2022

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

REPORT NO.3 OF THE STANDING COMMITTEE ON ENVIRONMENT, CLIMATE CHANGE AND BIODIVERSITY INQUIRY INTO ANNUAL AND FINANCIAL REPORTS 2020-21 - GOVERNMENT RESPONSE

Presented by
Mr Andrew Barr MLA
Chief Minister

Introduction

On 16 September 2021, the Legislative Assembly passed an amendment to the 2 December 2020 Resolution of Establishment (clause 3(A)), referring the Annual and Financial Reports 2020-21 to the seven Standing Committees (the Committees) for inquiry and report by 31 May 2022.

The 2020-21 Annual and Financial Reports were reviewed by the relevant Standing Committees, and each Committee held hearings and reported separately.

The below Government Response addresses the recommendations which relate to the 2020-21 Annual and Financial Reports.

The following Annual and Financial Reports or sections of annual reports, were referred to the Standing Committee on Environment, Climate Change and Biodiversity (the Committee):

- Chief Minister, Treasury and Economic Development Directorate;
- Environment, Planning and Sustainable Development Directorate;
- Office of the Commissioner for Sustainability and the Environment; and
- Environment Protection Agency (EPA).

<u>Response to Committee Recommendations</u>

<u>Recommendation 1</u>

The Committee recommends that the ACT Government respond as soon as possible to the Commissioner for Sustainability and the Environment's recommendations on scope 3 emissions and take a proactive response to track and reduce these given that scope 3 emissions account for 94% of Canberra's carbon footprint.

Government Response – Noted

The Government response to the Report was tabled by the Minister for Water, Energy and Emissions Reduction in the Legislative Assembly in June 2022.

The Government agreed to one, agreed in-principle to eight, and noted three recommendations, as detailed in the table below:

<u>Recommendation 1</u>: ACT Government to implement a methodology (such as that presented in this Investigation) to report on scope 3 emissions across the Territory every three years.	Agreed in principle
<u>Recommendation 2</u>: ACT Government to work in partnership with state, territory and national governments to discuss initiatives to reduce scope 3 emissions across jurisdictions.	Agreed
<u>Recommendation 3:</u> Standardise and improve collection and publication of data to ensure accurate calculation can be made of the scope 3 emissions of the ACT Government.	Agreed in principle
<u>Recommendation 4:</u> Set scope 3 emissions reduction targets for ACT Government operations and assess progress towards these targets every three years.	Noted
<u>Recommendation 5:</u> Implement sustainable procurement principles, including developing mandatory embodied carbon limits of procured equipment, items and materials, and supporting the longevity of equipment and waste reduction.	Agreed in principle
<u>Recommendation 6:</u> Reduce the physical footprint of ACT Government staff, with the aim of 7 square metres per person.	Noted
<u>Recommendation 7:</u> Develop and implement a policy for flexible business operations that supports reduction of scope 3 emissions such as working from home and reducing business travel.	Agreed in principle
<u>Recommendation 8:</u> Develop and implement education and awareness-raising campaigns for residents on reducing household scope 3 emissions. Key areas of focus should include low carbon building products, adopting the circular economy, and household food waste reduction.	Agreed in Principle
<u>Recommendation 9:</u> In alignment with the national target, implement a 50% food waste reduction by 2030 target in the "Food Organics Garden Organics" program, using a consistent methodology to track progress.	Noted

Recommendation 10: Undertake analysis to determine the barriers and opportunities to increase the supply of low carbon cement to the ACT.	Agree in principle
Recommendation 11: Define and implement scope 3 performance metrics for at least 65% of the highest emission intensity infrastructure types by 2025.	Agree in principle
Recommendation 12: Review and expand legislation and ensure compliance of new building regulations related to scope 3 emissions	Agree in principle

The above 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.

Recommendation 2

The Committee recommends that the ACT Government increase the uptake of active travel and particularly cycling for women and girls through:

- incentives to switch to public and active travel;
- provision of more separate cycle infrastructure;
- better end-of-trip facilities in workplaces; and
- improved facilities for e-bikes, including more charging infrastructure.

Government Response – Agreed in-principle

The ACT Government is consulting with the community and stakeholders on a draft Active Travel Plan until 24 August 2022. Gender balance for cycling trips to work by women is one of the proposed measures of success of the draft Plan on which community views are sought.

Actions to enable more women and girls to ride include things such as: employing gender-sensitive design, providing secure bike cages in town centres and developing passes for secure bike parking without the need to demonstrate public transport use, encouraging uptake of e-bikes, establishing salary sacrifice arrangements for employees to purchase e-bikes, including e-bikes in corporate fleets for use by staff for work related travel, supporting community initiatives – like pedal-powered cinema, multi-person bikes and cargo carriers - that stimulate people to think more broadly about pedal-powered transport, exploring the rollout of e-bike shared scheme in the ACT, progressively providing protection for on-road cycle lanes on key corridors.

<u>Recommendation 3</u>
The Committee recommends that before commencing planning for land release or development of western edge land, including Bluetts Block, that the ACT Government publish any report recommendations for public comment and consultation.

Government Response – Agreed in-principle
The current investigations being undertaken for the Western Edge Investigation Area are of a preliminary nature to assess the values and capacity of the area to consider a range of future uses, consistent with the ACT Planning Strategy. Substantial work is still required before options and recommendations regarding proposed land use and change can be provided to Government and the community. Planning is not currently at the land release or development stage and more significant work is required to inform any future statutory environmental and/or zoning processes. As the work progresses, government will consider ways to inform and consult the community.

<u>Recommendation 4</u>
The Committee recommends that the ACT Government ensure invasive species management, invasive weed management and woody weed management is adequately resourced and funded.

Government Response – Agreed
The ACT Government focuses on-ground operational activities to prevent, eradicate and undertake early containment of invasive species in priority areas, protecting agricultural and conservation values in threatened ecosystems. This management is done through a trained and skilled Invasive Species Rapid Response Biosecurity Team operating across all land tenures and equipped with the right tools to provide the ACT with the first line of defence to these incursions.

The ACT Government makes a significant investment in invasive species management to adequately manage threats. This work is currently funded through ACT initiative funding (Biosecurity Response to the La Niña Weather Pattern 2020-21) till 2024-25 and base funding to Directorates.

<u>Recommendation 5</u>
The Committee recommends that the ACT Government deliver its gas transition plan by 2024.

Government Response – Agreed
On 4 August 2022 the ACT Government announced its electrification pathway to phase out fossil fuel gas in the ACT by 2045 at the latest. The announcement included release of the Powering Canberra position paper, which outlines the decision to transition away from fossil fuel gas as well as a utility impact statement, which outlines expected network impacts from the electrification pathway. This policy announcement sets a clear direction for future government policy and provides a strong foundation for the development of a gas transition plan. Public

consultation is already underway to support the development of the plan and will include a range of engagement modes to ensure we hear from as many different stakeholders as possible. The delivery of the gas transition plan will deliver on Action 4.5 of the ACT Climate Change Strategy 2019-2025 and commitments in the Parliamentary and Governing Agreement.

Recommendation 6

The Committee recommends that the ACT Government deliver the VHEES as soon as possible to provide ACT Housing tenants with the benefits of energy efficiency and efficient electric heating in their homes.

Government Response – Agreed

The delivery of the **Vulnerable Household Energy Support Scheme (VHESS)** commenced in 2020-21. This program is being delivered jointly between the Environment, Planning and Sustainable Development Directorate (EPSDD), Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and Housing ACT (HACT) in the Community Services Directorate. The program also aligns with the Parliamentary and Governing Agreement of the 10th Legislative Assembly commitment to provision $50 million in funds for low-income household and public housing upgrades.

As part of the 2022-23 Budget, resourcing has been allocated toward insulation upgrades in HACT properties over the next 12 months and is available to public housing tenants who are referred through the existing energy hardship schemes (such as the Low-Income Home Energy Efficiency Program currently run through St Vincent de Paul). This program will operate as a pilot to ensure that future upgrades are conducted efficiently and appropriately for tenants in selected homes. Concurrently, Property Condition Assessments will be conducted across 10,000 HACT properties over the next 12 months. The data collected from the Property Condition Reports will guide the efficient implementation of insulation upgrades across the remaining ACT Housing stock in the coming years and identify energy efficient appliance upgrades that could be undertaken on these sites.

Recommendation 7

The Committee recommends that the ACT Government consider requiring end-of-life battery and solar panel recycling under the contracts for the Big Canberra Battery and under all government contracts involving procurement of large batteries.

Government Response – Agreed

The ACT Government will require end-of-life battery recycling under contracts involving procurement of large batteries. Solar panels are not a component of the Big Canberra Battery. However, if solar panels are procured alongside battery procurements these will require the proper management of the panels at end of life, including recycling.

<u>Recommendation 8</u>
The Committee recommends that the ACT Government consider commissioning the development of a framework for budget reporting on line items in the budget for tonnes of Scope 1, Scope 2 and Scope 3 carbon produced, avoided and reduced, particularly for budget expenditure involving construction or demolition.

Government Response – Noted
The ACT Government is committed to achieving a net zero emissions government and agrees that reporting on emissions against budget initiatives would support the achievement of this objective.

The ACT has already reduced its scope 2 emissions to zero through innovative contracts with renewable electricity generators and is the first jurisdiction in Australia to reach zero emissions in electricity.

The ACT Government has also legislated greenhouse gas reduction targets against which emission reduction progress is reported, however at this point this progress reporting is not tied to the individual carbon abatement arising from specific initiatives. Instead, a wellbeing assessment is required as part of the budget process and includes a domain for reporting environment benefits. This domain allows, on a case-by-case basis where applicable, the reporting of emissions savings arising from proposed policy for budget decisions.

CMTEDD is investigating how emissions reporting could be undertaken more effectively to understand our emissions profile and the opportunity cost of new emissions abatement initiatives.

Scope 3 emissions are particularly challenging to account for, as highlighted by the recent investigation to evaluate scope 3 greenhouse gas emissions report in the ACT. The investigation found that estimating and reporting scope 3 emissions requires further refining to meet the UNFCCC good practice approach to emissions inventory reporting, which is consistent, comparable, complete, accurate and transparent – and maintaining inventories in a manner that improves inventory quality over time.

Beginning in 2024, subject to further decisions of Cabinet and funding through future budget processes, the ACT Government will review the literature and assess the improvements and changes in carbon emissions methodology and data availability. The ACT Government will decide to report on the Territory's scope 3 emissions based on whether the current limitations still exist and the materiality of those limitations for producing meaningful scope 3 estimates over the long term.

Alongside emissions accounting investigations, CMTEDD is actively engaging with the Board of Treasurers (BoTs) to progress a State and Territories Climate-Risk Financial Disclosures Framework. This work aims to establish reporting at the State and Territory level which draws on the public financial management system processes detailed in the Task Force on Climate-related Financial Disclosures (TCFD) Framework. This work will support improved tracking, accountability, and transparency of government reporting on climate-related expenditure.

Recommendation 9

The Committee recommends that the ACT Government clarify policy and procedures for scraping and levelling of land in new suburb developments, with a focus on whether the entire suburb, or individual blocks, should be routinely scraped and levelled, or whether builders should work within the contours of the existing landscape and only dig as needed to provide slabs, basement car parks and sunken garages.

Government Response – Noted

At the estate design stage, the Estate Development Code in the Territory Plan contains a requirement that the extent of earthworks is minimised, with the proposed street and block layout for the estate minimising the extent of earthworks.

There is also a requirement for any earthworks to be managed in accordance with an Environmental Management Concept Plan that is endorsed by the Environment Protection Authority.

For the construction of single dwellings, the Territory Plan contains a rule in the Single Dwelling Housing Development Code that the total change in ground level within 1.5m of a side or rear boundary does not exceed 1.5m

Land is required to be regraded to conform with design grades / specifications etc. Stripped area is to be minimised as per Environment Protection Guidelines for Construction and Land Development in the ACT. Note that the existing topography is to be used wherever possible.

Recommendation 10

The Committee recommends that the ACT Government clarify how topsoil will be managed to prevent sediment run off and to ensure healthy soils remain for trees, vegetation and food growing.

Government Response – Noted

Stripped areas are minimised as much as possible in accordance with the Environment Protection Authority's (EPA) Environment Protection Guidelines for Construction and Land Development (the Guidelines) in the ACT. The Guidelines detail the sediment and erosion controls required to minimise sediment discharges from land development including stockpiling of top soil. Once stripped, site won topsoil is stockpiled in a location as per an EPA approved Erosion and a Sediment Control Plan (ESCP) which details for an individual development the controls to prevent sediment discharges to the environment. Site won topsoil stockpile is then sampled and tested for re-use suitability e.g., for grass, planter beds, tree pits etc. Once tested, the site won topsoil is ameliorated, re-tested and re-used on site with sediment controls in place as detailed in the ESCP to prevent sediment discharges to the environment until the site is stabilised as detailed in the Guidelines. The guidelines are available at www.accesscanberra.act.gov.au/s/article/environment-protection-guidelines-tab-overview

Recommendation 11

The Committee recommends that the ACT Government consider the EDO report Implementing Effective Independent Environmental Protection Agencies in Australia and if the nine key recommendations are agreed, how these will be implemented.

Government Response – Agreed

The Government is currently undertaking a review of the environment protection framework in the ACT which will include consideration of the recommendations in the EDO report.

Recommendation 12

The Committee recommends that the ACT Government ensure the EPA's resources and FTEs in line with increasing development and population growth.

Government Response – Agreed in-principle

The ACT Government agrees in-principle with the recommendation noting that any commitments will be considered through normal budget processes.

The EPA carries out crucial functions as a forefront of defence in protecting the environment. The Government is actively conscious of the EPA's need to address increasing demands and keep abreast of new and emerging environmental risk trends, including in the context of increasing development and population growth. The Government is focussing on improving the EPA's compliance and regulatory priorities and exploring where enhancements can be gained, including but not limited to resourcing considerations.