essential service provision and goods. Any subsequent changes to aviation must consider the repercussions for communities which rely on the industry.

It is critical that a multi-pronged approach be taken to reducing aviation emissions given that low carbon liquid fuels are not viable as the only decarbonisation option. There are opportunities to significantly scale up other transport modes such as high-speed rail for travel between major urban centres, for example, but local governments should be engaged for all planning, investment, and operations in any future evolution of rail.

Council owned regional airports are often being run at a loss. If new fuels, including electric charging for aircraft are rolled out at scale, councils will need assistance to manage the transition. Recognising connectivity between regional and urban centres are critical for the economic sustainability of regional Australia, the Commonwealth should continue its support for regional airlines, increase funding for Sustainable Aviation Fuels' research and development (especially in the context of faltering investment by the private sector), and develop a specific, tailored plan for supporting future viability of a net zero regional aviation sector.

Achieving net zero together

While the Introduction identified the Commonwealth's role as a Leader, Investor and Regulator, it did not recognise the critical value of the Commonwealth as an Enabler. Data sharing and a skills ecosystem are critical infrastructures which enable local governments to reduce transport emissions, and the Commonwealth is uniquely placed to provide.

Councils remain the level of government closest to the community, best able to respond to local needs within the context of higher order policy frameworks. However, too often, councils are information and workforce constrained.

In the face of ongoing skills shortages and without appropriately educated and trained specialist staff, implementation of national and state/territory priorities will be hampered. Nearly 90 percent of councils reported having difficulty hiring skilled staff in the 12 months to September 2023, particularly for engineers and asset managers (Grattan Institute 2023). Road design practitioners already on staff generally require upskilling to deliver active transport infrastructure that is fit for purpose, which was something discovered by the Amy Gillett Foundation's Safe Roads for Safe Cycling program. The Commonwealth should consider a program of education and skills development specifically targeted for local government and its role in achieving transport and infrastructure net zero and consider establishing monetary incentives to entice professionals to regional, rural and remote areas which find it challenging to attract required personnel.

Developing social license to deliver the necessary mode shifts discussed in the Roadmap relies on easily digestible information about the benefits to individuals, households, and the local community. The Commonwealth should consider research to identify the specific economic,

health, and environmental benefits of mode shifts to active and public transport for individuals, households, and communities. The Commonwealth should also consider developing a program to work with councils helping communities to identify what they can do to avoid, shift and improve their transport choices.

Thank you for your continued engagement with ALGA. We welcome this iterative engagement on this important policy initiative. Please contact ALGA's Director Policy Transport & Infrastructure Robert Knight at robertk@alga.asn.au and Director Policy Environment & Climate Eleanor Robson at eleanor.robson@alga.asn.au if you require further information.

Yours sincerely,

Amy Crawford

Chief Executive Officer

Australian Local Government Association

References

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