QTON No. 23

Legislative Assembly for the **Australian Capital Territory**
Standing Committee on Public Accounts and Administration

Inquiry into Annual and Financial Reports 2023-24

Answer to question taken on notice

Asked by: MISS LAURA NUTTALL MLA

Addressed to: Mr CHRIS STEEL MLA, TREASURER

In relation to: ZERO EMISSION TARGETS

Hearing: 13 February 2025
Uncorrected Proof Transcript pp 41
Transcript provided: 20 February 2025
Answer Due: 27 February 2025

Mr Russ Campbell, Acting Under Treasurer, Treasury, CMTEDD and Mr Scott Austin, Acting Deputy Under Treasurer, Budget, Procurement, Investment and Finance, Treasury took on notice the following questions:

Miss Nuttall: Thank you, Chair. Let us talk climate. In 2019-2020 the estimates committee recommended government ensure budget funding decisions are explicitly considered in the context of zero emissions target by 2045 and interim targets, and that the cost of carbon emissions are factored into Treasury and directorate cost benefit analyses. The update on this recommendation is agreed but still in progress. It is five years on. When will this recommendation be fully implemented?

Mr Steel: …(indistinct)… [4.10.38] the budget business case process.

Mr Campbell: Yes, I mean, there has not been a change to our budget business case processes. We can take that on notice as to what has changed, but we will also consult with EPSDD around climate change policy to make sure that we get you the right information.

Miss Nuttall: Got you. To clarify, are budget funding decisions currently explicitly considered in the context of zero emission targets? Like, is there a mechanism within Treasury for that?

Mr Austin: It is more in terms of how the business cases are developed and if they contribute to that target they will identify that in the business case. But it is all part of the business case process that agencies or ministers bring forward.

Miss Nuttall: Got you. And is there a checkpoint in the business case process that identifies whether that has been explicitly considered? Like, is there any sort of recourse? If, for example, a business case does not consider that context, that there might be, like, a reminder for people to consider it or a reconsideration?

Mr Austin: We have got lots of tick boxes in our business cases. I just cannot remember if that is one of them. So we can look at that as part of the answer we provide back to you, I think, if that is all right. We will check that.

Miss Nuttall: That would be really nice. Thank you.

MR CHRIS STEEL MLA, TREASURER: The answer to the Member's questions are as follows:

Each business case requires the completion of a Wellbeing Impact Assessment (WIA) to support decision making through the budget process. Requirements to address climate change impacts in WIAS have been in place since 2021-22. Within the WIA, agencies must clearly identify whether the proposal will have an impact on or be impacted by climate change, including emissions production or reduction, climate resilience, and how the proposal will manage climate related risks now and into the future.

The Government is also currently reviewing and updating the Emissions Abatement Assessment Framework (EAAF) which will standardise the development and costing of project proposals in relation to emissions impacts and is also developing an Emissions Abatement Assessment tool to enable calculation of key metrics and standardisation of key parameters, including carbon values. Implementation of the EAAF and tool will include building directorates' capability in assessing and analysing emissions impacts and applying carbon values as part of the development and costing of infrastructure budget proposals. Following the development of the EEAF and tools, consideration will be given to establishing an emissions impact assessment for proposals that would be assessed alongside all components of the business case to inform government decision-making.

As part of the development of budget proposals, all Government agencies are advised that capital projects over $10 million need to either seek or be consistent with an independent sustainability rating such as from the Infrastructure Sustainability Council of Australia (ISCA), or a Greenstar rating from the Green Building Council of Australia or equivalent. Business cases must include the scope and budget to ensure that this can occur and that they must liaise with the Climate Change Team in the Environment, Planning and Sustainable Development Directorate (EPSDD). Requirements to address climate change impacts in business cases have been in place since 2021-22.

Approved for circulation to the Standing Committee on Public Accounts and Administration

Signature: Date: 28/2/25

By the Treasurer, Mr Chris Steel MLA