



**ACT**  
Government

**2018**

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**GOVERNMENT RESPONSE TO THE IMPLEMENTATION STATUS  
REPORT ON ACT GOVERNMENT'S CLIMATE CHANGE POLICY**

**Presented by  
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## **Introduction**

In February 2017, the Minister for Climate Change and Sustainability requested that the Office of the Commissioner for Sustainability and the Environment (OCSE) audit and report on the status of actions under the Government's climate change policy and action plan, known as AP2. AP2 establishes a pathway towards meeting our legislated targets of 40% reduction in greenhouse gases from 1990 levels by 2020. In addition, OCSE was asked to report on how the Territory is tracking on greenhouse gas emissions reduction, and towards our greenhouse gas reduction targets. The OCSE presented the Minister with a copy of the report on 15 September 2017. The report contains 17 recommendations, each of which are addressed in this response.

The Government acknowledges the findings of the audit and supports the continual improvement of policy development and implementation to ensure that the ACT maintains its momentum and remains on the leading edge of policy for climate change mitigation and adaptation.

This Government response to the Commissioner's audit agrees to 16 of the recommendations and notes one.

## Recommendations

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Recommendation 1	Budget appropriation for climate change mitigation and adaptation policies will be significant, cannot be postponed and must be consistent.
Recommendation 2	Energy efficiency initiatives are crucial in delivering climate change outcomes and must be prioritised in policy development.
Recommendation 3	Climate change mitigation and adaptation policies must be embedded and integrated across whole of government functions.
Recommendation 4	Transport is the biggest climate change mitigation challenge for the ACT and significant commitment to policy development, action and targets will be central to the ACT continuing its reputation as a climate change policy leader and driver of change.
Recommendation 5	Community engagement in discussions about climate change policy is fundamental to effective interventions in respect of mitigation and adaptation.
Recommendation 6	Commitment to social equity in the face of climate change challenges must be strengthened in all new policy initiatives.
Recommendation 7	To effectively meet immediate and evolving climate change challenges, policy must be timely, focused by means of multi-sectoral short, medium and long term targets.
Recommendation 8	Climate change policy actions and targets must continue to be monitored and evaluated in open, transparent and independent review and audit processes.
Recommendation 9	Engage the community in meaningful conversation about the credibility and validity of investing in offsets to support carbon neutrality against other investment options.
Recommendation 10	Develop a Basis of Preparation end to end process manual for the ACT emissions inventory to ensure ongoing accuracy and repeatability of ACT emissions monitoring and reporting.
Recommendation 11	Conduct and audit of ACT emissions inventory to ensure accuracy and facilitate continuous improvement, initially in 2 years time and at regular intervals thereafter.
Recommendation 12	Identify energy productivity and/or efficiency targets in conjunction with emissions reduction targets at 5 to 10 year intervals out to 2050 to optimise sustainability outcomes.
Recommendation 13	Ensure that adequate and permanent resources are committed to the Carbon Neutral Government Program, both in the central facilitation team and within agencies.
Recommendation 14	In line with national best practice, consider reporting significant Scope 3 emissions associated with ACT Government operations and clearly document their inclusions or exclusions in carbon neutral aspirations.
Recommendation 15	Produce an emissions boundary diagram for each agency to improve transparency and rigor in reporting emissions and developing mitigation strategies.

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- Recommendation 16 Ensure ongoing improvement to document processes for government agency greenhouse gas inventories to ensure integrity and efficiency of initiatives.
- Recommendation 17 Improve awareness and ease for applications to the Carbon Neutral Government Loan Fund.
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## **ACT Government Response to the Implementation Status Report on ACT Government's Climate Change Policy (2017)**

The following outlines the Government response to the Implementation Status Report on ACT Government's Climate Change Policy.

**Recommendation 1. Budget appropriation for climate change mitigation and adaptation policies will be significant, cannot be postponed and must be consistent.**

**Government Response: AGREED**

**Rationale:** The ACT Government has a long track record of a progressive agenda in addressing the challenges of climate change and has provided considerable funding to support this work. It is committed to achieving its climate change mitigation and adaptation goals.

**Recommendation 2. Energy efficiency initiatives are crucial in delivering climate change outcomes and must be prioritised in policy development.**

**Government Response: AGREED**

**Rationale:** The Government is currently preparing future policy on climate change towards our legislated target of zero net emissions by 2050 at the latest. One of the key aspects being considered is the ongoing need for improvement in energy efficiency measures, systems and infrastructure. Energy efficiency not only reduces the cost of power to the consumer it has the benefit of reducing the need for ongoing renewable energy generation infrastructure. In 2017 the Government introduced new, energy efficient activities to the Energy Efficiency Improvement Scheme (EEIS), including new space heating and cooling, and water heating systems.

**Recommendation 3. Climate change mitigation and adaptation policies must be embedded and integrated across whole of government functions.**

**Government Response: AGREED**

**Rationale:** The future climate change policy is currently being developed with a key objective of integrating mitigation and adaptation actions in order to maximise co-benefits.

The *Climate Change and Greenhouse Gas Reduction Act 2010*, *Carbon Neutral Government Framework* (2014), and the *Climate Change Adaptation Strategy – Living with a Warming Climate* (2016) seek to 'embed' and 'mainstream' climate considerations in all ACT Government functions.

**Recommendation 4. Transport is the biggest climate change mitigation challenge for the ACT and significant commitment to policy development, action and targets will be central to the ACT continuing its reputation as a climate change policy leader and driver of change.**

**Government Response: AGREED**

**Rationale:** Emissions modelling to 2050 demonstrates the major contribution of transport emissions and shows that a reduction requires adjustments to mode share trends, vehicle occupancy, trip-length and fuel type of our transport network. The Government has raised this issue with the community in its *ACT's Climate Strategy to A Net Zero Emissions Territory Discussion Paper December 2017* with a view to include mitigation measures to reduce emissions from transport in the next climate strategy for the ACT. The Government is also developing the next Transport for Canberra strategy concurrently.

**Recommendation 5. Community engagement in discussions about climate change policy is fundamental to effective interventions in respect of mitigation and adaptation.**

**Government Response: AGREED**

**Rationale:** The Government continues to share information with the community through various means. Throughout 2017 a number of climate change themed stakeholder meetings have taken place including three Roundtables with over 60 community representatives attending each one. The outcomes of these discussions are being considered in the development of climate change policy.

The climate change policy currently being developed continues the wide community and stakeholder engagement by the ACT Government and by the ACT Climate Change Council.

The Minister for Climate Change and Sustainability has invited community representatives to come together in the Climate Change Ministerial Advisory Group (CCMAG) to provide a further mechanism for community organisations and businesses to provide input from their sectors and member groups as the pathway to net zero emissions policy is developed. The CCMAG will also be an avenue for communication from Government through CCMAG members to their respective organisations.

**Recommendation 6. Commitment to social equity in the face of climate change challenges must be strengthened in all new policy initiatives.**

**Government Response: AGREED**

**Rationale:** The ACT Government requires all new policy measures to include an assessment on the impacts on social equity. The Government recognises that climate change will impact, in a disproportionate way, on those on low incomes and those least able to protect themselves, including our infirm, disadvantaged or elderly. This is taken into account across the range of measures being developed to increase the Territory's resilience to climate change impacts.

Lower-income households spend a higher proportion of their income on energy and are most affected by energy price rises, but least able to invest in efficient appliances and thus reduce their energy demand. For this reason the ACT Government is committed to reducing inequality and helping households reduce energy costs through a variety of programs and services. The combination of these measures should reduce the impact of rising energy prices for low income households as well as achieve co-benefits such as improved health, comfort and helping vulnerable households adapt to a changing climate.

Under the *Climate Change and Greenhouse Gas Emission Reduction Act 2010* the Minister for Climate Change and Sustainability prepares an annual report on action on climate change, including a Cost of Living Statement.

The EEIS provides targeted assistance to low income households through a Priority Household Target. In September 2017, the Minister for Climate Change and Sustainability set a 20 per cent EEIS priority household target for 2018 and approved the development of a regulation to expand the classes currently eligible for EEIS rebates. A priority household target within the scheme ensures that a proportion of savings are delivered in low income households, alleviating energy poverty caused by rising energy prices.

**Recommendation 7. To effectively meet immediate and evolving climate change challenges, policy must be timely, focused by means of multi-sectoral short, medium and long term targets.**

**Government Response: AGREED**

**Rationale:** The ACT Government has legislated emission reduction targets far beyond those established across jurisdictions in Australia and is on track to achieve them through a progressive and innovative approach to policy development and implementation. The ACT Government has committed to developing additional policy options on climate change toward meeting our target of net zero emissions by 2050 at the latest, and to define interim emission reduction targets for 2025, 2030 and 2040. Cross government coordinated actions plans will establish pathways towards these targets with periodic review points to ensure they are effective.

**Recommendation 8. Climate change policy actions and targets must continue to be monitored and evaluated in open, transparent and independent review and audit processes.**

**Government Response: AGREED**

**Rationale:** The monitoring and evaluation of Government climate change commitments are tracked and reported on, as required under the *Climate Change and Greenhouse Gas Reduction Act 2010*.

The ACT Climate Change Council is the independent advisory body that assists with review of the policy and its targets. Similarly, the Office of the Commissioner for Sustainability and Environment (OCSE) has played an important role as an independent reviewer of climate change policy delivery.

The preparation of an annual greenhouse gas inventory report for the ACT by an independent organisation also provides transparency in the effectiveness of mitigation

measures. These reports are made public and are available on the Environment, Planning and Sustainable Development Directorate (EPSDD) and OCSE websites.

Additional measures to establish a baseline and monitor progress in increasing the Territory's resilience to climate change impacts are currently being developed taking into consideration international best practice. Once established, progress will be publicly reported.

**Recommendation 9. Engage the community in meaningful conversation about the credibility and validity of investing in offsets to support carbon neutrality against other investment options.**

**Government Response: AGREED**

**Rationale:** The ACT Government is developing policy towards net zero emissions by 2050 at the latest. The usefulness of offsets as a tool in reaching this target is one of several policy measures being considered. In developing policy, the Government is actively engaging with the community. The ACT Climate Change Council has advised that the use of offsets should be replaced by a social cost of carbon mechanism by which any overshoot from targeted reductions should be quantified and given an appropriate monetary cost. The total cost of the overshoot should then be then re-invested in emission reduction measures within the Territory's control. This approach is described in the *ACT's Climate Strategy to a Net Zero Emissions Territory Discussion Paper* currently out for public comment. This work will also inform the implementation of the *Carbon Neutral ACT Government Framework*.

**Recommendation 10. Develop a Basis of Preparation end to end process manual for the ACT emissions inventory to ensure ongoing accuracy and repeatability of ACT emissions monitoring and reporting.**

**Government Response: AGREED**

**Rationale:** The ACT Government has prepared a Basis of Preparation as part of the operation of its greenhouse gas inventory.

**Recommendation 11. Conduct an audit of ACT emissions inventory to ensure accuracy and facilitate continuous improvement, initially in 2 years time and at regular intervals thereafter.**

**Government Response: AGREED**

**Rationale:** The ACT Government will progress an audit in two years, as recommended.



**Recommendation 12. Identify energy productivity and/or efficiency targets in conjunction with emissions reduction targets at 5 to 10 year intervals out to 2050 to optimise sustainability outcomes.**

**Government Response: NOTED**

**Rationale:** The *Climate Change and Greenhouse Gas Reductions Act 2010* includes a section to develop per person energy efficiency targets (Section 10). In 2016 an operational review of the Act was conducted. Regarding energy efficiency targets, the review noted:

“Since the formulation of this section of the Act, the *Energy Efficiency (Cost of Living) Improvement Act 2012* (EECOLI Act) has commenced. The development of the EECOLI Act supersedes the need for energy efficiency targets to be set as part of the Act. The EECOLI Act sets various energy efficiency targets across the Territory, including the Priority Household Target to assist the most vulnerable in the community to cost increases in energy.

Given the ongoing commitment to energy efficiency regardless of a target, there is no pressing need to formulate one. Creating a per person electricity efficiency target, or a more broad energy efficiency target would mostly benefit reporting and monitoring under the Act. This section of the Act may no longer be relevant given the potential for a 100% RET, the high level of action already committed to energy efficiency, and the setting of targets in line with national best practice within the EECOLI Act. Section 10 should be considered as a redundant part of the Act that is not operational. Future reviews may simply note this section has been superseded by the EECOLI Act or the section may be removed from the Act.”

The consideration of energy efficiency targets may be re-assessed in future years should a need arise.

**Recommendation 13. Ensure that adequate and permanent resources are committed to the Carbon Neutral Government Program, both in the central facilitation team and within agencies.**

**Government Response: Agreed**

**Rationale:** The ACT Government is committed to achieving the objectives of the Carbon Neutral Government (CNG) Program. EPSDD has a team to coordinate the program and provide advice to other agencies. As a result of the CNG Program, many agencies have now employed Sustainability Managers to drive internal efforts to reduce emissions and improve energy efficiency.

As part of the CNG Program a CNG Fund was created to provide interest-free loans to agencies to support approved energy efficiency projects. Energy savings are used to repay the loan, replenishing the CNG Fund and making funds available for new projects. Twenty six ACT Government projects have been supported under the CNG Fund since 2010, to a value of approximately \$14.5 million. A diverse range of projects has been supported including: lighting; heating, ventilation and cooling (HVAC) upgrades; smart building management systems; and an off grid solar photovoltaic system with battery storage. CNG Fund projects currently generate financial savings to the ACT Government of over \$2 million per annum.

**Recommendation 14. In line with national best practice, consider reporting significant Scope 3 emissions associated with ACT Government operations and clearly document their inclusions or exclusions in carbon neutral aspirations.**

**Government Response: AGREED**

**Rationale:** The ACT Government is examining issues relating to reporting Scope 3 emissions in ACT Government operations. Currently the Carbon Neutral ACT Government Framework requires only Scope 1 and 2 emissions of the carbon footprint to be offset for carbon neutrality purposes.

**Recommendation 15. Produce an emissions boundary diagram for each agency to improve transparency and rigor in reporting emissions and developing mitigation strategies.**

**Government Response: AGREED**

**Rationale:** To improve transparency, the ACT Government is preparing a methodology for the creation of the ACT Government greenhouse gas inventory. This methodology will inform the creation of emissions boundary diagrams in 2018.

**Recommendation 16. Ensure ongoing improvement to document processes for government agency greenhouse gas inventories to ensure integrity and efficiency of initiatives.**

**Government Response: AGREED**

**Rationale:** The ACT Government is preparing a methodology for the creation of the ACT Government greenhouse gas inventory. The methodology will reference all data sources and the source of all emissions factors used. This methodology will be used to create an ACT Government greenhouse gas inventory including agency inventories for 2016-17.

**Recommendation 17. Improve awareness and ease for applications to the Carbon Neutral Government Loan Fund.**

**Government Response: AGREE**

**Rationale:** Ease of applying to the Carbon Neutral Government Fund is part of the Carbon Neutral Government Program's continuous improvement processes including providing adequate governance and probity in the expenditure of public funds. The Carbon Neutral Government Program will continue to seek opportunities to increase awareness of the Carbon Neutral Government Fund.