



30 September 2009

Premier of Victoria
Climate Change Submission
GPO Box 4912
Melbourne VIC 3001

Dear Mr. Brumby

Victorian Climate Change Green Paper

Greenfleet welcomes the opportunity to provide a submission to the Victorian Government Climate Change Green Paper. The Victorian Government should be recognised for its leadership in developing and implementing policies that address actions to reduce the impacts of climate change for many years. That said, we believe that there are further opportunities to:

- Engage the community to take action to reduce emissions
- Show leadership to the business and community sectors in the choices the government makes across its own business
- Stimulate innovation and the development of emerging industries, and
- Assist communities and organisations that are the most dramatically impacted by climate change.

These opportunities compliment the Carbon Pollution Reduction Scheme and will assist in Australia not only meeting, but surpassing its emission reduction targets, at the same time positioning Victoria as a leader in a carbon constrained economy.

AVOID REDUCE OFFSET

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In summary, our recommendations are:

1. Recognise that **every job is potentially a green job** to drive innovation across Victorian industry.
2. **Advocate voluntary action**
3. Set **heroic targets** that engage the community to reduce Victoria's emissions
4. Reduce transport emission by 10% by **teaching people how to drive efficiently** in the car they have today.
5. Increase the **density of existing housing** and position new housing at transport hubs.
6. Promote modal shift by increasing the **frequency of existing public transport**, particularly rail by upgrading signaling.
7. Promote low emission vehicles by **differential registration based on rated CO₂-e grams per km travelled**. Advocate Australia adopting emissions intensity minimum targets for new vehicles similar to those adopted in Europe.
8. Show leadership by **championing the behaviour** the Victorian Government expects of others.
9. Cease logging of any old growth or remnant native vegetation.

About Greenfleet

Greenfleet was one of the first, if not *the* first organisation to operate in the voluntary carbon market in Australia. Since commencing operation in 1997, our mission has been to reduce the impact of greenhouse gas emissions on the environment. We encourage individuals and organisations to *make a difference* by reducing greenhouse emissions in three ways, namely:

- **Avoid** Greenfleet promotes all ethical means of preventing greenhouse gas emissions by individuals and organisations.
- **Reduce** Greenfleet advocates the use of greenhouse gas efficient behaviours and technologies in the home, the workplace and for the movement of people and goods.
- **Offset** Greenfleet uses biodiverse forest sinks, and other forms of greenhouse gas offsets, to counterbalance those emissions that cannot be avoided or reduced.

We have made considerable effort to ensure that this approach is consistent with established methodologies under the Greenhouse Gas Protocol and the approach adopted under Greenhouse



Friendly™ certification. Greenfleet was the first not for profit organisation to gain approval as a Greenhouse Friendly™ abatement provider.

More than 10,000 Australian individuals and hundreds of Australian organisations support Greenfleet. Levels of support vary from tens of dollars, to hundreds of thousands of dollars each year. Our corporate supporters range from small to medium business operators, local councils, state governments, federal government departments and large companies including AAMI, Fosters Group, Telstra Corporation, Europcar, Merck, Sharp & Dohme, Symbion Health, Corporate Express, Ferguson Parre Bakehouses and LeasePlan. Many of our supporters have been recognised for taking action to reduce the impact of their businesses on the environment. Awards include the Gold Banksia Awards, People's Choice Banksia Award, Ethical Investor 2008 Sustainable Company of the Year, and Best Green Business in the 2008 Action Coach My Business Awards, Greenfleet itself was a finalist in the United Nations Association of Australia World Environment Day Awards 2008. In short, we encourage all of our supporters to reduce their footprint without compromising the commercial success of their business.

It is in the spirit of Greenfleet's achievements with the support of our supporters that we make comments and recommendations relating to the Victorian Government's Climate Change Green Paper as outlined below. We have commented on items by exception.

1.5 Our Priorities

Drive innovation to position Victoria to capitalize on new jobs and skills, new technologies and new markets and accelerate the transition to a low carbon economy.

The onset on the impacts of climate change means that every job is a 'green' job. Every job will have new responsibilities. By always treating environmental concerns as something separate to core business or the way we routinely live, we risk treating environmental considerations, particularly climate change as separate, as an 'add-on'.

The Victorian Government can demonstrate leadership by emphasising to each person their personal responsibility to reduce emissions. This campaign can mirror the highly successful WorkSafe campaigns that position occupational health and safety as everyone's responsibility. Thus every person, doing every job can help reduce the impacts of climate change – everyone has a green job.

In turn, the actions of individuals and organisations will generate new opportunities to drive innovation in existing as well as emerging industries.

Recommendation 1

Run education campaigns to drive action and innovation across all industry and across all jobs. Climate change is every Victorian's opportunity to have a green job.

3 Complimenting the CPRS: A new world of opportunities

It is apparent that the CPRS presents a quandary to the Victorian Government. The Federal Government is relying on the CPRS to deliver the majority of all carbon reductions into the future. However, the CPRS does not require reductions in gross emissions, merely net emissions. By allowing an 'open' scheme, the Federal Government has reduced the overall cost of compliance but not mandated reductions in Australia's gross carbon footprint. In his report, Professor Garnaut makes the point that Government intervention may not result in the least cost abatement for the economy and *that supplementary policies should be about reducing the cost to the economy of complying with the carbon emission trajectories that are part of the Scheme*. Climate change is such a massive problem that we cannot merely wholly rely on the CPRS market mechanisms to deliver the required reductions in emissions.

The CPRS has become a political compromise and the proposed cuts do not mirror what available science now demands to deliver emission reductions large enough to avoid the worst aspects of climate change. The CPRS does not create the sense of urgency that science tells us should prevail. Over-reliance on the mechanisms of the CPRS by the Victorian Government leaves it vulnerable to being labeled weak by association. By embedding a cost of carbon, the CPRS can shift demand up and down the demand curve but it won't shift the position of the curve. The role of the Victorian Government is to shift the curve, to create a sense of urgency – reduce demand for carbon intensive goods and services.

The Victorian Government has an opportunity to inspire greater action to reduce emissions by Victorians at work and at home. The Government can set 'heroic' targets that we can all aspire to meet. These targets do not need to be legislated, but gives the community something to strive for (as we do for water targets).

It should also be noted that taking greater action to reduce climate change will not disrupt the operations of the scheme as the Federal Government has made assurance that the cap will be adjusted if emission reductions are greater than anticipated.

The Role of the Voluntary Market

The CPRS limits the opportunities for voluntary action to:

- 1) Purchase of permits (AEU's) – disempowering the purchaser as they can no longer exercise choice on how, or where the abatement is delivered,
- 2) Purchase of Kyoto units (CER's and ERU's) from offshore, and
- 3) Purchase of Forest generated permits (AEU's).

Voluntary action that results in additional abatement (beyond the price impacts of the CPRS) will be absorbed by the CPRS and has the perverse outcome of subsidising the cost of compliance for large emitters. By ignoring the role of the voluntary market, the CPRS will drive purchase of offsets offshore resulting in the stagnation and retreat of a vibrant and innovative industry. This problem is easily overcome by recognising voluntary action by the mechanisms proposed by the Voluntary Carbon Market Association (VCMA).

Recommendation 2 & 3

Advocate the recognition of voluntary action which complements the CPRS but allows people's actions to count as they occur.

Set 'heroic' targets to reduce emissions that engage the community and give Victorian's something to strive for.

3.3 Transport

Greenfleet's approach to reducing emissions from transport is simple – AVOID, REDUCE and OFFSET. AVOID and REDUCE aspects include

- **Avoid** Greenfleet promotes all ethical means of preventing greenhouse gas emissions by individuals and organisations.

This means that we encourage individuals to avoid the need for transport (eg by working at home), or to chose no emission transport such as cycling and walking. These aspects are adequately addressed in the white paper.

- **Reduce** Greenfleet advocates the use of greenhouse gas efficient behaviours and technologies in the home, the workplace and for the movement of people and goods.

The Green Paper relies on choice of technology, such as hybrid or electric vehicles to reduce the fleet's carbon footprint. Technology choice is one mechanism for reducing emissions but we note that ABS statistics show that more than 44% of Victoria's passenger fleet is more than 10 years old. The introduction of hybrid and plug in electric vehicles is unlikely to have a dramatic impact on total carbon emissions from Victoria's fleet in the short to medium term, even if low carbon sources of electricity are available at appropriate scale.

The missed opportunity is **driver behaviour**.

Earlier this year, Victorians John and Helen Taylor drove 6,000km around the United Kingdom in a diesel 1.6 L Peugeot averaging 2.2 L per 100km (total of 132 litres of diesel). Using existing and readily available technology, the Taylors delivered an average of 58 CO₂-e grams per kilometre travelled or a mere 20% of the Australian passenger vehicle average of 285 CO₂-e grams per kilometre travelled. This world record breaking performance illustrates the potential to reduce emissions by teaching people how to drive efficiently. These skills can be applied to the car they drive today. Experience shows that most people can save at least 10% of their driving emissions. Not only will they reduce overall greenhouse emissions, they will save money from reduced cost of fuel, as well as the likelihood of having an accident, thus providing an additional outcome for the State by avoided costs of care and rehabilitation.

Recommendation 4

Take the opportunity to reduce emissions today by at least 10% using existing technology by teaching people how to drive more efficiently.

Other opportunities for reducing Victoria's gross emissions

Other opportunities to reduce Victoria's gross emissions include the following recommendations:

5. **Reduce Demand for Road Transport** by increasing density of housing and ensuring jobs and homes are closely located. Minimise development of new suburbs on the outskirts of Melbourne and where they occur, ensure they are built on public transport centres, rather than the other way around.

6. **Promote modal shift** by funding regular and reliable public transport that is safe and frequent.

In particular, the Victorian Government should consider upgrading signaling on the suburban train network to increase the capacity of the existing rail infrastructure. For example, if the current signaling system only allows for a train to run every 3 minutes, reducing the frequency to every 2 minutes represents a 33% increase in the capacity of the network.

7. **Promote low emission vehicles** based on CO₂-e grams per kilometre travelled (rather than on choice of technology). Avoid picking technology 'winners' (eg battery charge vehicles) by giving preference to vehicles with good greenhouse ratings. In particular:

- Differential registration charges (assuming appropriate systems are not a barrier in its administration)
- Set minimum performance criteria for government entities in purchasing fleet vehicles
- Mandate consistently high standards at COAG meetings to establish Australian minimum standards similar to those implemented in the European Union and the United States.

8. **Champion Good Behaviour the Government expects of others.** The Victorian Government employs a huge group of people. On reaching a certain level, staff gain the advantage of executive packages that provide very cheap vehicle costs, parking, maintenance and staff do not bear the cost of Fringe Benefits Tax. In short, Victorian Government remuneration policies promote excessive emissions from passenger vehicles. This problem can be overcome by:

- Fully costing remuneration policies to increase transparency of value to staff
- Offer alternative 'low emission' packages (eg cash or superannuation) so staff do not feel disadvantaged by proposed changes
- Set overall maximum CO₂-e grams per kilometre limits (or at least Green Vehicle Guide scores) for Victorian Executive Vehicles and require Department Secretary approval for exemption.
- Measure the whole of government fleet performance and set targets to reduce the total as well as the average over time.
- Remove car parking as an automatic part of a salary package so easy access to Central Business District parking is reduced.
- Impose the cost of fringe benefits tax on staff so they bear the cost of private use of the vehicle.
- Educate drivers so they drive the vehicles they have more efficiently.
- Promote work at home options for staff (eg one day per week). Not only will this approach reduce transport emissions but is likely to reduce the need for office space over time and will promote staff loyalty.

- Locate all government offices close to public transport.
- Allow all staff to salary sacrifice public transport tickets and provide gross discounts as an incentive.

3.6 Land Use and Forestry

The Victorian Government must be congratulated for ceasing logging in the Otways Ranges. As recent studies have shown, Victoria's remnant vegetation is some of the richest carbon sinks on the planet. Given deforestation currently accounts for approximately 20% of the world's net greenhouse emissions, it is very important that these forests remain intact. The CPRS does not penalise deforestation of remnant forest as they will likely not be opted into the Scheme.

Recommendation 9

The Victorian Government should cease logging of all old growth forests across the state.

The Victorian Government should promote the potential for forestry, particularly agro-forestry and sustainable forestry to create carbon sinks. Much farming land will become economically unsustainable as the water stress increases. Planting trees for carbon sinks will return revenue to the landholder and will promote new industries in areas that are currently in economic decline. Furthermore, promotion of biodiverse forests creates additional carbon sinks and improves the resilience of the landscape to the impacts of climate change.

Recommendation 10

The Victorian Government should continue to invest and promote permanent biodiverse carbon sinks in Victoria to increase the resilience of the landscape to the impacts of climate change.

We would welcome the opportunity to discuss any aspects of this submission with you or with relevant staff at anytime. Please feel free to contact me in our office on 03 9642 0570 or at sara.gipton@greenfleet.com.au.

Yours sincerely

Sara Gipton



CEO