

Deciding Victoria's climate targets to 2030

A window of opportunity for the action we need



Solar panel system on Beechworth Primary School. Credit, CORENA

Right now, the Victorian government is making a crucial decision that will have a major impact on the level of climate action in our state over the next decade.

By March 31, 2020, Premier Daniel Andrews and Minister for Energy, Environment and Climate Change, Lily D'Ambrosio, need to set Victoria's interim emission reduction targets for 2025 and 2030.

This requirement under the state's Climate Change Act 2017 will set the overall level of ambition for all the actions Victoria takes in the next ten years to cut emissions and transition our economy. These targets will determine whether we will do our part to limit global warming to 1.5 degrees.

Targets consistent with 1.5 degrees will mean Victoria can unlock significant investment, create new jobs and provide our economy with a competitive advantage in an increasingly decarbonised world. Taking strong action will turn Victoria into a climate leader, reaping the benefits of transitioning to a cleaner economy and helping show the way for our country and the world.

We are calling on you and all Victorian MPs to put your support behind emissions reduction targets for 2025 and 2030 consistent with limiting global warming to 1.5 degrees. We ask that you do everything you can to get Premier Andrews, Minister D'Ambrosio and your colleagues to support strong targets.

Can we count on you to show leadership for the climate?

This short briefing paper highlights the following key points:

- It is vital that Victoria's emission reduction targets for 2025 and 2030 are consistent with limiting global warming to 1.5 degrees.
- Strong climate policy at the state level is critical for ensuring we cut climate pollution and contribute to avoiding the worst impacts of global warming.
- Victoria is already reaping significant benefits from taking action to decarbonise our economy. Our state stands to gain from pursuing a clear and ambitious emissions reduction plan.

Where to aim? 1.5 vs 2°C targets

Climate change poses an existential threat to the Victorian community and economy. We are already living with the impacts of 1°C of warming above pre-industrial levels with increasingly frequent and extreme drought, bushfires and heatwaves among the alarming changes we are witnessing. These impacts cost lives, cause disproportionate harm to vulnerable people and communities, damage infrastructure and increase costs to business.

While we are already experiencing these impacts, we are also living with the knowledge that our current global trajectory puts us on track for warming of between 2.4 to 4.3°C by 2100.¹ This future is bleak and the associated impacts almost unimaginable.

Failure to change the emissions trajectory we are on will expose the entire Victorian community to unprecedented risks and unimaginable impacts.

The international community has committed, through the Paris Agreement, to limit global mean temperature rise to well below 2°C and to pursue efforts to limit the increase to 1.5°C.

Even achieving the Paris 'stretch goal' of a planet that is warmer by 1.5°C should not be considered safe or desirable. It means extreme heatwaves, unusual dry spells, extreme rainfall and massive global coral bleaching events would become the new normal. These primary impacts are expected to negatively affect national security, food security, human health, ecosystem health, coastal infrastructure and more. According to the United Nations' Intergovernmental Panel on Climate Change (IPCC) we are on track to be living in this world sometime between 2030 and 2052.²

While the thought of climate extremes we are already witnessing being the new normal within the next decade or two is dire enough, scientists warn that a world that is warmer by 2°C would be much worse.

Increasingly extreme weather is already having an impact on Victoria's infrastructure. In January 2018 an extreme heatwave melted a section of the the Hume Highway, causing traffic chaos. In December the same year flooding from extreme storms blocked the highway, forcing emergency services to air-lift stranded motorists.



The difference between 1.5 and 2°C marks the difference between the upper end of present day climate variability and a whole new climatic regime characterised by temperature and water related extremes, with very serious consequences for human health.³

Victorian targets in line with 1.5°C

Strong emission reduction targets are vital for Victoria to do its part to avoid the worst consequences of climate change.

Last year, the Victorian Government commissioned an Independent Expert Panel, headed by Greg Combet, to provide advice on emissions reduction targets. The panel's report acknowledged the dramatically worse impacts of 2°C of global warming compared to 1.5°C. Strangely, however, the Combet Report failed to recommend targets consistent with limiting global warming to 1.5°C.⁴

The primary outcome of setting Victoria's emissions targets must be putting the state on a trajectory consistent with staying under 1.5 degrees of warming.

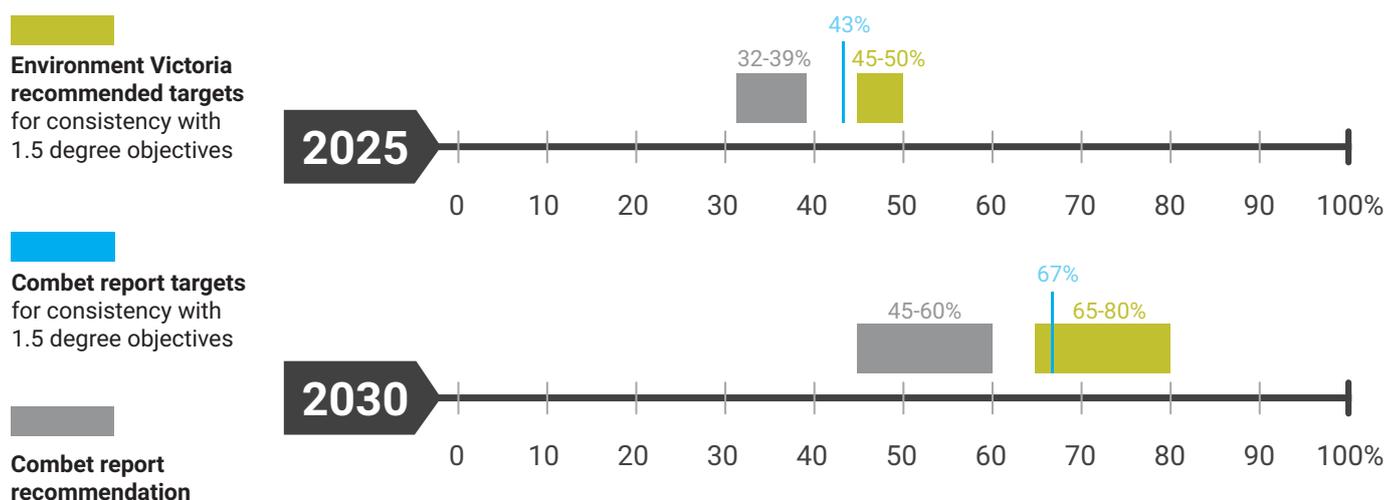
Based on analysis conducted by Environment Victoria to play our part in limiting global warming to 1.5°C, Victoria's emissions reduction targets must be at least:

- 45-50% from 2005 levels by 2025, &
- 65-80% by 2030.

The Combet Report itself acknowledged that a 1.5 degree trajectory needs targets higher than their recommendations but consistent with Environment Victoria's assessment.

These targets are achievable with concerted effort from state government, businesses and community. Earlier, deeper cuts give us the best chance of avoiding the worst impacts of climate change as well as the opportunity to address harder-to-eliminate emissions after 2030. We should also not underestimate the influence that setting 1.5-degree-consistent targets would have in other jurisdictions - genuine leadership from Victoria will make it easier for others to follow, which helps reduce global emissions faster, which helps Victoria.

Figure 1. Recommended emissions reduction targets for Victoria for 2025 and 2030 (from 2005 levels)



Victoria stands to gain from ambitious climate action

The benefits of acting to avoid climate catastrophe far outweigh the costs. This is true globally and for national and subnational economies. Delay has already been costly and these costs will only get higher.

As with other economies, Victoria stands to gain from pursuing clear and ambitious emissions reduction actions. The Combet Report found that:

With the right policies, the transition to net zero emissions can unlock significant

investment, create new jobs, provide the Victorian economy with a competitive advantage in a low-emissions world, and deliver significant health benefits and stronger ecosystems.⁵

The report contains several examples of the economic opportunities for new job creation and investment in growing industries including those already beginning to be realised through policies like the Victorian Renewable Energy Target, which is expected to create around 11,000 jobs over the life of the scheme.⁶

Modelling undertaken for the Combet Report also shows that pathways that require stronger emissions reduction before 2030 will result in a lower overall cost to the Victorian economy, meaning that **delaying efforts to reduce emissions will actually end up costing us more.**⁷

Victoria's Renewable Energy Target is supporting jobs in manufacturing, including at Keppel Prince in Portland which makes the towers for wind turbines.



Victorian emissions and opportunities to decarbonise

Figure 2 below shows Victorian emissions by sector and subsector for 2016. Coal burning power stations remain the largest single source of greenhouse gas emissions in Victoria, although the electricity generation sector is also the only bright light of emissions reductions in the state, with emissions projected to decrease by 25.2% between 2016 (when it represented 52% of Victoria's emissions) and 2020. This is overwhelmingly due to the closure of Hazelwood power station, as well as an increase in renewable energy.⁸

Emissions in Victoria's other sectors are stubbornly and dangerously high, decreasing by less than 1% overall, with several sectors increasing. In order of their contribution to Victoria's emissions total, these sectors include:

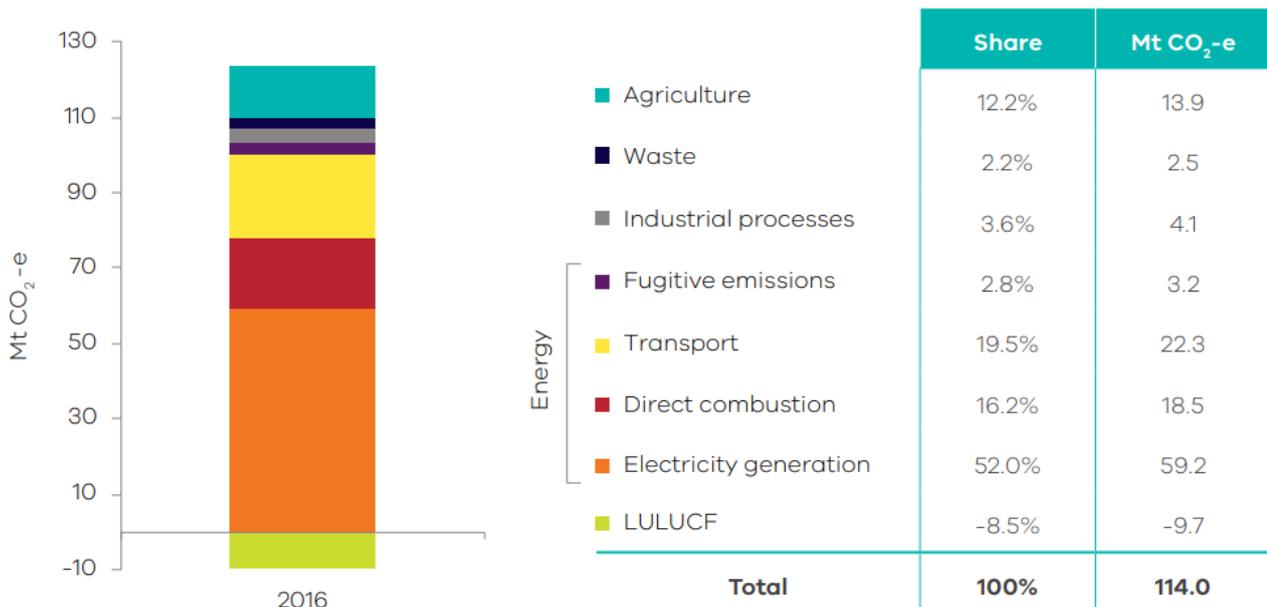
- transport;
- direct combustion (which includes households burning gas for cooking and heating as well as manufacturing and industry);
- agriculture;

- industrial processes (e.g. production of chemicals and metals);
- waste;
- fugitive emissions (from losses in the transmission, storage and distribution of natural gas as well as oil and gas exploration); and
- land use, land-use change and forestry.⁹

There are many exciting opportunities to decarbonise that will diversify and boost Victoria's economy. Priority areas where policy intervention will yield significant gains include:

- rapidly accelerating the roll-out of renewable energy and the concomitant phase-out of the three remaining coal-burning power stations, which alone are responsible for 40% of Victoria's greenhouse gas emissions;
- driving investment in new grid infrastructure to accommodate the changing nature and location of electricity supply, including new transmission lines, interconnectors, batteries and other energy storage options;
- scaling up residential, commercial and industrial energy efficiency initiatives, with co-benefits including emissions reduction, reduced strain on the energy grid during peak times, lower energy bills, and more comfortable and healthy living conditions in Victorian homes;

Figure 2. Victorian emissions by sector and energy sub-sectors, 2016.¹⁰



- electrifying Victoria’s transport system and heating systems (in residential, commercial and industrial applications), which helps eliminate combustion of liquids, fuels and gas, that account for approximately 30% of Victoria’s greenhouse pollution;
- protecting our carbon-rich native forests, banking the significant carbon stores and making sure our forests are doing their important work stabilising our climate.

Companies, investor groups, unions, community groups and the Victorian public all want action in line with 1.5°C

Governments and institutions around the world are increasingly lining up behind action to support limiting global warming to no more than 1.5°C.

Internationally, the Global Investor Statement to Governments on Climate Change was signed by 420 investors managing over \$US32 trillion in assets and called on governments to achieve the goals of the Paris Agreement.¹¹

Through the “RE100” initiative, a growing number of influential businesses are committing to 100% renewable energy.

Major banks, superannuation funds, insurance companies and others have created the Australian Sustainable Finance Initiative to mobilise capital to deliver on the Paris Agreement.

Meanwhile, overwhelming public support is revealed both in the attendance of recent climate rallies and consistently through social research. The 2019 Lowy Institute Poll found that 61% of Australia’s agree that “global warming is a serious and pressing problem” about which “we should begin taking steps now even if this involves significant costs”. Climate change was identified as the number one critical threat to Australia’s vital interests, ahead of terrorism and global economic downturns.¹²

In this context, we urge you and all Victorian MPs to ensure our state sets climate targets for the next decade that are consistent with the level of climate action we so desperately need.

Endnotes

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