

SUBMISSION COVERSHEET

Submissions may address any key issues related to the Infrastructure Australia agenda and/or in specific response to the topics raised in the discussion papers.

Please complete and submit this form with your submission. Where possible, *Infrastructure Australia* requests submissions are submitted electronically. Contact us:

Via email Write 'Submission' in subject field of the email and send to: mail@infrastructureaustralia.gov.au	Via post Address your submission to: The Infrastructure Coordinator Infrastructure Australia GPO Box 594 Canberra ACT 2601 AUSTRALIA
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Organisation: Environment Victoria
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Submission title: Environment Victoria's submission to Infrastructure Australia
Author(s): Mark Wakeham
No. of pages: 4
Date: 15.10.08

Please indicate if your submission: <input type="checkbox"/> contains NO confidential material

Please indicate which of the following your submission covers:

Issues Paper 1 — Australia's Future Infrastructure Requirements

AND/OR

General (Includes information on the following areas)

Water Infrastructure

Transport Infrastructure

Climate Change

Infrastructure Policy

Energy Infrastructure

Infrastructure Investment

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- Authors of submissions are responsible for securing the appropriate right to use any third party material incorporated into their submissions.
- Submissions made by individual community members should not include any personal details other than your name, suburb, state/territory or country. For submissions made by organisations contact details may be included.

Please tick to indicate that you have read and agree to the above.

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The Infrastructure Coordinator
Infrastructure Australia
GPO Box 591
Canberra
ACT 2601

To the Infrastructure Coordinator,

Re: Environment Victoria submission to Infrastructure Australia on Australia's Future Infrastructure Requirements.

Please find following a submission from Environment Victoria to Infrastructure Australia on Australia's Future Infrastructure Requirements. Environment Victoria is the peak environment non-government organisation in Victoria and has over 120 member groups and 1000's of individual members and supporters across the State. Environment Victoria has been representing the voice of the Victorian community on the environment for almost 40 years.

We welcome the opportunity to comment on Australia's Future Infrastructure Requirements. We see the role of Infrastructure Australia as a huge opportunity for investment in infrastructure projects that will help Victorians and indeed all Australians cope with the challenges of climate change that we are facing. Without investment to assist the community both reduce their emissions and cope with increased costs of living, Australia's response to climate change will not adequately contribute to the global effort to avoid dangerous climate change.

The new challenges of climate change and the need to reduce emissions necessitates new infrastructure to meet these challenges. Through provision of public transport communities can greatly reduce their greenhouse gas emissions from transport, while making significant financial savings through reduced petrol consumption. With a national retrofitting program for low-income households Infrastructure Australia could assist these households cope with increased costs of living under the proposed Carbon Pollution Reduction Scheme. And through investment in sustainable water infrastructure the Australian government can provide water surety to consumers, while providing much needed environmental flows to our rivers to keep them alive and sustaining local communities.

Please contact me on the number below if you require any further information or clarification on Environment Victoria's submission.

Yours sincerely,

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1. Sustainable Transport Investment

The discussion paper has listed three goals to guide the work of Infrastructure Australia. These goals are:

- Increased economic standard of living for all Australians
- Environmental sustainability and reduced greenhouse gas emissions, and
- Better social outcomes, quality of life, and reduced social disadvantage in our cities and regions.

Investment in public transport infrastructure addresses and contributes to each of these goals.

Melbourne's public transport system is splitting at the seams. With massive patronage growth driven by employment growth in the inner city and rising petrol prices, our public transport system is not coping. Add to these years of under-investment by successive governments, and our public transport system is in desperate need of improvement and extension.

Four out of five trips to work in Melbourne are now made by car, almost all of which carry just one person¹. This level of car dependence is clearly unsustainable in a world of rising petrol prices and with the urgent need to cut greenhouse gas emissions. Furthermore, many households are now spending over \$200 per month on petrol, putting extra stress on family budgets in a period of economic instability². This problem is worst in Melbourne's outer suburbs and through regional and rural Victoria where low income households are highly car dependent and face much higher transport costs than those living in middle and inner city suburbs.

Through investing in public transport improvements and extensions the Australian government can assist Australian families to reduce their emissions from transport, and to avoid constantly increasing petrol prices.

The Australian government has recently committed to a Carbon Pollution Reduction Scheme (CPRS) to curb Australia's greenhouse gas emissions. The CPRS Green Paper indicated that while transport fuels would be included in the CPRS, the increased cost to consumers would be offset on a cent-by-cent basis through a reduction in the fuel excise for the first three years of the scheme. It has been suggested that this concession has been made to ease voter angst about the government's perceived responsibility for rising petrol prices. But by offsetting the increased cost to consumers, the government would effectively remove the price incentive to consume less, thereby reducing the emissions reduction potential of the CPRS and forcing other sectors to make disproportionate emissions reductions.

Without significant investment in public transport infrastructure to provide a sustainable transport alternative to Australians, the government may find themselves in a similar position following the end of the three-year trial period of the fuel excise offset following the introduction of the CPRS. Australians will not be able to afford increased fuel costs, but will not have any alternative form of transportation. Through significant investment in public transport infrastructure in and between our cities, the Australian government can reduce car dependence, and the threat of voter backlash from the full inclusion of fuel in the CPRS.

Correspondingly, this nation building fund should not be used to continue the disproportionate government investment in road infrastructure. There is much talk of the need for 'balance' in transport investment decision making, meaning that funding decisions should look to balance road spending with public transport spending. However this overlooks decades of continuing investment in roads while public transport was totally neglected. Due to the challenges of climate change we need to reduce our reliance on cars and polluting forms of transport. Further investment in road

¹ Vicroads, 2006 *Traffic System Performance Monitoring 2005/2006*, Vicroads, Melbourne

² Comsec, 2008 cited by Australian Broadcasting Corporation, August 2008 <http://www.abc.net.au/news/stories/2008/08/04/2323767.htm>

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infrastructure will encourage further car use, and take much needed funds away from public transport investment. Now is the time to reverse these decades of imbalance by providing investment only to public and active transport projects.

Melbourne's East West transport needs:

Earlier this year, Sir Rod Eddington released his long awaited report into Melbourne's east-west transport needs. *Investing in Transport – East West Needs Assessment* made two significant recommendations for major infrastructure investment that Environment Victoria believes the Victorian State government will require federal funding to complete. These are a 17km rail tunnel to add capacity to the City Loop, and a new 18km cross city road tunnel³.

Environment Victoria strongly opposes the development of the cross city road tunnel, as this tunnel will lock in car dependence in Melbourne's transport disadvantaged west and contribute to increased greenhouse gases. This report also found that the proposed cross city road tunnel had a negative Benefit-Cost Ratio (BCR). Environment Victoria recommends that Infrastructure Australia does not fund this project, nor include it on the list of infrastructure priorities.

In regards to the proposed rail tunnel, Environment Victoria recommends that Infrastructure Australia fund the further studies required to establish whether or not this project is the best way to increase capacity on Melbourne's train system. It is clear that significant capacity increases to the train network are needed to cope with current patronage growth and to allow for the mode shift away from private travel required to reduce greenhouse gas emissions. However, the limited studies completed for this report do not establish whether or not this is the best way for that increased capacity to be achieved. Environment Victoria concludes that this merits further study, and recommends Infrastructure Australia fund the relative studies, and commit to then fund the capacity upgrades that the studies conclude are necessary for sustained patronage growth.

2. Retrofitting Australian Households for Energy and Water Efficiency

Environment Victoria supports the intention of the proposed CPRS to reduce Australia's greenhouse gas emissions. However the possible impacts of the proposed CPRS on low-income Australian households could be disproportionately and unaffordably high. Environment Victoria recommends that Infrastructure Australia seek to invest in infrastructure projects that will ease the transition for low-income households to a low-carbon future.

Environment Victoria supports the proposal by KPMG, the Brotherhood of St. Laurence and Ecos Corporation that the government implement a national energy efficiency program to retrofit 3.5 million low-income households over the next 7 years⁴. The proposed program would involve a home visit to determine the most appropriate package of energy efficiency measures for each household, and the provision of energy efficiency improvements up to the value of \$2,000 (some households with special needs may receive greater grants for water heating or air conditioning). Environment Victoria believes that this program could be extended to include retro fitting for water efficiency.

3. Water Infrastructure Projects

Many Australian cities are facing an urgent water crisis. Cities are almost completely dependent on rivers for water supply, and yet inflows to reservoirs have declined dramatically over the last decade, due to the combined impacts of drought and climate change. Unsustainable extraction of water from our rivers over many years has left them stressed

³ East West Link Needs Assessment, 2008 *Investing in Transport*. Melbourne

⁴ KPMG, Brotherhood of St Laurence and Eco Corporation, 2008 *A national energy efficiency program to assist low-income households*, KPMG Melbourne



and degraded, and reduced our cities' capacity to cope with the extra pressures caused by a growing population, drought and climate change.

And yet this crisis also provides an opportunity to fundamentally re-think our attitudes to water and the value we place on healthy rivers. For example in Melbourne, an amount of water equivalent to Melbourne's total annual water use falls on the city each year and then runs away unused through our stormwater drains. In tackling its urgent problems, Melbourne has an opportunity to take an important step towards becoming a 'water sensitive city'⁵ by re-thinking the way we source, use and dispose of this precious resource.

A water-sensitive city 'lives within its means' by making much more effective use of all the diverse sources of water available to it including rainwater, stormwater and recycled water – without jeopardizing the health of its rivers. A diversified system provides greater resilience in the face of future climate or economic shocks, and greater security as it lessens the need to continually seek out 'new' sources of water.

In contrast, state and federal governments' emphasis on large-scale infrastructure projects, in particular desalination and long distance pipelines, is reinforcing a centralised, capital and energy-intensive approach to water resource management, and undermining ongoing efforts to improve water use efficiency.

Governments are also making substantial investment in irrigation modernisation and renewal projects across the Murray-Darling Basin. Integrating investment in buying water for environmental purposes into these projects would secure multiple, short, medium and long-term benefits across the Murray-Darling Basin. Irrigators and irrigation dependent communities would benefit from debt retirement, structural adjustment, local investment and increased certainty about their future in light of the ongoing drought, the impacts of climate change and governments' water reform agendas. The environment benefits from securing water entitlements that provide environmental flow and from the identification and improved management of high conservation value freshwater assets.

⁵ As described in Wong, T. and Brown, R. (2008) *Transitioning a Water Sensitive Cities: Ensuring Resilience through a new Hydro-Social Contract*, Monash University

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