

Introduction

The *Climate Change Act 2017* (the Act) provides Victoria with a world-leading legislative foundation to manage climate change risks; maximise the opportunities that arise from taking decisive action; and drive Victoria's transition to a net zero emissions, climate-resilient community and economy.

Section 10 of the Act requires the Premier and the Minister responsible for administering the Act (the Minister for Energy, Environment and Climate Change, hereafter the Minister) to set five-yearly interim targets to keep Victoria on track to meeting the Act's long-term target of net zero greenhouse gas emissions by 2050. The Government announced the first two interim targets – for 2021-25 and 2026-30 – as part of *Victoria's Climate Change Strategy* in May 2021. These targets are 28-33 per cent below 2005 levels in 2025, and 45-50 per cent below 2005 levels in 2030. The next interim target, for 2035, must be set by 31 March 2023. The Strategy also included Victoria's first round of "sector pledges" – emissions reduction policies and measures – under the Act, for the period 2021-25.

Section 12 of the Act requires the Minister to "obtain advice from one or more persons who are appropriately qualified, in the Minister's opinion, to act as an independent expert". This Interim Targets Independent Expert Panel (the Panel) is being established for this purpose. Section 14 of the Act requires the Premier and the Minister to have regard to this independent expert advice – alongside other factors – in determining an interim emissions reduction target.

Section 12 of the Act sets out the scope of advice to be provided by the independent expert(s) and the issues they must consider in formulating their advice. The scope of work detailed in the terms of reference has been framed according to the provisions of the Act.

Establishment and duration of the Panel

1. The Minister establishes the Interim Targets Independent Expert Panel as a Group D, Band 3 non-statutory ministerial advisory committee from the date of these Terms of Reference.
2. The Panel consists of the Chairperson and two other members, appointed by the Minister.
3. The term of the Panel will commence from 1 January 2022 and run until 30 June 2023.

Functions

4. The functions of the Panel are to provide advice to the Minister on:
 - a) One or more recommended interim targets for reducing greenhouse gas emissions for the period 2031-2035. These must have the following characteristics:
 - Each interim target must constitute a greater reduction in greenhouse gas emissions than any previous interim emissions reduction target, as per Section 14(2) of the Act;
 - Each interim target must be expressed against a 2005 base year, as per Section 11(1) of the Act.
 - b) Indicative trajectories for Victoria to achieve the long-term emissions reduction target (net zero greenhouse gas emissions by 2050) based on each option identified under 8a).
 - c) Potential opportunities across the Victorian economy as a whole to reduce greenhouse gas emissions in the most efficient and cost-effective manner in the 2031-35 interim target period.

Considerations

5. Under Section 12 of the Act, the Panel must consider the following in forming its advice:
 - a) Victoria's legislated long-term target of net zero emissions by 2050.
 - b) Relevant up-to-date climate science, including *Victoria's Climate Science Report 2019*.
 - c) Technologies relevant to climate change.
 - d) Economic circumstances – in particular the likely impact of the interim targets on the economy and the competitiveness of particular sectors of the economy.
 - e) Social circumstances – in particular the likely impact of the interim targets on the health and wellbeing of Victorians.
 - f) Environmental circumstances – in particular the benefits to the environment of emissions reduction.
 - g) Existing national and global action on climate change, including any undertakings relating to the reduction of greenhouse gas emissions that Australia has given under international climate change agreements.
 - h) Progress to date towards the reduction of greenhouse gas emissions in Victoria. This includes the government's 2020 emissions reduction target and trends in emissions reflected in annual greenhouse gas emissions reports such as State Greenhouse Gas Inventories while recognising the lags inherent in inventory data.
6. When forming its advice, the Panel must also have regard to the policy objectives and guiding principles of the Act.
7. The policy objectives of the Act, as laid out in Section 22 of the Act, are:
 - a) To reduce the State's greenhouse gas emissions consistent with the long term and interim emissions reduction targets;
 - b) To build the resilience of the State's infrastructure, built environment and communities through effective adaptation and disaster preparedness action;
 - c) To manage the State's natural resources, ecosystems and biodiversity to promote their resilience;
 - d) To promote and support the State's regions, industries and communities to adjust to the changes involved in the transition to a net zero greenhouse gas emissions economy, including capturing new opportunities and addressing any impacts arising from the need to reduce greenhouse gas emissions across the economy;
 - e) To support vulnerable communities and promote social justice and intergenerational equity.
8. The guiding principles of the Act, as laid out in Sections 23 to 28 of the Act, are:
 - a) Informed decision making;
 - b) Integrated decision making;
 - c) Risk management;
 - d) Equity;
 - e) Community engagement;
 - f) Compatibility.

Accountabilities

9. The Panel is accountable to the Minister in the performance of its functions.
10. The Panel must provide its final advice as required by these Terms of Reference to the Minister by 1 March 2023.
11. The final report and recommendations will be tabled in Parliament and made publicly available in accordance with the requirements of Section 13 of the Act.
12. The Panel will not publish any form of the report before it has been published by the Government.