



Climate Change Summit
Office of Climate Change - Department of Premier and Cabinet
1 Treasury Place
Melbourne
Victoria 3000

To whom it may concern,

Re: Friends of the Earth, Melbourne submission to the Victorian Government's "A Climate of Opportunity" Summit Paper

Please find a submission from Friends of the Earth, Melbourne on the Victorian Government's "A Climate of Opportunity" Summit Paper. Friends of the Earth, Melbourne is part of Friends of the Earth Australia and Friends of the Earth International all of whom have been working on climate change for well over a decade, with a strong focus on the need for just solutions to climate change that do not unfairly impact those from the majority (third) world and lower socio-economic groups within the Australian and Victorian community.

We welcome the opportunity to comment on the Summit Paper, although we hope that the policy development process the State Government is now undertaking does not delay the introduction of immediate measures to make deep cuts to the State's emissions.

We have structured our submission by making overarching comments followed by brief comments on each of the 10 proposed strategic directions.

Please contact me on the number below if you require any further information or clarification on the submission by Friends of the Earth, Melbourne.

Yours sincerely,

Louise Morris
Climate Campaigner
Friends of the Earth

1. Overarching comments on the Summit Paper

a. Overarching goal of State Government policy on climate change: The Summit Paper identifies “10 strategic directions for action to be taken to achieve the Victorian Government’s goal of reducing emissions and adapting to the impacts of climate change.” However there is the glaring omission of discussion of the goal that is intended to be met by making any form of cuts to emissions and adapting to climate change. The goal of government policy needs to be clearly iterated with clear targets.

Friends of the Earth believes that the primary goal of the climate change policy should be to avoid dangerous climate change and stabilise the climate at ecologically safe levels. Avoiding dangerous climate change is generally considered to be keeping the level of global temperature rise as far below 2 degrees Celsius above pre-industrial averages as possible. It has been acknowledged by climate scientists that temperature increases of less than 2 degrees will in fact be dangerous to many communities and ecosystems, in particular to those in Victoria and Australia at large.

The Victorian government needs to be clear about what level and rate of climate change it believes to be politically and morally acceptable and what rate of emissions reduction is possible with a view the impact rising temperatures will have on our water security, health and ecological systems.

b. Stabilisation targets:

Professor Ross Garnaut in his Interim Report wrote that “it is in Australia’s interest to seek the strongest feasible global mitigation outcomes. Victoria has seen one of the fastest and most damaging rates of warming and climate change it is in our states interests to make deep cuts and keep our warming as far below 2 C and be part of the global push to achieve a target of 350ppm CO₂-e as soon as possible.

Given Australia’s (and Victoria’s) high per capita emissions, Victoria should be aiming for the more ambitious end of this target - that is emissions reductions of at least 50% by 2020 with a 2050 target of 95-100% reductions.

However, even adopting a 50% emissions reduction target could still be considered reckless given the 50% chance of overshooting 2 degree temperature increases. For that reason Friends of the Earth is advocating that Victoria should adopt two emissions reductions targets:

- 1) ensure that greenhouse emissions are consistently falling by 2010 so that a range of deep cuts targets are within reach in future years, ranging from 50% cuts by 2020 for Victoria and Australia and large.
- 2) introduce a legislated target to cut emissions by at least 50% by 2020 from 1990 levels that is regularly reviewed to ensure it remains a scientifically relevant target.

Professor James Hansen of the NASA Goddard institute has also highlights that reducing the planets CO₂-e levels to a climatically safe level of around 350ppm CO₂-e level will require emissions cuts in the order of 95-100% by 2050 for developed countries (on 1990 levels), which suggests the Victorian Government’s target of 60% reductions by 2050 (on 2000 levels) are inadequate to prevent dangerous climate change.

Furthermore eminent climate scientists like James Hansen are now concluding that “the safe level of atmospheric carbon dioxide is no more than 350 ppm (parts per million) and it may be less”³, suggesting that the IPCC science work upon which Kyoto negotiations and Professor Garnaut’s recommendations are being based may be increasingly out of date and in need of review.

Therefore it is critical that:

- short-term targets focus on deep and early emissions cuts to provide the greatest flexibility to respond to rapidly improving science and an environment that is rapidly changing as a result of climate change.
- longer-term targets are flexible enough to respond to advancing scientific knowledge and the impact of climate change.

Recommendation 1

The Victorian Government should be specific on the goals to be enacted in its climate change policy in the Green paper in terms of emissions reduction and target temperatures for stabilization. Friends of the Earth believes the goal of climate change policy should be defined as avoiding dangerous climate change, acting within the a precautionary principle and returning to a safe climate. In considering the primary purpose of the State’s climate change policy the Victorian Government should consider whether the 450 ppm CO₂-e target as outlined by the IPCC is enough to avoid dangerous climate change and review the latest and most advanced scientific literature outlining why we should be aiming for stabilisation at 350 ppm CO₂-e if we are to avoid dangerous climate change.

Recommendation 2

The Green Paper should recommend targets for Victoria’s contribution towards avoiding dangerous climate change. Friends of the Earth suggests that the targets should be:

- 1) Ensure that greenhouse emissions are falling by 2010 so that a range of deep cuts targets are within reach in future years, ranging from targets of 50% cuts by 2020 for developed nations to more ambitious cuts as the science evolves on climate change.
- 2) Introduce a legislated target to cut emissions by at least 50% by 2020 from 1990 levels that is reviewed periodically to ensure it is consistent with the science.

2. Specific comments on the 10 proposed strategic directions as outlined in the Summit Paper.

1. Positioning Victorian industry to capitalize on the new jobs, new technologies and new markets that will flow from the transition to the low carbon economy.

Renewable energy and energy efficiency are taking off around the world. A prime example being grid connected solar power is expanding globally at rates of 50% in 2006 and 2007 while the amount of installed wind power grew by 28% in 2007.

These industries are characterized by a first-mover advantage, that is those states and nations that move first to create a market for renewable energy by introducing policy mechanisms that drive investment attract the manufacturing and installation jobs. Victoria, and Australia may have already missed out on the innovators advantage and the opportunities to be a global leader in some renewable energy technologies, for instance solar PV cell manufacturing is now largely centered in Germany, Japan, China, Spain and the US. The chance for a strong solar industry however has not passed us by, with a strong feed-in tariff Victoria would create many jobs in installation and maintenance with the potential to be a national leader. The opportunities remain in other renewable industries.

The State Government has been excessively focused on innovation in and expansion of the coal industry to the detriment of other industries and the climate. If we are to achieve emissions reductions of the order required to avoid dangerous climate change however we will need to develop a wide ranging suite of renewable energy solutions, energy efficiency and low carbon industries to lead Victoria into a low carbon age and provide jobs and economic stability.

Recommendation 3

The Victorian Government needs to attract and support zero and low carbon industries through policy mechanisms that drive uptake and deployment of clean and low carbon industries in Victoria. This will require further mechanisms beyond the existing Renewable Energy Target and the upcoming Emissions Trading Scheme. A scheme supporting green industries is required to develop and support such industries through policy development and suitable workforce training to make these industries viable

2. Supporting an ETS with complementary measures that smooth the transition for the Victorian economy (including the built environment and transport infrastructure).

It is encouraging that the Summit Paper recognizes the need for complementary measures to an ETS. Additional measures that support energy efficiency and renewable energy and more efficient building design and construction are required into the medium and perhaps longer term future after the implementation of an ETS. Government action in public transport and rail freight are required to not only get people out of their cars but address long distance freight issues soaring fuel prices and emissions from those sectors raise.

Recommendation 4

The Victorian Government needs to support complementary measures to emissions trading. With particular focus on renewable energy targets and feed-in tariffs, energy efficiency, planning controls, vehicle fuel efficiency, and a shift to rail, and public transport investment as part of a broad range of measures needed to complement emissions trading and reduce emissions.

Recommendation 5

A clear policy agenda to dramatically improve the energy and water efficiency of Victoria's entire existing and future building stock is required from the Victorian Government. Requiring regulations and programs encompassing new and existing buildings of all types, building fittings and appliances, applying to both rental and freehold properties. An expansion of EREP and VEET could provide an impetus for energy and water efficiency potentially not delivered by the ETS.

3. Pursuing cost effective emissions reductions in sectors not covered by an ETS.

Friends of the Earth believes the ETS should cover all major emissions sources for which measuring emissions is practicable, with the accuracy needed for a robust and effective emissions trading scheme. Excluding forestry due to a lack of accurate measurement criteria needed for a robust and effective ETS. Measures aimed at reducing land clearance, will also deliver other conservation benefits such as biodiversity protection, native forest protection and catchment protection. Additionally the ETS will not be implemented until 2010. The Victorian Government should develop an action plan of measures for implementation that would lead to Victoria's emissions falling by 2010.

Recommendation 6

The development of complementary measures for the agriculture, land use and forestry sectors priority should be given to actions which have additional and follow on environmental benefits like biodiversity conservation, protection of native forests and water catchment protection.

Recommendation 7

An action plan of measures for immediate introduction that would see the State's emissions start falling by 2010 need be developed by the Victorian Government. Including an effective solar feed-in tariff (60 c/KWh paid on gross generation) and new energy efficiency targets for the commercial and industrial sectors (perhaps matching the household target of 10% emissions reductions by 2010).

4. Ensuring the continued security, efficiency and affordability of Victoria's energy supplies by encouraging low- emission and renewable energy options.

Identified barriers to investment in low emissions and renewable energy technologies in Victoria are a lack of a clear trajectory for emissions, a price signal for long term investment and the continued provision of subsidies of polluting activities such as our over reliance on brown coal. One of the most substantial barriers to investment in low emissions technologies in Victoria is the 'cheap' price of brown coal generated electricity. Whilst this under-pricing may be partially corrected by an ETS, there will still be barriers for newer, less-polluting players in the energy market as they will be competing with power stations that have been operating for years and have written off their capital investment.

The Government should look at what additional support and measures will be necessary to provide adequate incentive for new generation to replace conventional brown coal generation. An inventory of State and Federal subsidies that exist for fossil fuel use is needed from the Victorian Government, and immediate removal of State Government subsidies for fossil fuel use (e.g. Alcoa's electricity costs which the State Government subsidises to the tune of \$100-150 million each year) and campaign for the removal of Federal fossil fuel subsidies. Windfalls from this move could provide funding sources to implement emissions reductions and adaptation programs. Much of this analysis has already been undertaken and could be used as the starting point for a review of subsidies.⁸

Recommendation 8

Research by the Victorian Government is need to identify additional support and measures will be necessary to provide adequate incentive for new generation to replace conventional brown coal generation. This might involve additional support for gas or renewable energy projects that directly substitute for coal-fired generation, i.e. they take coal generation off line. This will be particularly important if the ETS architecture does not deliver adequate emissions reductions.

Recommendation 9

An inventory of State and Federal subsidies that exist for fossil fuel use is required and immediate removal State subsidies for fossil fuel use. Redirection this public spending towards emissions reductions and adaptation programs.

5. Assisting households to adjust to the rising costs of electricity, fuel and other commodities.

As a consequence of climate change and market forces electricity, fuel and water prices are on the rise. Policy responses to climate change have the potential to increase living costs, particularly for low income individuals and families. The areas where those with low incomes will be most vulnerable are likely to be in relation to petrol and electricity prices. Friends of the Earth believes the following measures should be pursued to protect low income households from electricity and petrol price rises.

Recommendation 10

The Victorian Government should support the inclusion of the transport sector in an emissions trading scheme, while making dramatic increases in its investment in public transport, in particular extending the public transport system to outer suburbs which have poor services. Limiting public transport fare prices rises to less than CPI price increases. Cycling and walking infrastructure needs dramatic investment. The Victorian Government should take an active role to pressure the Federal Government to introduce mandatory vehicle efficiency standards for all new vehicles sold in Australia.

Recommendation 11

The Victorian Government should ensure that a substantial proportion of revenue from ET permit auctions are used to buffer the impact of rising energy costs for low income households. With the possible inclusion of a major energy efficiency program in low income households, increasing energy concessions. New energy efficiency programs should be more targeted, focusing on geographic or demographic communities. With existing rebate programs participants are self-selecting which means that it is difficult to target resources to where they are most needed. Rental housing should be required to meet minimum standards for energy and water efficiency with landlords required to disclose the performance standards of properties when advertising for tenants privately or through agents.

6. Increasing our knowledge about climate change impacts and adaptive needs and possibilities.

While we have some understanding of the likely impacts of climate change on Victoria through work done by the CSIRO and others, we have a very limited understanding of what adaptation is possible and necessary. Friends of the Earth is of the position that immediate policy priority should be mitigation, while we wholeheartedly support adaptation research, policy development and implementation. Areas that need to be looked at as priority include the future of water intensive industries particularly in the north of the State where drier conditions are predicted to be most severe and biodiversity protection to provide a buffer for the natural environment against climate change.

Friends of the Earth believes that one of the reasons we haven't seen greater community effort at behaviour change to reduce emissions is that we are lacking leadership from Government at the State and Federal level to on this issue. Neither the State nor Federal Government has set strict targets for reducing emissions in the near term, eg 2010, in keeping with best available science.

Without strong and clear targets for the community to aim for there is not a collective sense of responsibility for our emissions. The communities will to act can be seen in the success of State Governments very successful campaign for saving water, to which the community has responded.

While greenhouse emissions are harder to market than drying dams the necessary effort to change behaviour at the household, community, commercial or industrial levels has been largely absent. The black balloons campaign has been a highly successful vehicle for illustrating greenhouse gas emissions, but in the absence of a near-term emissions reduction target, supported by the states political representatives, the black balloon campaign runs the danger of being nothing more than a hot air filled publicity campaign.

Recommendation 12

A proportion of the Victorian Governments climate change budget should be given to develop and implement adaptation strategies and policies.

Recommendation 13

With the setting of short-term target for emissions reduction, eg a target for emissions to be consistently falling by 2010, the State Government should develop a whole-of-government approach to assist households and business in lowering their emissions. With the onus on government to lead by example. Providing the best possible and most up-to-date information on our emissions will assist with this effort. Friends of the Earth suggest a model similar to the daily publication of our states levels that can be applied to our emissions levels. Under the current greenhouse reporting regime there is an 18 months lag period before we know what our emissions were. We acknowledge that the timelines will be dictated by the release of timelines of the best available data.

7. Increasing the climate change resilience of the State's regions and communities.

Friends of the Earth will focus our comments to two vulnerable regions and communities; river reliant communities and irrigators across the State and the Latrobe Valley.

Victoria's rivers are facing stresses from climate change that have not been seen in recorded history in Australia. As is demonstrated with the imminent collapse of the Murray and dramatic over-allocations, we need to make getting more water into our rivers and make these river systems a priority of state and national significance. Prioritizing environmental flows is discussed in more detail in the next section. Regional and agricultural communities acknowledge the need for change as a process of providing water for rivers, and the forecast decline of rainfall and inflows to most of the state's rivers is required. This can either happen in an incidental and haphazard manner or we can plan for it and ensure that regional towns can survive in the long term with a revived river system and develop alternative agricultural and other industries.

The Latrobe Valley's reliance on coal for regional jobs and economic output makes it incredibly exposed and vulnerable to a much-needed move away from coal-fired generation. To date the State Government's approach has been to cross its fingers and hope that so-called 'clean coal' and carbon capture and storage (CCS) will work. To the extent that these technologies have been funded, much to the detriment of proven and climate safe renewable and job providing solutions in the Latrobe Valley.

This business as usual approach is a dangerous road for our state to be steered down when we know the dramatic changes climate change is bring to us. This approach has the potential hurt people in the Latrobe Valley, as they are not being provided with a transition strategy and the very real prospect that CCS will not be viable for at least the next 15-20 years. The Latrobe Valley brown coal-fired power stations are the most likely power stations in the country to close if we are serious about reducing greenhouse emissions as a nation. The State Government has no plan for the Latrobe Valley beyond burning more coal and hoping to store a percentage of the emissions under ground. A more responsible and long-sighted approach would be to attract investment in renewable energy generation and manufacturing in the Latrobe Valley to diversify and strengthen the regional economy and reduce the Latrobe's level of carbon exposure.

Recommendation 14

The Victorian State Government's climate change adaptation strategy (as recommended in Recommendation 12) should identify communities and regions at risk both from climate change and from policy responses to climate change. These communities should be targeted for 'Just Transitions' programs, in the development of new industries and workforce training to ease the pain of transitioning out of polluting or unsustainable industries.

8. Assisting our natural assets and ecosystems to deal with the pressures and challenges that climate change will bring.

Recommendation 15

The immediate focus of the Victorian Government should be to ensure that the ETS is as climate responsible and robust as possible. In particular the target for emissions reductions will need to be adequate in keeping with best available science (see comments on targets above), and the ramp-up rates linear so that emissions reductions begin immediately.

The precautionary principle must be the underpinning ethos as the basic premise for protecting the natural environment from climate change impacts. Given that climate change threatens to change the ecological functioning and equilibrium of communities it can be difficult to determine how 'precautionary' we need to be to maintain biodiversity. We have failed to deliver environmental flows to most Victorian rivers as can be seen in the state of the Murray system and the failing health of many of Victoria's other waterways that are over allocated and supply many communities with their water needs. This can be attributed to vested interests and government failing to address long-term over-allocation of water and have prevented the return of water to river systems. With the addition of climate change to the equation it is clear that our current biodiversity safeguards are either inadequate or not properly implemented.

Recommendation 16

All Victorian rivers should receive their full environmental flow allocations every year from 2009. To date rivers have been the last 'interest' to receive allocations of water resulting in our current river health crisis. We need to dramatically improve our management regimes so that we recognise that economic and community well-being is a product of healthy river systems and therefore that environmental water allocations should be the priority when considering river management regimes.

Recommendation 17

The Victoria Naturally Alliance submission to the Land and Biodiversity Green paper identifies the need for; at least a 10-fold increase in funding levels to help protect and restore Victoria's habitat for future generations; protection of existing native vegetation and the reconnection of fragmented bush land across the state through very large wildlife corridors; increased resources for control of pests and weeds and for landholders to protect and enhance their wildlife habitat; and strong science with publicly reported systematic long-term monitoring of the State's biodiversity.

9. Supporting Victorian individuals and communities to get active on climate change.

As discussed in Strategic Direction 6 by setting clear targets for emissions reduction for 2010 based upon best available science, the State Government will provide a clear road map and leadership for community action to drive emissions reductions. Without this leadership, community activism and effort will largely be focused on trying to get the Government and business to get serious about climate change rather than on driving emissions reductions. A dangerous waste of community time and effort in what is a very small window of opportunity y take action to avoid dangerous climate change.

As recognised in the Summit Paper climate action groups have been popping up all over Victoria (and Australia) in recent years, supported by Non Government Organizations like Friends of the Earth. These climate action groups have largely been focused on achieving attitude and policy change at the political level rather than engaging their communities in direct emissions reduction and awareness raising activities (although some groups have managed to work across both areas). If however there was the clear political will and leadership to reduce emissions many of these groups could focus on the practical implementation of policies and programs to reduce emissions. As an example solar power buying groups are forming across the state and attracting new constituencies into the climate debate.

Part of the success of the network of climate action groups across has been the decentralised, autonomous and action based philosophies that have been adopted. Government financial support of climate action groups might be welcomed by some groups but if it requires groups to formalise and incorporate and spend their limited volunteer time ensuring they are meeting the Associations Incorporation Act 1981 instead of working on addressing climate change then it will dampen community enthusiasm.

If the Government wants to support these groups it could take heed of the calls for the radical strengthening of our solar FIT, just transitions for coal dependent communities and to act on climate change with the best available science informing all policy decisions. Please see Climate Code Red, by David Spratt and Philip Sutton, published by Scribe for further elucidation of key points of action required by state and federal governments in Australia.

Recommendation 18

The State Government should use existing networks and peak bodies to provide avenues for engagement and negotiation on climate policy and community based climate action.

10. Ensuring Victoria continues to play a proactive role in global efforts to address climate change.

The best contribution the Victorian Government could make to global efforts to address climate change would be to take action to cut emissions over the next 3 years to provide a model for other jurisdictions. If Victoria is cutting emissions, and bringing on-line new sustainable industries by creating a market for them in Victoria, and providing a just transition for coal reliant communities it will be developing the solutions that will need to be implemented globally to cut emissions. It is important that the Victorian Government supports strong national and international action on climate change. In the next 12 months strong Victorian support for a strong and effective national ETS with adequate targets and very few exemptions would be a strong national contribution as would support for National MRET, mandatory vehicle emissions standards nationally and new national energy efficiency programs.

The Victorian Climate Change Bill provides an opportunity to package together a number of the State Government's climate change policies and provide new mechanisms for implementation of emissions reductions programs. It is extremely important that this Bill is not just about reporting on the State's emissions and establishing Climate Change Council. Emissions targets for the State for 2010, 2015 and 2020 (with a view to annual targets) will all need to be part of the Victorian Climate Change Bill if it is to provide the right direction and impetus.

The Victorian Climate Change Bill should implement a ban on new coal-fired power stations as it will be impossible to achieve emissions cuts of the order required if we are building new coal-fired power stations. A standard for new fossil fuel generation of less than 0.4g/KWh CO₂ should be introduced, which would rule out all coal-fired power stations bar those that have 100% carbon capture and storage, (something the CCS industry admits is about 20 years away from commercial reality) and would rule out inefficient gas-fired power stations. The proposed HRL coal-fired power station would not be allowed to proceed under this standard. The New Zealand Government has imposed a similar moratorium on thermal electricity generation. Any new fossil fuel plant should only be brought online to replace existing fossil fuel plants, not to meet additional electricity demand. This measure would not prevent efficiency upgrades and measures to reduce emissions from existing coal-fired power stations, however these measures are likely to be an interim measure before their eventual replacement renewable energy power stations.

Recommendation 19

The Victorian Climate Change Bill should include emissions targets for the Victoria for 2010, 2015 and 2020 (with scope for annual targets to provide a coherent roadmap). The Bill should include policy mechanisms to drive greenhouse pollution reduction including extended energy efficiency targets across the commercial and industrial sectors, feed-in tariffs for renewable energy.

The Bill should provide a mechanism by which all new projects and all state government policy

and investments are assessed for their impact on the State's emissions with the assumption that new major projects will be required to demonstrate that they will reduce greenhouse pollution.

Recommendation 20

The Victorian Climate Change Bill must implement a ban on new coal-fired power stations to stand a chance of making any substantial cuts to our emissions. A standard for new fossil fuel generation of less than 0.4kg CO₂-e /kWh should be introduced, which would rule out all coal-fired power stations bar those that have 100% carbon capture and storage, and would rule out inefficient gas-fired power stations. Any new fossil fuel plant should only be brought online to replace existing fossil fuel plants, meeting the above emissions intensity and not be built to meet additional electricity demand.

Summary of Recommendations

Recommendation 1

The Victorian Government should outline the specific goal of its climate change policy in the Green Paper in terms of emissions reduction and target temperatures for stabilisation. Friends of the Earth strongly believe the goal of climate change policy should be defined as avoiding dangerous climate change and returning to a safe climate. In considering the purpose of the State's climate change policy the Victorian Government should seriously consider whether the 450 ppm CO₂-e target is adequate to avoid dangerous climate change and review the best and most up-to-date emerging scientific literature that outlines why we need be aiming for stabilisation at 350 ppm CO₂-e.

Recommendation 2

The Green Paper should recommend targets for Victoria's contribution towards avoiding dangerous climate change. In Friends of the Earth's view the targets should be:
3) Ensure that greenhouse emissions are falling by 2010 so that a range of deep cuts targets are within reach in future years, 50% by 2020 and nations to cuts of 95-100% by 2050. 4) Introduce a legislated target to cut emissions by 50% by 2020 from 1990 levels that are reviewed periodically to ensure it is consistent with the best available science.

Recommendation 3

The Victorian Government needs to attract zero and low carbon industries through policy mechanisms that drive uptake and deployment of clean and low carbon industries in Victoria. This will required further mechanisms beyond the existing Renewable Energy Target and the upcoming Emissions Trading Scheme. The Victorian Government should develop a 'Green Industries' strategy that identifies target industries for establishment and development in Victoria and also identifies the necessary policy support (with just transitions) and workforce skill-base to attract these industries to Victoria.

Recommendation 4

The immediate focus of the Victorian Government should be to ensure that the ETS is as robust as possible. In particular the target for emissions reductions will need to be adequate (see comments on targets above), and the ramp-up rates linear so that emissions reductions begin immediately. Additionally the Victorian Government, along with other States and Territories and the Federal Government, will need to withstand the constant claims for exemption and compensation. Exemptions should be extremely limited given that any exemption imposes a higher cost on the sectors covered.

Recommendation 5

Explicit support of complementary measures to emissions trading is required of the Victorian Government. In particular renewable energy targets and feed-in tariffs, energy efficiency, planning controls, residential and commercial building standards, vehicle fuel efficiency, a reduced number of freight trips through improved efficiency and a shift to rail, and dramatic public transport investment will all be needed to complement emissions trading and make the deep in emissions required.

Recommendation 6

The Victorian Government should develop a clear policy agenda to dramatically improve the energy and water efficiency of Victoria's entire existing and future building stock. This will require regulations and programs that will cover new and existing buildings of all types, fittings and appliances used within these buildings, and apply to both rental and freehold properties. An expansion of EREP and VEET or a similar white certificate-trading program could provide an impetus for energy and water efficiency activities that may not be delivered by the ETS. Mandatory disclosure and performance standards for energy and water efficiency could be applied to all types of buildings at the point of sale or leasing.

Recommendation 7

In developing complementary measures for the agriculture, land use and forestry sectors priority should be given to measures, which have additional environmental benefits, like biodiversity conservation, native forest protection or catchments protection.

Recommendation 8

The Victorian Government should develop an action plan of measures for immediate introduction that would see the State's emissions start falling by 2010. This should include an effective solar feed-in tariff (60 c/KWh paid on gross generation), moratorium on new coal fired power stations and new energy efficiency targets for the commercial and industrial sectors (perhaps matching the household target of 10% emissions reductions by 2010).

Recommendation 9

The Victorian Government should look at what additional support and measures will be necessary to provide adequate incentive for new generation to replace brown coal power generation. This might involve additional support for gas or renewable energy projects that directly substitute for coal-fired generation, i.e. they take coal generation off line. This will be particularly important if the ETS architecture does not deliver adequate emissions reductions.

Recommendation 10

The Victorian Government should complete an inventory of State and Federal subsidies that exist for fossil fuel use and immediately remove State subsidies for fossil fuel use and redirect this public spending towards emissions reductions and adaptation programs.

Recommendation 11

The Victorian Government should support the inclusion of the transport sector in an emissions trading scheme but should also greatly increase its investment in public transport, particularly to extend the public transport system to outer suburbs which have poor services. Limiting public transport fare prices rises to less than CPI price increases would reduce the impact of rising fuel prices on households though may not assist households in areas that are not well serviced by public transport. Cycling and walking infrastructure will also need investment. Additionally the Victorian Government should actively pressure the Federal Government to introduce mandatory vehicle efficiency standards for all new vehicles sold in Australia to green our car fleet.

Recommendation 12

The Victorian Government should ensure that a substantial proportion of revenue from emissions trading permit auctions is used to buffer the impact of rising energy costs for low-income households. Include a major energy efficiency program in low-income households, increasing energy concessions, or introducing alternative pricing mechanisms for low income households. New energy efficiency programs should be more targeted, focusing on geographic or demographic communities. With existing rebate programs participants are self-selecting which means that it is difficult to target resources to where they are most needed.

Recommendation 13

The Victorian Government should allocate a proportion of its climate change budget, e.g. 25%, to develop and implement adaptation strategies and policies.

Recommendation 14

Upon establishing a short-term target for emissions reduction, e.g. a target for emissions to be consistently falling by 2010, the State Government to develop a whole-of-government integrated public relations campaign urging households, communities, business and industry to contribute to the task of emissions reductions. Providing most advanced and up-to-date information about emissions assisting this effort

Under the current inadequate greenhouse reporting regime there is an 18 months lag period before we know what our emissions were. A recent example is the Federal Government release of state and national greenhouse gas inventories on June 24th 2008 for the 2006 calendar year.

Recommendation 15

The State Government's climate change adaptation strategy need identify communities and regions at risk both from climate change and from policy responses to climate change. These communities should be targeted for 'Just Transitions' programs; entailing development of new industries and workforce training to ease the pain of transitioning out of polluting or unsustainable industries.

Recommendation 16

All Victorian rivers to receive their full environmental flow allocations every year from 2009. To date rivers have been the last 'interest' to receive allocations of water. We need to reverse our management regimes so that environmental water allocations should have priority over other uses so that our rivers continue to survive and in time thrive along with the communities that rely upon them.

Recommendation 17

The Victoria Naturally Alliance submission to the Land and Biodiversity Green paper calls for; at least a 10-fold increase in funding levels to help protect and restore Victoria's habitat for future generations; protection of existing native vegetation and the reconnection of fragmented bush land across the state through very large wildlife corridors; increased resources for control of pests and weeds and for landholders to protect and enhance their wildlife habitat; and strong science with publicly reported systematic long-term monitoring of the State's biodiversity.

Recommendation 18

The State Government should use existing networks and peak bodies to provide support for local community climate action groups by providing legislative frameworks that support their work in safeguarding our state and country against dangerous climate change and provide the leadership on this most important of issues that the community is looking for.

Recommendation 19

The Victorian Climate Change Bill should include emissions targets for the Victoria for 2010, 2015 and 2020 (and annual targets). The Bill should include policy mechanisms to drive greenhouse pollution reductions including extended energy efficiency targets across the commercial and industrial sectors, feed-in tariffs for renewable energy. The Bill need provide a mechanism by which all new major projects and all state government policy and investments are assessed for their impact on the State's emissions with the assumption that new major projects will be required to demonstrate that they will be part of making deep cuts to our greenhouse polluting emissions.

Recommendation 20

The Victorian Climate Change Bill should implement a ban on new coal-fired power stations. A standard for new fossil fuel generation of less than 0.4kg CO₂-e /kW should be introduced, which would rule out all coal-fired power stations, including the proposed HRL coal fired power station, bar those that have 100% carbon capture and storage, and would rule out inefficient gas-fired power stations. Any new fossil fuel plant should only be brought online to replace existing fossil fuel plants, not to meet additional electricity demand.