Equitable transition to a zero net emissions Victoria

Response to Independent Expert Panel Final Report: Interim Emissions Reduction Targets for Victoria (2021-2030)

August 2019

VCOSS welcomes the opportunity to comment on the Independent Expert Panel (Panel) Final Report: Interim Emissions Reduction Targets for Victoria (2021-2030) (Report).

VCOSS is the peak body for social and community services in Victoria. VCOSS supports the industry, represents the interests of Victorians facing disadvantage and vulnerability in policy debates, and advocates to develop a sustainable, fair and equitable society. Community service organisations see first-hand the impacts of climate change on our most vulnerable people and are tasked with supporting people and communities, for example, during emergencies.

Reducing greenhouse gas emissions is critical to protecting Victorians, particularly our most disadvantaged community members from global warming. Climate change will affect low income households and disadvantaged communities disproportionately. The Sustainable Development Goals acknowledge that 'the poorest and most vulnerable people are being affected the most' by global warming.

> 774,000 or 13.2 per cent of Victorians live in poverty.[1]

People living in poverty have increased vulnerability and limited ability to adapt to the negative impacts of climate change due to their high risk of exclusion from the economic and social life of society. They have less resources, social support, mobility and housing options at their disposal. They also tend to live in areas more likely to be adversely affected by climate change, and have far less ability to move or make other necessary adjustments to their living circumstances.

People living in poverty are less able to prepare for climate change impacts, such as being unable to afford to retrofit homes, run air-conditioning or take out adequate insurance. For example, having insecure housing or no home at all makes you more vulnerable to extreme weather and disasters. They are also less able to respond to and recover from the impacts of climate change like extreme weather or natural disasters, such as relocating or undertaking repairs to homes.

Victoria can use the transition towards zero net emissions as an opportunity to improve the lives of our most vulnerable community members. Strong mitigation of climate change can improve our health and wellbeing and reduce the risks posed by extreme weather and air pollution.

---

[1] Robert Tanton, Dominic Peel and Yogi Vidyattama, *Every suburb Every town: Poverty in Victoria*, November 2018, p 6, https://vcoss.org.au/policy/every-suburb-every-town/.

Victoria can lead Australia in setting and pursuing ambitious targets to reduce our contribution to global warming, and to protect the people most vulnerable to its impacts. The *Climate Change Act 2017* (Climate Change Act) embeds equity and community engagement in the Government response to climate change.[2] This is a strong basis for both reducing emissions and improving social outcomes.

This submission responds to the Panel's recommended targets and points to the key opportunities for emissions reduction which would have the greatest benefits for Victorians facing disadvantage.

Set more ambitious emissions reduction targets

RECOMMENDATIONS

- Set ambitious and achievable emissions reduction targets for Victoria that send a clear message we are committed to mitigating climate change, help us limit temperature increases to 1.5°C and reduce the impacts on disadvantaged Victorians
- Make reducing emissions the priority, over purchasing emissions offsets outside Victoria

Under the Climate Change Act, Victoria has committed to hold global average temperatures to below 2°C above pre-industrial levels and to pursue efforts to limit temperature increase to 1.5°C, in line with the Paris Agreement.[3] The interim emissions reduction targets will be one of the most important actions under the Climate Change Act in progressing the Government's commitment to curbing climate change.

Victoria is already on a strong trajectory: we are on target to reduce our emissions to 18 per cent below 2005 levels by 2020.[4] As other states grapple with their own contributions to climate action, Victoria's interim targets can send a clear signal that we are a committed national and global leader on mitigating climate change.

Stronger emissions reductions before 2030 will mean a lower overall economic cost to Victoria.[5] As the Report states, 'the economic benefits for Victoria of avoiding climate change far outweigh the economic costs of reducing Victorian emissions.'[6]

The Report's recommended targets of 32 to 39 per cent below 2005 levels in 2025 and 45 to 65 per cent by 2030 represent a significant move towards zero net emissions by 2050. The 2030

---

2 *Climate Change Act 2017* (Vic), Division 3.
3 Ibid, Preamble.
4 Report, p 5.
5 Report, p 93.
6 Report, p 93.

recommendations align with equivalent Climate Change Authority recommendations[7] and the Victorian Government and community can achieve the lower end of the targets without strong action by the Commonwealth Government.[8]

However, the Report states that these targets are not in line with the scientific evidence of what Victoria's emissions budget needs to be to limit global warming to 1.5°C:

> The Panel's work on 1.5°C emissions budgets show that Victoria's share of global emissions reduction *to secure an even chance* of limiting global warming to 1.5°C would imply *a target of 67% below 2005 levels in 2030.*[9] [emphasis added]

Emissions must drop dramatically from 2030 for Victoria to be on a 1.5°C trajectory.[10]

Victoria's commitment to action on climate change positions us well to lead the nation by setting ambitious and achievable emissions targets. By acting now and acting decisively to identify targets that will help us limit temperature increases to 1.5°C, we stand the best chance of protecting the people most vulnerable to the impacts of climate change.

Prioritise emissions reductions over purchasing emissions offsets

We agree with the Panel that emissions reductions within Victoria should be the priority, rather than purchasing emissions offsets outside Victoria.[11] Reducing emissions in Victoria comes with the benefits identified by the Panel, such as investment and jobs in Victoria.[12] It also comes with much broader social and health benefits, such as cleaner air, healthier homes and cheaper energy.

Reducing our emissions in Victoria is the best way to reduce the impacts of climate change and pollution on the most disadvantaged people in our communities.

Take an equitable approach to transitioning to zero net emissions

RECOMMENDATIONS

- Target subsidised renewables programs such as Solar Homes towards people on low-incomes
- Remove the renter co-contribution under the Solar Homes for Renters program
- Invest in large-scale renewables for people who cannot access rooftop solar (for example solar farms to benefit people living in high-rise public housing)
- Support alternative ownership models such as community-owned renewables

---

[7] Independent Expert Panel on Interim Emissions Reduction Targets for Victoria, *Interim Emissions Reduction Targets for Victoria (2021-2030),* March 2019 (Report), p 43.

[8] Report, p 59.

[9] Report, p 12.

[10] Report, p 57.

[11] Report, p 59.

[12] Report, p 59.

- Support community organisations to transition to renewables and strengthen their resilience to climate change and emergencies
- Support workers and communities to make a just transition away from coal.

We agree overall with the Panel's assessment of where the strongest opportunities lie for reducing emissions in Victoria. The most significant opportunities identified by the Panel which could reduce emissions in an equitable way are:

- transitioning to renewable energy
- improving the energy efficiency of homes
- shifting modes of transport.

Victoria can seize these opportunities in a way which benefits people facing disadvantage and poverty, ensuring that no one is left behind. There is also opportunity to support the community sector to be part of the transition to a zero net emissions Victoria.

Government action to reduce emissions can be targeted to relieve the impacts of climate change for low-income and disadvantaged Victorians.

Promote self-determination by valuing the role of traditional owners

Climate change can place people's traditional connections with and uses of the land at risk. Aboriginal people are central to an equitable approach to climate change. The Victorian Aboriginal Heritage Council has stated:

> *Aboriginal people have been the custodians of the land and water now known as Victoria for at least 40,000 years. Victorian landscapes are imbued with the history and cultural heritage of Aboriginal Victorians, who have sustained the environment and the world's oldest continuous culture for countless generations, through a deep connection with the land…*
>
> *The loss of Aboriginal places and the resulting loss of history, culture and heritage would be detrimental to all Victorians.*[13]

As the Report states, emissions reduction strategies must incorporate the rights and roles of the traditional owners of the land.[14] Victoria's *Climate Change Adaptation Plan 2017-2020* states that adaptation policy will engage communities and value and respect the knowledge and perspectives of Aboriginal Victorians.[15]

> 'the landscape holds the imprint of thousands of generations of Aboriginal people.'[16]

---

[13] Victorian Aboriginal Heritage Council, *Submission on the Independent Expert Panel: Interim Emissions Reduction Targets for Victoria (2021-2030) Issues Paper*, 30 March 2018, pp 1-2.

[14] Report, p 110.

[15] *Victoria's Climate Change Adaptation Plan 2017-2020*, p 17.

[16] https://w.www.vic.gov.au/aboriginalvictoria/heritage.html

Traditional owners contribute to emissions reduction through land management and remediation. The government and community can value, respect and learn from traditional owners and their knowledge of the land.

Make sure no Victorians are left behind in the transition to renewable energy

Energy generation, projected to account for 42 per cent of Victoria's emissions in 2020, is a clear priority for action.[17]

Boosting large-scale renewables in Victoria will mean lower wholesale electricity prices,[18] which should mean lower household energy bills. The Victorian Renewable Energy Target plays a significant part in the transition. Clean energy also has flow on effects by reducing emissions from transport, such as electric vehicles, and buildings.

More renewables also means less air pollution.

Air pollution has a significant impact on the health of Victorians.[19] Middle and low-income households are disproportionately exposed to air pollution, compared to wealthier Australians, and often have less ability to adapt their homes or move to a less polluted area. Major sources of air pollution, including coal-fired power stations, oil refineries and manufacturing facilities, are concentrated in suburbs with lower average incomes and higher rates of disadvantage, including areas like the Latrobe Valley in regional Victoria and Altona in urban Melbourne.[20]

> 'air pollution is a class and climate issue in Australia. 90% of the burden of air pollution falls on low to middle income households.'[21]

Access to clean and affordable energy will help reduce emissions, cut energy bills and improve health of low-income households.

The shift to renewable energy is rapidly gaining pace in Victorian and the uptake of rooftop solar is skyrocketing. But despite the significant subsidies on offer, rooftop solar can be out of reach for many people. It is estimated that 30 per cent of Australians are excluded from household solar, including people who rent or who are on low incomes.[22] People who can afford to switch see the benefits while people who cannot afford to are stuck on an expensive energy grid.

While some renewable energy programs in Victoria have prioritised people who most need clean, affordable energy (for example, Darebin Solar Savers targeted aged pensioners), current Victorian Government programs generally do not. Australia's status as a world leader in rooftop solar[23] means the flagship Solar Homes program is expanding an already extensive decentralised energy grid. However, Solar Homes subsidies are available only to people who can afford to cover part of the upfront cost, and can disadvantage renters who are forced to contribute to the costs of upgrading a property they don't own and may not live in long term.[24] While renters

---

[17] Report, p 62.

[18] Report, p 72.

[19] Report, p 106.

[20] Australian Conservation Foundation, *The dirty truth: Australia's most polluted postcodes*, November 2018, p 2, https://www.acf.org.au/the_dirty_truth_most_polluted_postcodes

[21] Australian Conservation Foundation, *The dirty truth: Australia's most polluted postcodes*, November 2018, p 2, https://www.acf.org.au/the_dirty_truth_most_polluted_postcodes.

[22] UTS Social Access Solar Garden report.

[23] Report, p 65.

[24] VCOSS, *VCOSS unveils pre-budget blueprint to 'deliver fairness',* 13 March 2019.

may see the benefits of lower bills, many tenancies are only short-term, not long enough to recover the upfront costs. Landlords will also receive the benefit of improved capital value and potentially higher future rents.

The renter co-contribution to the Solar Homes program should be waived, and the government share half the cost of solar panel installation with landlords. For public housing, we can investigate government support for community solar or buying into larger-scale renewables on behalf of public tenants.

Ensure a just transition for workers and communities

Communities with economies which are reliant on emissions-heavy industries will be most affected by the transition to a zero net emissions Victoria, particularly in the Latrobe Valley. There is clear need for support to transition away from coal-fired power.

The social impacts of job losses and significant economic change in communities are being partly addressed by the Latrobe Valley Authority. Training for new energy jobs, as outlined in the Report, is another important part of the picture across Victoria.[25] However, there appears to be less attention and support for the people in those communities facing disadvantage who rely on income from the local economy.

Community organisations which support vulnerable people also do not currently have a clear part in the picture of just transition. Community service organisations are a vital source of community connection and cohesion, building resilience to the impacts of climate change and emergency. They make sure people are able to access the information, resources, services and other support they need. The impacts of major disruptions to community service provision for people experiencing poverty and disadvantage are very serious: homelessness, deprivation, hunger and isolation.

However, community service organisations are highly vulnerable and not well prepared to respond to climate change or extreme weather events themselves. Many small and medium-sized organisations would risk permanent closure as a result of major damage to physical infrastructure and disruptions to critical services. For example, one week after an extreme weather event 50 per cent of organisations that sustain serious damage to their premises would expect to be out of operation; 25 per cent might never provide services again.[26]

Community organisations need to be part of the Government's response to climate change, to ensure their knowledge and needs are part of the plan. A well-resourced community services framework for emergencies and climate change would help strengthen the resilience of community service organisations.

---

[25] Report, p 104.

[26] National Climate Change Adaptation Research Facility, Climate Risk, ACOSS, *Adapting the community sector to climate extremes: Final report*, 2013, 4.

Makes homes healthier and more energy efficient

RECOMMENDATIONS

- Mandate effective energy efficiency minimum standards for rental housing, including public housing, under residential tenancy laws
- Support improvements to the National Construction Code to ensure strong energy efficiency standards for new buildings
- Improve the energy efficiency of homes where people are living on low incomes and/or are more vulnerable to extreme temperatures, for example, by expanding the EnergySmart Public Housing Program, Energy Savvy Upgrade and other programs
- Support community organisations to undertake energy efficiency upgrades

Reducing energy demand is a critical part of reducing emissions. As the Report states, 'significant further opportunities remain' for Victoria to reduce energy demand by reducing emissions from buildings.[27] For people facing disadvantage, this means making their homes and appliances cheaper to run.

As global warming brings increasing hot days and longer summers, energy efficient homes will not only mitigate climate change but help people to adapt to the impacts which are already locked in. The Victorian Government can build on the good work started with programs like EnergySmart Public Housing and Savvy Energy Upgrades to ensure that everyone, including those on low incomes or in public housing, has a comfortable home

Twenty-two per cent of energy use is in the home.[28] People need homes which are healthy and comfortable all year round. This is particularly true of older people, children, people with health conditions and others who are more vulnerable to extreme heat. For example, cooling the home on hot days is crucial for some people to avoid health risks such as increased risk of stroke. Improving the energy efficiency of buildings and appliances means reduced energy bills and less financial stress. It means a more comfortable home and better health.[29]

The residential tenancy reforms of 2018 include a requirement for minimum standards for rental properties. These standards are currently in development, but should incorporate energy efficiency.

---

[27] Report, p 78.
[28] Report, p 61.
[29] Report, p 78.

> Victorian private renters are the largest group of households unable to heat their home (38 per cent) or pay their bills on time (43 per cent).[30]

Energy efficiency standards are central to a minimum standards regime, given the importance of energy efficiency to health and the net affordability of a home. For example, efficient, affordable heating and adequate insulation create a warm home that is less susceptible to mould and damp, lessening the risk of health problems like respiratory conditions and depression.[31] This has been recognised by government support of programs like the Victorian Healthy Homes Program and the LaTrobe Valley Home Energy Upgrade Program.

VCOSS is seeking a government commitment to achieving minimum energy efficiency standards, via a staged approach to implementation. This would involve a feature-based approach to insulation and appliances initially, moving towards an energy efficiency rating minimum standard that is supported by a testing and compliance framework to ensure that dwellings achieve a "rent-worthy" certification.

The community services industry can be part of the transition also. With the majority of Victoria's community service organisations being Government-funded, supporting them to improve their energy efficiency will reduce the emissions from Government-funded services.

Support clean, accessible transport

RECOMMENDATIONS

- Improve public transport in outer metropolitan areas and regional areas, so people are not forced to rely solely on their cars. Public transport must be reliable, convenient and accessible for people with disability
- Boost active transport options

As the Report states, shifting modes of transport is another major opportunity to reduce Victoria's emissions. Victorians are heavily reliant on their cars,[32] which contributes to air pollution and related health risks.

There is significant work to be done to move towards low-emissions transport, including active transport (cycling and walking) and public transport. VCOSS members in rural and regional Victoria report a need for more frequent and accessible public transport options to Melbourne, and better local transport options that help people get to work, school or appointments without needing a car.

30 Francisco Azpitarte, Victoria Johnson and Damian Sullivan, Fuel poverty, household income and energy spending, prepared for the Brotherhood of St Laurence, 2015, page viii.

31 ACIL Allen Consulting, Multiple impacts of household energy efficiency, report to Energy Consumers Australia, 2017.

32 Australian Bureau of Statistics, *92080DO001_1202201810 Survey of Motor Vehicle Use, Australia, 12 months ended 30 June 2018*, 20 March 2019, https://www.abs.gov.au/ausstats/abs@.nsf/mf/9208.0;

Public transport must be accessible for a wide diversity of people, including people with disabilities, older people, people with prams or strollers or luggage and people travelling within and outside peak times. This requires a system wide commitment to accessibility, from one end of a journey to the other.

However, public transport accessibility in Victoria is highly variable and in many cases limited, particularly in rural and regional Victoria. Our system is not currently meeting the requirements of the Disability Standards for Accessible Public Transport 2002. For example, by December 2017, 90 per cent of Melbourne's tram stops were legally required to be accessible, but less than 25 per cent of stops currently meet the target.[33] A system-wide accessibility audit of the transport system would help identify strengths and areas where investment is needed, as well as an accessible transport investment fund to help upgrade the backlog of legacy infrastructure.

[33] T Jacks, *Trapped on a 96 tram: NO accessible stops added an hour to James' journey,* The Age, 9 May 2018.