Submission

in response to

Reducing Victoria’s Greenhouse Gas Emissions – Victorian interim emission reduction targets

prepared by

Environmental Justice Australia

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About Environmental Justice Australia

Environmental Justice Australia (formerly the Environment Defenders Office, Victoria) is a not-for-profit public interest legal practice. We are independent of government and corporate funding. Our legal team combines technical expertise and a practical understanding of the legal system to protect our environment.

We act as advisers and legal representatives to community-based environment groups, regional and state environmental organisations, and larger environmental NGOs, representing them in court when needed. We also provide strategic and legal support to their campaigns to address climate change, protect nature and defend the rights of communities to a healthy environment.

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Submitted to: Climate.Change@delwp.vic.gov.au
Thank you for the opportunity to input into Victoria’s emission reduction targets and actions to achieve those targets. We support and acknowledge the leadership being shown by the Victorian Government on climate action, including the revising of the Climate Change Act, the VRET, and the solar homes program.

1. **Recommended emission reduction targets**


- 32-39% below 2005 levels in 2025 and
- 45-60% below 2005 levels in 2030.

We do not support these targets as they are not consistent with limiting warming to no more than 1.5 degrees.

The preamble to the *Climate Change Act 2017* states:

> The Parliament of Victoria recognises on behalf of the people of Victoria that the international community has reached agreement to hold the global average temperature increase to *well below 2 degrees* Celsius above pre-industrial levels and to pursue efforts to *limit the temperature increase to 1.5 degrees* Celsius above pre-industrial levels. *[emphasis added]*

Keeping temperature increases *well below 2 degrees* with efforts to *limit warming to 1.5 degrees* must be the foundation of all efforts to reduce Victoria’s emissions. The proposed target range does not achieve this. The Independent Expert Panel Report itself identifies a target of at least 43 percent below 2005 levels by 2025 would be required to give any chance of meeting a 1.5 degree goal. The lower end of the recommended range is *not even ambitious enough to even be considered as 2 degrees consistent target* and would require a ramp up in emissions reduction 2030 onwards to achieve this. Even the upper end of the range of the recommended targets is inadequate as a target of 60% emissions reduction by 2030 would nearly exhaust Victoria’s carbon budget for a 1.5 degrees scenario. We therefore consider the recommended targets to be inconsistent with the Climate Change Act and Australia’s international obligations.

To ensure Victoria stays within the carbon budget needed to meet the 1.5°C challenge and achieve net zero emissions by 2050 the Victorian Government should adopt targets in the range of:

- 45-50% by 2025
- 65-80% by 2030
2. Considerations influencing the selection of emission reduction targets

While the independent panel considered a wide and appropriate range of considerations in making its recommendations; in our view the weighting given to those considerations do not reflect requirements of the Climate Change Act. The independent panel appears to have weighted most heavily the need for ‘achievability’, and the current status of international action on emissions reduction. Despite acknowledgements in the Independent Expert Panel Report of the serious and irreversible impacts on Victoria and the rest of the world of not limiting warming to 1.5 to 2 degrees, and the fact that early reductions in emissions are more economically beneficial than delaying emission reductions, the Independent Panel decides to downgrade these considerations in favour of targets that are achievable (today) and, (in their view) in line with current international action, rather than current international obligations.

In making the interim targets, the Premier and Minister must not make this same error. The Premier and Minister must have regard to the policy objectives and guiding principles in Part 4 of the Act. The policy objectives and guiding principles give the government a clear mandate. Given the serious and irreversible impacts of not limiting warming to 1.5 degrees, the requirements in the Act in relation to building the resilience of the State’s built and natural environment (s24(b) & (c); supporting transition (s24(d))); risk management to avoid serious and irreversible harm (s25); and intergenerational equity (s26), point clearly toward the need for early significant cuts to limit warming to 1.5 degrees. There is no legal support for a decision to take weaker action on the basis of perceived limited international action.

In particular, the Premier and Minister have a legal and ethical obligation to consider the impacts of their decisions on Victoria’s most vulnerable people. Victoria failing to set a target of 1.5 degrees does not comply with policy objective in s22(e) of the Act “to support vulnerable communities and promote social justice and intergenerational equity”. The IPCC Special Report shows that the risks for food, water and ecosystems, particularly in Australia, are expected to be lower at 1.5°C than at 2°C warming. This would ensure less people are exposed to droughts, heat waves and the associated health impacts.¹

Even at 1.5 degrees, impacts will disproportionately affect disadvantaged and vulnerable populations through food insecurity, higher food prices, income losses, lost livelihood opportunities, adverse health impacts and population displacements. Thus limiting warming to 1.5 degrees over 2 degrees would aid eradication of poverty and reduce inequalities. At a lower temperature there will be a reduction in the amount of people exposed to climate risk and vulnerable to poverty by 62 to 457 million. The risk of poor people experiencing food and water insecurity, adverse health impact and economic loss will lessen at a lower temperature.²

Those most severely impacted from climate change and the impact on sustainable development are those already affected from hard ship. Agricultural and coastal dependent livelihoods, indigenous people, children and the elderly, poor labourers, poor urban dwellers in African cities, and people and ecosystems in the Arctic and Small Island Developing States will be the worst impacted. Many

¹ IPCC special report on the impacts of global warming, pg 452
² IPCC special report on the impacts of global warming, ch 5 pg 447
Australians fit within these categories and thus will be adversely affected. The Independent Expert Panel Report noted that unaddressed climate change is projected to significantly impact Victoria’s infrastructure, water security, agricultural production, biodiversity, alpine and coastal areas, Aboriginal heritage, and the health of all Victorians.

Many of these risks can be avoided by limiting global warming to 1.5°C rather than 2°C. The IPCC report found there is high confidence that constraining warming would reduce risks for unique and threatened ecosystems, safeguarding the services they provide for livelihoods and sustainable development and making adaptation much easier, particularly in Central America, the Amazon, South Africa and Australia.

**Economic benefits of making early reductions, consistent with a 1.5 degree scenario**

Victoria will benefit from addressing climate change earlier rather than later. The Independent Expert Panel Report notes ‘early action is cheaper than delayed action’ when combating climate change and meeting international agreed goals. In juxtaposition, global inaction will cause significant costs. This is further supported by economic studies that demonstrate significant emissions reduction is accompanied by strong economic growth. This is evident in other jurisdictions. Generally speaking, even where different assumptions are evident, the same overall finding is reached—early action is likely to have a cheaper result.

The IPCC report illustrates that Australia’s pathway dynamic at present is one in which individual economic gains and prosperity matter more than community cohesion and solidarity. This discourages innovation, exacerbates inequalities and further erodes adaptive capacities of the most vulnerable.

If early action is not taken, rapid emission reduction would be required after 2030 to remain consistent with the goal. This would shift a significant burden to Victorians in the future, and concentrate economic adjustment costs in the time after 2030. Where particular industries and communities are especially exposed to the costs of changes in the climate, they will face lower costs if there is an early and orderly transition.

The IPCC report notes that at 2 degrees of warming, lower economic growth is projected for many countries than at 1.5 degrees. The key stance from an economic point of view is that early

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3 IPCC special report on the impacts of global warming pg 447
5 IPCC special report on the impacts of global warming, ch 5, pg 453
6 Independent Expert Panel Report pg 94
7 Independent Expert Panel Report pg 95
8 Independent Expert Panel Report pg 97
9 IPCC special report on the impacts of global warming, ch 5, pg 458
10 Independent Expert Panel Report pg 55
11 Climate Change and the Economy, Guy Debelle Deputy Governor, Public Forum hosted by the Centre for Policy Development Sydney – 12 March 2019.
12 IPCC special report on the impacts of global warming, ch 3, pg 258

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mitigation could enable economic development that supports long term growth. The early action will allow individuals and companies to plan adjustment pathways and better manage future change.\textsuperscript{13}

Victoria must not promulgate the excuse that other jurisdiction’s weak action is an excuse for its own weak action. For Victoria to be given any credit as a leader in climate action, it must lead with strong and early emission reductions in line with a 1.5 degree warming scenario.

3. Opportunities to reduce Victoria’s Greenhouse Gas Emissions

We would like to comment on the two biggest opportunities to reduce Victoria’s greenhouse gas emissions – energy and forestry.

Energy

Victoria must prioritise a rapid phase-out of coal generation and a faster roll-out of renewable energy. This would in turn unlock GHG emissions reduction opportunities in other sectors (such as transport and residential gas usage) and put us on an emissions trajectory compatible with a 1.5 degree objective. This should be accompanied by economic diversification policies to support the Latrobe Valley community. Victorian Government should pursue policies that also address the uneven distribution of the costs and benefits of this transition.

Forestry

The Independent Expert Panel Report identifies land use, and particularly management of public native forests as a significant opportunity to reduce Victoria’s emissions.\textsuperscript{14} As noted in the report, Victoria’s highland mountain ash forests contain the highest-known carbon density of any forests worldwide.\textsuperscript{15} Forests and soils on public land are estimated to store 30 times the volume of Victoria’s annual emissions.\textsuperscript{16} Native forest management is one of the areas that the Victorian Government has full policy control and therefore is an excellent candidate for state based action.

Areas where native forest logging is currently allowed in state forests should be converted to carbon reserves. The environmental benefits that would be gained through carbon sequestration, in combination with the biodiversity benefits (particularly threatened species protection) as well as other benefits such as water supply from converting logging to carbon sequestration significantly outweigh the benefits of continuing to log Victorian native forests.

\textit{We recommend that the Victorian government prioritise the removal of any constraints preventing the carbon sequestration opportunities from forests management being realised. Two immediate policy commitments to facilitate this are:}

\textsuperscript{13} Australia’s Low Pollution Future: The Economics of Climate Change Mitigation on the 30 October 2008.ch7 7.1.1
\textsuperscript{14} See for example, Independent Panel Report pg 85
\textsuperscript{15} Independent Expert Panel Report pg 85
\textsuperscript{16} Independent Expert Panel Report pg 85
- A ‘carbon reserve’ land management category should be created, and state forest should be reserved as carbon reserve. Alternatively, the allocation order under the Sustainable Forests (Timber) Act 2004 and VicForests’ orders in council could be amended to require management of allocated timber for carbon sequestration, rather than timber harvesting.
- All forestry related decisions should be included in Schedule 1 of the Climate Change Act so that the impacts of forestry operations on achieving Victoria’s emission targets is properly factored into those decisions, rather than being ignored as it is at present. We note that this was recommended by the Independent Review of the Climate Change Act (Recommendation 10) and supported by the Victorian Government.

4. Barriers to reducing emissions

While there are challenges in achieving a 1.5 degree emission reduction scenario we do not think there are any insurmountable barriers.

The key challenge at present is the lack of a comprehensive emission reduction and transition plan across all Victorian sectors, that includes policies to ensure a fair and just transition for all Victorians. Among other things the government should continue to fund of the Latrobe Valley Authority to ensure there is a key focus on a just transition for the Latrobe Valley.

The complete failure of the federal government to establish national policy settings to reduce emissions from the electricity sector warrants state governments to step up, as they have in the past, to establish state led national or regional initiatives with their state counterparts, especially for those states in the national electricity market.

5. Other impacts of reducing greenhouse gas emissions

There are enormous co-benefits from reducing emissions across different sectors. The Independent Expert Panel Report correctly recognises the significant health benefits of reducing emission from the energy sector. Coal-fired power stations are the biggest source of air pollution in Australia, and by far the biggest source of air pollution in Victoria. As noted in the Report, “the health costs created by local air pollutants from the electricity sector are estimated to cost Victorians between $420 and $600 million a year, while those from the transport sector are estimated to cost between $660 million and $1.5 billion per year.”¹⁷ These are noted to be conservative estimates.

In Victoria, the health burden from electricity generation is borne predominately by the Latrobe Valley community. This is an environmental injustice, particularly given the significant health burden and socio-economic challenges faced by some in the Latrobe Valley compared with other parts of Victoria. Decarbonisation of the electricity sector and electrification of the vehicle fleet would therefore have significant health benefits, particularly for the most vulnerable Victorians.

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¹⁷ Independent Expert Panel Report pg 106