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electrification

# 2024-25 Budget – Business Case

**Proposal Name:** Electrification of Government Gas Assets

**Basis of authority for consideration in the 2024-25 Budget:** Chief Minister's budget process letter

**Lead Minister:** Rattenbury

**Portfolio:** Water, Energy and Emissions Reduction

**Lead Agency:** Major Projects Canberra

**Supporting Minister(s) and related portfolio/s:** Minister Steel -Special Minister of State.

**Supporting Agencies:** EPSDD, CMTEDD (OCA)

**Lead Wellbeing domain:** Environment and climate

## Financial Impacts Summary* ($'000)

| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | Total |
|---|---|---|---|---|---|
| **Capital Impacts** | | | | | |
| Capital injection / capital outflows | 17,184 | 22,246 | 27,293 | - | **66,723** |
| Capital – Offset – existing provision | -15,000 | -20,000 | -25,000 | - | **-60,000** |
| **Net Capital** | **2,184** | **2,246** | **2,293** | **0** | **6,723** |
| **Expense Impacts** | | | | | |
| Expense | 4,804 | 4,600 | 5,883 | - | **15,287** |
| Expense – Offsets – existing provision | -1,650 | -2,200 | -2,750 | - | **-6,600** |
| Depreciation | | 1,146 | 2,629 | 4,448 | **8,223** |
| Savings | -46 | -79 | -3 | - | **-128** |
| **Net Expense** | **3,108** | **3,467** | **5,759** | **4,448** | **16,782** |
| **Staffing Impact** | | | | | |
| Total Additional FTEs (number) | 12.2 | 11.2 | 11.2 | 0.0 | |

* Delete all lines not applicable – further guidance on the table is available at Appendix 2 .

**Electorate:** All **Funding category:** Expansion

**Existing program(s):** Electrification of Government Gas Assets Program

**Year to cease funding or ongoing:** ongoing.

**Link to Budget Consultation:**

**Business case contact officer: Di Stewart x54141**

## 1. Identifying the need for Government intervention

This proposal seeks Government intervention to:

a. Release provisioned funding for the Electrification of Government Gas Assets (EoGGA) Program for the 2024-25 financial year and additional recurrent and capital resourcing for program delivery and;
b. Streamline the annual program budget business case approvals to permit multi-year commitments of expenditure to provide for efficient and cost-effective construction

planning and delivery, and encourage industry development and investment in electrification workforce and expertise.

Cabinet decision (CAB23/24-11) provides for MPC to propose program operational resourcing for subsequent years (2024-25 onwards) through the annual business case process. This business case seeks the appropriation of the in-agency provisioned funds for the 2024-25 FY with the addition of required resourcing for MPC to continue delivering the program and meet the capital spend in the forward estimates.

The EOGGA program involves the asset replacement works and coordination of associated electricity network upgrade works by Evoenergy for the electrification of over 1,000 gas assets in facilities owned and operated by the ACT Government over the next 16 years. The proposal is a key component in meeting significant policy objectives under the *Parliamentary and Governing Agreement – 10th Legislative Assembly*, the *ACT Climate Change Strategy 2019-25*, the *Climate Change and Greenhouse Gas Reduction Act 2010.*

## 2. What solution should the Government pursue?

### Current Program and Resourcing

MPC is successfully implementing the EOGGA program in 2023/24. The actions specifically required of MPC in the 2023/24 ERC Business Case decision were:

- Identify and prioritise gas asset replacement works.
- Electrify 3 sites comprising 13 gas assets, which would inform the development of the longer-term program of works and provide greater clarity on cost estimates for the broader program.
- Develop the forward works program, undertake site analysis and due diligence investigations, develop a procurement strategy and receive specialised legal/probity advice.

Current MPC appropriation/in-agency provision is:

| | **23/24 $,000s** | **24/25 $,000s** | **25/26/ $,000s** | **26/27 $,000s** | **Total $,000s** |
|---|---|---|---|---|---|
| Expense- MPC | 4,050 | - | - | - | |
| Expense Evoenergy network upgrade works | 1,400 | 1,650 | 2,200 | 2,750 | 8,000 |
| Capital - MPC | 9,360 | 15,000 | 20,000 | 25,000 | 69,360 |
| MPC FTE | 10.2 | | | | |

Note: Expense appropriation provided to MPC includes Evoenergy network upgrade works funding.

### Proposed Program and Resourcing

The proposed program of works for 2024/25 (Appendix 4) has been sized to fit the in-agency provisioned funds in 2024-25 and forward estimates.

*As with all works programs, the program and choice of sites will be subject to adjustment and reprioritisation as the early planning and design develops, including identifying issues and as opportunities arise.* Importantly, EoGGA sites cannot be electrified if there is not electricity network capacity at this time to service the increased demand, and this can only be definitively determined once sites move through early planning with Evoenergy. Therefore, *named sites are indicative-only*, subject to formal adjustment by Executive Steering Committee recommendation and subsequent Ministerial approval.

The proposed 24/25 Program of Works is summarised as:

| | |
|---|---|
| Number of sites proposed for completion | 7 |
| Number of sites stage 1 underway | 1 |
| Number of engineering assessments | Approx 50 |
| Value of Capital Works | $14,776,000 |

The proposed program resourcing (FTE, specialist advice) is based on current 2023/24 program resourcing with the addition of two new FTEs:

- 1 x SOG C Evoenergy Liaison and Planning (ongoing) – (Within MPC) [redacted] This function will undertake considerable active liaison and working alongside Evoenergy to get the electricity network up to and then ahead of the proposed EoGGA works in future years. [redacted]
- 1 x SOG B EoGGA Program Management Implementation (temporary 12 months 2024/25) – to implement the program management approach identified in the EoGGA program management framework. Includes specific deliverables such as building governance and program management documentation suite, a reporting PowerBI dashboard, system integration with MPC standard reports, and GIS spatial database for EoGGA.

# 3. Collaboration and policy alignment

Collaboration for the program is governed by the Executive Steering Committee (ESC). As well as MPC, the ESC includes representatives from the Office of Climate Action, Environment, Planning and Sustainable Development (EPSDD), CMTEDD (Treasury) and three major client directorates Education, Canberra Health Services and ACT Property Group.

As a whole-of-government program, MPC has undertaken (and will continue) considerable engagement and alignment with every Directorate to deliver efficiency and value-maximisation for Government.

EoGGA has been developing the capital works program management capability for EoGGA to align with the *Capital Framework* and Project Delivery Framework, to bring together program establishment, governance, reporting, tracking and supporting processes. A Program Management Framework and action plan has been prepared in 2023/24 for full implementation in the 2024/25 EoGGA program utilising the proposed SOG B FTE. This capability will be fully scalable and flexible to accommodate future programs and with wider application. Implementation resourcing (1 FTE (12 months temp in 2024/25) and expert advice) is sought within this business case for implementation in 2024/25.

A key external collaboration is with Evoenergy in planning and delivering sufficient electricity network capacity. This provides an opportunity to bring together a number of ACT Government electricity network requirements (for example EV chargers) and should result in more timely and cost-efficient electricity network outcomes for the Government and the community.

Successful collaboration is central to the achievement of a number of critical Government policies through this proposal including:

- Zero emissions from Government operations by 2040 (*ACT Climate Change Strategy 2019-25 Goal 5D*)
- Replace all space and water heating systems in Government facilities with electric systems at the end of their economic lives (where fit for purpose) (*ACT Climate Change Strategy 2019-25 Action 5.14*)

- 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. (*Parliamentary and Governing Agreement – 10th Legislative Assembly 1ix).*

# 4. What risks are associated with this proposal and how will good governance be ensured?

## Risk Management

The Executive Steering Committee and MPC management have been monitoring risks and risk management within the Program.

The full program risk register is at Appendix 5. The 3 risks rated 'high' are:

- [redacted]
- [redacted]
- [redacted]

[redacted]

The program has been designed to hasten the rollout of the program in future years as capital funds become available and experience and capacity is built within the program, supply chains and industry. However, in order to achieve this, rolling multiple year program funding surety is required in order to commit to multiple year construction contracts and building schedules that cross financial years, allowing construction to occur over the full 12 months of a year.

This surety will allow local industry to commit to workforce development and long-term contracts for specialist staff and subcontractor companies, giving priority to EoGGA works in each company's annual works program and providing planned growth in local employment and apprentices.

There is a reasonable project setup and global lead time for the required equipment under this program, and orders need to be placed 6+ months ahead of works for some more complex solutions. Timing of central heating replacement works needs to occur outside of winter, and this requires a contract to be signed around March/April for delivery in September - March. An annual budget business case cycle with forward in-agency provisioning does not readily allow this. *It is proposed in this business case that a cycle of three year forward appropriations be adopted for future business cases with any requirements on program/scope controls to be implemented through the governance framework.*

## Governance

Program governance is well established, with an Executive Steering Committee in place and meeting monthly. Monthly reports are provided to the Minister for Water, Energy and Emissions Reduction and the Special Minister of State. Normal internal MPC executive reporting and oversight is in place including financial reporting. As EoGGA has recently become a Designated Project, MPC is reviewing current governance arrangements and any changes that may be necessary as a result of this new status. Resourcing is in place to provide governance support to this program within the EoGGA team and MPC.

## 5. Measuring and evaluating our success

This proposal addresses the Climate and Environment domain of the Wellbeing Impact Assessment. Overall success will be achieved when all gas-powered assets currently being used within ACT Government owned and operated buildings are replaced with all electric technology. This will be a major contributor to reducing Government's greenhouse gas emissions and contributing to net zero emissions by 2040.

The success of the program will be measured against the following KPIs:

1. Reduce greenhouse gas emissions from natural gas in line with 2040 Net Zero Target.
    - KPI 1.1: Delivery of electrified sites and assets
    - KPI 1.2: Emissions reductions realised
2. Efficient and effective delivery
    - KPI 2.1: Delivering the annual program
    - KPI 2.2: Safe delivery of electrification projects
3. Demonstrated leadership in net zero emissions.
    - KPI 3.2 Engagements from other Government jurisdictions
4. Industry development.
    - KPI 4.1 Involvement of local industry in delivery of the program
    - KPI 4.2 Supporting Australian manufacturing
    - KPI 4.3 Training and upskilling of the local workforce

The proposal makes provision for ongoing collection of data and information that will be essential for monitoring and assessing that the proposal's outcomes and consequent wellbeing impacts are achieved. This data will also inform essential policy work to ensure that outcomes and wellbeing impacts are sustained and, where possible, enhanced.

EoGGA currently reports through the following mechanisms: the Chief Projects Officer weekly report, the monthly Executive Steering Committee, the monthly report to the Minister for Water, Energy and Emissions Reduction and Special Minister of State, the MPC Annual Report, the annual report for the ACT Climate Change Strategy and the Minister's Annual Report under the Climate Change and Greenhouse Gas Reduction Act 2010.

### Achievements of current program

EoGGA has been underway for approximately 6 months. It has made good progress against the performance criteria required by Cabinet from the 2023/24 business case approval. These achievements include:

- Established program within MPC (transitioned from EPSDD)
- Established Program Governance including Steering Committee, Program Guidelines, Risk Register, Communications Plan and Ministerial reporting
- Established working relationship with Evoenergy and long-term planning underway
- The 23/24 program of design and construction:
    - 21 sites underway in construction to be completed 23/24 FY
    - 2 sites underway in construction for completion in 24/25 FY
    - 29 sites undergoing engineering investigation and design
- Expenditure of full capital works funds programmed for 2023/24
- Initial forward work plan developed in collaboration with Directorates
- Market sounding exercise and program management framework delivered.

# Appendix 1 – WELLBEING IMPACT ASSESSMENT

## Electrification of Government Gas Assets — MPC

### Purpose of proposal

The proposal seeks annual funding to continue a program of works for the replacement of gas assets across all ACT Government owned and operated sites with electric technology. This program of works will support the Government in meeting its target of reaching net zero emissions from Government operations by 2040.

### Impact description

The proposal will have a direct impact on climate change by actively contributing to reduced greenhouse gas emissions from Government operations, resulting in better environmental outcomes for the ACT. The reduction in greenhouse gas emissions as a result of the delivery of this program of works will have a significant positive impact on the wellbeing of those who live and work in the ACT and surrounding regions.

The energy transition will contribute to positive impacts on community welfare through contributing to the global effort to curb climate change through cutting emissions from gas. The energy transition requires enormous investments in electrification of assets that currently rely on a fossil-fuel based energy source. The energy transition across the ACT will require strong market capacity in the relevant trades to support the works required to transition ACT Government, household and commercial premises to electric.

As a first-mover towards zero-emissions government assets through this Program, the ACT Government is creating early market demand for the services, technology and trades required to support the whole of Territory transition required to reach net-zero. Undertaking this work as a whole-of-government program gives the market confidence in the future pipeline and encourage investment in mobilising additional market capacity. This growth in market capacity will:

- create early demand for the equipment and services required to transition the Territory from gas to electricity;
- promote creation of high-value local jobs in the net-zero economy;
- encourage re-training of labour resources in existing industries (such as gas plumbing) to support growth in electrification sector;
- increase demand and output across other economic sectors such as construction and manufacturing and will have a positive effect on the Territory economy; and
- build capacity and expertise in the ACT and potential to export this expertise to other jurisdictions, such as NSW and Victoria, as they progress through their own energy transition.

The Program supports Canberrans' desire for the ACT Government to be a world leader in climate action and zero emission transitions. The ACT Government has committed to transitioning from fossil fuel gas. The electrification of Government assets can be expected to reduce the Government's energy costs in the longer term, while reducing the amount of carbon dioxide released through natural gas consumption. As a first mover in this space, the ACT Government is serving as a pathfinder and example for other jurisdictions as they begin their own programs to achieving zero-emissions targets. This may result in the adoption of new technology in the ACT ahead of other jurisdictions and with it, skill development for local industry and drive growth. Further, through development of a credible pathway for like asset electrification, the Government's efforts may result in lower cost transition for business, who can be expected to electrify over time.

### Magnitude of Impact

The impacts described above will have a sustained and direct impact on reduced greenhouse gas emissions, resulting in subsequent wellbeing benefits from the improved environmental outcomes achieved. The 2023/24 policy business case estimated that, over the forward estimates, this program will achieve an estimated reduction in greenhouse gas emissions of 4.01 kt $CO_2$-e / year in ACT Government greenhouse gas emissions. Over the life of the program (to 2040), emissions by 25.26 kt/$CO_2$-e per year from 2021-22 levels.

### Will the proposal have an impact on climate change?

See Magnitude of Impact above

### Who is affected?

The proposal impacts the entire ACT community through environmental benefits achieved from the reduction of greenhouse gases.

The proposal will also drive change in the community by demonstrating clear Government leadership in working towards a realistic future of net zero emissions.

### Will the proposal have a disproportionate impact (positive or negative) on specific groups?

| Across gender | Aboriginal and Torres Strait Islander people | Carers | Children and young people | Culturally and linguistically diverse people | LGBTIQ+ people | Older Canberrans | People with disability |
|---|---|---|---|---|---|---|---|
| ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |

### Please provide additional information below on the impact of the proposal across the community.

In assessing gender impacts consider cisgender, transgender and non-binary experiences.

See the Drafting Guide for definitions and further information around gender, age, education and income levels.

| **Gender – will your proposal impact:** | | **Age – will your proposal impact:** | | **Education – will your proposal impact:** | |
|---|---|---|---|---|---|
| Predominantly women (≥80%) | ☐ | 0 – 4 years | ☐ | Lower-educated individuals | ☐ |
| Women (60-79%) | ☐ | 5 – 17 years | ☐ | Higher-educated individuals | ☐ |
| Gender balanced | ☐ | 18 – 29 years | ☐ | **Income – will your proposal impact:** | |
| Men (60-79%) | ☐ | 30 – 49 years | ☐ | Lower income | ☐ |
| Predominantly men (≥80%) | ☐ | 50 – 64 years | ☐ | Middle income | ☐ |
| | ☐ | 65+ years | ☐ | Higher income | ☐ |

**Impacts on Aboriginal and Torres Strait Islander people**

MPC has contracted an Aboriginal-owned local construction company from the PMA panel to undertake three of the pilot construction sites in 23/24. Once they have this experience, this company will be very well placed for future work under EoGGA, as will Aboriginal and Torres Strait Islander-owned SMEs such as plumbers and electricians. All industry training opportunities developed via this program will be available to Aboriginal and Torres Strait Islander people. Procurements under the program will require ATSIPP compliance.

**Impacts on future generations**

The proposal will have a positive impact on future generations through reduced greenhouse gases and therefore climate change.

## Wellbeing domain

| | |
|---|---|
| Environment and climate | • Noted impacts on Economy |

## Timeframe

Five years plus

## Evidence base and data

**What do we know now?**

In the development of the 23/24 business case, two Investment Logic Workshops (ILWs) were undertaken on 20 December 2022 and on 20 January 2023 with representatives from Environment Planning and Sustainable Development Directorate (EPSDD), Chief Minister, Treasury and Economic Development Directorate (CMTEDD), Major Projects Canberra (MPC), Office of Climate Action (OCA) and facilitated by KPMG. During the workshops an Investment Logic Map (ILM) was developed which identified three problem areas, the strategic responses to the problems and the associated benefits that will be realised by addressing the problems.

**Problem 1 - Risk of not meeting legislated net zero targets**

The detrimental effects of climate change are well researched and documented. The ACT Climate Change Strategy (2019 to 2025) highlights the four most significant impacts of climate change on the ACT over the coming decades, including:

- Increased frequency and severity of bushfires;
- Longer, hotter and more frequent heat waves;
- More frequent and prolonged periods of drought; and
- More frequent and severe storms, including flash flooding and violent winds.

Each of the above impacts will have a severe impact on the ACT community and action is required to mitigate the potential impact of such events (as a result of climate change) to improve wellbeing outcomes for the entire ACT community.

A key priority outlined in the ACT Climate Change Strategy is ACT Government leadership, including becoming net zero emissions from Government operations by 2040. ACT Government operations account for around 7% of total fossil fuel gas emissions in the ACT, responsible for natural gas used across schools, hospitals and other ACT Government buildings.

This Program addresses emissions from gas, the second largest source of ACT Government emissions. The ACT Government is taking a proactive step to address reliance on fossil fuel gas by committing to transition all Government assets from gas to zero emission electricity. The ACT Government is leading by example as this transition from gas to electricity will require active participation from the whole community and the Program will create the pathway for private and business premises transitions.

To mitigate these impacts and improve wellbeing outcomes, the ACT Climate Change Strategy sets a path towards achieving net zero emissions by 2045. A key component of the strategy is to transition to all-electric Government buildings by 2040, which this proposal will deliver.

**Problem 2 - Poor coordination and prioritisation of replacement activity**

The replacement of the gas assets used across Government buildings will impact every ACT Government Directorates and several government agencies using the affected facilities. Currently, each Directorates is responsible for the maintenance and capital replacement of their asset portfolio including gas assets. Each Directorate is given funding to maintain and manage its asset portfolio which has resulted in each Directorate developing its own approach to asset management, maintenance and renewal and risk management. An asset replacement task of this scale has not been previously undertaken by the ACT Government, and there is a need to increase capability to efficiently deliver the required program of asset replacement that spans multiple sectors and portfolios.

**Problem 3 - Lack of capability of effective asset management**
The third opportunity identified in the ILM relates to the current lack of capability in effective asset management across the ACT Government which could result in unnecessary investment and a lack of preparedness to meet net zero targets. Over 30% of government-owned gas assets with known asset lives have either reached or exceeded their asset life, and 50% are within 3 years of life expiry. This poses operational and potential financial risk in the short-term to the delivery of public services, as expired assets are more prone to failure and increases the potential risk of needing to replace like-for-like gas assets in the event of asset failure.

### What do we need to know?

The specific datasets used to measure the impacts of this business case are outlined in the *Measures of Success* section of this Assessment.

## Collaboration and Engagement

**Key internal collaborators:** Chief Minister, Treasury and Economic Development Directorate (CMTEDD), Environment, Planning and Sustainable Development Directorate (EPSDD), Major Projects Canberra, , Office of the Coordinator General for Climate Action (OCA), ACT Education Directorate, ACT Health, Canberra Health Service, ACT Property Group, Justice and Community Safety Directorate (JACS), Community Services Directorate (CSD), Cultural Facilities Corporation (CFC) and Canberra Institute of Technology (CIT).

**Key external stakeholders:** Evoenergy, Worksafe ACT, Design and installation providers, equipment suppliers, facility users, relevant unions and the broader ACT community who will be informed of the progress of the program.

As a WhoG program, EoGGA is continuously engaging with all Directorates generally on the program and in developing the forward program, and specifically with individual Directorates on each project. The Executive Steering Committee has representatives of 5 Directorates.

Evoenergy are crucial to the success of this program. MPC engages regularly in scheduled and unscheduled meetings and shares a program collaboration site with them. A program co-design workshop was held and good collaboration is developing between MPC and Evoenergy.

A website has been launched on MPC, Everyday Climate Choices and Built for CBR websites to provide information to the public on EoGGA.

Industry has received briefings and discussions at industry events.

## Measures of Success

### How will Government know this proposal has been successful?

This proposal will be successful if it achieves the outcome of replacing all gas-powered assets currently being used within ACT Government owned and operated buildings, reducing Government's greenhouse gas emissions and contributing to net zero emissions by 2040.
The success of the program will be measured against the benefits and KPIs:

1. Reduce greenhouse gas emissions from natural gas in line with 2040 Net Zero Target.
   - KPI 1.1: Delivery of electrified sites and assets
   - KPI 1.2: Emissions reductions realised
2. Efficient and effective delivery
   - KPI 2.1: Delivering the annual program
   - KPI 2.2: Safe delivery of electrification projects
3. Demonstrated leadership in net zero emissions.
   - KPI 3.2 Engagements from other Government jurisdictions
4. Industry development.
   - KPI 4.1 Involvement of local industry in delivery of the program
   - KPI 4.2 Supporting Australian manufacturing
   - KPI 4.3 Training and upskilling of the local workforce

This proposal makes provision for ongoing collection of data and information that will be essential for monitoring and assessing that the proposal's outcomes and consequent wellbeing impacts are achieved. This data will also inform essential policy work to ensure that outcomes and wellbeing impacts are sustained and, where possible, enhanced.

Measuring KPI 1.2 (emissions reductions realised) and 1.1 (delivery of electrified sites and assets) will be tracked quantitatively through the ACT Government's Enterprise Sustainability Platform (ESP), which is administered by EPSDD Zero Emissions Government program. The ESP houses all ACT Government utility billing and consumption data. At the end of years 2 and 4 of this program, an analysis of the projected costs and emissions savings of each upgrade will be undertaken against results recorded in the ESP. The results of this evaluation will help inform the future Program of Works. ESP has operations data back to 2012 and will have sufficient baseline data from which to measure any changes resulting from this proposal.

The remaining benefits and KPIs relate to interactions between this program and key external stakeholders:

a. Industry (related to capital works for the electrification projects)
b. Groups that may wish to emulate ACT's electrification process (community and other jurisdictions)

Measuring the impact of these benefits will require a qualitative approach which determines how stakeholder behaviour and (in the case of industry) business decisions have been impacted by this proposal. This evaluation will involve direct engagement with external stakeholders to establish a baseline for their level of engagement in electrification activities and a secondary review to determine whether a change in behaviour have occurred. These results will also be used to adjust the Program as it progresses towards its 2040 target.

A market sounding process has occurred, involving targeted consultation with selected participants, such as existing providers in the ACT and NSW markets, to obtain market feedback on the Program delivery. The market sounding will be used to:

- develop an understanding of market capacity, constraints and opportunities in relation to delivery of the asset replacement works; and
- seek market feedback on the Program including identifying challenges and opportunities;
- test the market interest and views on the Program works and identify areas that could be optimised to increase market interest;
- optimise the structure of the delivery model and testing the commercial terms; and
- benefit from market experience and lessons learned from other recent relevant projects.

The outcomes of the market sounding is being used to feed into the procurement and delivery strategy and the updates to the schedule for the Program.

**How will Government know this proposal has achieved the anticipated wellbeing impacts?**

Measuring benefits 1a (reduced greenhouse gas emissions) and 3a (reduced utility costs) will be tracked quantitatively through the ACT Government's Enterprise Sustainability Platform (ESP), which is administered by EPSDD Zero Emissions Government program. The ESP houses all ACT Government utility billing and consumption data. At the end of years 2 and 4 of this program, an analysis of the projected costs and emissions savings of each upgrade will be undertaken against results recorded in the ESP. The results of this evaluation will help inform future Program of Works. ESP has operations data back to 2012 and will have sufficient baseline data from which to measure any changes resulting from this program.

## Planned Evaluation

**Information about evaluation, including how to identify whether your proposal should have an evaluation plan, is available through the wellbeing toolkit resource: Evaluation in Wellbeing Impact Assessments**

A formal performance and accountability framework for this project will be developed by the MPC Team in consultation with EPSDD Zero Emissions Government team. The Framework will be developed line with the ACT Government Evaluation Policy and Guidelines and presented to the Project Board for consideration and approval. All evaluation results will be presented to the Project Board for review.

# Appendix 2 – Financial information

## Detailed financials ($'000)

| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | Total |
|---|---|---|---|---|---|
| **Capital Impacts** | | | | | |
| Capital injection / capital outflows | 17,184 | 22,246 | 27,293 | - | **66,723** |
| Capital – Offset – existing provision [a] Electrification of Government Assets | -15,000 | -20,000 | -25,000 | - | **-60,000** |
| **Net Capital** | **2,184** | **2,246** | **2,293** | **0** | **6,723** |
| **Expense Impacts** | | | | | |
| Expense | 4,804 | 4,600 | 5,883 | - | 15,287 |
| Expense – Offsets [c] | - | - | - | - | 0 |
| Expense – Offsets – existing provision | -1,650 | -2,200 | -2,750 | - | -6,600 |
| Depreciation | | 1,146 | 2,629 | 4,448 | **8,223** |
| Savings | -46 | -79 | -3 | - | -128 |
| **Net Expense** | 3,108 | 3,467 | 5,759 | 4,448 | 16,782 |
| **Staffing Impact** | | | | | |
| Total Additional FTEs (number) [e] | 12.2 | 11.2 | 11.2 | 0.0 | |

*Remove lines if not required.

The savings indicated in the financial impacts table are taken from the 2023/24 budget papers and represent the estimated cost savings to Directorates from the move across from gas to electric operations. The amounts indicated in the budget papers are difficult to be accurate because the savings are dependent on which projects are completed in the previous year and will not flow through to the Directorate until the billing cycle after the works are complete and the network disconnection occurs. This is likely to occur in the following financial year than is currently indicated. The savings are currently shown as the responsibility of MPC. MPC will need to advise Treasury of which projects are complete and therefore which Directorates to apportion the savings to. Noting the cost of operating electric equipment is not noticeably different from the gas alternatives, this will be resolved between Treasury and Directorates.

MPC has included the original savings amounts from the 2023/24 budget papers, but it is flagged that these amounts may not be accurate nor able to be calculated ahead of completion in the previous year. Consequently, the saving of $190,000 attributed to MPC in 2023/24 budget papers are unlikely to be realised in this FY.

[redacted]

| | | | | | |
|---|---|---|---|---|---|
| ***Subtotal: capital costs** | **16,001** | **21,027** | **26,055** | | **63,083** |
| **Capitalised staffing costs** | | | | | |
| Other up-front costs – MPC PM staff salaries | 1,183 | 1,219 | 1,238 | | 3,640 |
| **Subtotal: estimated capital costs** | **17,184** | **22,246** | **27,293** | | **66,723** |
| **Total capital injection: Appropriated capital + RRFOC** | **17,184** | **22,246** | **27,293** | | **66,723** |

## Breakdown of expenses ($'000)

| **Breakdown of expenses** | **2024-25** | **2025-26** | **2026-27** | **2027-28** | **Total** |
|---|---|---|---|---|---|
| Employee expenses | 1,160 | 990 | 1,005 | | **3,155** |
| **Other operating expenses | 549 | 548 | 550 | | **1,647** |
| ACTGS, probity and other legal costs | 400 | 200 | 100 | | **700** |
| Consultancy and grants | 2,695 | 2,861 | 4,228 | | **9,784** |
| **Total expenses** | **4,804** | **4,600** | **5,883** | | **15,287** |

* Note: Capital costs outlined in Appendix 4

** Note: Other operating expenses includes the EoGGA contribution to MPC Corporate Operation and other staff expenditures outside the scope of the whole of government admin-on cost.

*** Note: Consultancy and grants expenses (above) includes expense provision in forward estimates for Evoenergy network upgrade works eg substations.

The capital program of works program has been designed to meet the full provisioned amounts in forward years, as requested by Treasury. Unspent contingency is re-allocated into accelerating the program, with the endorsement of the Steering Committee and formal program approval of the Minister.

Additional capital works funding is sought for capitalised MPC staffing who will be delivering the capital works projects. This is supplemented by recurrent funding sought for administrative staff. MPC staffing costs were not provided in the previous Cabinet Decision and were expected to be sought through this annual business case process.

Previously, engineering investigations were funded through expense consulting budget and this is proposed to be capitalised going forward.

Breakdown of staffing levels (Number of FTE and cost – $'000)

| Breakdown of staffing levels | 2024-25 | 2025-26 | 2026-27 | 2027-28 | Total |
|---|---|---|---|---|---|
| Number of ASO (or equivalent) Level 5-6 positions | 3.4 | 3.4 | 3.4 | | **10.2** |
| Cost of ASO (or equivalent) Level 5-6 positions | 475 | 492 | 500 | | **1,467** |
| Number of SOG C-A positions | 7.4 | 6.4 | 6.4 | | **20.2** |
| Cost of SOG C-A positions | 1,430 | 1,271 | 1,290 | | **3,991** |
| Number of SES Level 1-2 positions | 1.4 | 1.4 | 1.4 | | **4.2** |
| Cost of SES Level 1-2 positions | 438 | 446 | 453 | | **1,337** |
| **Total FTE number[1]** | 12.2 | 11.2 | 11.2 | | **34.6** |
| **Total FTE cost[2]** | 2,343 | 2,209 | 2,243 | | **6,795** |

A detailed organisation chart is provided below.

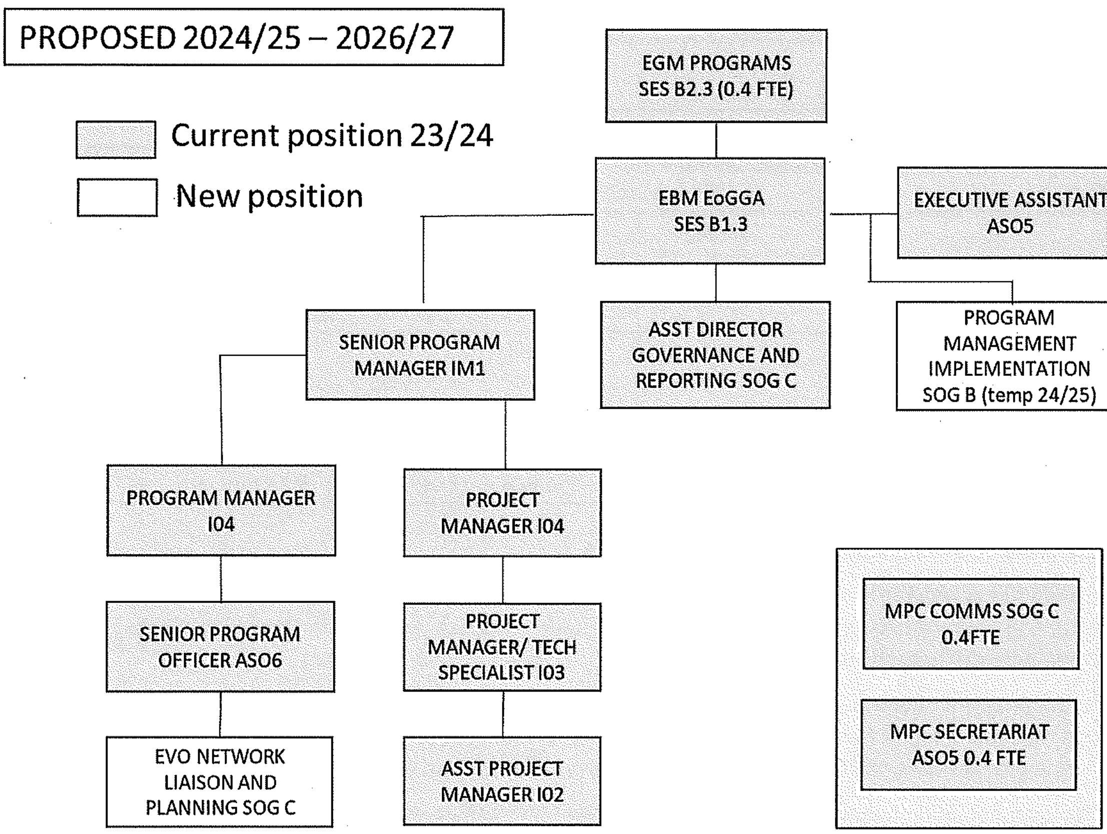



Figure: Organisational Chart showing current and proposed staffing

# Appendix 3 – Policy alignment

## How does this proposal align with Priority alignment categories?

Identify which priority alignment categories are predominately impacted below.

**Priority alignment**

| | | | |
|---|---|---|---|
| ✓ PAGA Appendix 1 or 2 item | ☐ Other Election commitment | ☐ *National Agreement on Closing the Gap* | ☐ *ACT Aboriginal and Torres Strait Islander Agreement 2019-2028* |
| ☐ Housing | ☐ Mental health | ☐ Early years | ☐ Women and/or the *ACT Women's Plan 2016-2026* |

The key policy objective of the EoGGA program is to support the net zero commitments in the *Parliamentary and Governing Agreement* for the 10th Legislative Assembly and the ACT Climate Change Strategy. Action A(1)ix of the *Parliamentary and Governing Agreement* states that Government will:

- 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.

The ACT Climate Change Strategy establishes a target of zero emissions from its own operations by 2040, and a whole of ACT target for 2045.

Cabinet decision CAB23/24-11 of 14 June 2023 provided the decision for the 2023/24 budget business case EPSDD C08-Electrification of Government Assets.

# Appendix 4 – Options analysis

Multiple options have not been proposed as the policy business case was only developed and approved by Cabinet in 2023/24. The Program currently has 6 months of implementation experience and is seeking to continue to implement the program and policy approach as approved in 2023/24.

Evoenergy has been consulted on the sites included in the program listing below for 2023/24 to 2026/27. It is not possible to give a 'clearance' for electricity network capacity at any one site well ahead of time. Many factors are at play including final design (involves technical options and a joint decision between MPC and the Directorate), other surrounding users of the network and intervening approvals, and upstream and downstream network effects. It will take some years before the forward planning for the Evo network reaches a point of maturity that is ahead of the EoGGA program.

***Please note****: the program will need to be regularly amended and sites likely change as engineering design study outcomes are known and the electricity network limitations are progressively clarified with Evoenergy.* ***Therefore, committing to specific sites in early public announcements is cautioned against.***

The current 2023/24 EoGGA program is:

| Project 2023-2024 FY | Directorate | Cost excl.GST |
|---|---|---|
| Woden Library | ACTPG | $ 1,513,750 |
| [redacted] | | |
| Ngunnawal Family Care Centre | CHS | $ 31,975 |
| Lanyon Family Care Centre | CHS | $ 31,975 |
| CIT Bruce - Residences | CIT | $ 1,576,920 |
| CIT Fyshwick | CIT | $ 2,999,455 |
| Gungahlin Child and Family Centre (works have been undertaken) | CSD | $ 7,182 |
| Tuggeranong Child and Family Centre | CSD | $ 39,795 |
| West Belconnen Child and Family Centre (works have been undertaken) | CSD | $ 4,773 |
| Bimberi Youth Centre - Domestic Hot Water Replacement | CSD | $ 88,233 |
| Stage 1 - Weetangera Primary School - Construction [redacted] | EDU | $ 350,000 |
| [redacted] | | |
| West Belconnen Fire and Rescue Station | JACS | $ 113,880 |
| Greenway Ambulance Station (Funded through Social Cost of Carbon Fund in 23/24) | JACS | $ - |
| South Tuggeranong Fire and Rescue Station (Funded through Social Cost of Carbon Fund in 23/24) | JACS | $ - |
| Simple Sites to be completed in 23/24<br>Belconnen Library<br>Belconnen SES<br>Bendora Depot<br>Gungahlin Enclosed Oval<br>Kambah Depot<br>North Building (Civic Square)<br>Phillip Oval 4 | VARIOUS | [redacted] |
| Detailed Design Sites<br>Weetangera Primary School<br>Tuggeranong Bus Depot<br>Alfred Deakin High School<br>1 site to be selected upon review of *Identification & Investigation Reports* | | [redacted] |
| [redacted] | | |
| **TOTAL CAPITAL COST** | | **$ 9,360,000** |

The proposed EoGGA program for 2024/25 is:

| Project 2024-2025 FY | Directorate | Cost excl. GST |
|---|---|---|
| [redacted] | | |
| Woden CIT Additional Funding | CIT | $ 2,177,000 |
| [redacted] | | |
| Simple Sites<br>Gungahlin Community Health Centre<br>Tuggeranong Community Health Centre | CHS | $ 380,000 |
| Reactive Replacement Works | AS REQUIRED | $ 275,728 |
| Detailed Design Sites:<br>1 Moore St<br>Legislative Assembly<br>University of Canberra Kaleen<br>Duffy Primary School<br>Ainslie Primary School<br>Telopea Park School<br>Canberra Hospital - Building 25<br>Additional sites to be selected from the *Engineering Identification & Investigation Reports* | VARIOUS | [redacted] |
| Fees & PM Costs | | $ 1,224,700 |
| [redacted] | | |
| Engineering Identification & Investigation - Multiple sites to be determined | VARIOUS | $ 1,000,000 |
| **TOTAL CAPITAL COST** | | **$ 16,000,700** |

The draft EoGGA program for 2025/26 is:

| Project 2025-2026 FY | Directorate | Cost excl. GST |
|---|---|---|
| [redacted] | | |
| Fees & PM Costs | | $ 1,618,300 |
| [redacted] | | |
| Engineering Identification & Investigation - Multiple sites to be determined | VARIOUS | $ 1,025,000 |
| **TOTAL CAPITAL COST** | | **$ 21,027,300** |

The draft EoGGA program for 2026/27 is:

[redacted]

| | | |
|---|---|---|
| Fees & PM Costs | | $ 2,011,900 |
| [redacted] | | |
| Engineering Identification & Investigation - Multiple sites to be determined | VARIOUS | $ 1,050,625 |
| **TOTAL CAPITAL COST** | | **$ 26,054,525** |

In commencing the pilot program of works in 2023/24, a number of policy issues have had to be resolved by the Executive Steering Committee and the Minister. This has allowed clear guidance to be given to construction contractors regarding their scope of works, and guidance given to Directorates about what is and is not included in the scope of EoGGA. This is to balance policy outcomes with cost of program and manage scope creep.

The issues and decisions to date are:

| Policy Issue | Options Considered | Resolution |
|---|---|---|
| Scope limited to only Government owned and operated sites – excludes sites leased to tenants such as Woden Youth Centre, Gorman House, Scout Halls | 1. No change<br>2. No change in forward estimates with future proposal to Cabinet once program is well underway. Exceptions on a case-by-case basis to be considered by Minister.<br>3. Extend program scope to include tenanted sites. | Option 2 |

| | | |
|---|---|---|
| When is a site complete under EoGGA? | 1. All gas assets are electrified and gas connection is terminated.<br>2. Gas assets that are possible to be replaced are replaced; residual are not possible or have no viable technology solution at this time. | Ideal outcome is Option 1.<br><br>However, Option 2 may be realistic for certain specialised sites and these remain on a WhoG database for future program/directorate action and transparency and when technical solution is possible. |
| Standardisation of plant | 1. EoGGA to develop a technical specification that market solutions must meet.<br>2. Market to propose best solution for each site with consideration of benefits of some standardisation of like assets eg school hot water systems.<br>3. EoGGA to explore the advantages of a preferred supplier model and report back to ESC. | All options |
| MPC (EoGGA) to undertake WhoG network planning with Evoenergy | Once EoGGA has developed and formalised the process to engage Evoenergy, this is then expanded to include other government network requirements (eg EV chargers) to provide a coordination role across Government with Evoenergy. | EoGGA to develop into WhoG network planning lead with Evoenergy |
| [redacted] | [redacted] | [redacted] |

| | | |
|---|---|---|
| Building fabric upgrades to optimise electrification equipment size and cost | 1. Engineering design studies to provide costed options and calculations of savings for any recommended building fabric upgrades and the resultant capital cost difference of the recommended heat pump solution.<br>2. Building fabric upgrades are generally not included in the scope of works for EoGGA.<br>3. By exception, and where building fabric upgrades lead to a lower overall capital cost, they be considered on a case by case basis. | All options |
| Solar PV systems allowed as solutions under EoGGA | 1. EoGGA is able to design and install electrification solutions that include solar PV where this leads to a reduction in capital costs or whole of life costs, with the financial parameters for the decision to be agreed with Treasury.<br>2. Any solar PV systems that are desired by a Directorate but that are outside the preferred solution for a site are to be funded by the Directorate, including through the ZEG loan fund if needed. | All options |
| Public space BBQs connected to mains gas supply and staff BBQs at ACT Government properties. | 1. Mains gas BBQs on EoGGA sites are to be included under EoGGA unless considered no longer required by Directorates.<br>2. Public mains gas BBQs are to be included in EoGGA asset database and to be programmed at a suitable future point.<br>3. Bottled gas BBQs are not included in EoGGA. | All options |
| Diesel backup generators | | Are to remain on certain Territory sites and are not part of EoGGA scope. |

The effect on program budget of these policy decisions varies up and down. [redacted] It did not include diesel generators. Allowing EoGGA works to consider PV solar in its design options is likely to be cost neutral.

[redacted]

This will provide an evidence base for future consideration of this issue in the next substantial EoGGA business case in 2026/27.

# Appendix 5 – Implementation, risk management, procurement, governance and recruitment

## Implementation plans

EoGGA has been established in 2023/24 within MPC in partnership with all Directorates.

The program is within the capability and capacity of MPC to undertake given the requested resources.

Systems are in place within MPC to manage the program. This includes access to the ACT Government Enterprise GIS system and program management using the Microsoft suite including MS Project.

The development of a WhoG GIS map of ACT Government owned properties is a fundamental dataset to be developed by EoGGA and will be a future asset for use by all Directorates. Resourcing of $75,000 is sought annually within this business case to continue the operation of this program database.

Development of program management processes and tools is being undertaken under the EoGGA program, for use as a future new capability within MPC. Resourcing is sought within this business case for 1 FTE SOG C and $400,000 in technical and specialist advice to fully implement this capability in 2024/25. Lessons are being learned from ACT Housing's development of their housing upgrade program which has some similarities to EoGGA.

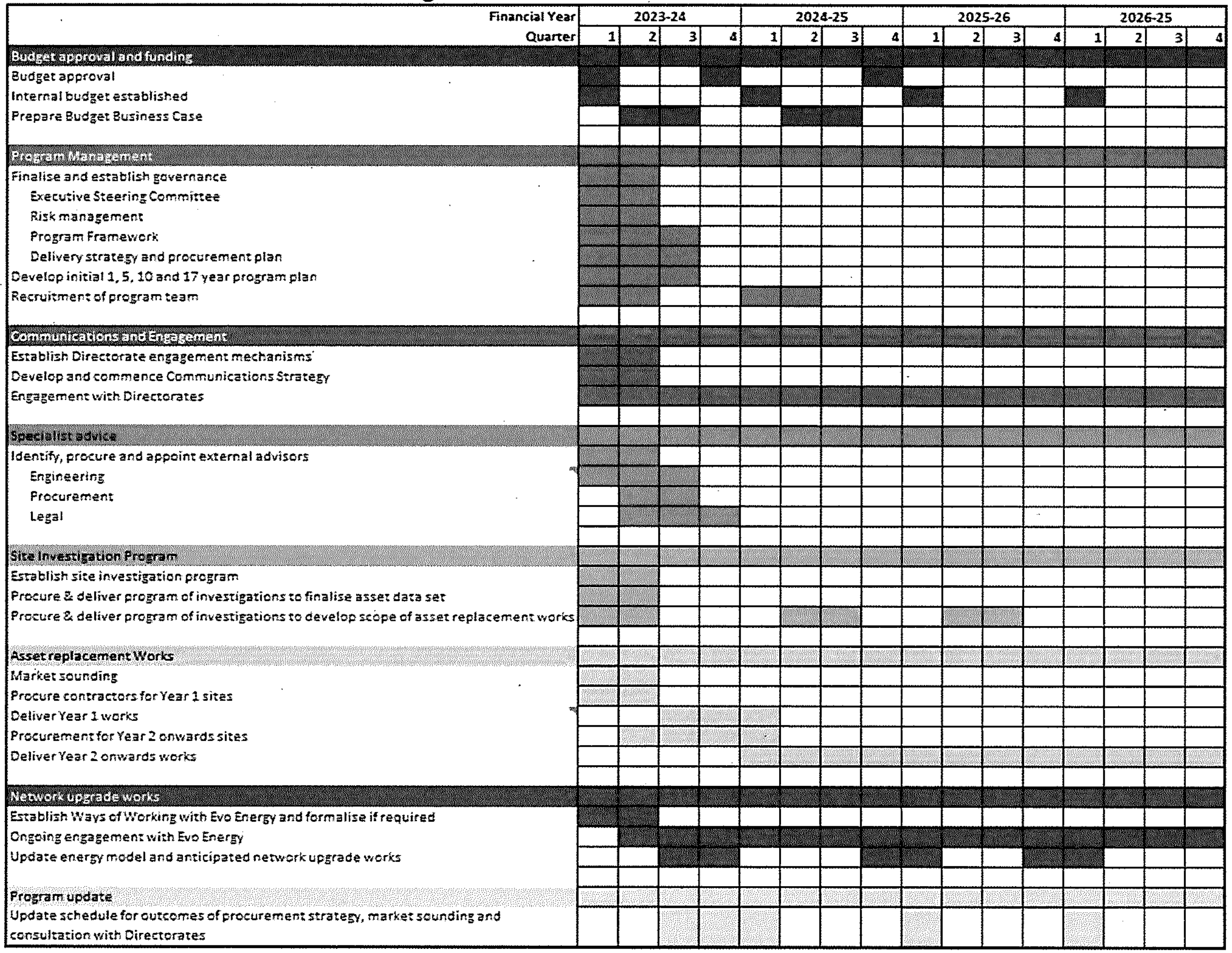
The ILM prepared for the 2023/24 budget business case identified that Strategic Asset Management was not a capability currently found within ACT Government and that it would need to be developed as part of this program. The development of the program management processes, framework and GIS tools within MPC is a response to this capability gap as a future benefit for the whole of ACT Government from EoGGA.

| Risk Reference Number | Risk Category | Risk Statement | The Risk | Source | Impact / Outcome | Draft Controls | Business case risk assessment reference | Likelihood | Consequence | Rating |
|---|---|---|---|---|---|---|---|---|---|---|
| [redacted] | | | | | | | | | | |

[redacted]

# Program Implementation Plan (approved by Executive Steering Committee)

**Electrification of Government Gas Assets Program v.1**



## Procurement plans

Procurement will be required under EoGGA, but the type and complexity of procurement is BAU for MPC. A Procurement Strategy is currently being developed and will be approved by the Executive Steering Committee and the Minister. This will be informed by the market sounding, quantum of available capital works and speed of ramp-up of capital works funding, and results of procurements undertaken as part of the pilot program. The pilot program has utilised the PMA panel contract within MPC which has allowed industry and MPC to work closely to develop new solutions and share risk.

MPC will provide expert procurement and contract management services. This is included in the resourcing indicated in this business case. Specific resourcing allowance has been made in this business case for legal and probity advice to implement the procurement strategy.

The forward plan of procurements will be indicated on the Infrastructure Pipeline compiled by MPC for the awareness of industry.

## Risk management

An Operational Risk Plan has been prepared for EoGGA and endorsed by the Executive Steering Committee. It is detailed below. The three risks rated 'High' were listed separately in section 4 above. EoGGA program team and Executive Steering Committee continues to undertake risk management and oversight. MPC's Audit and Risk Committee includes EoGGA in its work program.

## Governance

The EoGGA Governance Framework has been developed and endorsed by the Executive Steering Committee and approved by the Minister. It provides clarity of accountability and responsibility of the Minister, Executive Steering Committee, Chief Projects Officer of MPC and Program Director. This Governance Framework is currently in operation. As EoGGA has recently received Designated Project status, MPC is currently reviewing the Program Governance to consider if any resulting updates are required and will implement these with the Executive Steering Committee and Minister.

Program Guidelines have been developed and endorsed by the Executive Steering Committee and circulated to Directorates.

A formal performance and accountability framework for this program will be developed by the Program Team in consultation with EPSDD Zero Emissions Government team in the remainder of 2023/24. The Framework will be developed line with the ACT Government Evaluation Policy and Guidelines and presented to the Executive Steering Committee for consideration and approval. All evaluation results will be presented to the Executive Steering Committee for review.

As EoGGA is a new program established in 2023/24, it would be timely to review the program prior to preparing the next major budget business case (2027/28) at the end of the current forward appropriations.

## Recruitment

The proposed FTE and staffing profile is indicated in section 2 and appendix 2 above.

Two new positions are sought:

- 1 x SOG C Evoenergy liaison and network planning (ongoing)
- 1 x SOG B Program management implementation (12 months temp)

The recruitment strategy is relatively straight forward and informed by recent experience in staffing up the initial EoGGA program team. No technical engineering skill is required for these positions. Rather the generic skillset of a policy or program SOG B and C person would be ideal. These types of people are readily available in the ACT (ACTPS or APS).

Recruitments undertaken in 2023/24 have had substantial fields of suitable applicants to choose from and created merit lists. This indicates that suitably skilled people are attracted to the opportunity to work on the EoGGA program within MPC.

Recent recruitment experience indicates that there is unlikely to be any delay in filling the required resources once funding is confirmed.

EoGGA offers a development opportunity to work within a program and develop program management skills. This is seen as attractive for many applicants and has attracted substantial fields in recent recruitments.

EoGGA has successfully recruited one Aboriginal and Torres Strait Islander employee and MPC is actively increasing its approach to Aboriginal and Torres Strait Islander recruitment and employee support.

The EoGGA team is very culturally and gender diverse. It includes a majority female workforce which is unusual in a construction program. This provides a supportive environment for further diversity within the team.

# Appendix 6 – Communications

## Communications Plan

A Communications Plan on a Page (COAP) has been produced by MPC Communications and Engagement and has been approved by the Executive Steering Committee and Minister. It forms the communications plan of this program and is progressively being implemented and monitored by MPC Communications and the EoGGA team.

Resourcing for ongoing communications activities has been included in this business case.

The approved Communications Plan on a Page is attached below.

## Direct liaison with asset owning directorates

For the delivery of electrification works at individual sites, there is a need for strong engagement and liaison at an individual Directorate level. This includes a need to:

- Gain existing asset and site information
  - Age and condition of any gas assets
  - Any completed audits, feasibility studies or designs
- Coordinate access to sites for site visits and investigations
- Understand any plans for divestment, refurbishment and other capital works at site
- Understand the operating environment, and how capital works will be best staged
- Consultation during the design process
- Ongoing progress reporting to Directorates
- Liaison with Directorate Site Responsible Person e.g., School Principal

MPC will continue to develop strong working relationships with Directorate operational contacts to progress the program. Communications mechanisms such as a WhoG Sharepoint site has been developed to assist with inter-Directorate communications.

A website has been launched on MPC, Everyday Climate Choices and Built for CBR websites to provide information to the public on EoGGA.

Industry has received briefings and discussions at industry events.

**ACT Government**

# Communications on a page

**Issue: Electrification of Government Gas Assets Program**

**Directorate: Major Projects Canberra**

| | | | |
|---|---|---|---|
| **What is government's involvement/interest?** | As part of the Parliamentary and Governing Agreement, the ACT Government has made a commitment to take essential steps to a net-zero ACT through 'phasing out of fossil-fuel-gas in the ACT by 2045'.<br>The Electrification of Government Gas Assets Program is part of this commitment. The program will see asset replacement works and coordination of associated network upgrade works required for the electrification of over 1,000 gas assets in facilities owned and operated by the ACT Government over the next 17 years.<br>This program aligns with various ACT Government strategic policies including:<br>▪ Parliamentary and Governing Agreement – 10th Legislative Assembly Australian Capital Territory<br>▪ ACT Climate Change Strategy 2019-2025<br>▪ Powering Canberra: Our Pathway to Electrification | | |
| **Why are we communicating on this issue?** | The program supports the ACT Government to achieve its target for net zero emissions from Government operations. | | |
| **Does it cross over other Directorates/ agencies?** | EPSDD<br>CMTEDD - Office for Climate Action | **Spokesperson** | Minister Rattenbury<br>Minister Steel is to be advised of EoGGA activities |
| **Communications project tier** | Tier 2 | | |
| **Target audience/ stakeholders/third party endorsers** | **Internal:**<br>• Business areas across the ACT Government who are responsible for the ownership, management and upkeep programs for ACT Government assets.<br>• Relevant Ministers where works are being undertaken on their portfolio (responsibility of individual Directorates to brief accordingly)<br>**External:**<br>• Industry equipment suppliers, engineering consultants and construction companies.<br>• Members of the public who are interested in the Government's stance on implementing action to address the effects of climate change.<br>• On a 'project by project' basis, neighbouring property owners who may be impacted by works (including visual and noise impacts).<br>• Occupiers of buildings (for example teachers, staff and students at educational facilities). | | |

Approved by: Tania Navarro
Action officer: Bernadette Brennan
Date: September 2023

ACT Government

**Communications on a page**
**Issue: Electrification of Government Gas Assets Program**
**Directorate: Major Projects Canberra**

## Key Messages

- As part of the Parliamentary and Governing Agreement, the ACT Government has made a commitment to take essential steps to a net-zero ACT through 'phasing out of fossil-fuel-gas in the ACT by 2045'.
- A key part of this commitment is 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.
- The Electrification of Government Gas Assets Program (EoGGA) involves the asset replacement works and coordination of associated electricity network upgrade works required for the electrification of over 1,000 gas assets in facilities owned and operated by the ACT Government over the next 17 years.
- The Program will replace the gas-powered assets currently used within Government owned and operated buildings, contributing to the reduction of the Government's greenhouse gas emissions to result in net zero gas emissions by 2040.
- The program **will** replace gas space heating and water heating assets, and can also include all other gas assets.
- The Government will continue to monitor the effectiveness of EoGGA in achieving the desired policy outcomes and may make adjustments to the Program over time.

*Why are we implementing the program?*

- To meet legislated net zero targets, the ACT Government must retrofit current fossil-fuel energy sources powering some ACT assets.
- Centralising the coordination of work needed across government to replace gas-powered assets ensures it is prioritised efficiently, supports sector readiness and achieves optimal value for money for the Territory.

*What opportunities will be available for industry?*

Throughout the life of the program, the ACT Government will use procurement processes to engage industry to supply the following types of services:

- Project management
- Technical and specialist design and engineering advice
- Procurement and supply of materials
- All elements of construction

*Benefits of the program*

- Delivers reduced greenhouse gas emissions, resulting in better environmental outcomes for the ACT.
- Lower energy usage for government buildings leading to cost savings over the longer-term.

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Date: September 2023

- Enables the ACT Government to model change in the community by demonstrating leadership in working towards net zero emissions.
- Enables the ACT Government to optimise operational efficiency by reducing utility costs and improved economies of scale.
- Provides a mechanism to upskill local industry as the ACT transitions away from fossil fuel gas to electrification
- Leading the way nationally and other states and territories are following our progress.

## Communication risks and sensitivities

- As the program runs over several years, it will be important to sequence communication activity accordingly.
- Potential commentary and negative public discussion on poor coordination and prioritisation activity across government which is leading to inefficient spending and increased costs.
- Potential for negative feedback on individual sites from neighbouring property owners if works are required which adds structures or increase noise levels
- Demonstrating the urgency and imperative to take this action given some may see it as 'non-essential'.

Approved by: Tania Navarro
Action officer: Bernadette Brennan
Date: September 2023

ACT Government

**Communications on a page**
**Issue: Electrification of Government Gas Assets Program**
**Directorate: Major Projects Canberra**

## Action plan – how will we reach the target audiences?

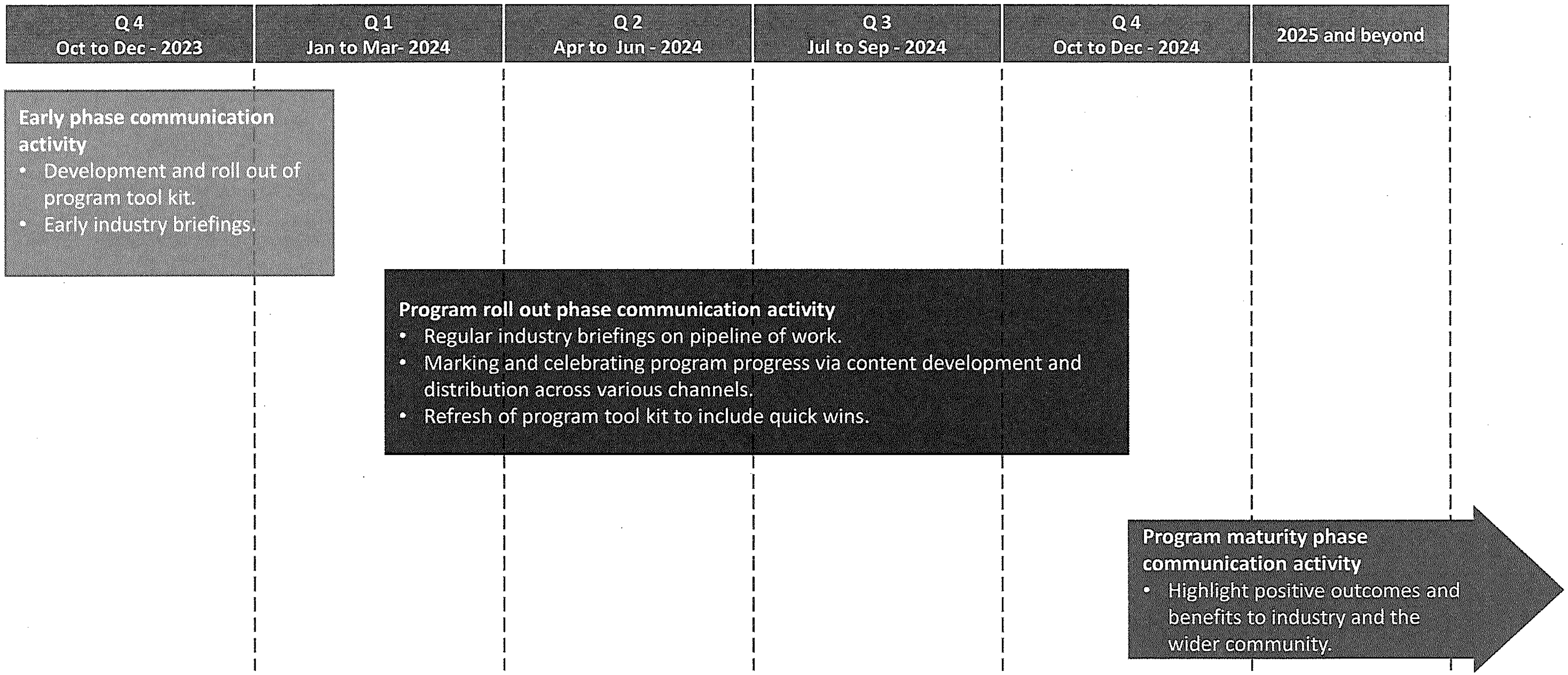
**Early phase communication activities:**
The aim of the communication activities below is to raise awareness about the program and its purpose with internal and external stakeholders.

Future phase communication activities will highlight program progress and positive outcomes as individual projects come online and are completed.

| Date | Communications collateral | Responsibility |
|---|---|---|
| **October to December 2023** | **INTERNAL STAKEHOLDERS and INDUSTRY**<br>Program tool kit including<br>- Website content/program blurb on https://www.climatechoices.act.gov.au/energy/what-the-act-government-is-doing<br>- Link to Built for CBR website? And MPC website?<br>- Include 'Register your interest' form to capture industry stakeholder interest.<br>- PowerPoint presentation (adapted for use as needed)<br>- Fact sheet including program timeline and early-stage project targets (quick wins).<br>- Talking points<br>- Case study examples<br>- Stakeholder information sessions<br>- For consideration: intranet sharepoint for collaboration with directorates<br>- Internal coordination with Directorates. | **MPC Comms**<br><br>**Project team** |
| **November 2023 – ongoing – highlight at milestones** | **EXTERNAL STAKEHOLDERS**<br>- Website content/program blurb on https://www.climatechoices.act.gov.au/energy/what-the-act-government-is-doing<br>- Social media content on ACT Government channels marking program commencement and early quick wins. | **MPC Comms** |

Approved by: Tania Navarro
Action officer: Bernadette Brennan
Date: September 2023

# APPENDIX A: Activity snapshot



# Appendix 7 – Additional supporting data, evidence and other materials

nil

# Appendix 8 –Ministerial endorsement

## Ministerial endorsement

| Ministerial Endorsement | Signature and date or evidence of endorsement |
|---|---|
| **Lead Minister:** Rattenbury<br><br>**Portfolio:** Water, Energy and Emissions Reduction | 25/2/24 |

## Supporting Minister*

| Ministerial Endorsement | Signature and date or evidence of endorsement |
|---|---|
| **Supporting Minister:** Steel<br><br>**Portfolio:** Special Minister of State | |

*Remove if not required.

Notes:

1. If the business case is not signed, evidence of Ministerial endorsement by all listed Ministers must be provided in the GBMS Tracker.