

2020

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

**2019-20 MINISTER'S ANNUAL REPORT UNDER THE *CLIMATE
CHANGE AND GREENHOUSE GAS REDUCTION ACT 2010***

TABLING STATEMENT

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Minister for Water, Energy and Emissions Reduction**

Madam Speaker, I am pleased to table the 2019-20 Minister's Annual Report under section 15 of the *Climate Change and Greenhouse Gas Reduction Act 2010*.

As required by that legislation, the report sets out the following three things:

- The actions taken in 2019-20 by the responsible Minister under the Act;
- The effectiveness of government actions taken to reduce greenhouse gas emissions; and finally
- a cost-benefit analysis of government policies and programs implemented to meet the climate change targets in the Act.

Major achievements in 2019-20

Madam Speaker, the ACT is a leader on climate change action. We are recognised nationally and internationally for our climate leadership. 2019-20 was a significant year in our climate leadership journey.

It was the year we met our longstanding target to achieve 100% renewable electricity. We are the first jurisdiction outside Europe with a population over 100,000 to achieve this goal. We will maintain 100% renewable electricity from now on, as required under the Act.

Through our fifth Renewables Auction in 2019-20 we secured renewable electricity to support our growing population and help us replace fossil fuel gas and transport fuel with zero emissions electricity from wind and solar farms.

Achieving this target is a great outcome in itself. It also means we have more opportunities for continued emissions abatement. We know that all-electric options for homes and businesses don't just save money, they are also now emissions free. And as we look to take more action in the transport sector, electric vehicles offer a good solution, reducing noise in our streets, improving air quality and providing a zero emissions alternative to fossil fuels.

Achieving 100% renewable electricity was also the major contributor to meeting our target to reduce the ACT's greenhouse gas emissions by 40% on 1990 levels. Our emissions in 2019-20 were actually 45.3% below 1990 levels. Some of this was unhappily due to the way that COVID-19 impacted our economy. And we expect there will be some rebound of transport emissions as our economy continues to recover. But we remain on the path to our longer-term emissions reduction targets.

Our next major challenges will be to reduce our emissions from transport and gas, which together account for more than 80% of the ACT's emissions.

In 2019-20, we released the *ACT Climate Change Strategy*. The Strategy outlines next steps to meet our emissions reductions targets and prepare for climate change.

To complement the strategy, we also released *Canberra's Living Infrastructure Plan: Cooling the City*. The plan builds on the *ACT Planning Strategy 2018* to make Canberra sustainable, liveable and resilient, and help address the urban heat island effect.

Following the recent ACT election, we are now implementing a range of new measures that will build on the strategy and the plan. The ACT community has given us a clear signal that they want the ACT to continue to be a leader in this area, and we remain fully committed to doing all that we can to place us on track for a zero-emissions community that is resilient to the effects of a changing global climate.

Specific achievements

In 2019-20 we made significant progress in a range of areas, in addition to reaching 100% renewable electricity. I'd like to briefly mention a few key achievements that show the diversity of our activities:

- As part of our COVID-19 response, we funded the installation of solar panels on a dozen public and community housing properties. These systems will generate over 340,000kWh of electricity each year, and the tenants will see reduced energy bills as a result. This will be a model for how multi-unit residences in future can participate in the solar revolution.
- In April 2020 we put forward a Variation to the Territory Plan with interim effect removing the mandatory requirement for new estate developments to have natural gas connections. We also released the *Sustainable Energy Policy 2020-25 Discussion Paper* for public consultation, seeking views on issues such as how we plan for the transition out of natural gas use. In this next term of the Legislative Assembly, we will build on these developments with clear steps to accelerate this transition.

- We supported ACT residents to transition to electric vehicles in 2019-20 through: stamp duty exemption and a 20 per cent registration discount for zero emissions vehicles; amending planning rules to make it easier to install public electric vehicle charging; and opening our transit lanes to electric vehicles.
- We entered into a partnership with ActewAGL and the Australian Renewable Energy Agency (ARENA), to pilot grid-connected electric vehicle batteries. This world-leading project will test the batteries' potential to support the grid during peak demand and reduce ownership costs for drivers and fleet operators.
- We continued to deliver programs that support businesses, households, schools and the community to achieve greenhouse gas emissions reductions alongside other benefits. These included our Actsmart programs for businesses, schools, households and events, and our Community Zero Emissions Grants Program.
- We continued to administer our Renewable Energy Innovation Fund (REIF) and other programs to make the ACT an internationally recognised centre for renewable energy innovation and investment.
- We continued the important work of transitioning the ACT to zero emissions vehicles.
- We have continued to engage in research partnerships to ensure our policies are informed by the most up-to-date information and experience. We extended our partnership with the NSW Government to deliver comprehensive, up to date climate projections for the ACT. These projections will help us prepare for climate risks. We also continued to jointly fund research and development under the ANU's Battery Storage and Grid Integration Program.

Government emissions reductions under the Zero Emissions Government Framework

Madam speaker, the ACT Government is leading by example through its Zero Emissions Government Framework. The Framework commits the Government to achieving zero emissions in its own operations by 2040, five years earlier than the community as a whole. In 2019-20, Government emissions were 40% lower than in 2018-19, due to the achievement of 100% renewable electricity. ACT Government agencies collectively beat their emissions reduction target for 2019-20.

In 2019-20 we undertook several projects to bring down ACT Government emissions:

- We developed options for the new Canberra Hospital Extension to be all electric, to take advantage of our 100% renewable electricity supply. In September 2020 the Government announced that the facility will be all-electric. This is a first for a major medical facility in a cold climate;
- We ensured 57% of our new passenger vehicle leases were Zero Emissions Vehicles, exceeding our target of 50%;
- We finished building the Dickson Office Block, which is the first major all-electric, zero emissions office building in the Territory; and
- As part of our COVID-19 response, we funded three public swimming pools to switch from gas to renewable electricity-based heating, and two public schools to install solar panels and battery systems.

We also provided zero interest loans to ACT Government Agencies to support emissions reductions projects.

Effectiveness of Government Actions

Madam speaker, I will now turn to the effectiveness of Government actions, as required by the Act. The ACT Greenhouse Gas Inventory showcases the impact of our actions. It shows that in 2019-20, the ACT emitted 1684 kilotonnes of carbon dioxide equivalent. This was 45.3% lower than in 1990, meeting our target of a 40% reduction on that year. The target was primarily delivered by achieving 100% renewable electricity supply.

On top of the reduction in our electricity emissions, the ACT's transport emissions were also lower during 2019-20. This was largely due to the COVID-19 pandemic, so we will likely see some rebound in transport emissions in future. However, the government is clearly committed to addressing transport emissions, and the new Parliamentary and Governing Agreement includes a range of measures to promote zero emissions vehicles. As life returns to normal, we will work to lock in emissions reductions wherever possible.

Emissions from the ACT Government's own operations were also significantly lower in 2019-20 than in previous years. We emitted 63.7 kilotonnes of carbon dioxide equivalent in 2019-20, which was 40% less than in 2018-19.

In 2019-20 the ACT Government was nationally recognised in being awarded both the Renewable Energy Achievement Award and the Energy Efficiency Achievement Award from the national Cities Power Partnership. The Renewable Energy award was for our \$25 million Next Generation Energy Storage program, which continues to support the rollout of smart battery storage to homes and small businesses.

The Energy Efficiency award was for our Energy Efficiency Improvement Scheme, which we extended in 2020 for a further ten years. The EEIS requires energy retailers to help households and businesses reduce their energy demand, for example by installing energy efficient appliances.

Cost of Living Statement

Madam Speaker, as required by the Act, and reflecting community interest I now turn to the cost of living impact statement in the report.

The Energy Efficiency Improvement Scheme and the large-scale Feed in Tariff scheme have impacts on the cost of living through their effects on electricity prices. Together, these schemes contributed approximately \$179 to the annual electricity bill of a representative ACT household. This equates to approximately nine per cent of a representative ACT household electricity bill. Offsetting this impact, the Energy Efficiency Improvement Scheme delivered around \$300 in annual bill savings on average across all ACT households.

Madam speaker, the Government recognises that the cost of climate change measures can have a disproportionate impact on low income households. The ACT Government continues to offer and implement a range of policies to reduce energy bills for low income households. In 2019-20 we expanded these programs, in part to support households impacted by the COVID-19 pandemic. We introduced a Utilities Hardship Fund and increased the Utilities Concession rebate. We also expanded the priority household target for the Energy Efficiency Improvement Scheme, so more low-income households will now benefit from that scheme.

Conclusion

Madam speaker, the Annual Report showcases significant achievements made by the ACT Government and the ACT community in tackling climate change in 2019-20. It also demonstrates our commitment to transparency and accountability for the work we do to reduce emissions in a cost-effective manner. In 2019-20 we delivered 100% renewable electricity and brought our emissions down to more than 40% below 1990 levels. We should all be proud of these achievements.

However, it was only last summer that major bushfires threatened our community. The smoke from those fires lingered for many weeks and caused fear, anxiety and health problems. These are confronting reminders that climate change is here, and its impacts are growing.

CSIRO and the Bureau of Meteorology released *The State of the Climate 2020* report just last month. It shows we can expect to continue to see increases in air temperatures and heat extremes, coupled with decreases in cool season rainfall. This will likely lead to more time in drought, more dangerous fire weather days and longer fire seasons. This is the future we must face.

As a community that has supported, and continues to support strong leadership on climate change, we can be proud of our achievements but must be ready to work even harder to do our share to address this global problem. In forming a new government following our recent election, we have put an effective response to climate change at the centre of our agenda for this term of the Legislative Assembly.

The report I am tabling shows that the ACT has been a leader in climate change response. But our community has told us we need to do more and do it faster.

We have built a strong foundation, with the 100% renewable energy target at its centre. We now need to erect the structure that will take us to zero emissions. I look forward to future reports setting out for the ACT community our successes in this endeavour.

Madam Speaker, I commend the *2019-20 Minister's Annual Report under the Climate Change and Greenhouse Gas Reduction Act* to the Assembly.