

VICTORIAN EMISSIONS REDUCTION TARGETS: MEDIA BACKGROUNDER

SUMMARY

- **The Andrews government has until 31 March 2020 to set interim emission targets for 2025 & 2030.**
- **These targets are crucial to Victoria meeting its climate and clean energy commitments with an aim to limit global temperature increase well below 2 degrees Celsius and prevent the worst impacts of climate change.**
- To develop these targets, the government has received independent advice that will be tabled in Parliament as early as this week and by June 18 at the latest.
- Environment Victoria's analysis shows that appropriate emissions targets are:
 - 45-50 per cent below 2005 levels by 2025
 - 65-80 per cent below 2005 levels by 2030
 - The upper end of this range is equivalent to a near-elimination of emissions from electricity, transport and direct combustion of gas for heat
 - This will require investment in large amounts of renewable energy and technology upgrades to help reduce energy consumption (and costs).
- While ambitious, these emissions reductions could be achieved predominantly through policies in energy, transport, land use and agriculture.
- In the absence of responsible federal climate policy, states must provide leadership. The Victorian government has the policy levers, clear public support to take strong action on climate change, and stands to benefit from the early-mover advantage in developing climate solutions and new technologies

1. Public expectations of Victorian climate action

Victorians are extremely concerned about the consequences of climate change and expect their leaders to take action. Support for renewable energy and climate action were key factors in last November's state election, where voters rejected the Coalition's plans to scrap the Victorian Renewable Energy Target.

According to detailed research commissioned by state government agency Sustainability Victoria in 2017:

- Over 75% of Victorians believe that climate change is an urgent issue that needs action.
- 93% believe the state government should be acting on climate change, with 48 per cent saying the state government should be leading, and 44 per cent saying the state government should be contributing.¹

2. Setting emissions reduction targets under the Victorian Climate Change Act

- The Victorian Climate Change Act 2017 (the "Act") has created a legislated target of achieving net zero carbon pollution in Victoria by 2050. To achieve this, it establishes five yearly interim reduction targets, from 2025 onwards.

¹ <https://www.sustainability.vic.gov.au/About-Us/Research/Victorians-perceptions-of-climate-change>

- In setting these interim targets, the Act requires the Minister to obtain independent advice on what constitutes an appropriate target.
- The “Independent Expert Panel” of Greg Combet, climate scientist Dr Penny Whetton, and Dr Lorraine Stephenson, was appointed in October 2017 to provide advice to the Victorian government on targets for 2025 and 2030.
- The Panel’s advice was delivered to Climate Change Minister Lily D’Ambrosio on 30th March 2019 and must be tabled in Parliament by June 18th.
- Under the Act, the Andrews government has until 31 March 2020 to set the interim emissions reduction targets for 2025 & 2030, a decision that is critical for setting the level of climate ambition for the state over the next decade.

3. Key issues likely to be addressed in the Panel’s report

a. The Federal Emissions Target is inadequate – Victoria must take action

- At a Federal level the Australian government is aiming to reduce its emissions by 26-28 per cent on 2005 levels by 2030. This is free-riding on global efforts.
- According to the Paris Equity Check,² if the rest of the world took the same level of ambition as Australia, we would be heading to a global temperature increase of 4.4 degrees Celsius by 2100. This is well beyond the objective of the Paris Agreement to keep warming well below 2 degrees and to aim for below 1.5 degrees.
- The Victorian Climate Change Act recognises the importance of pursuing efforts to limit the global temperature increase to 1.5 degrees and is supported by the Victorian government’s commitment to the *Paris Pledge for Action*, ensuring the state to working to keep warming to below two degrees.
- To meet their commitments, the Victorian government must set emissions targets that are much more ambitious than the inadequate Federal targets.

b. The trajectory to reach net-zero emissions by 2050 is critical to our state and planet

- Interim emissions targets are essential to ensure an appropriate trajectory towards net zero by 2050. Delaying meaningful action until the 2030s risks missing the window of opportunity to avoid the worst impacts of climate change, and helps send clear investment signals to the business community.
- The Panel has explored a “carbon budget” approach, i.e. measuring how much greenhouse gas can be emitted before temperature thresholds are crossed.
- This approach suggests targets recommended by the Panel should be consistent with carbon budgets that keep warming within the range of the Paris Agreement objectives, the intentions of the Climate Change Act, and Victoria’s commitment to the Paris Pledge for Action.
- In Environment Victoria’s view, the setting of targets should be consistent with at least an 85% chance of keeping warming below 2 degrees and keeps open the option of limiting warming to 1.5.

c. Advice on targets for 2025 and 2030

- Based on analysis by Environment Victoria,³ emissions targets consistent with the above temperature goals are:

² Robiou du Pont, Y. *et al.* Equitable mitigation to achieve the Paris Agreement goals. *Nature Climate Change* 7, (2017), available at:<http://dx.doi.org/10.1038/nclimate3186>.

³ <https://environmentvictoria.org.au/2018/05/08/submission-victorias-interim-climate-targets/>

- 45-50 per cent below 2005 levels by 2025
- 65-80 per cent below 2005 levels by 2030

4. Victorian leadership is essential and brings new opportunities to the state

- Climate change is a global problem that requires international cooperation on climate policy.
- While often perceived as an issue that should be tackled at a national level, Australia's Federal climate targets are inconsistent with a safe greenhouse gas emissions pathway. Further, the absence of a coherent national climate policy casts doubt on whether even these insufficient targets will be reached.
- The Victorian government possesses a wide range of policy levers to achieve strong targets, with the ability to determine the direction of policy on key sources of emissions.
- Specific policy measures to drive rapid emission reductions include:
 - Energy: rapid growth in renewable energy, phase-out of coal-burning power stations, significant improvements in energy efficiency, electrification of heating needs (both residential and industrial)
 - Transport: greater use of public and active transport, electrification of vehicles (as the electricity grid becomes cleaner)
 - Land use and agriculture: better protections for existing forests, reforestation of cleared land, investment to develop techniques to reduce emissions from sheep and cattle.
- Early adopters of climate solutions stand to benefit from the growing wave of investment opportunities and job creation potential, particularly in clean energy (such as the recent decision by Vestas to build a wind turbine assembly plant in Geelong), but also in developing new technologies that can be exported to trading partners who are increasingly moving towards a decarbonised future.

For further comment:

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