**TERMS OF REFERENCE**

**INTERIM TARGETS INDEPENDENT EXPERT PANEL**

# 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. The Act comes into effect on 1 November 2017.

In January 2017, the Government released Victoria’s Climate Change Framework. The Framework included a target to reduce Victoria’s emissions by 15-20 per cent below 2005 levels by 2020.

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 will announce the first two interim targets – for 2021-25 and 2026-30 – in 2018.

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”. The Interim Targets Independent Expert Panel (**the Panel**) has been established for this purpose. The Panel will consist of a Chair and two members.

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 following scope of work has been framed in light of the provisions of the Act.

# Scope of work

1. Section 12 of the Act requires the Panel to provide advice to the Minister on:
2. One or more recommended interim targets for reducing greenhouse gas emissions for the periods 2021-2025 and 2026-2030. 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(d) of the Act;
	* Each interim target must be expressed against a 2005 base year, as per Section 11(1) of the Act.
3. 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 1a).
4. Potential opportunities across the Victorian economy as a whole to reduce greenhouse gas emissions in the most efficient and cost-effective manner in each interim target period.
5. In forming advice in relation to 1), Section 12 of the Act requires the Panel to consider the following:
6. Victoria’s legislated long-term target of net zero emissions by 2050.
7. Relevant up-to-date climate science.
8. Technologies relevant to climate change.
9. Economic circumstances – in particular the likely impact of the interim targets on the economy and the competitiveness of particular sectors of the economy.
10. Social circumstances – in particular the likely impact of the interim targets on the health and wellbeing of Victorians.
11. Environmental circumstances – in particular the benefits to the environment of emissions reduction.
12. 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.
13. 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.
14. The policy objectives of the Act, as laid out in Section 22 of the Act. These are:
	1. To reduce the State’s greenhouse gas emissions consistent with the long term and interim emissions reduction targets;
	2. To build the resilience of the State’s infrastructure, built environment and communities through effective adaptation and disaster preparedness action;
	3. To manage the State’s natural resources, ecosystems and biodiversity to promote their resilience;
	4. 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;
	5. To support vulnerable communities and promote social justice and intergenerational equity.
15. The guiding principles of the Act, as laid out in Sections 23 to 28 of the Act. These are:
	1. Informed decision making;
	2. Integrated decision making;
	3. Risk management;
	4. Equity;
	5. Community engagement;
	6. Compatibility.

# Process

In formulating its advice, the Panel may obtain specialist technical advice regarding the considerations listed under Section 2(2) of this Terms of Reference.

DELWP will work with the Panel to design and implement public consultation, with the objective of informing the Panel in developing its advice on interim targets.

The Panel will be supported by a Secretariat provided by the Department of Environment Land Water and Planning (DELWP).

# Outputs and timetable

The Panel will submit a final report to the Minister providing advice on the matters listed under Section 2(1) of this Terms of Reference by 29 March 2019.

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.

The Panel will not publish any form of the report before it has been published by the Government.