

Climate Change Summit
Office of Climate Change
Department of Premier and Cabinet

Submission to Climate Change Bill

Executive Summary:

The Strathfieldsaye and District Community Enterprise Ltd. (SDCE) was recently invited to attend the State Government's Climate Change Summit. Mr. Keith Reynard, a Director of the SDCE Board attended as their representative.

This submission from the SDCE is in response to the government's commitment to seeking submissions from the public and community groups in helping to formulate this Climate Change legislation. The SDCE herewith provides comment and feedback on the 10 proposed strategic directions outlined in the report titled "A Climate of Opportunity".

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

- the SDCE supports policy that leads to a low carbon economy through the development of Renewable Energy technologies
- government policy needs to support local community initiatives through funding of a Climate Change Advocate
- seeding funds need to be available for local community co-operatives with a commitment to Renewable Energy development and generation within their local communities

2. Supporting an ETS with complementary measures that smooth the transition for the Victorian economy.

- supports an ETS as one of a suite of tools to combat GHG emissions
- need to strengthen the MRET's by increasing targets to 50% by 2020
- education campaign required to inform the broad community about ETS

3. Pursuing cost effective emissions reductions in sectors of the Victorian economy not covered by the ETS.



- carbon sequestration through agriculture and forestry offer rural areas opportunities for sequestration measures
- solar farms, wind farms and Renewable Energy from bio-mass are further opportunities that need to be pursued

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

- locally distributed Renewable Energy generation needs to be a major focus of governments use of MRET to achieve this
- a FIT also needs to be improved to offer increased incentive for the uptake of small scale Renewable Energy technologies across solar, wind, hydro and bio-mass systems

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

- review and improve the standard ratings for energy efficient household design
- continuation and adoption of rebates for solar HWS installation, optimum insulation, improved glazing etc.
- development of energy rating standards for all household electrical appliances
- restricting market access for high energy consuming appliances through high taxation
- mandatory installation of Smart Meters in prominent positions

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

- the adoption of Climatic Zones within the State Planning Policy Framework that result in planning and building design principles responsive to their local climatic conditions
- soil carbon research requires significantly more focus to establish benchmarks
- hydrogen R&D offers significant future benefits but requires a greater commitment

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

- Renewable Energy generation at a micro and farm scale to provide supplementary incomes for landholders
- Community Enterprises and Co-operatives need to be encouraged with seeding funds for establishment
- educational/training courses that provide practical learnings about forming co-operatives





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

- planning controls need to offer greater protection and security for our natural ecosystems
- limits on developments abutting Regional Parks and incorporation of buffer zones
- decisive measures such as wildlife corridors, revegetation, farm forestry for sequestration need to be supported through the State Planning Policy Framework

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

- support for communities active on climate change by funding local champions as Climate Change Advocates
- recognition of innovative community business enterprise groups and support with seed funding
- support for community bulk purchasing partnerships and trailing dividend model

10. Ensuring Victoria continues to play a pro-active role in global efforts to address climate change.

- encourage Renewable Energy R&D through increasing targets in MRET's
- provide a significant commitment to tertiary level Renewable Energy R&D





Introduction:

The Strathfieldsaye area is located on the south eastern outskirts of Bendigo and is one of its residential growth corridors spawning an innovative and progressive community. This is demonstrated through the development of the Strathfieldsaye and Districts Community Enterprise Ltd (SDCE) which has been established in partnership with the Bendigo Bank (BB) and the Bendigo Community Telco (BCT). This unique model is based upon local communities partnering business to return a trailing commission and has been acknowledged in the Business Review Weekly in its article 'You Can Take That To The Bank' (BRW, Sept 06). The revenue generated then contributes towards the development of community facilities such as the multi purpose recreation reserve, energy efficient community pavilion and walking and cycling paths.

This model strengthens our local community and leads to greater empowerment and autonomy by fulfilling the aspirations to retain revenue locally and support social, environmental and economic development opportunities within our local area.

We believe we are pioneering a community model that can be adopted by other communities across the state and there has been great interest in this model from other communities.

Background:

The Strathfieldsaye and District Community Enterprise Ltd. (SDCE) was recently invited to attend the State Government's Climate Change Summit. Mr. Keith Reynard, a Director of the SDCE Board attended as their representative.

The SDCE has formed a Sustainable Strathfieldsaye "Focus On Energy" sub-committee with the prime objective to reduce our community's carbon footprint. A number of program areas are currently being developed as follows:

- Solar in Schools
- Household Energy Efficiency
- 100 Solar Rooftops program
- Community Owned Energy Park

Project teams are currently progressing the Solar in Schools program in conjunction with our local primary schools and the 100 Solar Rooftops program through a community bulk purchase model for PV solar systems.

The Climate Change Summit outlined the government's objective to develop a Climate Change Bill to be enshrined in Legislation. The State Government's report



“A Climate of Opportunity” which outlines climate change impacts and strategic policy directions for Victoria was also presented.

This submission from the SDCE is in response to the government's commitment to seeking submissions from the public and community groups in helping to formulate this Climate Change legislation. The SDCE herewith provides comment and feedback on the 10 proposed strategic directions outlined in the report.

Victorian Government's Strategic Directions on Climate Change Policy

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

The SDCE supports policy that leads to a low carbon economy through the development of Renewable Energy technologies. Within Central Victoria, solar, wind and biomass are readily available technologies that could be immediately implemented at a micro scale if they were more financially viable for local communities and individuals to adopt.

We believe that government policy needs to support local community initiatives to reduce their environmental footprint and GHG emissions. This support can be in a number of ways:

- i. funding of Climate Change Advocate positions within local communities.
- ii. provision of seeding funds to enable development of local community co-operatives who have a commitment to the local generation and distribution of Renewable Energy for use within their local communities.

Support will be required from government to fund Climate Change Advocate positions within our local communities. At present there is a strong commitment at local community level to undertake programs to reduce their carbon footprint but these rely heavily on voluntary efforts. This sees many great ideas and initiatives either stall or fail to emerge due to a lack of time and resources. A Climate Change Advocate position would provide support and resourcing to local communities to assist their climate change initiatives.

The growth of local co-operatives in this sector would lead to opportunities for the adoption of Renewable Energy technologies and the increasing technological developments. Already we see the Northern Poultry cluster investigating a waste-to-energy bio-digester, the Elmore farming group investigating bio-fuels and Hepburn community seeking to install wind turbines. These are still developing technologies that will continue to be refined while providing local community groups the opportunity to retain revenue locally.

2. Supporting an ETS with complementary measures that smooth the transition for the Victorian economy.



Whilst an Emissions Trading Scheme (ETS) is going to become a fundamental government instrument to establish a Carbon market and price signal, this should only be seen as one of a suite of tools to combat GHG emissions. The danger with making the ETS the only, or major mechanism to act on GHG emissions is that the free market is premised on individual profit, often reactionary and does little to provide a vision for the future, otherwise we would have been implementing an ETS 30 years ago. This represents a failure of the market system to adequately recognize and address the seriousness of the issue in real time and as alluded to in the Stearn report, a strong and significant commitment early in this process will alleviate far greater costs for future generations.

The SDCE therefore believes that incentives will be a major tool in driving immediate change in behaviours and technological development. We believe the Mandatory Renewable Energy Targets (MRET's) should be retained throughout the implementation of the ETS and even strengthened with targets reviewed and set at 50% of Renewable Energy production by 2020. Beyond 2020 the MRET's should be retained until we achieve a carbon neutral economy.

The SDCE also believes that many people do not yet realize let alone understand that an ETS will mean increased costs for the GHG emitting Transport Energy and Stationary Energy sectors. There will be flow on impacts across all of Australian society from these increased costs to generate electricity and transport produce. An education campaign will be required to inform people of the need for an ETS and it's likely impacts.

3. Pursuing cost effective emissions reductions in sectors of the Victorian economy not covered by the ETS.

Carbon sequestration through agriculture and forestry is going to provide a significant focus for offsets in the future. Regional areas have a competitive advantage in pursuing Carbon sequestration through these means. Local communities need to be supported with government policy that encourages co-operative arrangements for farm forestry plantings, improved soil carbon management, greater emphasis on reuse and recycling waste products and conversion of bio-waste to energy.

Solar farms, wind farms and Renewable Energy generation from bio-mass should be seen as significant opportunities to provide supplementary income for landholders who are currently suffering from climate change in respect to their capacity for traditional agricultural produce.

This provides an excellent opportunity to re-invigorate our rural and regional areas.

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

Locally distributed Renewable Energy generation is the key to our future low-emission energy network. The SDCE believes the MRET is the best tool to achieve



this by mandating ever increasing Renewable Energy targets. We believe in the first instance it should be strengthened to a 50% target by 2020 to stimulate large, medium and micro scale generation of Renewable Energy across all sectors of Australian society.

Distributed generation of Renewable Energy within local communities will lead to less transmission losses to regional and rural areas thus providing greater security of electricity generation. This will lead to significantly reduced costs over time.

The Feed-In-Tariff (FIT) is another key instrument that provides incentive for micro scale Renewable Energy generation. The SDCE supports a FIT that provides the following:

- i. \$0.60c paid on entire output of a system via gross production metering
- ii. applies to all Renewable Energy micro generation systems including solar, wind, hydro and biomass up to 20MWh capacity per annum
- iii. applies to community programs and facilities
- iv. is consistent nationally
- v. includes small business and commercial operations
- vi. tax exemption for income generated from the FIT

It has been established that the peak demand for energy during summer months also coincides with the optimum generation period from solar PV cells. FIT adopting the above criteria will stimulate the adoption of household PV solar systems. The aggregated installation of PV solar systems by individual households across broad communities will significantly ease the pressure on the stressed electricity infrastructure system, and lead to significant savings in maintenance requirements.

A major barrier to deployment of Renewable Energy generation is the enormous subsidies given to the coal industry. If this was transferred to encourage R & D in Renewable Energy technology then we would have an acceleration of zero emission electricity generation.

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

Household design is a significant factor leading to inefficient heating and cooling systems. Australians currently 'enjoy' the largest homes in the world on a per capita basis. The size and inefficient design make them less practical, more expensive and contribute more to GHG emissions.

The SDCE supports a review of the current household energy rating system and the adoption of a more detailed and stringent household energy rating system for new homes. These need to be developed in conjunction with some of the leading edge developers and builders. The SDCE also supports continuation of the solar



Hot Water System rebates for retrofitting old established houses to make them more energy efficient, and other rebates that increase the energy efficiency such as optimum insulation, improved glazing etc.

Behavioural change is going to be a key component to reduce our GHG emissions. Energy efficiency programs need to be supported by government policy. Education programs are currently being organized but many people are either reluctant or unavailable to take these up. Also modern homes are endowed with high energy consuming modern conveniences and electrical appliances. Far greater education needs to be provided in the assessment of energy efficient appliances. Most electrical appliances with a heating element consume 1kWh of electricity if running for 30 minutes. Most people do not understand the context of this in terms of their GHG emissions. For instance boiling the modern electric kettle 6 or 7 times a day for a cup of tea uses approximately 1kWh of electricity.

The development of energy rating standards for household appliances is also necessary to educate people. Home theatre systems and computer systems often have their power points hidden behind furniture / desks / equipment in hard to get to positions. This leads to them being left permanently on 'stand-by' power even when not in use. Power points need to have remote control functionality to enable these to be turned off when not in use.

The mandatory installation of Smart Meters in prominent positions within the home would allow households to monitor their energy usage far better and would be a prime instrument leading to behaviour change, and seeking energy efficient appliances.

The SDCE supports incentives for energy efficient appliances, and considers that restricting market access and taxing high energy using products would be supported to achieve changing behaviours.

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

At present the way the climate change issue is presented does not convey the seriousness or urgency of the matter. Individuals do not necessarily connect the issue to their individual circumstance and find it difficult to relate to the issue.

As discussed in Item 5 above, Australians have the largest homes in the world on a per capita basis and are inefficient to heat / cool resulting in greater contribution of GHG emissions than is practically necessary. The design of houses being sensitive to their local climatic conditions is extremely important.

The SDCE supports the concept of identifying Climatic Zones across the state that would result in planning and building design principles that are responsive to their



local climate conditions. This needs to be implemented through the State Planning Policy Framework, and a major focus through the development of local Community Plans.

Further research is required in many areas that could assist in the adaptation. Sequestration of carbon in the soils, communal forestry plots and the development of new fuels such as bio-mass and Hydrogen all require much more investigation although there is considerable promise in these areas to help remediate climate change.

Once again education and provision of information will be pivotal to our local communities, not only from the point of household behavioural change, but also in terms of a broader understanding that will lead to acceptance and a willingness to adapt and make lifestyle changes.

It is clear that significant changes to our lifestyle will need to be made. The human form is resilient and can physically adapt to change extremely well. It is the mental acceptance / denial of the need for change, and the financial capacity for change that will delay and prevent the required changes occurring.

This is also true of opportunities. Those who accept the need for change and are the early adaptors will be the ones most likely to benefit from the opportunities of a new carbon economy.

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

Central Victoria and communities north of the divide have been particularly hard hit by the recent step change in climate conditions. Many traditional agricultural enterprises are suffering from the reduction in rainfall and will not be as profitable as they once were. Landowners will be seeking diverse and supplementary incomes to survive.

However based upon past traditions where many of the best inventions have been initiated in regional and rural areas, there are opportunities that will arise also as farm forestry could become a way for payment of carbon sequestered material. Soil carbon offers potential for sequestration but requires a lot more dedicated research, and landholder partnerships with local community co-operatives to establish solar farms or wind farms for distributed energy generation are opportunities for future supplementary incomes.

In regional Victoria there are many natural advantages for renewable energy generation to benefit rural communities as opposed to city population bases.

Dividing the state into Climatic Zones will assist future planning and focus understanding of local climatic influences. Building design codes should then be mandated within each region to provide house construction responsive to the local climatic conditions.



Individuals who will be the most affected will be those who are located in isolated situations such as broadacre cropping farmers whose energy, fuel and transport costs will increase with diminishing returns from their property. Also those in the lower socio-economic groups will be most affected by climate change as they are less likely to have the capacity to adapt their individual circumstance.

The SDCE believes that community co-operatives should be encouraged to provide economies of scale to develop local initiatives around Renewable Energy, water reuse, groundwater extraction and small scale desalination plants. Furthermore specific educative programs need to be rolled out targeting individuals and teaching them how they could initiate or be a part of a local community co-operative for sustainable outcomes.

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

Strathfieldsaye sits on the outer ring of the Box-Ironbark forests that surrounds Bendigo. This forest and vegetation class is of high ecological value to the state. Planning controls need to be implemented that provide long term protection and maintenance of the natural values within these forests. Limits on development abutting the Regional Park and the incorporation of buffer zones and development offset distances need to be supported by government policy and within the planning legislation.

The survival of endangered or threatened species becomes more problematic under climate change scenario's and increases the commitment and need to take strong, decisive measures such as wildlife corridors, revegetation, farm forestry for sequestration. These would not only provide for a carbon emission fix but also support the maintenance of species diversity.

New eco-housing developments that have carbon neutral energy efficiency ratings by retaining environmental values through the incorporation of nature corridors, communal space and optimal retention of natural vegetation need to be registered as an Eco-Development. Registration will ensure relevant standards are applied and carbon neutrality is achieved. These will require some initial subsidies to make them affordable, but once they become more common subsidies may be lifted.

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

There are many opportunities that could arise from community actions to address climate change. Already the SDCE has organized a Sustainable Strathfieldsaye "Focus on Energy" sub-committee with the objective to reduce our community's carbon footprint. A number of program areas are currently being developed as follows:

- Solar in Schools



- Household Energy Efficiency
- 100 Solar Rooftops program
- Community Owned Solar Park

Project teams are currently progressing the Solar in Schools program in conjunction with our local primary schools. The 100 Solar Rooftops program is also being developed through a community bulk purchase model for PV solar systems.

However to progress these programs at the rate required the SDCE believes the government should provide assistance to local community climate action groups through provision of funding for a Climate Change Advocate position. Ideally a leading community figure would be appointed to this role as a catalyzing agent for coordinated and expeditious change.

The Climate Change Advocate would have an intimate knowledge of the local landscape and be able to align key stakeholders to work together, seek opportunities and develop business partnerships and ventures.

We seek the recognition of Community Enterprise partnerships with businesses generating a trailing dividend to stimulate local community financial sustainability. The Community Enterprise is a form of a local community co-operative which can provide economies of scale at a local level to initiate remedial climate action. These need to be made simple and supported with seed funding during their establishment.

The rate of change required is rapid and information can easily be missed by individuals. Communication around climate change needs to be targeted and relevant to individual circumstances for them to take notice and seek to address it.

Local community action can make a significant contribution towards reducing Victoria's carbon footprint in many ways. Primarily through conscious investment in large scale (state, regional), medium scale (local, community) and micro scale (individual) adoption of renewable energy technologies. At a secondary level, community climate action groups can influence the uptake of Green Power within their local area by developing partnerships with a provider based around a bulk purchase and trailing dividend model.

Once again these community groups (SDCE) need to be recognised and supported as a legitimate business enterprise in the new carbon economy.

10. Ensuring Victoria continues to play a pro-active role in global efforts to address climate change.

We need to acknowledge and recognize that, whilst climate change in southern Australia manifests itself through a lack of rainfall and water availability, that these conditions are merely the symptoms of climate change, whereas the catalyst of our changing climate is our fossil fuel dependence and alteration of the natural balance.



Victoria needs to support national efforts to reduce our fossil fuel dependence by increasing the MRET's and emission reduction targets. This will stimulate the Renewable Energy industry development.

The state government needs to fund technical course development of Renewable Energy technologies that can lead to international collaboration and opportunities. The SDCE supports a significant focus upon research and development of Hydrogen research that could lead the way to the next generation of transport fuel and offers many opportunities for research institutes.

By developing detailed energy rating standards for household appliances and restricting the market access for high energy and inefficient appliances will lead to provide a clear framework for the local manufacture of appliances. Furthermore the development of detailed energy rating standards for household building design is critical to domestic energy consumption.

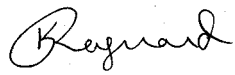
Recommendations:

The SDCE makes the following key recommendations for the state government to implement as part of Victoria's global efforts to ameliorate the future impacts of climate change:

- a. greater incentives for locally distributed Renewable Energy developments and strong advocacy to the Federal government to raise the MRET's to 50% by 2020
- b. adoption of a Feed-In-Tariff at \$0.60c based upon gross metering production, and seeking national consistency with this
- c. financial support for Climate Change Advocate positions to support local community climate action groups
- d. the division of the state into Climate Zones to enable more specific and responsive planning conditions to apply to all developments in local areas
- e. more stringent ESD building requirements responsive to the local Climate Zone
- f. the recognition and encouragement of Community Enterprise partnerships with Renewable Energy providers and encouragement of local community co-operatives
- g. a far greater focus and financial commitment to Renewable Energy R&D in regional areas
- h. stringent compliance requirements for household electrical appliances
- i. a comprehensive educational campaign to encourage behavioural change



Thanks to the state government for the opportunity to provide this input to the formulation of the Climate Change Bill on behalf of our local community.



Keith Reynard

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