

A policy agenda for 2022 - 2026

Our policy priorities to deliver a fast and fair transition to 100% clean energy by 2030 and protect our natural world.



PRIORITY 1: CLEAN ENERGY FOR ALL - 100% CLEAN ENERGY BY 2030

- Power all Victorian homes and businesses with 100% clean energy ensuring no one is left behind
- Rapidly upgrade Victoria's electricity network to deliver clean energy to power our lives
- Urgently scale up training and education for careers in the net-zero economy

PRIORITY 2: PROTECT AND RESTORE OUR FORESTS AND RIVERS

- Back-in biodiversity and protect forests to protect critters and the climate
- Commit to investing in our wetlands, rivers, and the Murray to secure water for the environment and mitigate climate pollution

INTRODUCTION

All around the world, extreme weather events are becoming more intense and destructive and changes to climate and rainfall patterns are impacting crops and livestock, disrupting access to food. In Victoria, more extreme drought, longer bushfire seasons and heatwaves are making life more difficult and dangerous. At the same time, global fossil fuel markets are dramatically driving up power bills.

The window of time to limit global warming below catastrophic temperature rises is closing and we're not acting fast enough. Breaching 1.5°C of warming risks abrupt, dangerous and irreversible changes to the climate system.

In this context, every fraction of a degree of warming matters. We must do everything possible to deeply and rapidly cut our emissions to save lives, species and ecosystems, while also preparing for climate impacts that can no longer be avoided.

To reduce our emissions in line with 1.5 degree targets, Victoria will need to transform its energy sector, our biggest source of climate pollution. As one of the sunniest and windiest countries on Earth, Australia can rapidly switch to using renewable energy, and electrify our homes, businesses and transport systems.

In the absence of national leadership, Victoria has made significant progress in building clean energy and with the right policies, such as a Renewable Energy Target of 100% by 2030, Victoria can completely transition to clean, renewable energy.

The next Victorian government must have a comprehensive plan for the roll-out of infrastructure, engagement with the community, and training and education required to build a thriving, future-proof clean energy industry.

Victoria's plan to urgently tackle climate change must also adopt a consistent approach to conserve and restore our natural ecosystems, including ending the logging of native forests – our most effective carbon storage and negative emissions technology – well before 2030.

Our natural environments provide habitat for our incredible wildlife, and important places for people to recharge and connect with nature. But they also safely store carbon and stop climate pollution from being released into the atmosphere. For millions of years our forests and wetlands have helped keep our environment in balance, and in a rapidly heating climate they are more important than ever.

PRIORITY 1: CLEAN ENERGY FOR ALL - 100% CLEAN ENERGY BY 2030

POWER ALL VICTORIAN HOMES AND BUSINESSES WITH 100% CLEAN ENERGY ENSURING NO ONE IS LEFT BEHIND (1.1 – 1.10)

The best way for Victoria to cut climate pollution and drive down energy bills is to end our reliance on polluting, expensive fossil fuels and to power our lives with affordable, reliable clean energy. By supporting all households to get off gas and get their electricity from wind and solar, backed by storage, the Victorian government will demonstrate its commitment to tackling climate change in ways that benefit all Victorians.

1.1 Support homes and small businesses to electrify

The Victorian government must develop a systematic plan to help Victorians shift their homes and small businesses from reliance on gas and onto smart, efficient electric alternatives with energy storage. This must include the development and implementation of a comprehensive support package for public and community housing, renters, and low-income households. This will support the rapid rollout of renewables, lower household energy bills and free up gas supply for hard to transition industries.

1.2 Legislate 100% renewable energy generation by 2030 in the Renewable Energy (Jobs and Investment) Act 2017

Provide community and investor confidence that Victoria is serious about getting to 100% renewables by 2030 by amending section 7(b) of the Renewable Energy (Jobs and Investment) Act 2017 (Vic) to say 50% electricity generated by Victorian to come from renewables and section 7(c) to say 100% by 2030. Additional amendments may include a broadening of the definition of 'renewable energy source' at section 3 to explicitly include (at least) storage and hydrogen made from renewable energy, and exclude hydrogen made using coal or gas, to create community and investor certainty and reduce reliance on gazettal notice declarations under section 4.

1.3 Develop and implement green hydrogen and electrification solutions for large commercial and industrial energy users

The Victorian government must work closely with industry to enable electrification and a shift to green hydrogen where appropriate. This could be done by industry sharing in the opportunities available in Renewable Energy Industrial Precincts [see 1.15]; in partnership with the federal government support the development and commercialisation of electrification technologies such as electromagnetic heating, industrial-scale heat pumps and electric arc furnaces; and by offering economic advantages and rebates to green hydrogen suppliers and receivers to disconnect from polluting gas and connect to clean and green hydrogen.

1.4 Increase Solar Homes remit and incentives to ensure solar, storage and electrification is available to everyone

Scale up the existing program to include solar, storage (batteries or heat pumps) and electrification with a sliding scale of incentives to help everyone – especially our low-income housing community and renters – to electrify their houses and drive down their power costs.

1.5 Expand virtual power plants

Virtual power plants must be expanded to entire postcode areas, allowing everyone to share in the clean energy opportunities and savings on power bills.

1.6 Expand community storage solutions to bring low-income households and renters into the renewables roll-out

The Victorian government's community battery program is a start, but we need to significantly ramp-up the roll-out of energy storage capacity for low-income households, renters, apartment and high-rise dwellers, and public housing tenants. Power storage infrastructure, combined with expansion of virtual power plants, will help make sure everyone enjoys the benefit of lower power bills and clean energy – not just homeowners.

1.7 Implement programs and policies to increase home and business energy efficiency

As part of implementing its Gas Substitution Roadmap, the Victorian government changed requirements to ensure new homes are constructed to meet 7 Star efficiency. This is an important step that will be augmented by:

- amending the Victorian Planning Scheme as proposed by the Council Alliance for a Sustainable Build Environment and the Municipal Associate of Victoria to strengthen sustainability requirements for new buildings;¹ and
- introducing mandatory minimum energy efficiency rental standards proposed by Better Renting.²

1.8 Ensure Victoria's coal-fired power stations close by 2030

To be consistent with the Paris agreement and the advice of the International Energy Agency, Victoria must cease burning coal by 2030. The next term of government is the critical window in which closure dates consistent with this timeframe can be announced whilst still allowing sufficient time for worker and energy system transition and without breaching the five year notice requirement. Securing 2030 closure commitments would send the market signal required to secure investment in sufficient replacement generation and storage.

The next Victorian government must work with power station operators to secure closure dates consistent with shutting coal by 2030 in combination with a transition plan for the Latrobe Valley.

1.9 Reinstate funding for Community Power Hubs Program

Community power hubs contribute directly to regional development, community resilience, energy literacy and local engagement. The Victorian government must revive this program by investing another \$10 million to 2030 for communities to apply for grants to establish community renewable power and storage facilities in their areas. This will increase jobs in the renewable sector in regions where Community Power Hub Program grants are awarded, empower local communities to take control of their power needs, and provide crucial opportunities for people to lower their power bills.

1.10 Make net zero the 2035 emissions reduction target under the Climate Change Act 2017

The Victorian government should set the 2035 emissions reduction target under the *Climate Change Act 2017* to net zero.

RAPIDLY UPGRADE VICTORIA'S ELECTRICITY NETWORK TO DELIVER CLEAN ENERGY TO POWER OUR LIVES (1.11 – 1.17)

Getting to 100% renewables by 2030 will mean rapidly transforming how Victoria produces and delivers energy. To do this, the Victorian government must commit to a well-planned roll out of infrastructure that unlocks jobs in our regions and garners broad community support.

1.11 No new gas extraction

This fossil fuel does not have a place in our energy transformation. The Victorian government must resist calls to open new gas fields in Victoria – onshore or offshore – and commit to phasing out gas.

1.12 Accelerate transmission and distribution infrastructure

Transforming our electricity grid is one of the biggest barriers to replacing fossil fuels with clean energy. The Victorian government, working with VicGrid, AusNet, power companies, landholders, the federal government and the community, must build transmission and distribution infrastructure to ensure renewable-generated energy is delivered to the grid.

1.13 Increase Victoria's energy storage capacity

Powering Victoria with 100% clean energy will require appropriate energy storage capacity, such as batteries, heat pumps, and pumped hydropower from existing hydropower sources.

The next Victorian government can help to achieve this by committing to:

- introduce a Victorian Renewable Energy Storage Target (REST) rather than a capacity mechanism to ramp-up battery and other storage that accelerates transitioning the power grid to 100% renewable generation;
- build between 11 and 15 gigawatts of additional grid-scale storage capacity to complement the Victorian Big Battery and storage proposals currently in the development pipeline, for example in the Latrobe Valley where pre-existing transmission infrastructure can help deliver power to the national grid;
- research and construct geothermal and/or underground heat pumps under public spaces such as parks and reserves;
- working with states and territories in the National Electricity Market to achieve a national renewable energy storage target.

1.14 Advocate nationally for amendments to the national electricity rules to incentivise introduction of renewables and storage

The Australian Energy Market Operator's step-change scenario forecasts rapid transformation of the National Electricity Market. In order to achieve this transformation quickly, consistent with achieving 100% renewable energy in Victoria by 2030 and the introduction of an emissions target in the National Electricity Objective, the Victorian government should advocate nationally through the Energy Ministers Meetings for

- a nationally-collaborative transmission infrastructure network to support introduction of storage and renewable generating capacity; and
- reforming rules regarding Regulatory Investment Test for Distribution (RIT-D) so that it applies to non-networked infrastructure.

1.15 Develop community engagement framework for energy infrastructure planning

We need to accelerate renewables infrastructure, including generation, storage and transmission, but we must bring the whole community along in this transformation. Starting with free prior and informed consent for First Nations and Traditional Owners, a carefully planned transmission and distribution roll-out with an integrated community engagement plan should ensure the benefits of our energy transformation are shared, and unlock jobs and economic development especially in our regions. Best practice community engagement, determined with all relevant stakeholders, must be used to help everyone understand and accept the challenges we face, the compromises we will need to make, and the opportunities to seize.

1.16 Incentivise uptake of zero emissions vehicles by increasing public, private and home charging stations

The Victorian government must commit to working with the commercial sector and local government to finance and install electric vehicle charging into as many places as possible. By building the vehicle charging infrastructure we need, people will be encouraged, and confident, to purchase electric vehicles. Electric vehicle charging whilst people aren't using their cars during the day relieves system burden of evening charging, and provides additional energy storage capacity.

1.17 Develop and implement an integrated electric bus network for the metropolitan region

To drive down transport emissions we need electrified public transport. And to get people using public transport more often, we have to provide them with a network that is accessible, frequent, and close to home. The Victorian government can achieve this by implementing the 'Clean-slate' bus network,³ and measures identified in the Melbourne's Zero Emission Bus Transition paper,⁴ both developed by Melbourne Centre for Cities.

URGENTLY SCALE UP TRAINING AND EDUCATION FOR CAREERS IN TRANSITION AND CLEAN ENERGY (1.18 – 1.21)

The transition to renewable energy is already facing a skills shortage. To avoid a skills crisis, Victoria needs to invest urgently education and training to equip more workers to build, install and maintain our systems and to rehabilitate coal mines. The Victorian Government must work with communities like the Latrobe Valley, who powered our state for decades, to ensure they can seize the economic and environmental health opportunities that clean energy brings.

1.18 Develop TAFE and university courses to train our new cohort of career power workers

Working in the electricity sector can still provide a job for life. By partnering with TAFEs and universities, the Victorian government can lead Australia in training and education to support the energy transformation and ensure we have the people we need to run our electricity systems.

1.19 Encourage low emissions manufacturing in Victoria

Victoria has a proud history of manufacturing. With the right support we can support our manufacturing industries to electrify and cut the cost of their power bills. The next term of government must assist the manufacturing sector in implementing deep supply chain decarbonisation, including by financially supporting businesses to get off gas. We can also build the energy transformation right here. The Victorian government must incentivise local businesses and experts in manufacturing electric vehicle, battery, heat pumps and wind turbine blades.

1.20 Make the Latrobe Valley Authority a statutory body and invest in environmental justice for the Latrobe Valley

The Latrobe Valley Authority must be made an independent, well-funded statutory authority to secure its future and role in helping the Latrobe Valley transition from coal. The Victorian government must ensure that rehabilitation strategy for the brown coal mines is coordinated and that the owners properly clean up the damage left behind by coal mining.

1.21 Establish renewable energy industrial precincts to facilitate renewable manufacturing and build supply chains to facilitate the transition to zero emissions

To support industry and manufacturing to transition to clean energy the Victorian government should announce renewable energy industrial precincts (REIPs), either embedded in renewable energy zones, or connected to the grid by high voltage transmission lines. REIPS will assist in encouraging local and new industries to decarbonise manufacturing without being forced to go it alone.



Priority 2. Protect and restore our forests, terrestrial and marine parks, and rivers

BACK-IN BIODIVERSITY AND PROTECT FORESTS AND PARKS (2.1 – 2.7)

Although Victoria has achieved a lot in the energy transition, the same cannot be said for the government's approach to protecting our native forests and biodiversity over the last decade. The Victorian government must bring forward the date to end native forest logging, commercialise carbon sequestration in native forests, protect post-fire and climate refuge habitats, and commit \$1 billion to biodiversity protection measures as outlined below.

2.1 Bring forward the end of native forest logging to 2024

Victoria's montane ash forests, and the temperate forests of eastern Victoria are some of the most carbon-dense forests on the planet. The Victorian government must bring forward the date to end commercial native logging to 2024 at the latest to protect our carbon sinks.

2.2 Immediately protect habitats critical to species survival, and post-fire and climate refuge habitats, which are identified in national Conservation Advices for Victorian threatened species

At both a Victorian and federal level, fire, habitat destruction and fragmentation are identified as processes that threaten the survival of listed threatened species. The damage we are doing to the climate means bushfires are likely to become more severe, making it significantly more difficult for our fauna to find refuge. The bushfires of 2019-20 demonstrated how devastatingly fatal fire is to our biodiversity. The Victorian government must act immediately to protect habitat critical to species survival, including immediately protection of climate refuges and post-fire habitats well before the next fire season. Legislative tools available to government to achieve this include establishing Special Protection Zones, using critical habitat determinations and habitat conservation orders under the *Flora and Fauna Guarantee Act*, reducing the allocation area within the Allocated Order, and additions to the reserve system.

2.3 Modernise forest management in Victoria by commercialising carbon sequestration under the Climate Change Act 2017 in Victoria's public forest estate

The Victorian Government has not yet utilised the provisions available under Part 8 of the *Climate Change Act 2017* to declare areas of public land available for carbon sequestration, enter carbon sequestration agreements, or grant carbon sequestration rights. This means that the State of Victoria is not receiving economic benefits from the carbon sequestered on Crown land (other than those derived from the climatic benefits of such sequestration). The Victorian Government should make use of existing provisions available under the *Climate Change Act 2017* in the course of modernising forest management on public land. In particular, the government should amend Allocation Orders to enable the State to sell carbon sequestration rights on private markets for logging coupes in VicForest's Timber Release Plan between now and 2030. In addition to protecting our native forests and biodiversity, managing forests for carbon sequestration will significantly outweigh the benefits derived from logging, and protect the best negative emissions technology we have available to us.

2.4 Rapidly increase carbon removal through land use change

Reforestation, afforestation, restoring wetlands will contribute to reduce carbon pollution in our atmosphere. The Victorian government must commit to working with relevant Departments and landowners to develop incentives for tillage and planting/harvesting practices that increase soil carbon uptake.

2.5 Invest at least \$1 Billion into a long-term threatened species program

The Victorian government must implement a package to deliver a long-term threatened species program, which will:

- take all available actions under State threatened species legislation to protect and recover species in decline;
- improve prioritisation of threatened species for protection, including implementing the already legislated critical habitat determinations;
- enable enhanced and targeted landscape programs on public and private land to control key threats and facilitate recovery;
- expand public funding for public and private land conservation programs;
- strengthen the Wildlife Act to properly protect all native species; and
- provide \$30M for a Land Conservation Revolving fund run by Trust for Nature.

2.6 Set core funding for Parks Victoria to 1% of state domestic product

As recommended by the Victorian Parliament Ecosystem Decline Inquiry, the next term of government must ensure Park Victoria is adequately funded to enable integrated park planning and active and adaptive land management of Victoria's existing parks and reserves.⁵

2.7 Deliver the newly created National Parks in the Central West

Within six months of the 2022-26 term the next Victorian government must allocate at least \$20 million to Parks Victoria to begin managing the Wombat-Lederberg, Mount Buangor and Pyrenees National Parks.⁶



MEASURE HOW MUCH WATER WE TAKE FROM RIVERS (2.8 - 2.10)

Knowing how much water is in a system, where it is and how much users intercept is critical. It lends integrity to the entitlement system, improving reliability and planning. Better monitoring also helps managers assess, adapt and refine approaches for river health.

2.8 Manage farm dams with licences

Victoria has over 220,000 domestic and stock (D&S) farm dams. Together they can severely diminish streamflow and undermine water reliability for other users. Bringing farm dams into the licensing framework allows measuring and managing water use. At large volumes, they should need water access entitlements, enabling other restrictions.

2.9 Expand monitoring to understand water availability and needs

Utilising remote sensing and telemetry would allow verifying all licensed diversions. Once we understand the water in the system, we need to look at system needs. Now, FLOWS studies identify water needed to meet environmental objectives. But they are simplistic and do not consider how to ensure ecological outcomes in a drier climate. This should include essential connectivity with floodplains and groundwater in different climate conditions. With broader diversion, flow and monitoring assessments, we can set adequate targets.

2.10 Push the federal government for an independent audit of water recovery

Some water set aside for the environment may only exist on paper. The environmental water portfolio includes low-quality shares and licences. Other water savings estimated from infrastructure projects were never verified with local monitoring. Changes to the Baseline and Sustainable Diversion Limits have created accounting discrepancies. An independent audit should build on a broader Sustainable Yields Project. It should also build on an assessment of observed vs. expected flows. These projects will show what the Basin Plan has achieved.

COMMIT TO INTERIM TARGETS FOR SUSTAINABLE WATER USE (2.11 - 2.14)

Targets for returning water to rivers have long time-spans. In southern Victoria, 10 year targets were set through the Sustainable Water Strategy. In northern Victoria, Basin Plan targets are due by 2024. These are not guaranteed. This risks local extinction of native fish with short, three-year lifespans. Missed floods mean missed breeding events, causing irreparable decline for other species. If wetlands go too long without water, they transition to dryland ecosystems.

2.11 Order an independent review of caps across southern Victoria

The environment's share of water in southern Victoria is 'above cap.' This is water left over after other allocations. It has diminished in a drying climate. Underpinning caps is a Sustainable Diversion Limit methodology. It is from the early 2000s and based on a hydrological record not suited for a hot, dry future. It does not establish flow needs for ecological outcomes - or monitor for those values. An independent review should address these gaps.

2.12 Limit water taken from rivers while reviewing caps

While reforming the SDL methodology and caps, constrain water taken from rivers. Place a moratorium on the issue of new licences. Cap all catchments at current levels of extraction. Limit the activation and transfer of 'sleepier licences.'

2.13 Explore options to deliver water shortfalls

Buy high-quality entitlements to return water to rivers. Purchases should be cost-effective and avoid exposing vendors to undue community pressure. Explore options valley by valley to minimise third-party impacts. Assess other options, like strategic channel shutdown. Or reducing bulk entitlements toward interim targets. Consider a permanent qualification of rights, reducing entitlement volumes across the board. Use 15-year renewal of take and use licences as an opportunity to review their conditions.

2.14 Commit to established deadlines and robust assessment for offset projects

The Basin Plan includes a dangerous offset mechanism, the Sustainable Diversion Limit Adjustment Mechanism (SDLAM). It allows a suite of controversial projects Basin-wide to reduce water targets by 605 GL. The method behind the figure is unscientific. It also provides criteria for program evaluation in the 2024 'reconciliation.' Victoria should push for an independent expert panel to review this method.

Victoria's contribution includes radical, untested wetland engineering projects. These were re-branded as the Victorian Murray Floodplain Restoration Project (VMFRP). Upcoming review should consider system-level impacts, including the water offset. The projects should not extend Basin Plan deadlines. After the 2023 notice date, abandon the offset approach and buyback the shortfall.

USE AND PROTECT ENVIRONMENTAL WATER (2.15 - 2.16)

Water has been set aside for the environment. Some of it is not able to flow when it needs to because of 'constraints'. This includes physical impediments like bridges and river crossings. There are also rules that prevent even small, short-term floods on private land. Updating rules will let environmental water deliver real outcomes.

Water for the environment is also at risk of diversion. It needs protection so it is not taken by irrigators.

2.15 Relax constraints to realise the benefits of water already recovered

Only 2 percent of the floodplain has received water set aside for its benefit. Some water needs to pass over private land, which requires easements or similar arrangements. Funds are available, but this work has lagged for a decade. The Victorian government should

- ensure that remaining work on inundation modelling is completed, to understand the effect of targeted flows,
- initiate consultative committees like the lower Goulburn's for other target reaches
- Set terms of reference for groups to look at flow rates high enough to meet Basin Plan objectives.

2.16 Protect environmental water

Most of the environment's water share is 'above cap' water. This is becoming rare in a drying climate. Environmental entitlements should be more common. Victoria also needs stronger provisions for 'rules based' or 'planned environmental water'. These also need to protection, ruling out 'temporary qualification.' This is redirection of water by the Minister during times of shortage.

On regulated rivers, water corporations release environmental water from a dam. Here we need more passing flows. This ensures that more water passes at weirs and reservoirs before take can begin. This means changing water corporation's bulk entitlement.

On unregulated rivers, water flows aren't controlled by dams and weirs. Here we need triggers to prevent pumping at low water levels. This means changing licence conditions.

ENSURE FIRST NATIONS OWNERSHIP OF WATER (2.17 - 2.18)

Water management laws need to recognise Traditional Owners' rights to access, manage and care for water resources. This requires water rights, influence in water landscapes and transforming foundations.

2.17 Return Traditional Owner's water rights

All options should be on the table. The current approach relies on finding rare or non-existent unallocated water. This is not enough for environmental or cultural needs. Redistributing water will require altering or purchasing existing rights.

2.18 Restore Traditional Owner influence in water landscapes

Transfer substantive responsibilities and powers to Traditional Owner entities. Develop responsive and transparent arrangements between Traditional Owner entities and water institutions. Integrate Aboriginal water planning proposals into existing instruments. Support Traditional Owners in design and delivery of water programs. Adapt or develop new water institutions controlled by Traditional Owners while building organisational capacity.

EXPAND MARINE PARK PROTECTION AND HEALTH (2.19 - 2.21)⁷

Victorian communities throughout the state are driven to protect our marine national parks along our unique coastline. November 16, ten days before the 2022 state election, is the 20th anniversary of the establishment of Victoria's world-first network of marine national parks and sanctuaries. Management programs for these parks was initially well-funded but has significantly decreased in the last decade. The next term of government must commit to investing on our precious marine parks and sanctuaries to protect the biological diversity and ecological processes these sites protect.

2.19 Expand funding for marine park management and Parks Victoria marine rangers and staff

To implement evidence-based management of Victoria's marine protected areas, the next term of government must ensure there is appropriate funding to do so. This includes ensuring that the previous amount of funding available for Parks Victoria marine rangers and staff is reinstated to deliver marine conservation initiatives and compliance work.

2.20 Undertake a scientific review of coastal and marine protected areas

In order to understand the state of health of our marine parks and sanctuaries, the next term of government must undertake a scientific review of coastal and marine protected areas to ensure it continues to be comprehensive, adequate and representative of Victoria's marine biodiversity and changing ecological processes over the long-term

2.21 Protect Western Port

Implement a strategic management framework and plan for Western Port Bay developed through a co-coordinated partnership of community groups and government agencies, overseen by Traditional Owners.

Endnotes

1. For more information visit: <https://www.casbe.org.au/elevating-esd-targets/>
2. For more information visit: https://www.betterrenting.org.au/healthy_homes_for_renters
3. For more information see: https://melbourne.figshare.com/articles/report/Better_Buses_for_Melbourne_s_West/20253090
4. For more information see: https://melbourne.figshare.com/articles/report/Melbourne_s_Zero_Emission_Bus_Transition/20337120
5. Adapted from the work of our colleagues at Victorian National Parks Association. Visit: <https://vnpa.org.au/>
6. Adapted from the work of our colleagues at Victorian National Parks Association. Visit: <https://vnpa.org.au/>
7. Adapted from the work of our colleagues at Victorian National Parks Association. Visit: <https://vnpa.org.au/>