



28 November 2011

## **Review of the Climate Change Act**

Thank you for the opportunity to contribute to the Review of the Climate Change Act.

The state is right to harmonise state legislation with the new national Clean Energy Future legislation package.

Now that carbon will be priced from July 2012, the Victorian Government should take advantage of this review to identify the emerging opportunities and potential threats for Victoria.

Meeting the new national emissions targets will require significant investment. It would be a loss for Victoria if this investment was made disproportionately in other states, to the relative detriment of Victorians.

In particular, it should be noted that Victoria emits approximately one quarter of Australia's carbon emissions. From July 2012, Victorian firms will be held accountable for these carbon emissions. Unless our firms take strong action, as other states respond, Victorians will shoulder the burden disproportionately to the relative benefit of other Australians.

Beyond the impact of carbon pricing, it is worth considering the impact of the Renewable Energy Target. Currently Victoria consumes close to 25% of Australia's electrical energy. The Renewable Energy Target is levied over energy consumers, such that Victorians are on track to pay 25% of the \$20bn of renewables investment expected before 2020.

As funders of a significant amount of the renewable infrastructure to be built this decade, and with some of the best wind resource in the country, Victorians have a right to expect that no less than 25% of future investment in renewable energy occurs within Victoria. However, current state policy settings will see net investment of Victorian funds outside our state.

Large scale investment in renewables naturally takes place in regional areas. While this will bring great economic and social benefits to these areas, consideration should be given to ensure that the benefits are widely distributed.

Community energy projects offer all stakeholders (community, government and industry) opportunities to benefit from renewable energy developments. By maximising the number of Victorians benefiting from the low carbon transition before us, community energy projects reduce the reflexive and divisive opposition that has been a feature of some past projects. Community energy projects ensure that economic and social benefits are widely distributed across their host communities.

A handwritten signature in blue ink, appearing to read 'S. Holmes à Court'.

Simon Holmes à Court  
Chairman