

Minister for Water, Energy and Emissions Reduction

Minister for Gaming

2022-23 Budget Estimates Index: 15 August 2022

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Portfolio: Water, Energy and Emissions Reduction

Establishing a holistic and coordinated approach to water management in the ACT - Office for Water

Talking points:

- A new Office for Water is being established to provide a holistic and coordinated approach to water policy, planning and program delivery.
- The 2022-23 Budget commits \$1.58 million of additional funding across the next two years to establish the Office, implement reforms to strengthen management arrangements and deliver new initiatives.
- Strengthening the coordination of water management activities will enable Canberra to become a more climate resilient and water secure city, and to continue to offer residents of the ACT and surrounding region access to healthy rivers and lakes.
- The Office for Water will provide a single point of contact for community on water management issues and improve the delivery of existing and new policy.
- New initiatives will aim to improve public access to water information and advance the water interests of the Ngannawal community.
- A long-term plan for securing Canberra's water supply will also be developed to strengthen the ACT's resilience to cope with projected impacts from climate change and support a growing population.
- Establishing the Office delivers on the Government's commitment to consider the best administrative arrangements to manage new water programs and provide a holistic and coordinated approach to water programs and policy.

Key Information

- The 2022-23 Budget commits \$1.58 million of additional funding across the next two years.
- The budget commitment will supplement existing resources drawn from within the EPSDD to support water planning, policy and program delivery.

- The Office for Water will develop new initiatives that aim to:
 - improve public access to water information
 - advance the water interests of the Ngunnawal community
 - provide a long-term plan for securing Canberra’s water supply.
- The ongoing function of the Office from 2023-24 and implementation of new initiatives developed by the Office will be a matter for further government consideration.

Background Information

- The Parliamentary and Governing Agreement for the 10th Australian Capital Territory Legislative Assembly includes the commitment to *consider the best administrative arrangements to manage new water programs and provide a holistic and coordinated approach to water programs and policy.*
- Establishing the Office for Water was informed following a review of current governance arrangements conducted by the Environment, Planning and Sustainable Development Directorate under the Governance Review Project.
 - All relevant agencies across government and Icon Water participated in the Review.
 - The review identified a package of improvements to water management arrangements.
- The Governance Review Project was conducted with the aim to:
 - review current water governance arrangements and assess strengths and weaknesses in the context of ‘best practice’;
 - identify alternate models and approaches that could be applicable to the ACT, including the preparation of a cost-benefit analyses;
 - prepare an implementation plan to deliver the preferred model.
- Implementing the outcomes of the project will:
 - establish a pathway to achieve good governance arrangements for providing efficient, effective water management within the ACT and surrounding region;
 - strengthen the treatment of strategic risks associated with future water security and compliance with Murray-Darling Basin reform commitments;
 - enhance long-term planning for water security, water quality and catchment condition for the ACT.

Portfolio: Water, Energy and Emissions Reduction

Vulnerable Household Energy Support Scheme

Talking points:

- The ACT Government recognises the need for a ‘just transition’ as part of its climate change response. A key element of this recognition is that poorly insulated and energy inefficient homes contribute to higher energy bills and poor thermal comfort.
- Following consultation with community stakeholders including ACTCOSS and Council of the Aging, the VHESS is now known publically as the Home Energy Support Program. The program offers financial and other support for Canberra’s most vulnerable households to replace inefficient appliances and improve thermal efficiency.
- Participating households will benefit from reduced energy costs and improved wellbeing that comes from greater thermal comfort and gas transition.
- Funding from the 2021-22 Budget provided rebates to support energy efficient home improvements for low income homeowners and existing community housing providers registered under the *Affordable Community Housing Land Tax Exemption Scheme*. 57 households received upgraded rooftop insulation which will meet the soon to be released Minimum energy performance standards.
- In 2022-23 funding for the program will continue with additional support for the introduction of the minimum energy standards for rental homes, and to expand the eligible products for low-income homeowner rebates. In addition to rooftop solar, householders will soon be able access a rebate of \$2,500 to install heating/cooling, hot water heat pumps or ceiling insulation.
- In 2022-23, Environment, Planning and Sustainable Development Directorate (EPSDD) will work with Housing ACT to collect data, and develop a plan for long term delivery of upgraded insulation in housing properties to meet the Minimum Energy Standard. The project will include \$1 million in funding for insulation and electrification of housing properties in 2022-23.

Key Information:

- The Parliamentary and Governing Agreement action A1. iv seeks to *“Implement a five-year, \$50 million program to improve building efficiency and sustainability for social and public housing, low-income owner-occupiers, and the lowest performing rental properties; this includes upgrades to government housing, and financial incentives to implement minimum energy efficiency standards in rental properties.”*
- The Scheme supports the following ACT Climate Change Strategy 2019-2025 goals:
 - 2.A - Support low-income residents
 - 4.C - Climate-wise, zero emissions rental homes
 - 4.D - Climate-wise, zero emissions public housing
 - 4.E - Climate-wise, zero emissions low-income homes.

Cleared as complete and accurate: 21/07/2022

Cleared for public release by: Executive Group Manager Ext: 620 79780

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Lead Directorate: Environment, Planning and Sustainable Development

Background:

- The ACT Government has committed \$50 million to deliver a range of measures to reduce energy hardship for low-income homeowners, public, private, and social housing renters.

Portfolio: Water, Energy and Emissions Reduction

Zero Emissions Vehicle Strategy

Talking points:

- On 20 July 2022, the Government released the ACT's Zero Emissions Vehicles Strategy (the Strategy).
- The Strategy sets out a range of actions that will make owning a zero emissions vehicle a more affordable and accessible option for all Canberrans in the years to come.
- To help speed up the transition to zero emissions vehicles, the Strategy sets a zero emission vehicle sales target of 80 per cent -90 per cent by 2030 and actions to increase zero emissions vehicle uptake.
- The Strategy will support people to purchase zero emissions vehicles by accessing subsidies and no-interest loans, as well as continuing to expand our ambitious public charging infrastructure plan and new subsidies for private charging infrastructure.
- The electrification of our transport systems is crucial to helping us become a net zero emissions city by 2045. Transport currently makes up about 60 per cent of ACT emissions, with private vehicle use accounting for about 70 per cent of transport emissions.
- To reduce emissions and take action on climate change, it is important that all Canberrans have greater opportunity to choose sustainable transport options for every journey.
- The Strategy includes a policy intention to phase-out new light internal combustion engine vehicles from 2035.
 - As the world looks to decarbonise their economies, we have seen other countries, jurisdictions and vehicle manufacturers make similar commitments to support sustainable transport options and phase out the purchase of new petrol and diesel vehicles.
 - Signalling our intention in advance gives the ACT community time to prepare for the transition.

Key Information

- In July 2022 there are 2,069 zero emissions vehicles in the ACT. Total registrations are growing with 887 vehicles added to the fleet in the year since July 2021, but global supply constraints mean that growth is at a slower rate than has been seen in the recent past.
- The ACT Zero Emissions Vehicles Strategy sets a new and ambitious sales target of 80-90 per cent by 2030 and is supported by a suite of actions, which broadly include:
 - Expanding the ACT public charge network with 180 electric vehicle chargers by 2025

Cleared as complete and accurate: 22/07/2022

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Lead Directorate: Environment, Planning and Sustainable Development

- commitments to explore the phase-out of new internal combustion engine vehicles by 2035
 - prohibition of new internal combustion engine vehicles onboarding into taxi and ride-share fleets by 2030
 - \$2,000 incentives for installation of electric vehicle charging infrastructure for apartment buildings
 - continued financial incentives for zero emissions vehicle purchase such as stamp duty waivers, 2 years free registration for new and used zero emissions vehicles, as well as zero interest loans of up to \$15,000
 - incentives to encourage the uptake of electric bikes, motorbikes and trikes
 - changes to the Territory Plan to make new builds electric vehicle ready and streamlining EV charging application processes for public land
 - continued national advocacy and engagement to expand the national electric vehicle charge network and improve vehicle emissions standards
 - continued action to ensure that 100 per cent of all newly leased Government vehicles are zero emissions vehicles where fit for purpose and explore opportunities to replace ACT Government heavy fleet vehicles with zero emissions vehicles
- The NRMA has invested in public electric vehicle charging infrastructure in regions surrounding the ACT such as Batemans Bay and Bega. Braidwood is one of the next planned sites. Evie Networks, Jolt and Ampol have also announced east coast charging network expansion that will provide links to the ACT as part of an integrated east coast.
 - The ACT Government is leading by example with one of the largest passenger zero emissions vehicle fleets in Australia. The Strategy continues the commitment to 100% of new passenger leases where a fit for purpose are zero emissions vehicles.
 - The ACT Government passenger fleet of 576 vehicles includes 209 zero emissions vehicles, totalling 36 per cent of the fleet. Of these, there are 92 battery electric vehicles (BEVs) totalling 16 per cent of the fleet; 97 plug-in hybrid vehicles (PHEVs) totalling 17 per cent of the fleet; and 20 Hyundai Nexa fuel cell electric vehicles (FCEVs) totalling 3 per cent of the fleet.

Background Information

- On 22 April 2021, the ACT Auditor General's performance report on ACT Government's vehicle emissions reduction activities was tabled in the Legislative Assembly. The Government accepted all recommendations and implementation is underway.

In December 2021 Government published its ZEV Public Charging Outlook, which provides the charging industry with information about future demand for public ZEV

chargers in the ACT. The Outlook will also inform the location of the 180 new public chargers.

Cleared as complete and accurate:	22/07/2022	
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Portfolio: Water, Energy and Emissions Reduction

Gas Transition Next Steps

Talking points:

- Fossil fuel gas currently accounts for around 20 per cent of the ACT's greenhouse gas emissions.
- The ACT Government is committed to phasing out fossil fuel gas to help achieve our target of net zero emissions by 2045.
- In the *ACT Climate Change Strategy 2019-25*, the Government committed to develop a plan for achieving zero emissions from gas use by 2045, including setting timelines with appropriate transition periods for phasing out new and existing gas connections.
- The *Parliamentary and Governing Agreement* reaffirmed and extended these commitments to legislate to prevent new gas network connections in greenfield estates and urban infill sites.
- The ACT Government is developing an Integrated Energy Plan to set the foundations for a steady and manageable transition away from fossil fuel gas. This will establish our pathway to zero emissions from fossil fuel gas by 2045 at the latest.
- A carefully considered plan with input from the community will ensure we make it a fair transition for everyone and that we support our low income and vulnerable households and business to make this change.
- A Policy paper will be released and in the coming months there will also be consultation on options for a regulation to prevent new gas connections for some new developments. This will help avoid new developments being locked in to using gas in the future.
- While gas will continue to play an important role in the ACT energy mix for at least the next decade, it is important that consumers are not locking themselves into higher gas prices by purchasing new gas appliances today that could last for more than 15 years.
- Analysis published by the ACT Government in 2020 identified that efficient household appliances powered by renewable electricity were the most cost effective choice for most Canberra households. The community are encouraged to replace end of life gas appliances with electric alternatives.
- The Government continues to invest in technical, economic and consumer insights research and analysis to inform the development of its gas transition pathway.
- The ACT community should be proud that we are leading the nation on climate action. As we have seen across Australia, people want and expect government at all levels to take proactive action.

Key Information

- The Parliamentary and Governing Agreement for the 10th Legislative Assembly includes a number of measures to reduce emissions from natural gas, including:
 - Legislating to prevent new natural gas network connections to future greenfield residential developments in 2020-21 (Measure A1.vii)
 - Advancing all-electric developments with a view to no new natural gas network connections from 2023 (Measure A1.viii)
 - Ensuring all new ACT Government buildings and facilities are fossil-fuel-gas free. (Measure A1.x)
- In 2018, the ACT Government agreed to a request from the Ginninderry estate developers in West Belconnen to remove the requirement to install natural gas in support of plans for a range of low-carbon electricity measures for the development.
- A draft variation to the Territory Plan to implement this measure took interim effect from 17 January 2020 and was finalised on 28 August 2020.
- The Suburban Land Agency is delivering all-electric suburbs at new sites in accordance with its published Sustainability Strategy.
- The report *Household Energy Choice in the ACT* was prepared by ACIL Allen for the Environment Planning and Sustainable Development Directorate (EPSDD) and found that modern efficient electric appliances powered by renewable electricity presented a more cost effective choice for most Canberra households, particularly when paired with rooftop solar.

Portfolio: Water, Energy and Emissions Reduction

Electrification of Government gas assets

Talking points:

- The ACT Government is leading by example by transitioning away from fossil-fuel-gas in all its own assets by 2040.
- The ACT has some of the world's most ambitious emissions reduction goals, supported by its 100 per cent renewable electricity supply. The ACT Government will demonstrate the viability of a zero emissions city, with a program to electrify all its own fossil-fuel-gas assets.
- The 2022-23 ACT Budget provides \$1.4 million for design of a program to systematically replace fossil fuel gas in all Government operated buildings, including our schools, medical centres and office buildings.
- While this program is under development in 2022-23, \$2 million from the Zero Emissions Government Fund will enable Government agencies to replace some failed gas assets with electric versions.

Key Information

- This measure helps achieve Government's emissions target for its own operations of:
 - 33 per cent below 2020 levels by 2025; and
 - Zero emissions by 2040.
- This measure will not single-handedly ensure that these target are met. Additional emissions reductions from the Government transport fleet are also required.
- The whole of Government program plan will be developed to replace aging natural gas assets at end of life with an electric equivalent.

Background Information

- This proposal will allow Government to achieve Parliamentary and Governing Agreement (PaGA) commitment Appendix A(1)(ix) , *'Ensure all new ACT Government buildings and facilities are fossil-fuel gas free. All retrofitting in Government buildings and facilities will have a goal of net-zero emissions post retrofit.'*
- The 2022-23 ACT Budget also includes funding of \$6.9 million over the forward estimates to replace end-of-life gas assets at 255 Canberra Avenue and conduct thermal upgrades to the building.
- The Environment, Planning and Sustainable Development Directorate and ACT Property Group will work together to deliver on the PaGA commitment to *'Ensure all new ACT Government buildings and facilities are fossil-fuel-gas free, including new leases. All retrofitting in Government buildings and facilities will have a goal of net-zero emissions post retrofit.'*

Cleared as complete and accurate: 21/07/2022
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- ACT Property Group have developed guidelines to ensure that PAGA commitment can be implemented by Directorates. EPSDD will use its network of contacts across Government to promote these guidelines and support Directorates transition off gas.

Portfolio: Water, Energy and Emissions Reduction

Recent Energy Emergency Management

Talking points:

- The safe, secure and reliable provision of energy services is critical to the functioning of the ACT economy and to the safety of the community.
- The ACT Energy Emergency (Coordination) Plan (the Plan) is a supporting plan of the ACT Emergency Plan. It provides a framework for a coordinated approach to an actual or imminent event relating to the supply of electricity, gas and/or liquid fuel, locally and nationally. The Plan was reviewed during 2019 and 2020, and an updated plan was approved by the ESA Commissioner in July 2020.
- On 8 October 2021 the ACT Government participated in a national emergency exercise that tested the Plan in scenarios that included electricity and gas supply shortages.
- As the responsible Minister, a number of pieces of ACT legislation provide me with emergency powers to manage or ration the supply of energy in the event of an emergency.
- In June 2022, energy price spikes resulted in the failure of a number of market processes. To manage the resulting issues and potential energy shortages driven by them, the Plan was activated for the first time since 2020.
- In the event of an energy emergency, the Environment, Planning and Sustainable Development Directorate (EPSDD) seeks advice from the Australian Energy Market Operator (AEMO) and advises the ACT Government on an appropriate response to the situation.
- EPSDD continually monitors any forecast or actual shortfalls of electricity and gas supply reserves that may affect that ACT.

Key Information

- The Australian Energy Market Operator (AEMO) operates the National Electricity Market and coordinates national gas network infrastructure.

Portfolio/s: Sustainable Building and Construction
Water, Energy and Emissions Reduction

MINIMUM ENERGY PERFORMANCE REQUIREMENTS FOR RENTAL PROPERTIES

Talking points:

- The ACT Government is committed to ensuring that renters can enjoy the liveable homes that all Canberrans have a right to expect.
- Poorly insulated and energy inefficient housing can contribute to high energy bills and poor thermal comfort, affecting health and liveability.
- Renters living in these properties are either unable to make significant changes to the property or less able to afford energy efficiency measures like curtains, shading devices and more efficient appliances, leaving them subject to either discomfort or high energy costs.
- Implementing Minimum Energy Efficiency Standards for Rental Properties was identified as a key priority in the *ACT Climate Change Strategy (2019-2025)* and was reaffirmed in the *2020 Parliamentary and Governing Agreement*.
- To support delivery of this action, a Regulatory Impact Statement (RIS) was undertaken which examined minimum standard options along with consideration of issues such as safety and potential consequences for rental prices and availability.
- The three main options considered were:
 - a minimum ceiling insulation standard; or
 - a minimum energy efficient heating standard; or
 - a ‘performance’ based standard, such as a minimum star rating, which gives rental providers a choice of upgrades to make.
- The preferred option in the RIS was for a ceiling insulation standard requiring rental homes with less than R2 insulation to install or upgrade to a minimum of R5, where the R value is a measure of thermal performance and R5 is what is typically installed in new builds in Canberra.
- The Regulation for a minimum standard for ceiling insulation is planned to come into effect before the end of the year and will have a phase-in period of several years. The requirement for rental properties to meet the standard is being staggered over this time to spread industry demand and allow rental providers adequate time to make the required changes.
- The Regulation seeks to target only the worst performing properties and it is estimated that over 60 per cent of rental properties are already compliant with the proposed standard. There will also be a range of exemptions where installation of insulation is not reasonably feasible.

Cleared as complete and accurate: 22/07/2022

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- Two rounds of community and key stakeholder engagement were undertaken:
 - The first round in April and May 2021 garnered views on the three different options being examined through a survey of renters and rental providers on the ACT YourSay website and workshops with key stakeholders, including industry organisations, rental provider groups and community advocates.
 - The second round of consultation was undertaken in November and December 2021 and focussed on the proposed standard and its implementation. This included a second survey and an invitation to make written submissions on the YourSay website, as well as a second round of consultation with key stakeholders.
 - These views have been considered and informed the detailed design of the regulation to enact the standard and associated measures.
 - “Listening Reports,” summarising the feedback received through the two consultation periods, are available on the ACT YourSay website.
- A communication campaign to explain the new regulation, including rental provider obligations under the regulation, will run in the lead up to its commencement and then through the phase-in period.
- Safety has been a key consideration in the design of the regulation and the safety measures have been included as part of the regulation, including:
 - Ceiling insulation installation will be required to be undertaken by trained installers certified through the Energy Efficiency Council’s (EEC) insulation installer certification program. An electrical safety inspection by a licenced electrician will be required prior to the installation of ceiling insulation and a certificate of electrical safety lodged with Access Canberra.
- The Government is aware that the introduction of the regulation will have financial impacts on rental providers and will be providing assistance in meeting these costs, as outlined below:
 - Support for rental providers will be available through the Sustainable Household Scheme (SHS) and the Home Energy Support Program (HESP).
 - Private rental providers who meet the eligibility criteria under the SHS will be able to access zero interest loans for insulation upgrades.
 - Under the HESP a full rebate for the cost of insulation upgrades will be provided to not-for-profit community housing providers and partial rebates of up to \$2,500 per dwelling for rental providers registered under the Community Land Tax Exemption Scheme
- Support will also be provided to renters through other measures to complement the regulation such as draughtproofing and home energy assessments available under the HESP and the Low-Income Home Energy Efficiency Program.

Cleared as complete and accurate: 22/07/2022

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Key information:

- The 2016 Census identified that there were approximately 45,000 residential rental properties in the ACT. The RIS estimated that around 18,000 of these will need to have insulation installed or upgraded.
- Housing ACT has close to 12,000 dwellings, representing about 25 percent of the total rental market, and about 50 percent of the low-income rental market, in the ACT.
- The *Residential Tenancies Act 1997* as amended in 2020, allows for a regulation to be made to require minimum standards for residential rental properties. The Act specifies that regulated minimum standards may relate to energy efficiency.
- There is a 'split incentive' barrier to landlords investing in energy performance improvements as tenants end up as the beneficiary through reduced energy costs and improved thermal comfort. Government intervention through a regulation is necessary to overcome this barrier.
- Many rental properties are already energy efficient. Well-performing properties are unlikely to be affected by the standard.
- Permanent and temporary exemptions have been included in the regulation, for example the standard will not apply to lower floor units in apartment blocks, and dwellings where installation of insulation is physically unfeasible.
- The impact analysis in the RIS shows that a ceiling insulation minimum standard, with a four-year phase-in, would provide around \$18 million in benefits for the ACT. The analysis also shows that for every dollar spent on the minimum standard, it returns \$1.30 to the community.

Cleared as complete and accurate: 22/07/2022

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Portfolio: Water, Energy and Emissions Reduction

ZERO EMISSIONS GOVERNMENT

Talking points:

- The ACT Climate Change Strategy 2019-25 (the Strategy) sets emissions reduction targets in Government operations of:
 - 33 percent reduction on 2020 levels by 2025; and
 - net zero by 2040.
- These targets demonstrate that Government is leading by example to showcase best practice sustainability in Government operations. Key successes to date include:
 - Agreement to the Canberra Hospital Expansion being all-electric, a first for a major hospital facility in a cold climate in the southern hemisphere
 - Agreeing that all future schools will be all-electric.
 - Opening the Dickson Office Block, Canberra's first all-electric office block.
 - 100 per cent of new fit-for-purpose vehicle leases in 2020-21 were zero emissions.
 - Committing to the purchase of a hybrid electric fire truck, a first in Australia.
 - Releasing the Zero-Emission Transition Plan for Transport Canberra and starting the process of purchasing zero emissions buses.
- The 2022-23 ACT Budget provides \$1.4 million for design of a program to systematically replace fossil fuel gas in all ACT Government operated buildings, including schools, medical centres and office buildings.
- Government Directorates have five-year emissions reduction targets for 2025. These provide accountability and transparency of progress towards Government targets.
- Government has established a Social Cost of Carbon, a dollar value per tonne of emissions generated, based on the projected cost of climate change damages. It will be used to measure the costs and benefits of alternative emissions reduction options and to prioritise public investment.
- Government has implemented a Social Cost of Carbon at an interim price of \$20 per tonne of emissions to support projects to reduce Government emissions. This price will not be applied outside of Government, to business or community.
- In 2021-22 the Social Cost of Carbon funded the following projects:
 - Yarralumla nursery gas to electric boiler upgrade \$800,000.
 - 255 Canberra Avenue gas to electric heating upgrade, coupled with solar \$197,120.

- Fadden Primary School gas to electric heating upgrade, coupled with energy efficiency upgrades \$400,000.

Key Information

- The two largest sources of ACT Government emissions are transport fuel use (60 per cent of Government emissions) and gas use (40 per cent of Government emissions). The Strategy sets out to achieve these targets by establishing actions including:
 - Transitioning passenger fleet to zero emissions (where fit for purpose);
 - Ensuring new government buildings and leases are all-electric and replacing gas systems with electric at the end of their economic lives (where fit for purpose);
 - ACT Property Group have developed guidelines to ensure that the PaGA commitment can be implemented by Directorates. EPSDD will use its network of contacts across ACT Government to promote these guidelines and support the Directorate's transition off gas.
 - A roadmap for transitioning Transport Canberra buses to zero emissions
 - A pathway to zero-emissions health sector by 2040.
 - The ZEG Fund is a no interest loan fund for Government agencies to finance emissions reduction activities. Loans are repaid using operational savings generated by projects. The loan fund has implemented 36 projects to the value of \$17 million.
 - The Justice and Community Safety Directorate, with support of the ZEG Fund, is piloting a hybrid fire truck that will be based at an all-electric depot. The truck will be operational from the second half of 2022.

Background Information

- The 2020 Parliamentary and Governing Agreement sets out to reaffirm and expand on the commitments of the Strategy, including actions such as:
 - Ensuring all new Government buildings (including leases) are fossil-fuel free;
 - All retrofits will have an aim of net-zero emissions post retrofit; and
 - Implementing a pathway for the ACT to use only zero emissions public transport and garbage trucks by the mid-2030s, with no further purchase of non-zero emissions buses.

Portfolio: Water, Energy and Emissions Reduction

SCOPE 3 EMISSIONS REPORT BY THE COMMISSIONER FOR SUSTAINABILITY

Talking points:

- In August 2020, the then Minister for Climate Change and Sustainability directed the Commissioner for Sustainability and the Environment (the Commissioner) to conduct a special investigation into the ACT's Scope 3 greenhouse gas emissions.
- The Commissioner submitted the report 'Scope 3: Greenhouse Gas Emissions in the ACT – An Investigation of Current Scope 3 Emissions and Potential Future Reductions' on 28 September 2021. This report was tabled in the Legislative Assembly on 11 November 2021.
- Scope 1 emissions are emissions produced directly in the ACT. When we drive petrol or diesel cars, when we burn gas to heat offices or homes, and when organic waste in landfills degrades, this releases greenhouse gas emissions for which we are directly responsible. The ACT Government continues to focus on reducing these emissions, especially through maintaining 100 per cent renewable electricity, developing the gas transition plan and increasing the uptake of zero emissions vehicles.
- Scope 2 emissions are those emissions produced in making the electricity we consume. The ACT Government has reduced these emissions to zero through the supply of 100 per cent renewable electricity to the ACT.
- Scope 3 emissions are emissions that occur outside of the ACT as a result of activities undertaken within the ACT. For example, emissions resulting from the production of steel used for housing in the ACT would be Scope 3 emissions.
- The Commissioner provided twelve recommendations for the ACT Government to account for and reduce Scope 3 emissions.
- The recommendations focus on strengthening the ACT Government's leadership on climate action; changes for ACT Government operations; actions for households; and reducing emissions from the construction industry.
- The Government response to the Scope 3 recommendations was tabled in the Legislative Assembly on 1 June 2022. The Government agreed to one, agreed in-principle to eight, and noted three recommendations.
- The Government response to the recommendations reflects the complexity inherent in scope 3 emissions and the difficulties in measuring emissions generated by goods and services not produced in the ACT and for which we do not have direct control over or visibility to obtain accurate, transparent, and consistent data for reporting.
- The Government response to the recommendations recognises there is still further work required to understand Scope 3 emissions in the ACT.

Cleared as complete and accurate: 22/07/2022
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Key Information

- The recommendations relate to all Directorates and Ministerial portfolios, and input was provided from across agencies in the drafting of the Government response.

Background Information

- The Terms of Reference established by the then Minister for Climate Change and Sustainability were:
 - By September 2021, the Office of the Commissioner for Sustainability and the Environment will consider:
 - Methodologies for measuring scope 3 emissions;
 - Effective ways to reduce scope 3 emissions;
 - Appropriate targets for reduction; and
 - Recommendations for short and long-term action in this area.

Portfolio: Water, Energy and Emissions Reduction**WATER QUALITY (BLUE GREEN ALGAE)****Talking points:**

- The water quality of the ACT's lakes, ponds and waterways is vital to supporting the environmental, biodiversity, amenity and recreation values of these locations.
- Water quality is dependent on the condition of the catchments and levels of nutrient or other chemical pollution in those catchments.
- The government's work to improve the health of the ACT's urban waterways and lakes is ongoing and must occur as a partnership with the community, business and landowners both inside and outside of the ACT.
- In February 2021, the ACT Government announced an additional \$1.5 million to plan Stage 2 of ACT Healthy Waterways. Planning activities are underway and expected to be completed by March 2022.
- A further \$5 million was committed by the ACT Government in October 2021 to the Expanding Healthy Waterways initiative. This comprised \$1.6 million in capital works and \$3.4 million in expenses.
- The Healthy Waterways Program and review of water governance arrangements are key parts of its strategy.
- The quality of drinking water is managed by Icon Water to Australian standards.

Key Information:Lake and Waterways Closures

- As of 11 July 2022, all sites are open for swimming (primary contact recreation). This includes sites at Lake Ginninderra, Lake Tuggeranong, Murrumbidgee River, Paddy's River and Lake Burley Griffin.
- Lake and river closure information can change rapidly. For up-to-date information on all waterways we have an online reporting tool:
https://www.cityservices.act.gov.au/news/water_quality_in_our_lakes_and_ponds
 - The Environmental Protection Authority monitors lake water quality for blue-green algae.
- For information on Lake Burley Griffin, visit [The Swim Guide](#), press Go to Map and zoom in to the lake. Also see the [NCA website](#) for this waterway.
- Blue-green algae outbreaks occur due to a combination of high temperatures, high nutrient levels and calm weather conditions. These conditions commonly occur in a number of lakes across the ACT; in particular, in Lake Tuggeranong during the warmer months.

- Blue-green algae blooms are naturally occurring, but urban run-off contributes excessive nutrients to the lake which increases the frequency and duration of algal blooms.
- Bacteria (Enterococci) levels are known to become elevated after rainfall due to run-off from stormwater pipes, grazing land and upstream water bodies. The ACT Health Protection Service conducts water testing for bacteria (Enterococci).

ACT Water Governance:

- The ACT Government committed through the Parliamentary Agreement to consider the best administrative arrangements to manage new water programs and provide a holistic and coordinated approach to water programs and policy.
- The Environment, Planning and Sustainable Development Directorate has conducted a review of current governance arrangements for water management in the ACT. The review provides the foundation for improvements to support the ACT Government's water and catchment management agenda.

Stormwater management:

- The ACT has over 6,000 km of stormwater pipes, as well as other stormwater infrastructure. Stormwater operations and maintenance have an important role in restricting flooding of public roads and private properties, protecting these and other assets from water damage. However, this can come at a cost of poorer water quality in receiving waters, which is the reason for stormwater improvement programs like Healthy Waterways.
- The Transport Canberra and City Services Directorate operates and maintains the stormwater network to assist in minimising the risk of blue-green algae blooms through activities such as cleaning gross pollutant traps, desilting sediment basins, unblocking and monitoring the stormwater network, and litter pickup around waterways.

Portfolio: Water, Energy and Emissions Reduction**HEALTHY WATERWAYS (BASIN PROJECT)****Talking points:**

- Four bioretention swales have been built to replace existing grass swales draining the Kambah Playing Fields, which have been detected leaking nutrients into stormwater. Three are being provisionally handed over to Transport, Canberra and City Services (TCCS), while a fourth awaits the clearing of a blocked drain downstream before it can be provisionally handed over. Final handover of civil, soft landscaping and water quality plant elements will occur following 6, 12 and 24 month defect liability/establishment periods, respectively.
- There have been delays in deploying the floating wetland in Yerrabi Pond due to supply chain issues and approvals. This is now expected to be deployed in September, subject to successful approvals.
- A Planning Phase report was delivered to EPSDD in April that includes designs, feasibility assessments and costings for 11 new water quality assets. Assets with innovative designs were selected to expand the 'water sensitive urban design' options available to decision-makers to tackle water quality problems in the ACT. The report also includes a Design Approach Report for 6 asset designs that are not covered or are only partially covered by the current Municipal Infrastructure Standards for stormwater works (MIS08). It therefore serves as a draft for a revised MIS08, which will expand the asset options available for use by urban water quality managers.
- The program of up to 11 new water quality assets is progressing through design acceptance (TCCS) and development approval (EPSDD), using funding from the \$14 million budget injection in April 2022. Assets that performed best (removed the most pollutant), among those explored within 5 subcatchments were;
 - A subsurface wetland in Belconnen Oval.
 - The naturalisation of three creeks/drains in Calwell, Richardson and Isabella Plains.
 - Three facilities to intercept, clean and re-use stormwater in Kambah (2) and Waniassa.
 - Two bioretention swales in Holt and Kambah. The Holt swale accesses stormwater in a new way using a solar pump. The Kambah swale is associated with a larger raingarden that is also being constructed.
 - Four small, 'pocket' raingardens are being placed in green space within Fadden.
 - Thirty-eight drain outlets, linking small drains to adjacent green space, to help renaturalise our urban catchments.
- The small size of some of these assets is to explore options that allow us to 'retrofit' assets within existing suburbs.
- The Leaf Collective social channels and website are being maintained to keep them current and active in advance of another summer campaign targeting household

Cleared as complete and accurate: 26/07/2022

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management of leaf fall and grass clippings in yards and in bordering suburban streets. Griffith University is being procured to run the next Leaf Collective campaign, which marks the start of a rollout of the public education program across Canberra. This summer's campaign will be limited to two post codes — one in Tuggeranong and one in Gungahlin above Yerrabi pond — with rollout in a third postcode in the Sullivan's Creek catchment if funding allows. An evaluation report for last summer's Leaf Collective campaign found it doubled levels of awareness of messaging compared to the previous pilot. The Leaf Collective messaging resulted in 45 per cent of respondents changing their behaviors, compared with 25 per cent of respondents who had not received the messaging.

- A project restoring the rural/conservation catchment of the Naas/Gudgenby River has commenced. Procurements are underway to draft a catchment plan for the area and to undertake riparian restoration activities.
- Recruitment is underway for four additional staff to join the ACT Healthy Waterways team.
- The funding announced in April 2022 is also —
 - Enabling the Government to work internally and to engage externally with public and private landowners to reduce fertiliser use in catchments.
 - Extending the research in the Lake Tuggeranong catchment to track down the sources of water pollution so these can be addressed via infrastructure and programs like The Leaf Collective.
 - Helping the Government develop new modelling and reporting tools to better manage water quality.

Background:

- ACT Healthy Waterways aims to reduce sediment and nutrient pollution of ACT lakes and waterways, and the problems that the pollution causes like algal blooms.
 - 'Stage 1' of ACT Healthy Waterways, begun in 2014 as a \$94 million joint initiative of the Australian and ACT Governments. It was completed in June 2021. Stage 1:
 - Designed and built 19 large water quality assets—raingardens, ponds, wetlands and channel restorations—according to 'water sensitive urban design' (WSUD) principles.
 - Carried out a major riparian restoration.
 - Conducted a public education/behavioral change program, known as *H2OK: Keeping our Waterways Healthy*.
 - Performed research into pollution, blue-green algal blooms and control methods.

Portfolio: Water, Energy and Emissions Reduction

QUEANBEYAN SEWAGE TREATMENT PLANT

Talking points:

- The Government is aware that the Queanbeyan-Palerang Regional Council has proposed construction of a new sewage treatment plant to upgrade the current plant to serve future population growth needs and address end of life requirement.
- The proposal is nearing the end of an Environmental Impact Statement (EIS) process.
- The government notes concerns about whether the draft EIS adequately addressed the range of issues associated with the new plant's impact on the receiving waters of Lake Burley Griffin (LBG). These include impacts on water quality, aquatic biodiversity and public amenity.
- The Environment, Planning and Sustainable Development Directorate (EPSDD) has reviewed revised EIS documentation and provided comments in June 2022 about potential impacts on LBG's water quality.
- The ACT Environment Protection Authority initiated dialogue with QPRC in June 2022 to propose a review of QSTP's licence to pollute, including key water quality parameters.
- The government will remain activate engaged in the consultation process and the project progresses.

Key Information

- The existing QSTP is estimated to have a design capacity for 34,500 Equivalent Persons (EP) but currently services about 52,000 EP.
- Although the plant is meeting the existing effluent licence conditions, there is a risk that it would be unable to meet more stringent discharge criteria that are required to protect the lake's values. It is also unlikely that the plant would continue to meet the existing criteria under the projected population growth in Queanbeyan.
- The catchment of LBG includes the headwaters of the Molonglo and Queanbeyan rivers. This means that LBG receives discharges from the QSTP, which (in addition to urban and rural runoff) contribute to regular blue-green algae outbreaks in LBG.
- Since construction in the 1960s, LBG has been afflicted with major blue-green algae blooms. Major blooms were common in the late 1970s, 1980s and 1990s. However, there is an increasing incidence of blue-green algae blooms, particularly over the last five years (NCA data).
- Surveys indicate that the majority of the community perceives that LBG has poor water quality and the full amenity value of the lake is not being realised. Regular closures of LBG to primary contact recreation is likely to support an ongoing perception in the community that the lake has poor water quality.

- A 2012 report by the OCSE estimated that continued deterioration in the quality and reliability of LBG as a sporting venue creates an annual economic cost to the ACT and region of around \$25 million per annum.
- Nutrient discharge from the QSTP also can impact negatively on aquatic species because it contributes to poor water quality. While the nutrient load from the QSTP is high, the degree to which existing, or future, discharge is impacting on aquatic values is yet to be fully evaluated.
- In times of drought and low water flows, wastewater discharged from QSTP provides important environmental baseflow to Lake Burley Griffin.

Background Information

- The existing QSTP was built in the mid-1930s and is located within the Jerrabomberra district of the ACT. The plant processes sewage from NSW and Oaks Estate (in the ACT) and discharges treated effluent into the Molonglo River.
- A study commissioned in 2011 recommended a major upgrade to the plant, but those upgrades were not carried out. Since 2011, the condition of the QSTP has continued to deteriorate while the local population has increased. This has resulted in exceedance of the design capacity of the plant.
- Section 123 of the *Planning and Development Act 2007* identifies assessment of the proposal as Impact Track requiring an EIS. Specifically, the proposal includes activities identified in Schedule 4 of the Act which triggers an EIS: “*construction of a sewage treatment plant that will be less than one kilometre from the boundary of a residential block and will be able to treat each day more than 2,500 equivalent persons*”.

Portfolio: Water, Energy and Emissions Reduction

Choose a Portfolio

Murray Darling Basin Water Reforms

Talking points:

- The Murray-Darling Basin Plan provides a framework to guide the sustainable management of water resources in a way that balances the needs of the environment, communities, and industry.
- Implementing the Basin water reforms is a collaboration between Basin governments. These reforms provide the appropriate scale of management, across State and Territory borders, to respond to our climate emergency and safeguard the long-term security of our water resources.
 - The poor health of the upper Murrumbidgee River is a testament to the importance of cross-border collaboration on water management.
 - We are working with NSW water managers to establish arrangements that protect our native fish populations and avoid future instances, such as in 2019, where the Murrumbidgee River ceases to flow.
- The Australian Government has recently committed to providing approximately \$2.5 million to support the implementation of Murray-Darling Basin water reforms within the ACT during 2021-2024.
- The ACT is also working with the Commonwealth to design bespoke arrangements for the implementation of water efficiency measures. These measures are important for building a water secure city.

Key Information

- Priorities for water management reform within the ACT over the 2021-24 period include:
 - contemporising water governance arrangements to support integrated policy and program delivery
 - advancing the water interests of Ngunnawal Traditional Custodians
 - renewing the ACT's policy for 'Non-urban water metering' to ensure that the metering standards promote sustainable water use and meet commitments under the National Water Initiative and Murray-Darling Basin water reforms.
 - climate vulnerability and water security planning to build resilience in the environment and community of the ACT and surrounding region
 - enabling ACT-NSW water trading to support environmental, cultural, and regional economic development
 - facilitating improved community engagement on the Basin Plan implementation and review within the upper Murrumbidgee region

Cleared as complete and accurate: 26/07/2022

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- delivering water for the environment by returning at least 4.9 gigalitres to the basin through a suite of water efficiency measures.

Background Information

- The Basin Plan was established in 2012 under the *Water Act 2007* (Cwlth). The key objectives of the Plan (s5.02) are:
 - to give effect to relevant international agreements (environmental) through integrated water management
 - establish a sustainable, long-term adaptive management framework for the Basin water resources
 - optimise social, economic and environmental outcomes in the national interest
 - improve water security for all water users.
- Programs developed to implement the Basin Plan are scheduled to conclude by 2024. This includes measures under the Sustainable Diversion Limit Adjustment Mechanism.
- The Murray-Darling Basin Authority is required to conduct an evaluation of the Basin Plan implementation by 2024 and a review of the Basin Plan by 2026.

Portfolio/s: Water, Energy and Emissions Reduction

Choose a Portfolio

2021 CATCHMENT HEALTH INDICATOR PROGRAM (CHIP) REPORT

Talking points:

- A key part of the Waterwatch program is the annual Catchment Health Indicator Program report – known affectionately to most as the CHIP report. This provides a “catchment health score” of river reaches in the Upper Murrumbidgee, displayed in individual report cards, using data collected by Waterwatch volunteers.
- The purpose of the CHIP report is to give the community a better understanding of water quality and waterway health issues in the catchment as well as providing a baseline assessment of catchment health to assist natural resource managers and policy-makers.
- The 2021 CHIP report results are impressive:
 - 96 report cards on various river and wetland reaches across the ACT region;
 - 1,779 water quality surveys, 181 waterbug surveys and 219 riverbank condition assessments; and
 - All collected at 229 sites by over 200 Waterwatch volunteers.
- The results show that:
 - 7 report cards received an Excellent (A);
 - 42 got a Good (B) result;
 - 45 scored a Fair (C); and
 - 2 received a Poor (D) result.
- The news has been overwhelmingly positive for the upper Murrumbidgee catchment with 44 of the 96 report cards showing improvement, 34 remaining steady and only 18 showing a decline. It is heartening to see catchments directly and indirectly impacted by the fires, such as Hospital and Bogong creeks in Namadgi National Park all bounce back this year. Some even receiving Excellent report cards.
- We thank the Waterwatch volunteers for their valuable contribution.

Background Information

- Upper Murrumbidgee Waterwatch supports the community in the monitoring and caring of our local waterways. The program has been running for over 25 years and has sites right at the top of the Murrumbidgee River in Kosciusko National Park, all the way down to Taemas Bridge where the Murrumbidgee enters Burrinjuck Dam near Yass.

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- Two primary functions of the Waterwatch program are to facilitate community engagement through the monitoring and care of local waterways, and to use the data (water quality, waterbugs and riverbank condition assessments) as an early warning system for aquatic ecosystem health issues.
- There are now over 28,000 Waterwatch water quality surveys on the Atlas of Living Australia database dating back to 1995.
- Waterwatch works in partnership with the three community catchment groups (Molonglo, Southern ACT and Ginninderra) to implement the Waterwatch program. The ACT Government has provided funding through to June 2023 for the coordinator positions which are essential for training and supporting the volunteers.
- An additional coordinator is funded through Icon Water to support volunteers to monitor waterways in the Cooma Monaro region, upstream of the ACT. This allows Waterwatch to work with regional partners and collect water quality data on a truly catchment scale.

Portfolio: Water, Energy and Emissions Reduction

COMMUNITY ZERO EMISSIONS GRANTS PROGRAM

Talking points:

- The Government has committed \$600,000 over 4-years in the 2021-22 Budget to continue the Community Zero Emissions Grants Program.
- This funding will continue to support community-led projects that help the ACT reach its target of net zero emissions by 2045 and increase our community's resilience to the impacts of climate change.
- Round five of the program (first round of the new funding) opened on 1 February 2022 with \$150,000 of grant funding available. Applications closed on 25 March 2022.
- Grant applications up to \$50,000 available per single application and \$75,000 for joint applications.
- The program priority areas for round five were reducing greenhouse gas emissions from transport and natural gas use as well as supporting the community to prepare for and adapt to the impacts of climate change, including more extreme heat waves, bushfires, droughts and storms.
- Round five provided a total of \$155,800 in funding to support six successful applications.
- In 2017/18, the Government supported four rounds of grants totalling \$573,000. These projects were delivered over four years and provided a unique opportunity to deliver the emissions reduction message through a diverse range of grants including the Australian Dance Party performance videos and Canberra Environment Centres 'Recyclery' bike repair centre.

Key Information:

Previous funding under the Community Zero Emissions Grants Program

- The Government's 2021-22 Budget commitment builds on previous funding of \$550,000 over 4-years (2017-18 to 2020-21).
- This funding delivered projects and activities that aimed to:
 - develop and implement innovative solutions and generate new knowledge and information to support a community transition to net zero emissions by 2045;
 - assist the community to reduce greenhouse gas emissions in the ACT; and

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- drive greater community awareness of and engagement in the transition to net zero emissions.
- Four rounds were delivered through the Government’s previous funding commitment, with a total of 23 funded applications.
 - Under each round, a maximum of \$25,000 (excluding GST) was available to eligible individual applicants and up to \$50,000 (excluding GST) for joint applications.

Background Information:

- In round one, 19 grant applications were received and assessed, with six applicants successful, sharing \$117,910 in grant funding.
- In round two, 16 grant applications were received and assessed; with seven applicants successful, sharing \$167,528 in grant funding.
- In round three, 20 grant applications were received and assessed; with seven applicants successful, sharing \$160,117 in grant funding.
- In round four, 16 grant applications were received and assessed; with five applicants successful, sharing \$127,424 in funding.

Portfolio: Water, Energy and Emissions Reduction**PUBLIC ELECTRIC VEHICLE CHARGING STATIONS****Talking points:**

- The electrification of transport systems is necessary to become a net zero emissions city by 2045. Transport is currently over 60 per cent of ACT emissions, with private vehicle use accounting for about 70 per cent of transport emissions. To reduce emissions and take action on climate change, it is important that all Canberrans have greater opportunity to choose sustainable transport options for every journey.
- In the 2020-21 ACT Budget, Government supported our commitment to reduce transport emissions with \$1.3 million of funding for the installation of at least 50 publicly accessible charging stations. Through a competitive process, this funding has been able to support more charging stations than expected.
- In August 2022 the ACT Government will announce the successful tenders for the roll-out of more than 70 public electric vehicle chargers across the ACT. This will substantially increase access to public charging for ACT residents and visitors, leading to reduced levels of range anxiety among ACT residents by the medium term.
- The charger infrastructure is anticipated to be available to Canberrans from late 2022 to 2023.

Key Information

- Range anxiety and charger availability is a barrier to purchasing an EV.
- New charging infrastructure in visible and convenient locations will address range anxiety concerns.
- The NRMA has invested in public EV charging infrastructure in regions surrounding the ACT such as Batemans Bay and Bega. Braidwood is one of the next planned sites. Evie Networks, Jolt and Ampol have also announced east coast charging network expansion that will provide links to the ACT as part of an integrated east coast.
- In December 2021, Government published the Electric Vehicle (EV) Public Charging Outlook which provides the charging industry with information about the ACT's demand for public charging now and to 2030. The outlook informed locations of the new charging stations, based on expected ZEV charging demand. This outlook also included engagement with business and Evoenergy on ACT electricity network impacts.
- The ACT's Zero Emissions Vehicle Strategy, which was launched in July 2022, will support the further expansion of public charging to meet the community's future needs as zero emissions vehicle adoption accelerates. This will expand the public charging network further to 180 chargers by 2025.

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Background Information

- On 9 June 2021, ActewAGL announced that it would be installing 20 public chargers in the ACT by 2027 in partnership with Evie networks. These are separate and additional to the chargers supported by the ACT Government.
- In July 2022, the ACT has approximately 42 charging points that are accessible to the public, across 21 sites. A further 6 charging sites exist but these chargers are not accessible to the general public.
- The 2020 Parliamentary and Governing Agreement commits to build at least 50 electric vehicle recharging stations across Canberra and the region.

Portfolio: Water, Energy and Emissions Reduction

ELECTRICITY AND GAS PRICES

Talking points:

- The Independent Competition and Regulatory Commission's (ICRC) regulated retail electricity price decision for 2022-23 was a 1.25 per cent decrease in ActewAGL Retail's regulated retail electricity tariffs.
- This translates to an annual electricity bill decrease of \$23 for an average ACT residential household (\$0.44 per week). The annual impact for an average small business customer is \$88 (\$1.69 per week).
- A significant component of the price decrease is a reduction in the cost of the Territory's large-scale feed-in tariff scheme, which more than offset an increase in wholesale electricity costs.
- Wholesale electricity prices affect the costs of the Territory's large-scale feed-in tariff scheme, due to our 'contract for difference' arrangements. When wholesale prices increase the costs of the scheme reduce, and when wholesale prices decrease the cost of the scheme rises.
- The cost of the ACT Government's scheme, including the large-scale feed in tariff, have decreased by 20 per cent which contributed a 4.04 percentage point reduction to the price decrease.
- The ACT Government's approach to renewable electricity allows ACT consumers to benefit from electricity prices comparable with the rest of Australia, while making a real difference to greenhouse gas emissions.
- The price decision only applies to ActewAGL's regulated tariffs. Prices for other offers from ActewAGL and other electricity retailers are unregulated in the ACT. However, the regulated price on ActewAGL's standing offer effectively constrains the level of price increases to small customers across all retailers due to market competition, as consumers will move to cheaper offers.
- The ACT Government has supported the establishment of an Energy Consumer Advocacy Network, through the Energised Consumers Project, to ensure consumer impacts are considered in decisions such as the ICRC retail electricity price decision.

Gas prices

- ActewAGL increased gas prices in the ACT by around 5.5% from 1 July 2022.
 - This means typical ACT residential household using 30 GJ per year will see an increase of approximately \$73 per year (\$1.40 per week).

Key Information

- Unlike retail electricity prices, retail gas prices are not regulated in the ACT.
- Recent gas price increases have been driven by rising wholesale gas costs due to increased exports from the east coast of Australia, a lack of competition between

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suppliers and pipeline operators, and international market factors like the conflict in eastern Europe.

- The Energy National Cabinet Reform Committee has initiated reforms to ensure efficient prices for customers.

Background Information

- ACT energy consumers can receive free advice through the Sustainable Home Advice line. Call 1300 141 777 or email SustainableHomeAdviceProgram@act.gov.au.
- A range of rebates are also available for households and businesses to save on energy bills. Information is available at <https://www.climatechoices.act.gov.au>.
- Analysis by the Australian Energy Market Commission indicates households can save hundreds of dollars through switching to different pricing plans. So, shopping around for retailers and asking retailers for better deals is important.
- For those in particular need, a government Utilities Concession is available for \$750 per year.
- In 2021-22, the ACT Government provided Utilities Hardship funding for \$100 vouchers to eligible customers with participating retailers. This program has been extended to 2022-23.
- The ACT Government has also funded an energy literacy program to fund community groups to help citizens better navigate the complex web of energy pricing.

Portfolio: Water, Energy and Emissions Reduction**Community Club Upgrades****Talking points:**

- The Parliamentary and Governing Agreement (PaGA) includes a commitment to a five year, \$5 million Building Energy Efficiency Upgrade Fund, to be accessible to community clubs.
- The Community Clubs Program supports eligible ACT clubs to undertake energy efficiency upgrades, building envelope improvements and install rooftop solar and energy storage systems to reduce their energy use and bills. It will also support clubs with their transition from gas.
- Rebates of up to \$75,000 per eligible club are available for approved upgrades and installations. Clubs with a combined energy spend of under \$400,000 per annum will be required to invest \$1 for every \$1 of Government support, and clubs over with an energy spend above that will be required to invest \$3 for every \$1 of Government support.
- Clubs are given the opportunity to provide their plan to become an extreme weather refuge site as part of the program.
- Registrations for the program opened Friday 29 October 2021. As at 19 July 2022, 19 clubs have registered for the program, 18 clubs have received energy assessments and four clubs have been approved to begin their upgrades/installations.
- Continued consultation will ensure the program is fit for purpose, meets the needs of the community clubs and meets the Government's expectation of PaGA action.

Key Information

- This program was developed by the Environment, Planning and Sustainable Development Directorate in cooperation with the Justice and Community Safety (JACS) Directorate.
- This program is PaGA measure E.9.
- PaGA measure E.10 also includes commitment to financial payments for venues designated as official extreme weather and smoke refuges. This element is being developed by JACS.

Background Information

This program builds on the experience of the Actsmart Business Energy and Water program which currently provides energy efficient upgrades, solar advice and rebates to small businesses. It also complements the Energy Efficiency Improvement Scheme which requires electricity retailers to achieve energy savings in small-to-medium businesses and households.

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Portfolio: Water, Energy and Emissions Reduction**ENERGY EFFICIENCY IMPROVEMENT SCHEME**

Note: Figures provided in this QTB report on data from 2020/21. Data for the 2021/22 period is currently undergoing compliance verification

Talking points:

- In 2020-21, the Energy Efficiency Improvement Scheme (EEIS) delivered energy and bill savings for close to 2,700 ACT households that received energy efficiency upgrades under the Scheme.
- The EEIS requires electricity retailers to make energy savings in households and small-to-medium businesses. Electricity retailers achieve this by either undertaking eligible activities that deliver energy efficient appliance upgrades (e.g. installation of efficient heating, insulation, lighting etc.), or by making a financial contribution to the scheme.
- The financial contributions from retailers help fund the administration of the scheme as well as other ACT Government initiatives to reduce energy use, increase energy efficiency and save money.
- An Energy Savings Target (EST) is set for each compliance year. Retailers must meet this target, which is a percentage of their total electricity sales in the ACT. The target for the 2022 compliance period is 12.5%, and will increase to 14.6 per cent for 2023.
 - This increase reflects ongoing adjustments as a result of the transition of the Scheme from a greenhouse gas emissions to an energy savings metric since the ACT achieved its 100 per cent renewable electricity commitment.
 - The increase in the Energy Savings Target maintains the intended ambition of the Scheme and keeps the pass through cost to consumers below \$4/mega-watt hour (MWh).
- The Priority Household Target (PHT) is set at 40 per cent for the 2022 compliance period and will be maintained for 2023. Activities delivered under the EEIS, in conjunction with complementary programs, will help expand opportunities for low-income priority households in the Territory to take up energy efficient technologies and reduce their energy use and costs.

Key Information

- From the Scheme's commencement in 2013 up to 30 June 2021:
 - Around 78,500 households and businesses have benefited from the Scheme.
 - Around 20,400 priority households, including rental properties, have experienced lifetime bill savings of over \$100 million.
 - Around 4,300 small and medium-sized businesses have received commercial LED lighting upgrades worth over \$200 million in lifetime energy bill savings. Average lifetime energy bill savings for businesses is approximately \$50,000. This equates to just under \$100 per week in bill savings.

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- More than 40% of ACT households have participated in the Scheme.
- The EEIS adds approximately 40c per week to ACT household electricity bills (for an average household that uses 6,370kWh¹) in pass-through costs (*note: pass-through costs are calculated on standing offer contracts*).

Background Information

- The EEIS was established under the *Energy Efficiency (Cost of Living) Improvement Act 2012*. The scheme aims to encourage the efficient use of energy; reduce greenhouse gas emissions associated with energy use; reduce energy costs; and assist priority households to reduce energy use and associated costs.
- The EEIS is legislated to 2030 and is a key mechanism for delivering on the *ACT Climate Change Strategy 2019-2025*.

¹ Representative household consumption as defined by the AER's annual retailer markets report 2020-21 Jurisdictional snapshot. Anticipated cost of schemes as provided by ICRC Retail Electricity Price Recalibration 2021-22: standing offer prices for the supply of electricity to small customers. Report 11 of 2021, June 2021.

Cleared as complete and accurate: 22/07/2022

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Shane Rattenbury MLA

Attorney-General

Minister for Consumer Affairs

Minister for Water, Energy and Emissions Reduction

Minister for Gaming

Member for Kurrajong

RESPONSE TO QUESTION TAKEN ON NOTICE

Question Time 04 August 2022

MS LEE: My question is to the Attorney-General. Attorney-General, yesterday in question time, when I asked you whether any economic analysis had been done on the effect of rental reforms on the market, you referenced the regulation impact statement in relation to the energy efficiency standards. On page 53, that document says:

The full extent of the impacts on the rental market is beyond the scope of this report.

It goes on to say on page 54:

More research would be required to properly analyse and predict impacts on the ACT's rental market.

With respect to this advice, did you or your directorate undertake any detailed economic analysis of the effect that energy standards would have on the rental market? If so, will you table it for the Assembly?

MR RATTENBURY: The observation I made to Ms Lee yesterday was that a range of economic had been work done. She has obviously gone off and read that document. It speaks particularly to the elements on which I gave commentary yesterday, on our expectations of the economic impact, and in response to Mr Parton's question in particular. I indicated that we expect a range of impacts, and that is the advice that the government has.

MS LEE: Minister, did you or your directorate undertake any economic analysis of the effect of the overall reform policy changes and what impact they would have on the rental market? If so, will you table it in the Assembly?

MR RATTENBURY: I will check the details of what work we do have available, and I will provide that on notice to Ms Lee.

MR PARTON: Minister, regarding energy efficiency standards, did you give any consideration to rental providers' feedback that they would pass costs through to tenants or take their properties, as was advised by Mr Davis this morning, out of the rental market?

MR RATTENBURY: We have, of course, considered those factors.

Opposition members interjecting—

MADAM SPEAKER: Members!

MINISTER RATTENBURY: The answer to the Member's question is as follows:

Extensive economic modelling and analysis to inform the introduction of a minimum energy efficiency standard for rental homes was undertaken by ACIL Allen as part of their work to prepare the Regulatory Impact Statement (RIS) which is available on the YourSay website at <https://yoursayconversations.act.gov.au/minimum-energy-standards>.

While the RIS did not explicitly model impacts on the rental market, it did model the range of possible impacts on tenants and rental providers. The analysis considered boundary cases where either the tenant absorbs the full cost or the rental provider absorbs the full cost (in reality, any particular case will be somewhere in between).

Given these boundary cases, the analysis in the RIS indicates that there is not likely to be significant adverse impacts on rental providers or tenants and that overall supply is unlikely to be affected. This is detailed in the RIS:

- Tenants will generally be better off, benefiting from reduced energy costs and by improved health and wellbeing. This is even the case where full costs are passed through as increased rents. (pages 47-48).
- The introduction of the minimum standard is unlikely to have sizeable impacts on the rental returns for rental providers. Even assuming no cost pass-through, the impact on annual rental returns is likely to be small for most investors. (page 49-50).
- There are also some potentially beneficial impacts for rental providers (page 51):
 - capital appreciation of properties due to improvements in thermal comfort and energy efficiency;
 - greater tenant retention in more comfortable houses; and
 - greater security of rental income with tenants experiencing reduced financial stress due to lower energy costs.
- The analysis of rental returns, as well as the results of a survey of rental providers undertaken as part of the RIS, suggest that the proposed standard will not drive large numbers of rental providers to withdraw their property from the rental market. But even where rental providers sell their property, the nett housing stock available for rent is not likely to be significantly impacted as rental properties sold will either be rented out or redeveloped by the new owner if an investor or will free up other housing stock if the new owner is an owner-occupier. (pages 53-54).

Measures to mitigate the potential for impacts on the rental market from the introduction of the minimum standard are also being considered in the design and implementation of the standard, such as:

- The standard is likely to focus on only the worst performing properties – those with no or only very poor insulation. The majority of rental properties will already meet the standard.
- There will be exemptions where installation of insulation is not feasible.
- The requirement to meet the standard will be staggered over a phase-in period of several years, with rental providers being given plenty of time to comply.
- Support for rental providers to meet the upfront cost of installing the insulation is also being considered.

Full details will be available when the regulation introducing the standard is ready to be announced.

In addition, a monitoring and evaluation plan for the introduction of the standard is being developed and will be implemented over the phase-in period. It will include monitoring to determine and assess any changes to the rental market over this time.

Approved for circulation to the Member and incorporation into Hansard.

Shane Rattenbury MLA, Minister for Water, Energy and Emissions Reduction Date:.....