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

**GOVERNMENT RESPONSE TO THE
INTERIM REPORT OF THE LEGISLATIVE ASSEMBLY INQUIRY ON
ACT GREENHOUSE GAS REDUCTION TARGETS**

TABLING STATEMENT

**Presented by
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Minister for the Environment, Climate Change and Water**

Carbon Neutral Canberra by 2060

Mr Speaker, I am pleased today to table the ACT Government response to the Interim Report of the Assembly's Inquiry into ACT Greenhouse Gas Reduction Targets.

On 15 September 2009, the Standing Committee on Climate Change, Environment and Water released its first report on the Inquiry and announced its intention to provide a final report in March 2010.

I would like to thank the Committee for its comprehensive report and overview of the key issues.

I would also like to thank the many individuals and organisations who made submissions and to those who appeared at the eleven public hearings.

The clear message from the inquiry is that we need to act now, that climate change is having real and direct impacts on our local environment right now and that cities, like our own, can show leadership and make a real contribution to reducing greenhouse gas emissions

The report states: "there is a strong case for ambitious action". In effect it says we need to take steps as soon as possible to reduce our emissions.

Mr Speaker, it is also important to highlight that the Committee noted that the case for inaction because we are a "small jurisdiction" or a "small greenhouse gas producer" is nonsense. We all have responsibility to reduce our greenhouse gas footprint as soon as possible.

Indeed the Committee endorsed my own comments to the Inquiry that: "we have a very strong moral obligation to future generations to adopt stronger and more visionary targets".

As Members are aware the science of climate change is constantly evolving, and the Government's view is the outcome we must seek is a safe climate, for now and into the future. Targets we set should aim to achieve this. A safe climate that does not put in jeopardy or undermine our ability to maintain existing ecosystems; a safe climate that does not jeopardise our ability to have reliable food, water and energy supplies; and a safe climate that does not contribute to social disintegration and lack of social cohesion.

The establishment of this Inquiry was one of my first priorities as Minister for Environment, Climate Change and Water, and the Assembly subsequently

agreed to the terms of Reference for the ACT Greenhouse Gas Reduction Targets Inquiry in December last year.

At the time I noted the time frame was ambitious in the context of a complex policy issue, and the extensive nature of the Terms of Reference. However, then as now, I am committed to moving the debate on from what the targets should be and into the real and practical detail of what we need to do to make those targets achievable. Because while targets are important, measures to actually reduce greenhouse gas emissions must become the priority for all Members in this place, and for the broader community.

The ACT's emissions have increased at a rate of 1.7 per cent since the year 2000. Another way to measure this is that emissions per Canberran increased at the rate of 0.7% per year while nationally they decreased at 0.6% per year. Our emissions have increased faster than the national average, and now we must take action to reverse this trend. Recognising this earlier this year I announced that the ACT Government had adopted that aim of achieving zero net emissions, or carbon neutrality for our City.

Today I am pleased to announce the ACT Government has set a target for our city to become carbon neutral – to achieve zero net emissions – by 2060.

Zero net emissions or carbon neutrality is still an emerging concept however its broad meaning is accepted as:

- That energy use is reduced as far as possible, through energy efficiency;
- That wherever possible energy comes from renewable sources;
- That the remaining greenhouse gas emissions are offset; and
- That for emissions which we are not responsible – i.e. arising from air travel, we measure the emissions and offset as far as is practicable.

The Government recognises there are ambiguities around offsetting and therefore a key part of our forward policy work will be to develop an offset policy. I would also reiterate the importance of the first two steps ahead of offsetting. That is reducing energy use as far as possible and switching our energy supply to renewable sources.

Addressing climate change is the greatest challenge facing the modern world today. How the global community responds to climate change will determine the shape of all future generations.

The ACT Government has accepted the challenge. We have embarked upon an ambitious reform agenda. We want Canberra to set the standard for a truly sustainable city. We recognise we need to do this with the community. We recognise decisions taken by this generation will affect all future ones.

In particular the issue of taking action early to reduce emissions is recognised as the most cost effective approach, and avoids greater expense and difficulties with making the transition to a low carbon economy later. Therefore I can confirm today that the Government has agreed with the Committee's recommendation to the short-term target of reaching a peak in our [per capita] greenhouse gas emissions by the year 2013.

Our preliminary analysis from the work my Department has undertaken over the last year indicates these are both ambitious yet realistic goals. Both targets reflect our serious intent to reduce our carbon footprint.

The Committee report which I'm responding to today is a solid and considered report. It identifies the need for action. It takes up the challenge of climate change for our City.

In tabling today the Government's response to the inquiry into ACT Greenhouse Gas Reduction Targets I can confirm that the Government is adopting the broad direction of the recommendations of the report.

Of the thirty-one recommendations presented the Government agrees with 13 recommendations and agrees in principle with 16.

The Government notes 2 of the recommendations and does not disagree with any of the recommendations.

Those recommendations where we agree in principle or simply note them relate to the need to await the outcomes from other processes such as the final shape of the Carbon Pollution Reduction Scheme and the international climate change negotiations soon to take place in Copenhagen. Or alternatively to the mechanics of how we might go about putting in place arrangements to deliver the intent of the recommendation, rather than substantive disagreement.

Therefore in essence we effectively support the intent of all of the recommendations. However we do need to get the detail of it right.

So for instance, Recommendation 5 states the proposed legislation should set a target 40% reduction in overall greenhouse gas emissions by 2020.

The Government intends to set a medium term target as high as possible – and recognises a medium term target should be in the range of 25 to 40%. However this needs to occur with close regard for the equity of the targets. The Government will look at the role the government must play to ensure that support is provided for those in the community least able to pay for additional energy costs. This support might be in the form of assistance to reduce energy needs by retrofitting buildings or replacing energy-hungry appliances, and also

through improvements to the community service obligation payments arrangements

Also as the Committee recommendation notes, in order to fully consider an ambitious medium term target we need to assess the final outcomes of the Carbon Pollution Reduction Scheme, we need to assess the outcomes from Copenhagen and we need to assess the information from our consultancies which will guide us on the cost and benefits and deliverables of various policy options. I look forward to bringing proposals to the Assembly next year.

Overall though we support the broad direction of the Committee's recommendations. I am very pleased with this outcome, as I'm sure the members of the Committee would be.

It is particularly pleasing that we might be able to develop a political consensus, an agreed way forward with bi-partisan support on this most pressing policy issue of our times.

A key part of this process has always been the introduction of ACT legislation to set in place specific ACT Greenhouse Gas Reduction Targets.

The Government agrees with the Committee that any targets we set will not be enforceable in a legislative sense. There will not be penalties for non-compliance. However, the legislation will mandate regular reporting on how we as a community are tracking in our efforts to meet our greenhouse gas reduction targets. The setting of targets in legislation will also send a strong policy signal of where we are heading.

In considering the shape of the legislation the Government will look at the South Australian and Tasmanian legislation. The Government will also consider overseas legislative models. So for instance consideration will be given to the UK Climate Change Act introduced last year.

I intend to ensure that legislation to give effect to our greenhouse gas reduction targets is introduced into this Assembly in the first half of next year.

The next step in order to progress delivery of our commitment to reduce our greenhouse gas emissions is the next action plan under Weathering the Change. Action Plan 2.

My Department has commissioned expert consultants to assist in assessing options and developing a pathway to carbon neutrality for the ACT. The work will be completed by the end of the year and is critical to working out the most cost-efficient ways of meeting our goal of a carbon neutral Canberra by 2060.

Key initiatives being considered in the development of Action Plan 2 are:

- a) Mandatory targets for energy utilities to achieve set reductions in greenhouse gas emissions through energy efficiency;
- b) Measures to accelerate the uptake of Greenpower;
- c) Development of a greenhouse gas offsets policies, in particular to offset emissions from the gas and transport sectors in a way that optimises benefits for the ACT
- d) Development of an ACT Greenlease Policy to drive significant improvements in the energy efficiency of offices rented by the ACT Government;
- e) A review of planning and building regulations to identify opportunities for reducing greenhouse gas emissions;
- f) Investigation of opportunities for increasing use of co-generation and tri-generation and other low emissions distributed energy technologies in the ACT;
- g) Development of a framework to achieve carbon neutrality in ACT Government operations. Possible elements being considered include: climate change risk assessments, annual Government agency carbon budgets implemented through performance commitments in Chief Executive contracts and enhanced reporting in ACT Budget documents.

Action Plan 2 will set out the pathway of how we will achieve our greenhouse gas reduction targets and the speed with which we can do so.

I'm pleased to inform you today, Mr Speaker, that I will be releasing our draft energy policy before Christmas.

In tabling the Government response to the Interim Report of the Inquiry into ACT Greenhouse Gas Reduction Targets – I would like to acknowledge the important role this Inquiry can play in building a political consensus to finding local and sustainable solutions to climate change. I thank the Committee for delivering a well considered and comprehensive interim report and I forward to receiving the final report in March 2010.