

Victorian Peak Bodies Climate Roundtable

AiGROUP

 **environment
victoria**



Investor Group on
Climate Change



**Victorian
Chamber of Commerce
and Industry**



VCOSS
Victorian Council
of Social Service



Joint Policy Principles

Our organisations are diverse. We represent a large cross-section of the Victorian community: workers and their families, businesses large and small, investors, social service organisations, people living in poverty or disadvantage, vulnerable communities, and those who stand up to protect the environment and climate that sustain us and our economy.

However we all share a common interest in avoiding and addressing the worst impacts of climate change.

Climate change poses a major threat to the Victorian community, economy and each of the sectors we represent.

Victoria is already living with the impacts of 1°C of warming above pre-industrial levels, causing more frequent and extreme droughts, bushfires and heatwaves. These events cost lives, disproportionately impact vulnerable people and communities, damage infrastructure and ecosystems, and increase costs to businesses and governments.

While we are already experiencing these impacts, our current global trajectory is for warming between 2.4°C to 4.3°C above pre-industrial levels by 2100. The projected consequences are severe.

Addressing climate change will not be easy, but it is necessary.

Victoria has an opportunity to show leadership and reap social and economic benefits. This can be done in a manner that is fair and equitable, and doesn't leave anybody behind as we move to a net zero emissions economy and society.

To this end, we believe all stakeholders should support federal, state and local governments to create an effective climate policy framework, with clear signals for workers, investors, businesses and the broader community to navigate and thrive in an increasingly carbon-constrained world.

And our message is clear: we support the Victorian Government in setting emissions reduction targets, so Victoria plays its part in reducing global emissions, while ensuring a fair transition for the workers, households, communities and industries facing greatest risk.

This document sets out four key principles for Victoria's climate change policies.

Enacted fairly and well, the action we take on climate change will create multi-billion-dollar investment opportunities, lead to an economic revitalisation for our state and deliver sustained community and environmental benefits for all Victorians.

Principles

1. Goals

The current global emissions trajectory presents unprecedented and unacceptable risks to Victoria, its economy and the health and wellbeing of its people.

We recognise the critical importance of the Paris Agreement and in particular its aim of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change."

We note that climate science clearly points to significantly lower impacts from a 1.5°C as compared to 2°C temperature rise above pre-industrial levels.

We support the long-term target of net zero emissions for Victoria by 2050, as legislated in Victoria's Climate Change Act 2017.

2. National coordination

Australia's long-term response to climate change requires a durable, effective and nationally-coordinated approach.

We call on federal, state and local governments to work together on the major transitions required to build an equitable net zero emissions economy and adapt to the impacts of a warming climate.

We also support continued work on these issues by the Victorian Government ahead of a nationally coordinated approach.

3. Role for state government

We support the Victorian Government's important role in pursuing state-wide net zero emissions policies in line with Victoria's equitable share of the global emissions reduction challenge set by the Paris Agreement.

Victoria has constitutional responsibility for key policy areas and sectors that are critical to achieving net zero emissions.

The Victorian Government should therefore take action to reduce state emissions, and assist sectors and communities to adapt to the present consequences of climate change, whilst coordinating with other jurisdictions to achieve an effective nation-wide approach

We believe there are also major opportunities for Victorian businesses, workers and communities to benefit from Victorian Government leadership on the transition to net zero emissions and adapting to the impacts of climate change.

4. Policy design

We believe that Victoria requires a clear policy framework to deliver emissions reductions and adaptation at the speed and scale required, ensuring fair outcomes that minimise the costs and maximise the benefits to Victoria's society, economy and environment.

Such a framework would enhance local business and job opportunities and support the communities, people, businesses and industries most affected by the transition to zero net emissions and the impacts of climate change.

Transition and adaptation policy development should involve inclusive and community-led consultation with those most affected to ensure equitable outcomes.

Policy design processes should consider equity for current and future generations of Victorians.

Our policy response must be designed with three key criteria in mind:

a. Adapting and building resilience to climate impacts

Even with large and rapid emissions reductions, the Victorian economy and communities face costs and impacts from warming that has already occurred or is locked in.

As climate change impacts intensify, Victorian communities, organisations and businesses should be supported to build resilience and adapt, where possible, to new weather extremes and climatic conditions.

Communities, organisations and industries at greatest risk of harm or disruption from climate change impacts should receive targeted support and policies should be implemented to unlock private sector investments to build resilience to the impacts of climate change across the economy.

b. Ensuring a fair transition

Policies should be designed to minimise negative impacts on workers, households, communities and industries facing greatest risk from the transition to a net zero emissions economy and the impacts of climate change.

This transition will, at the same time, bring Victoria many opportunities for new investment, job creation and improved health and social outcomes across different sectors and regions.

The Victorian Government should strive to maximise the positive benefits and seize the economic opportunities of transition and adaptation, while managing the vulnerabilities for industries and communities at greatest risk.

We support the creation of an independent authority to guide planning and implementation of effective and equitable transition policies.

c. Sequencing the transition

Managing a successful economy-wide transition to net zero emissions in Victoria will require strategic sequencing of emissions reductions by different sectors according to capability, opportunity and long-term cost-efficiency. Sectors with higher current abatement costs may benefit from action and investment today in innovation, skills and infrastructure to lower costs and support future job creation.

Decarbonising the energy sector - as the biggest contributor to Victorian emissions - will inevitably be a priority. Decarbonisation is already underway, driven by commercial practicalities as well as household and community values. This will continue to lead to strategic opportunities to reduce emissions from other sectors, such as transport through electrification, and could create a range of co-benefits including new economic opportunities across regional Victoria and lower household and business energy costs.

Policies to reduce emissions, in energy and across other sectors, should provide a credible basis for planning and new investment. They should maintain security and affordability of essential services and proactively manage anticipated economic shocks that could negatively affect workers, businesses and communities.

As these principles show, there is considerable common ground between our organisations on the approach to climate policy in Victoria, though each organisation maintains its own policy priorities.

We look forward to further dialogue with the Victorian Government and the broader Victorian community to inform and help shape the best possible climate response for our state.

Agreed by:

Australian Industry Group

Environment Victoria

Investor Group on Climate Change

Victorian Chamber of Commerce and Industry

Victorian Council of Social Service

Victorian Trades Hall Council

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