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1 Background and scope of this review

The Western Alliance for Greenhouse Action (WAGA) brings together seven councils in Melbourne's west to collaborate on climate action. Its mission is to "lead and support collaborative action to decrease greenhouse gas emissions and increase the resilience and adaptive capacity of its communities through partnerships between local communities, government, industry and research bodies in order to create liveable communities now and for the future".[1]

WAGA works towards this vision through a broad range of initiatives. Examples include:

- Assessing feasibility and supporting the electrification of council vehicle fleets
- Facilitating council participation in the Victorian Greenhouse Alliances local government renewable power purchase agreement, the Victorian Energy Collaboration (VECO)
- Making it easier for businesses to benefit from solar panels by facilitating access to financing under Environmental Upgrade Agreements
- Developing a way for councils to understand and improve how they are adapting to climate change
- Advocating on climate, sustainability and energy policy issues impacting WAGA councils and communities, as well as supporting collaboration and capacity among councils for best-practice climate risk mitigation and adaptation.

This work leads to benefits for councils, communities and the environment. This includes reductions in energy use, cost savings, emission reductions, improvements in resilience and enhancement of capabilities related to climate risk mitigation and adaptation. **Some of these benefits are quantifiable and have been documented by WAGA to better understand and demonstrate its impacts**.

This brief report outlines a review by First Person Consulting (FPC) of these quantifiable impacts. The aim was to consolidate and summarise these impacts based on documentation provided by WAGA and by other greenhouse alliances across the state. This included assessing whether estimates were appropriate and reasonable.

2 Approach

We based our review on data compiled by WAGA that outlined the costs and quantifiable outcomes of each of the Alliance's key projects and advocacy between 2015 and 2025. This included estimates of savings and benefits to 2025, as well as forecast outcomes for the life of projects/infrastructure. Our review included cross-checking calculations, incorporating discounting to estimated savings and making projections of future savings where appropriate. This helps provide a whole-of-life assessment of the economic value of these projects. We used a discount rate of 3.6% in line with the IPART recommendation for local government.[2] In-kind contributions were not included in the analysis.

[1] https://waga.com.au/about-us/

[2] https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/Local-Infrastructure-Contributions-Plans/Local-Government-discount-rate (as at April 2025).

3 Key environmental and economic impacts of WAGA

WAGA is delivering benefits in a range of areas (Figure 1) – both quantified and unquantified. Membership of **WAGA has enabled councils to participate in projects and advocacy that had net benefits (after additional investment and including grants) 5.4 times their membership fees** (Table 1). This indicates that beyond the financial benefits, membership is providing access to significant regional initiatives, efficiencies, coordination and technical expertise of a scale that is much greater than the costs of membership. The work has specifically:

- **Led to net financial savings for WAGA members in the order of $6.1 million**. Key projects have been savings made through the Electricity Distribution Price Review (EDPR) and VECO. For every dollar invested, councils are getting $3.50 dollars back in financial savings.
- **Leveraged $3.2 million in grant funding.** This included securing $2.2 million in grant funding for fleet electrification and $891,000 as part of the Victorian Climate Resilient Councils project.
- **Facilitated projects with WAGA communities,** including supporting the delivery of the Environmental Upgrade Agreements initiative, which has helped 17 businesses install more than 2000 kW of photovoltaic solar. This is, in turn, expected to save them $7.4 million over the life of the installations.
- **Contributed to expected emission savings of 459,240 tonnes CO_2-e.** This has a value of:
    - $15.1 million in terms of market value; or
    - $59.7 million in terms of the value to society of the reduced emissions (according to standard economic valuation techniques).[3]

The key caveats to this analysis are that:

1. **Many of WAGA's benefits have not been quantified.** This includes a range of financial benefits that have been difficult to quantify because of the lack of data. It also includes a broad range of outcomes relating to improved capability within councils, enhanced levels of resilience within communities and better plans, strategies and tools for mitigating climate risk and adapting to climate change. **It is important not to overlook these benefits despite the difficulty of placing an economic value on their benefit.**
2. Some of the impacts quantified here may have been achieved without WAGA. However, based on other project-level evaluations[4] **it is likely that the scale and efficiency of projects has been greater and the impacts more substantive than if WAGA councils had worked independently**. This includes
    a. Delivering through a shared services model that has tapped into expert advice and project management at a reduced rate
    b. leveraging larger grants
    c. enabling advocacy and other work (e.g. savings to councils from work around the EDPR) that would not have been possible for each of the Alliance councils to have done individually.
3. **The benefits of membership vary between councils**, depending on their involvement in different projects. For example, more grant income was leveraged for participants in the ARENA Fleet Transition project and greater community benefit for those councils participating in Environmental Upgrade Agreements.

[3] See NSW Treasury – Carbon Emissions in the Investment Framework (2024)

[4] Evaluation of EAGA's impact. 2021. First Person Consulting for the Eastern Alliance for Greenhouse Action.

Table 1. Key quantified benefits to WAGA councils from projects and advocacy (all adjusted to present value).

Component	Amount
Total membership fees 20015/16 to 2024/25 (adjusted to present value)	$2,119,585
Basic net financial savings (all savings less all contributions (membership and additional investments))	$6,050,988
Simple return on investment (for every dollar invested, councils get $3.23 dollars back in financial savings/benefits)	**260%**
Grants secured	$3,229,319
Total project scale/value (project savings, plus grants, plus membership investment)	**$11,399,892**
Ratio between membership fee and total project scale/value (membership provides access to projects of a scale and benefit to council, after additional investment, worth 5.3 times the membership fee)	5.4
Savings for the community	**$7,351,340**
Total economic benefits for councils and for community (community savings, net council savings and additional grants leveraged)	**$16,631,648**
Ratio of membership fee relative to the benefits for council and for community	7.9
Cost per tonne CO2e saved/reduced (including savings to councils)	-$13/ tonne

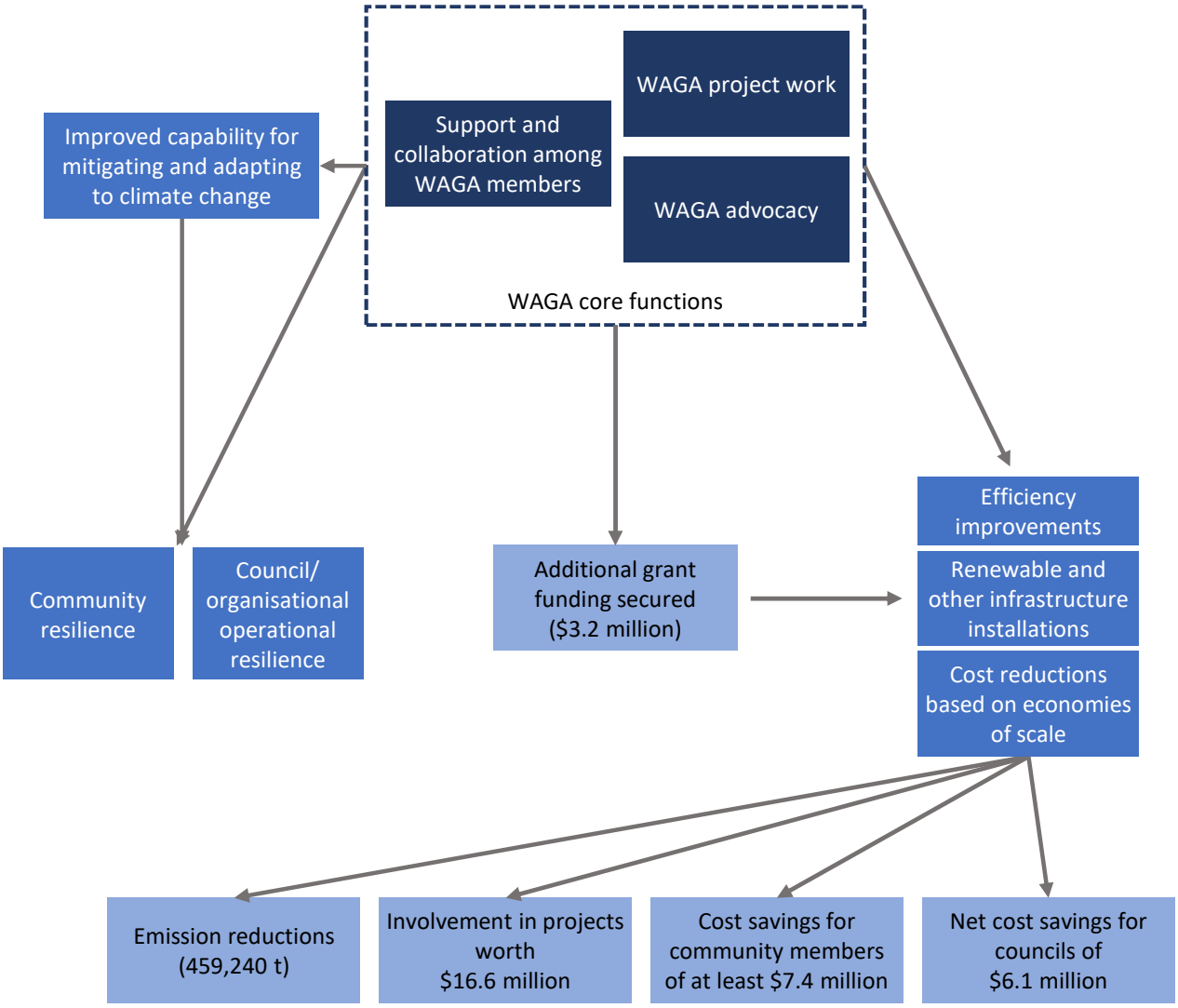

Figure 1. Key functions of WAGA, expected outcomes and quantified impacts.