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

TENTH ASSEMBLY

**Report by the Office of the Commissioner for Sustainability and the Environment -
An Investigation into wood heater policy in the ACT**

Government Response

pursuant to the *Commissioner for Sustainability and the Environment Act 1993*, section 21

**Presented by
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Introduction

The ACT Government acknowledges and thanks the Commissioner for Sustainability and the Environment for undertaking an investigation into wood heaters policy pursuant to the *Commissioner for Sustainability and the Environment Act 1993* (Act) and for providing a report for consideration. This response is prepared pursuant to s.21 of the Act and describes the ACT Government's position in relation to each recommendation and the reasons behind that position.

Whilst Canberra generally enjoys excellent air quality, the government recognises that there is no safe level of exposure to wood smoke. Wood smoke is a source of pollution and poses a threat to the health of Canberrans and that of the ACT's environment. It is timely that the ACT embark on new actions to reduce the impact of wood smoke that align with the ACT Government's endeavours to electrify Canberra and reduce the effects of burning fossil fuels such as natural gas.

The 2022 ACT Annual Air Quality Report prepared by the Environment Protection Authority (EPA) shows Canberra's air quality further improved in 2022 compared to 2021. Daily and annual average levels for particulate matter (PM10 and PM2.5) were at the lowest levels experienced in the past 10 years.

There were no exceedances of the national health-based air quality standards for PM 2.5, PM10, carbon monoxide, nitrogen dioxide and ozone at any of the ACT's monitoring stations.

The ACT Government acknowledges that wood heaters may be a polarising issue in the community. Whilst providing a nostalgic form of heating, the smoke from burning wood contains a range of pollutants which are harmful to people's health and the environment. This smoke is linked to several serious health conditions including asthma, chronic lung disease, heart problems and premature births and deaths. In winter, smoke from domestic wood heaters is the main source of air pollution.

In August 2022, the ACT Government surveyed 1,955 Canberrans to better understand their views towards wood heaters. 52 per cent of respondents supported phasing out wood heaters, 27 per cent opposed and 19 per cent are neutral. 59 per cent of wood heater owners opposed the phase out wood heaters and 25 per cent supported the phase out. These results underpin the government's cautious and considered response to the Commissioner's recommendations. Any form of regulatory action by the government to ban or phase out wood heaters must be fully assessed and subject to a detailed regulatory impact assessment, noting the increased costs of goods and services, and the high cost of living that is placing undue financial stress on business, families and individuals.

The ACT Government will continue to provide support and incentives for existing wood heater owners to switch to cleaner alternatives. Rebates include \$250 for the removal of a wood heater, \$750 for the removal of a wood heater and installation of an electric reverse cycle system (minimum of 3 stars), and \$1,250 for the removal of a wood heater and installation of an electric ducted reverse cycle system. Over 1,275 wood heaters have been removed since the program commenced in 2004 with a projected health benefit of over six million dollars. For the 2022/23 YTD, 50 applications have been received and 31 rebates paid.

The ACT Government released the Bushfire Smoke and Air Quality Strategy 2021-25 on 11 November 2021 to describe the ACT's current initiatives and future actions to address smoke from bushfire events and domestic wood heaters for the benefit of the community.

The ACT Government has a range of programs to address emissions from domestic wood heaters. These include regulation of commercial firewood to ensure it is sold in a seasoned and dry condition, the prohibition of wood heaters in new development areas where planning studies show that they would have an adverse impact on air quality, the Wood Heater Replacement Program (WHRP) to remove old inefficient heaters, and the new '*Burn Better*' public education campaign.

The ACT Government has also introduced the Sustainable Household Scheme which offers zero-interest loans of between \$2,000 to \$15,000 to support eligible ACT households to live more comfortably, reduce emissions and their energy costs. This scheme complements the WHRP to assist with covering the additional cost of replacing a wood heater with an energy efficient electric system for eligible households.

These initiatives have put the ACT at the forefront nationally in addressing wood smoke pollution and have improved our air quality. Information about these initiatives and copies of the ACT Annual Air Quality Reports, can be found at www.accesscanberra.gov.au. However, there is more work to do to ensure the ACT's environment remains healthy for all Canberrans to enjoy.

ACT Government Response to Recommendations

1. Phase out wood heaters from ACT suburbs through the establishment of a target date for the replacement of wood heaters with electric alternatives in all ACT suburbs (excluding rural areas), as has been done for fossil-fuel gas. This should be supported through accessible financial support for lower income households.

Agree in principle.

The ACT is on a journey to electrify the city and transition away from the use of fossil fuel gas by 2045. It is timely and appropriate that the ACT Government analyse the options, costs and timeframes to transition households away from using wood heaters and onto suitable forms of electric alternatives. This will help to guide and inform the development of policies to help achieve this outcome.

The government will address this body of work as part of the development of a second action plan to support the implementation of the *Bushfire Smoke and Air Quality Strategy 2021-25*. The pathway to phase out wood heaters will be subject to air quality and regulatory impact assessments and community consultation.

In the meantime, the government will continue to offer and refine the current Wood Heater Replacement Program which provides a rebate to remove a wood heater and replace it with an efficient electric alternative. Improvements are being investigated to ensure this program is accessible to lower income households. The Sustainable Household Scheme provides zero-interest loans up to \$15,000 to facilitate households changing to alternative efficient electric forms of heating.

The government is also working to identify options to trial the replacement of wood heaters with efficient electric alternatives in Housing ACT properties. Work will also continue to identify options for the government to support the replacement of wood heaters in low income households.

2. Ban the installation of new wood heaters in all ACT suburbs (excluding rural areas), for both new and existing builds.

Agree in principle.

The government has already restricted the installation of new wood heaters in the Molonglo Valley (excluding Wright), Dunlop and East O'Malley where strategic air quality planning assessments have indicated they would have an adverse impact on the community.

Extending the restriction of new wood heaters to the Tuggeranong Valley appears timely and appropriate to avoid increasing air quality issues that occur during winter. As reported in the ACT Air Quality Report, rises in particulate matter (PM2.5) occur during the colder months, particularly at the Monash air quality station in the Tuggeranong Valley which is subject to cold weather inversion. Extending this ban to other areas of Canberra may be appropriate but require further analysis.

The government will consider extending the ban once the necessary air quality assessments have been prioritised and completed. Regulatory impact assessments and community consultation will be necessary to help inform a final government decision on extending wood heater bans.

3. Establish a register of wood heaters in the ACT to determine the number and age of wood heaters.

Not agreed.

Whilst acknowledging the intention behind this recommendation, the costs to establish and maintain a register of wood heaters as well the requirements for business and community to provide information to support the register will be high. The government considers that the cost to maintain the register will be higher than the benefit received.

4. Mandate the removal of wood heaters before a property in any ACT suburb (excluding rural areas) can be sold.

Noted.

A decision by the government to mandate the removal of wood heaters before a property in the ACT (excluding rural areas) can be sold to support a transition away from wood heaters will require careful analysis and consultation with the community to understand the impacts. As removal of wood heaters can pose challenges as these are often structural, this may include sealing to stop usage.

The government's Wood Heater Replacement Program will continue to facilitate the removal of wood heaters, including old wood heaters that do not meet the current Australian emissions standards, and replacement with efficient electric systems.

Older wood heaters have a disproportionate impact on air quality and the Australian Home Heating Association, which represents wood heater retailers nationally, supports the removal of older non-compliant wood heaters.

As previously discussed against recommendation one, the government is continuing to investigate replacing wood heaters with efficient electric alternatives in Housing ACT properties. Work will also continue to identify options for the government to support the replacement of wood heaters in low income households.

5. Introduce mandatory labelling explaining the health risks associated with wood heater usage at point of sale for both wood heaters and firewood in ACT.

Noted.

Australian Consumer Law is the mechanism for mandating warning messages for consumer products. While the ACT Government does not have jurisdiction for this matter, it will progress this issue through the Consumer Ministers Network.

6. Include explicit messaging about the health risks associated with wood heater usage in ACT Government education and communication activities (e.g., Burn Right Tonight program).

Agreed.

The government has already taken action to evolve its messaging about wood fire heaters.

The Burn Right Tonight program has evolved to focus on other key messages including how burning techniques can help to reduce pollution. The 2023 winter campaign, entitled 'Burn Better', already contains this information.

The government will continue to evolve community messaging about woodfire heaters and as appropriate include messaging about health risks.

7. Develop and apply empirical criteria for determining environmental harm or nuisance from wood heater smoke, such as assessment of smoke composition and air quality monitoring at the affected sites, as part of EPA investigations.

Not agreed.

After careful consideration of this recommendation, the government has not identified any feasible or reliable approach to strengthen its recently updated process for determining environmental harm or nuisance from wood heater smoke. This is primarily due to the challenges and restrictions in accessing private properties, and empirically measuring the emissions at the source.

The EPA will continue to investigate better methodologies for identifying and responding to wood heater smoke through a current project aiming to ensure that that ACT's strategic environment protection framework meets contemporary community expectations. One of the actions is to develop new compliance tools for non-point source pollution, and localised air quality impacts from household wood heaters is within the scope of that work. If empirical measurement options and criteria are identified, they will be proposed for adoption.

8. Reconsider responses to the 2019 State of the Environment Report's recommendations 21 and 22:

21 Increase the number of National Environment Protection (Ambient Air Quality) Measure compliance monitoring stations, and

22 Urgently undertake an assessment of air pollutant emissions from diffuse sources to update the National Pollutant Inventory data (1999).

Agreed.

The government has reconsidered its responses to recommendations 21 and 22 in the 2019 State of the Environment Report and views that those responses are still accurate.

The ACT Government continues to explore options for expanding air monitoring activities across the Territory, however, a further National Environment Protection Measure (NEPM) station is not currently planned.

Historical air quality monitoring results demonstrate that emissions from diffuse sources are not a significant contributor to pollution in the ACT. As such, the government does not see a current need to undertake an assessment of air pollutant emissions from diffuse sources.