

MINISTER FOR CLIMATE CHANGE AND SUSTAINABILITY

ESTIMATES 2017-2018 BRIEFS

28 JUNE 2017

INDEX

OPENING STATEMENT		
BUDGET PAPERS		
ACCOUNTABILITY INDICATORS		
1.	Output 2.2: Climate Change and Sustainability	BS E p20
2.	Output Costing Analysis	
3.	EPSDD Budget Statement (including performance measures)	
4.	EPSDD Budget Rollovers	
5.	2017-18 Budget Summary (including summary of Environment, Planning and Sustainable Development Initiatives)	
6.	Community Consultation Outcomes	
SAVING INITIATIVES		
7.	<u>Building a better city</u> – Transfer of staff to the Renewable Energy Innovation Fund	BS E p25
CORPORATE		
8.	Advertising Costs	
9.	Travel and Fleet Costs	
10.	Agency Resource Management Plan	
11.	<u>Administrative Arrangements</u> Waste Policy	
12.	Staff Survey	
13.	Fees Determination 2017-18	
RECURRENT BUDGET INITIATIVES		
14.	<u>Building a better city</u> – Implementation of ACT Climate Change Adaptation Strategy	
15.	<u>Better Services in Your Community</u> – More support for Actsmart	
16.	<u>Better Services in Your Community</u> – Achieving net zero emissions by 2050 – Blueprint development	
17.	<u>Better Services in Your Community</u> – Community participation in carbon neutrality	
18.	<u>Better Services in Your Community</u> – Improving sustainability through innovative financing	

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INDEX

CLIMATE CHANGE AND SUSTAINABILITY QTB	
19.	Final electricity and gas price increase
20.	Providing choice in gas network provision
21.	ACT Climate Change policy – costs to community and consumers
22.	Federal Govt decision on network charges - AER tribunal on network charges
23.	Electricity outages in Gungahlin (NEW)
24.	Climate Action Roundtable 2017
25.	ACT greenhouse gas emissions
26.	Pathway to net zero emissions
27.	EEIS Programs and Services supporting the ACT community
28.	Sustainability Programs
29.	Carbon Neutral Government Framework - Savings opportunities from accelerating energy efficiency in government operations
30.	Energy market transitions (managing consumer impacts and opportunities, network reform, smart meters, tariff changes, gas transition)
31.	Renewable energy programs
32.	Implementation of the ACT Climate Change Adaptation Strategy
33.	Battery storage program
34.	Williamsdale Solar Farm - contracting/procurement
35.	Community Zero Emissions Grants Program
36.	Renewable Energy Innovation Fund
37.	Large Scale Generation Certificates
38.	Finkel Review
39.	Community Solar
40.	Impact of Solar on the Electricity Grid

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT
ESTIMATES

OPENING STATEMENT

Thank you Chair for the opportunity to discuss with this committee work the ACT Government is doing to respond to climate change and ensure Canberra continues to grow as a modern and sustainable city.

The 2017-18 Budget provides funding to support a number of policies and programs that will ensure the ACT remains a world leader in its response to climate change.

As we know, our climate is already changing. In our region we are experiencing higher temperatures, heatwaves, and more variable rainfall with intense summer storms. Climate change impacts can threaten human health, our infrastructure and property, and also the natural environment and agricultural productivity.

To address these challenges the ACT Government is developing and implementing climate change policy.

The *ACT Climate Change Adaptation Strategy: Living with a warming climate 2016* sets out short-term actions for the ACT Government between now and 2020 to help our city:

- prepare for the impacts of climate change;
- reduce our vulnerability to climate risks; and
- increase our resilience to extreme weather and climate induced events.

Through the 2017-18 Budget, the ACT Government is investing \$1.9 million to continue to deliver priority actions through the *ACT Climate Change Adaptation Strategy*.

A total of \$845,000 will also see the development of the ACT Government's next climate change strategy, of which development is already underway. Titled *Blueprint for a Zero Emissions Territory: The ACT's climate change strategy to 2050*, the new strategy will set the ACT on a pathway to achieving its legislated target of net zero emissions by 2050 at the latest, including setting firm interim targets for 2030 and 2040.

As the risks of climate change become increasingly clear, it is vital the Canberra community works together to reduce our contribution to global warming and ensure Canberra grows into a modern liveable and sustainable city. The ACT Budget is investing \$550,000 over four years to a new ACT Community Zero Emissions Grants Program. This program will deliver grants of up to \$25,000 each, with a total pool of \$150,000 available in 2017-18. The grants program will support individuals and community groups to run engagement programs and deliver onground projects to contribute towards meeting the ACT's zero net emissions target and help improve the sustainability of the wider community.

The ACT Public Service is also working towards achieving carbon neutrality by 2020. To help achieve this target, staff are encouraged to use electric fleet vehicles and electric bikes to travel to meetings. The eight electric bikes, located at four Government buildings, have been incredibly popular with staff who have now travelled over 3,200 kilometres on them. As well as encouraging active travel and the health

benefits of exercise, the use of e-bikes helps reduce costs such as taxi fares, car parking, bus fares and fleet running costs as well as reducing greenhouse gas emissions.

The Carbon Neutral Government Loan Fund also continues to provide support for energy efficiency and emission reduction projects across Government. Over \$13 million has been provided to projects to date, including providing \$650,000 for the upgrade to an efficient electric heating and cooling system for the North Building in Civic.

The ACT is leading the nation on our commitment to move towards a more sustainable future and the ACT Government continues to make significant progress towards our goal of 100% renewable electricity by 2020.

In August 2016, the ACT Government announced the outcome of the Next Generation Renewables auction, awarding feed-in tariffs to Crookwell 2 and Hornsdale 3 wind farms. These contracts secure the achievement of our 100% target.

In 2016-17 the percentage of renewable electricity in the ACT has grown from 20% to 32%, with the Hornsdale 1 and Ararat wind farms, and Mugga Lane and Williamsdale solar farms, all coming online. All remaining renewable energy projects have reached financial close or commenced construction, and the ACT's renewable energy percentage will rapidly increase to 100% by 2020 as the remaining large-scale wind and solar farms are completed.

This has been supported by significant industry investment which is positioning Canberra as a centre for renewable energy innovation both nationally and internationally. Key initiatives include:

- national and international renewable energy companies such as Neoen, Union Fenosa Wind Australia, CWP Renewables, Windlab and Maoneng Australia establishing a strong presence in Canberra. These companies are increasingly using Canberra as their base for managing assets across Australia as well as their Asia-Pacific operations.
- the \$12 million industry-funded Renewable Energy Innovation Fund (REIF), which is financing a range of exciting activities to support the local renewable energy innovation ecosystem. This includes Canberra's *Renewables Innovation Hub* which is a flexible, collaborative, co-working office space located in Canberra's renewable energy precinct (City West). The Hub, which was launched in November 2016, brings together innovative start-ups, researchers and business across Australia's clean tech sector.
- working with leading industry players including Neoen, Union Fenosa, Siemens and Hyundai to develop innovative technology demonstration projects in new areas such as zero-carbon hydrogen transport and hydrogen power storage.
- leveraging the ACT's national and international leadership position as a 'centre for excellence' in renewable energy policy and program delivery to explore new export opportunities in priority markets and attract inbound investment.

- the \$25 million Next Generation Energy Storage Grants program which will support the roll out of more than 5,000 solar battery storage systems to 2020 in Canberra homes and businesses. These systems will also collect critical data to inform industry research and development. The number of systems installed will soon surpass 200, and a further 100 have been sold for installation in the coming months.

Last month the Independent Competition and Regulation Commission (ICRC) released its final determination of electricity prices and the price direction for the next three years. The ACT Government is following this national determination of prices with interest and is keen to keep the cost to consumers as low as possible.

The ACT Government has established an Energy Consumer Advocate to provide the community with a voice in decision making processes like the ICRC retail electricity price direction.

The ACT Government also has an existing range of measures in place to support ACT households and businesses with their electricity and water costs, with a particular focus on vulnerable consumers. Discounts of up to \$600 per year are available to eligible concession card holders.

The Budget provides \$865,000 in funding to provide continued support for Actsmart programs which provides free information, tools and advice to assist households, schools and businesses improve their sustainability. Last year, businesses that are signed up to the Actsmart program diverted more than 33,000 cubic metres from waste landfill to recycling which equates to over 137,000 domestic recycling bins.

In addition to Actsmart, our Energy Efficiency Improvement Scheme is helping households and businesses cut their energy bills. The Scheme is saving participating households up to \$5 per week, and has a particular focus on energy savings in low income priority households. Since the scheme started in 2013, more than 76,000 households have participated, with over 19,000 being low income priority households, which is something we can be particularly proud of.

With energy prices on the rise, it is now more important than ever to help people reduce their energy costs through energy efficiency.

The extension of the scheme to 2020 is expected to generate net present value savings of over \$40 million to households and small businesses. By the end of the first quarter of this year, the scheme had installed over 1.1 million energy saving items, saving over 690,000 tonnes of carbon dioxide equivalent emissions – a staggering achievement for a small jurisdiction.

Earlier this year the ACT Government announced that the Energy Efficiency Improvement Scheme will now offer lighting upgrades to help ACT businesses. These new lighting upgrades for eligible businesses replace inefficient light globes with more efficient LED lighting allowing businesses to reduce their energy consumption, reduce lighting energy bills by up to 60% and improve the quality and lifespan of their light globes. In the first quarter of 2017, about 300 Canberra businesses received lighting upgrades with over 19,500 lights installed—and more than 5,200 tonnes of carbon dioxide equivalent emissions avoided. The installed items have the potential to save around \$8 million over ten years.

The ACT Government can be proud of its contribution to the global challenge to address climate change. Our actions are leading, effective and benefitting both the environment and the consumers.

Once again, I thank you for the opportunity to appear before you today. I would be pleased to answer your questions.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

ISSUE: OUTPUT 2.2 – Climate Change and Sustainability

Talking Points

- This output was previously Sustainability and Climate Change

Develop policy, provide advice and deliver programs in relation to:

- the *ACT Climate Change Strategy and Action Plan – AP2 Climate Change Strategy*;
- investments in renewable electricity through a feed-in-tariff and delivery of local industry development strategies;
- energy efficiency measures, including administration of the Actsmart and Outreach programs; and
- administration of the ACT's *Carbon Neutral ACT and Energy Efficiency (Cost of Living) Improvement Scheme*.

Key Information

Accountability Indicators Output 2.2

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. Oversee the actions of the ACT Climate Change Strategy and Action Plan – AP2:			
- publish an annual inventory	Dec 2016	Dec 2016	Dec 2017
- publish an annual report on emissions targets	Dec 2016	Dec 2016	Dec 2017
b. Increase in the number of businesses or offices assisted to improve energy and water efficiency, reduce waste and increase recycling	10%	10%	10%
c. Estimated total electricity saved from Carbon Neutral Government Fund projects	10,000MWh	9,550MWh	10,000MWh
d. Number of households assisted by the Household Low Income Program	1,000	1,100	1,000

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

ISSUE: Output Costing Analysis

Talking Points

- What are the reasons for the variances in GPO and Cost for the Output Class under Climate Change and Sustainability:
 - Output 2.2 - Climate Change and Sustainability

Key Information

	2016-17 Original Budget	2016-17 Estimated Outcome	2017-18 Budget	Variance – 2016-17 Estimated Outcome to Original Budget	Variance – 2017-18 Budget to 2016-17 Estimated Outcome	Reason for Variance
	A	B	C	A-B	B-C	
	\$'000	\$'000	\$'000	\$'000	\$'000	
GPO						
Output 2.2 Climate Change and Sustainability	11,980	11,703	10,140	-277	-1,563	<p>\$277k decrease is due to minor adjustments in corporate overhead allocations and transfer of funding between outputs.</p> <p>\$1,563k decrease is due to savings less the impact of new initiatives.</p>
Cost						
	2016-17 Original Budget	2016-17 Estimated Outcome	2017-18 Budget	Variance – 2016-17 Estimated Outcome to Original Budget	Variance – 2017-18 Budget to 2016-17 Estimated Outcome	Reason for Variance
	A	B	C	A-B	B-C	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Output 2.2 Climate Change and Sustainability	22,050	20,486	24,892	-1,564	5,594	<p>\$1,564k decrease is due to the change in spending profile for REIF.</p> <p>\$5,594k increase is due to an increase in the expenditure for REIF.</p>

BUDGET STATEMENTS

2017-18

for

**Environment, Planning and Sustainable Development
Directorate**

Contents

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT DIRECTORATE	1
Purpose	1
2017-18 Priorities.....	2
Estimated Employment Level	5
Strategic Objectives and Indicators	6
Output Classes	11
Accountability Indicators	17
Changes to Appropriation.....	24
Summary of 2017-18 Infrastructure Program	29
Financial Statements.....	31
CITY RENEWAL AUTHORITY	52
Purpose	52
2017-18 Priorities.....	53
Estimated Employment Level	53
Changes to Appropriation.....	54
Financial Statements.....	55
SUBURBAN LAND AGENCY	60
Purpose	60
2017-18 Priorities.....	61
Estimated Employment Level	61
Financial Statements.....	62

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ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT DIRECTORATE

Purpose

The Environment, Planning and Sustainable Development Directorate (the Directorate) promotes sustainable living and resource use, strengthens the Territory's response to climate change and provides an integrated planning and land use system that contributes to the sustainable development and future of the ACT.

The Directorate's aim is to lead the Territory in developing and implementing targeted policies and programs that plan for urban growth and change; promote liveability, prosperity, productivity and sustainability; and address environment protection. Areas of focus include climate change mitigation and adaptation, nature conservation and enhancement, heritage, efficient and reliable water and energy services, building safety, quality urban design, and sustainable and integrated transport and spatial planning, policy and delivery.

The Directorate provides operational and strategic management of parks and reserves across the ACT including Tidbinbilla Nature Reserve, Namadgi National Park and Canberra Nature Park.

The Directorate delivers the ACT Government's commitment to eradicating loose-fill asbestos insulation from Canberra homes under the Loose-fill Asbestos Insulation Eradication Scheme, managed by a Taskforce comprised of expertise from across the ACT Public Service.

The Directorate is responsible for land strategy, policy and planning, including preparation of the four-year Indicative Land Release Program. The program sets out the Government's intended program for land release and seeks to facilitate housing diversity, provide affordable housing, stimulate economic activity by meeting the demand for land in the Territory and support a competitive land development and construction market.

The Directorate has a strong focus on urban renewal as a mechanism to drive economic activity, improving the liveability of our city, building on the character of our communities and delivering sustainable development. This focus is demonstrated in a variety of government-wide service delivery, such as the delivery of the Public Housing Renewal Program, Asset Recycling Initiative and Loose-fill Asbestos Insulation Eradication Scheme.

2017-18 Priorities

Priorities to be pursued by Environment, Planning and Sustainable Development Directorate in 2017-18 include:

Planning

- through the *ACT Planning Strategy*, deliver a range of strategic planning initiatives including:
 - detailed variations to the Territory Plan as part of the land release program, with a focus on supporting housing affordability and accessible communities;
 - finalising the master plan program which has identified where infill development could occur in and around town and group centres and along transport corridors and how this development and change can be facilitated; and
 - participating in, and leading components of, regional planning in partnership with NSW government agencies.
- supporting implementation of *Building an Integrated Transport Network* to shape the way the ACT grows and prospers by delivering outcomes relating to active travel, parking, light rail, bus network, road capacity, freight, reducing transport emissions and contributing to healthy communities;
- promoting development of climate-wise and living infrastructure that encourages sustainable choices about the way Canberrans live, travel and where they work;
- continuing to deliver city-wide urban land and transport plans and policies that underpin planning for the future urban growth, land supply, planning for major infrastructure for future urban areas and the character and structure of our city;
- providing leadership in place making through current projects and policies with a focus on people, climate-wise design, living infrastructure and the public realm as cities become more compact;
- continuing to reform the planning system and other regulations by working with industry to enhance the eDevelopment platform;
- assessing development proposals, including lease variations in accordance with the Territory Plan;
- supporting the ACT Heritage Council and the Government to recognise, register, conserve, promote and celebrate the ACT's places and objects of historic, Aboriginal and natural heritage significance;
- establish and administer a risk-based building auditing and inspection system for building certifiers approving, inspecting and certifying building work in the Territory;
- conduct a review of the effectiveness of the *Energy Efficiency Ratings Scheme*;

- carry out regulatory impact assessments of potential minimum energy efficiency standards and other options for improving the energy efficiency of rental properties in the Territory.

Climate Change and Sustainability

- implementing the ACT's integrated policy framework for managing the social, economic and environmental challenges faced by the Territory as they relate to energy production and use;
- managing investments for the Territory to transition to 100 per cent renewable electricity by 2020 while preparing for the next stage of emissions reduction in buildings and the transport network towards net zero emissions by 2050 at the latest;
- delivering the Government's next generation battery storage program to reduce network infrastructure costs and support the transition to a high penetration renewable electricity grid;
- administering the Renewable Energy Innovation Fund and programs to realise the Government's vision for the ACT as an internationally recognised centre for renewable energy innovation and investment, diversifying the economy and creating new export industries;
- administering and assisting industry to implement the *Energy Efficiency (Cost of Living) Improvement Scheme* with a focus on reducing energy costs for small business and low-income households;
- providing policy leadership and practical support to directorates in working towards carbon neutrality in the Government's operations and service delivery by 2020;
- developing and implementing actions under an *ACT Climate Change Adaptation Strategy and Implementation Plan* that will support Canberra in increasing its resilience and reduce vulnerability to climate change impacts;
- developing a *Living Infrastructure Strategy* that will help identify fit for purpose approaches to the urban forest renewal in the Territory, promote development of constructed waterways and the retention and use of stormwater in the urban setting to support trees;
- initiating investigations into opportunities to reduce transport emissions across the Territory including through reducing the carbon intensity of the increased uptake of low emission vehicles;

- helping achieve the Government's climate change mitigation, waste reduction and renewable energy targets through Actsmart programs delivered to schools, businesses and households; and
- continuing community engagement on climate change through workshops, public events and social media platforms to ensure Canberra's performance is compared positively to other world leading cities.

Environment

- improving the water quality in the ACT's waterways through improved catchment management and governance arrangements and implementing the Commonwealth/ACT Healthy Waterways project;
- implementing the *Nature Conservation Strategy* and *Striking the Balance*, ACT's Water Strategy;
- working with the ACT Natural Resource Management Council, community, governments, landholders, industry, the local Aboriginal community, and scientific and research organisations to improve our natural resources including through the Commonwealth Government's *National Landcare Program*;
- reducing the ACT's vulnerability to bushfire by managing fuel loads to reduce the ACT's vulnerability to wildfire and protect ecosystems and species;
- actively managing the Lower Cotter Catchment area following the construction of the enlarged Cotter Dam to protect water quality;
- continuing to monitor, research and implement plans and strategies to protect and conserve threatened species and ecological communities;
- continuing to improve the status of threatened species by improving habitat condition, connectivity and reducing threats. These works include:
 - the Golden Sun Moth habitat within Kinlyside Nature Reserve, and
 - working with the Woodland and Wetlands Trust to extend a predator proof fence from Mulligans Flat into Gorooyarroo Nature Reserves.
- continuing to provide on-ground support to volunteer groups in the ACT's parks, reserves and rural lands; and
- working across jurisdictional boundaries to achieve better outcomes for the environment and community of the ACT and region.

Land Policy and Renewal

- develop the Government's land release program;
- continuing to develop the Government's affordable housing and building policy;
- continuing delivery of the ACT Government's commitment to eradicating loose-fill asbestos insulation from Canberra homes under the Loose-fill Asbestos Insulation Eradication Scheme (Scheme) and engaging across jurisdictional boundaries, and nationally, to guide government, industry and community in the safe and effective practices developed under the Scheme;
- working with the private sector to support the operation of competitive land development and construction market;
- contributing to policy to guide the redevelopment of the Northbourne Avenue corridor in tandem with the delivery of the first stage of Canberra's light rail network;
- implementing redevelopment of the ACT Government owned land along Northbourne Avenue;
- delivering the National Partnership Agreement on Asset Recycling;
- maintaining a strong governance framework for land sales in the territory; and
- overseeing the replacement of 1,288 outdated public housing units with properties that meet contemporary building and energy efficiency standards.

Estimated Employment Level

Table 1: Estimated Employment Level

	2015-16 Actual Outcome	2016-17 Budget	2016-17 Estimated Outcome	2017-18 Budget
Staffing (FTE)¹	307	497 ²	567 ³	690 ⁴

Note(s):

1. Includes the Office of the Commissioner for Sustainability and the Environment.
2. The variation between the 2015-16 Actual Outcome and the 2016-17 Budget is due to the transfer of Parks and Conservation from TCCS on 1 July 2016.
3. The variation between the 2016-17 Budget and the 2016-17 Estimated Outcome is mainly due to the transfer of Asbestos Response Taskforce on 1 November 2016.
4. The variation between the 2016-17 Estimated Outcome and the 2017-18 Budget is due to the transfer of land policy and urban renewal functions on 1 July 2017.

Strategic Objectives and Indicators

Strategic Objective 1

Deliver a planning and leasehold system that delivers quality spatial outcomes and urban design, integrated transport and development outcomes that contribute to economic prosperity and a sustainable Canberra

This objective will be achieved through the implementation of the goals underpinning the *ACT Planning Strategy*, the *Transport for Canberra* and *AP2 Climate Change Strategy* policies.

The Directorate will:

- prepare planning and land use management strategies that integrate with transport planning, shape the growth of the City, enhance the community's lifestyle and balance environmental objectives;
- support the development of a compact city and sustainable transport network through strategic planning;
- manage urban infill strategies sensitively with a focus on integration around commercial centres and transport initiatives and having regard to evolving community attitudes. Initiatives include:
 - completing the master plan program for centres to provide direction for future change and growth including sustainable design outcomes;
 - urban renewal and City Plan implementation through the *City and Gateway Urban Renewal Strategy*;
 - examining community facility planning to establish future policy positions;
 - ensuring Territory Plan land uses reflect the broad structure of the *ACT Planning Strategy* including a review of the locations of medium and higher density residential zones and future urban areas; and
 - reviewing the Territory Plan as necessary to reflect outcomes of strategic land use and transport plans and policies.
- implementing the *Building an Integrated Transport Network* which includes:
 - strategies for active travel, parking, low emission vehicles and freight;
 - continued development of a city-wide light rail network master plan;
 - monitoring and evaluating networks and public transport to inform new network planning; and
 - identifying park and ride, bike and ride and active travel approaches to support achieving a higher modal split to public transport, cycling and walking.

- develop and implement policies that improve the sustainability and resilience of the natural and built environment;
- diligently administer a transparent and accountable leasehold and planning approvals system that underpins the Territory's economy;
- maintain and enhance a world-leading spatial mapping and property description system;
- increase community and industry education to foster understanding of strategies and policies;
- continue to work with surrounding local government areas and the NSW Government to develop and deliver regional planning strategies for the Canberra region; and
- continue to participate in national forums to provide analysis and input to transport and infrastructure policy nationally and in the ACT.

Strategic Indicator 1: Develop, engage on and implement city-wide urban land and transport policies, strategies and plans that underpin planning for the future urban growth, land supply, and major infrastructure in a coordinated way across government.

Strategic Objective 2

Protect and enhance our natural environment, water resources and heritage values

The Government will continue to explore and support cost effective ways to encourage sustainable water use through demand management and water sensitive urban design and ensure land and water management and construction management are undertaken in such a way as to protect receiving waters - water courses, lakes and the downstream river systems - from pollutants.

The Directorate will continue to promote knowledge sharing and implementation of contemporary, best practice environmental standards.

The Directorate will:

- increase community awareness and involvement in protecting and conserving the ACT's natural resources;
- administer a robust multi-agency governance model for water management in the ACT and region;
- build knowledge and implement practices that protect and manage the ACT's biodiversity;
- enhance the policy framework to protect the quality of the ACT's air, water and the environment;
- implement the ACT's environment strategies and plans – *Nature Conservation Strategy 2013-2023*, *Water Strategy 'Striking a Balance' 2014-44* and Action Plans;

- work with the Commonwealth and other states/territory to develop and implement national environmental and water reforms - including within the ACT's portion of the Murray Darling Basin;
- implement innovative water sensitive urban design systems;
- continue to provide administrative support to the ACT Heritage Council to ensure the continued recognition, registration and conservation of the ACT's heritage places and objects; and
- continue to administer the annual funding and delivery for the ACT Heritage Grants Program, the Canberra and Region Heritage Festival and Capital Works projects as relate to the conservation of the ACT's heritage places and objects.

Strategic Indicator 2.1: Work with the community on implementing the Murray Darling Basin Plan.

Strategic Indicator 2.2: Deliver the ACT Healthy Waterways project against timelines agreed with the Commonwealth.

Strategic Indicator 2.3: Develop and implement ACT wide sustainability policies including biodiversity conservation.

Strategic Objective 3

Deliver balanced and effective policies for safe buildings, effective environmental controls and optimal land use outcomes.

This objective will be achieved through continuous review and enhancement of the legislation and policy administered by the Directorate and associated regulations, together with the Territory Plan, to deliver an effective regulatory framework.

The Directorate will:

- continually improve policies and supporting systems for consistent and timely decisions;
- enhance regulatory frameworks to deliver high standard and safe building outcomes for the community and business;
- work with industry and business to develop and implement policies and guidelines to protect the quality of water, air and liveability;
- develop innovative legislation, systems and processes to streamline the way we provide high quality outcomes for the community;
- develop and implement new electronic business systems for better decision making and timely services to the community; and
- continue to implement the outcomes of the Minister's Building Quality Forum, including through the review and amendment of the *Building Act 2004*.

Strategic Indicator 3.1: Continuous review of regulatory policies, systems and ensuring that environment protection, heritage, nature conservation and construction activities are properly coordinated and effective in application.

Strategic Objective 4

Leading the Community Towards Making Canberra a Net Zero Carbon Emitter

The Government's vision for Canberra is to set the benchmark for world cities in zero emissions and sustainability. The Directorate works across government, the business sector and the broader community to achieve ambitious greenhouse gas emission reductions.

The Directorate will raise awareness of climate change through engaging with the community, building partnerships in mitigation and adaptation and developing effective offset options.

The Directorate will:

- secure business and community understanding and endorsement on climate change action with support from the ACT's Climate Change Council;
- support the deployment of large scale renewable energy generation to meet the ACT's 100 per cent renewable electricity and greenhouse gas reduction targets;
- support and facilitate the growth of the renewable energy industry as part of a vibrant clean economy, built around Canberra's existing competitive advantages and knowledge based economy;
- support increased energy efficiency in homes, businesses, schools and other parts of the built environment;
- contribute to the security and affordability of our energy supplies;
- promote an understanding of climate science implications for the ACT within and beyond the ACT Government, and guide adaptation strategies to increase the Territory's resilience in the face of the unavoidable impacts of climate change;
- provide a guiding influence to other parts of government to deliver carbon neutral government operations; and
- support the community to understand their own emissions and how to mitigate those emissions through participation in Actsmart programs for businesses, schools and households.

Strategic Indicator 4.1: Implement policies to achieve the ACT Government's target of net zero carbon emissions in the ACT by 2050 at the latest and in government operations from 2020.

Strategic Indicator 4.2: Growth in renewable electricity generation.

Strategic Objective 5

Improve the livability of our cities and build on the character of our communities through strategic and sustainable release and renewal of land

Development of a land release program that contributes to the Government's financial, social and environmental objectives, including:

- enabling urban renewal and activating key gateways to the city and its commercial centres;
- facilitating housing diversity and providing affordable housing choices;
- meeting the demand for land in the Territory to stimulate economic activity in the residential, commercial/ mixed use, industrial and community sectors;
- supporting the operation of a competitive land development and construction market;
- achieving satisfactory returns from the sale of unleased Territory land; and
- continue to engage across jurisdictional boundaries, and nationally, to guide government, industry and community in the safe and effective practices developed under the Loose-fill Asbestos Insulation Eradication Scheme.

Strategic Indicator 5.1: Delivery of the Government's land release program.

Strategic Indicator 5.2: Assets recycled in line with the Commonwealth Government's Asset Recycling Initiative (ARI).

Output Classes

Output Class 1: Planning

Table 2: Output Class 1: Planning

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost¹	31,875	34,377
Controlled Recurrent Payments	25,661	27,831

Note(s):

1. Total cost includes depreciation and amortisation of \$0.350 million in 2016-17 and \$0.447 million in 2017-18. Total cost is also supplemented by own source revenue of \$2.889 million in 2016-17 and \$2.511 million in 2017-18.

Output 1.1: Planning Delivery

Facilitate and manage growth and change within the ACT through development assessment and leasehold management, with the overarching objective of promoting and facilitating economically productive, sustainable, attractive, safe and well designed urban and rural environments in the ACT.

Table 3: Output 1.1: Planning Delivery

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost¹	16,948	20,380
Controlled Recurrent Payments	12,312	15,146

Note(s):

1. Total cost is supplemented by own source revenue of \$2.719 million in 2016-17 and \$2.511 million in 2017-18.

Output 1.2: Planning Policy¹

Provision of high quality professional services in strategic land planning, sustainable transport planning (including *Building an Integrated Transport Network*) and planning for land release that encourages high quality urban design.

Table 4: Output 1.2: Planning Policy

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost	12,840	11,878
Controlled Recurrent Payments	11,449	10,717

Note(s):

1. This output was previously called Strategic Planning.

Output 1.3: Heritage

Administration of the heritage provisions of the *Heritage Act 2004* and assistance in the conservation of the ACT's heritage assets to ensure their recognition, registration and conservation. The area provides administrative and operational support to the ACT Heritage Council and its projects, and administers the annual funding of the ACT Heritage Grants Program, the annual Canberra and Region Heritage Festival and Capital Works projects as they relate to heritage conservation works. A key function is also the promotion and education of the community regarding heritage assets of the ACT.

Table 5: Output 1.3: Heritage

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost	2,087	2,119
Controlled Recurrent Payments	1,900	1,968

Output Class 2: Environment

Table 6: Output Class 2: Environment

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost¹	74,046	76,921
Controlled Recurrent Payments	60,175	58,232

Note(s):

1. Total cost is supplemented by revenue from the Commonwealth Government, the *Energy Efficiency (Cost of Living) Improvement Scheme* and the Renewable Energy Innovation Fund.

Output 2.1: Environment

Help protect the ACT's natural environment through:

- the implementation of programs responding to natural resource management as part of the Commonwealth's *National Landcare Program*;
- manage, review and implementation of legislation/action plans to help protect land and species;
- sustainable use of water, including through implementation of *Striking the Balance*, the ACT's Water Strategy;
- establish and support an ACT and region catchment management governance framework;
- administer the annual funding of the ACT Environment Grants and Rural Grants Program;

- regulatory activities to protect and enhance the natural and built environment; and
- promotion and involvement of the community in caring for the ACT's natural environment.

Table 7: Output 2.1: Environment

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost^{1,2}	16,671	14,953
Controlled Recurrent Payments	13,063	12,016

Note(s):

1. Total cost is supplemented by revenue from the Commonwealth for environmental programs of \$1.687 million in 2016-17 and \$1.087 million in 2017-18.
2. The decrease in total cost from the 2016-17 Estimated Outcome to the 2017-18 Budget is due to the one off impact of the rollover of \$0.6 million for Implementing Water Reform in the Murray-Darling Basin and expenditure on the grant for the Mulligans Flat predator proof fence.

Output 2.2: Climate Change and Sustainability¹

Develop policy, provide advice and deliver programs in relation to:

- the *ACT Climate Change Strategy and Action Plan – AP2 Climate Change Strategy*;
- investments in renewable electricity through a feed-in-tariff and delivery of local industry development strategies;
- energy efficiency measures, including administration of the Actsmart and Outreach programs; and
- administration of the ACT's *Carbon Neutral ACT and Energy Efficiency (Cost of Living) Improvement Scheme*.

Table 8: Output 2.2: Climate Change and Sustainability

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost²	20,486	24,892
Controlled Recurrent Payments	11,703	10,140

Note(s):

1. This output was previously called Sustainability and Climate Change.
2. Total cost is supplemented by revenue from the *Energy Efficiency (Cost of Living) Improvement Scheme* of \$3.624 million in 2016-17 and \$4.547 million in 2017-18. Total cost is also supplemented by revenue from the Renewable Energy Innovation Fund of \$3.100 million in 2016-17 and \$9.108 million in 2017-18.

Output 2.3: Conservation and Land Management¹

Planning and management of the ACT's parks, reserves, open space system and plantations, including associated community infrastructure. The land manager role includes management of land for recreational use; conservation management; including management of national parks, nature reserves; fire management; and pest and weed control as well as the management of the Territory's softwood plantation and oversight of rural production areas.

Table 9: Output 2.3: Conservation and Land Management

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost	36,889	37,076
Controlled Recurrent Payments	35,409	36,076

Note(s):

1. This output was previously called Land Management.

Output Class 3: Loose-fill Asbestos Insulation Eradication¹

Output 3.1: Loose-fill Asbestos Insulation Eradication Scheme

The Asbestos Response Taskforce delivers the Loose-fill Asbestos Insulation Eradication Scheme safely, compassionately and efficiently. It provides support and advice to affected homeowners, the Canberra community, industry and government.

Table 10: Output 3.1: Loose-fill Asbestos Insulation Eradication Scheme

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost²	67,383	63,001
Controlled Recurrent Payments	18,030	14,371

Note(s):

1. This output class was transferred from the Chief Minister, Treasury and Economic Development Directorate on 1 November 2016.
2. Total cost includes the transfer of the net profit on land sales back to the Government.

Output Class 4: Land Policy and Renewal¹

Table 11: Output Class 4: Land Policy and Renewal

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost	0	57,356
Controlled Recurrent Payments	0	56,945

Note(s):

1. This is a new output class for 2017-18 that combines land policy and urban renewal activities from the Chief Minister, Treasury and Economic Development Directorate and the discontinued Land Development Agency.

Output 4.1: Land Policy¹

Provide strategic, policy and planning support, including preparation of the four-year Indicative Land Release Program. The program sets out the Government's intended program for land release and seeks to facilitate housing diversity, provide affordable housing, stimulate economic activity, meet the demand for land in the Territory and support a competitive land development and construction market.

Table 12: Output 4.1: Land Policy

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost	0	14,613
Controlled Recurrent Payments	0	14,488

Note(s):

1. This is a new output for 2017-18 that transfers land policy functions from the Chief Minister, Treasury and Economic Development Directorate and the discontinued Land Development Agency.

Output 4.2: Urban Renewal¹

Urban renewal is a key priority of the ACT Government. Urban renewal will drive economic activity, improve the liveability of our city, build on the character of our communities and deliver sustainable development.

The urban renewal agenda is ambitious and spans directorates. The Coordinator-General, Urban Renewal works across directorates in order to deliver significant outcomes, including:

- delivering the Asset Recycling Initiative;
- activating the Capital Metro corridor;
- delivering new (replacement) public housing; and
- progressing City to the Lake.

These projects, along with the rest of the urban renewal agenda will transform our city in its second century.

Table 13: Output 4.2: Urban Renewal

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost	0	42,743
Controlled Recurrent Payments	0	42,457

Note(s):

1. This is a new output for 2017-18 that transfers urban renewal functions from the Chief Minister, Treasury and Economic Development Directorate and the discontinued Land Development Agency.

Output Class EBT: Office of the Commissioner for Sustainability and the Environment

Output EBT 1: Office of the Commissioner for Sustainability and the Environment

Publication of the State of the Environment Report, investigation of complaints by Ministerial direction, or where a Territory agency's actions may have a substantial impact on the environment.

Table 14: Output EBT 1: Office of the Commissioner for Sustainability and the Environment

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000
Total Cost	2,102	2,367
Payment for Expenses on Behalf of the Territory	2,102	2,367

Accountability Indicators

Output Class 1: Planning

Output 1.1: Planning Delivery

Table 15: Accountability Indicators Output 1.1

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. Development application processing times:			
- average processing times in working days	45	53	45
- median processing times in working days	30	36	30
b. Percentage of development application decisions made within statutory deadlines	75%	73%	75%
c. Percentage of development applications appeals resolved by mediation in relation to development proposals	35%	100%	35%
d. Percentage of ACT Civil and Administrative Tribunal (ACAT) decisions which uphold the Directorate's original decision	85%	70%	85%

Output 1.2: Planning Policy

Table 16: Accountability Indicators Output 1.2

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. Provide the Minister with the Annual Report Card on Transport for Canberra ¹	Dec 2016	Not complete	n/a
b. Completion and publication of Master Plans ²	3	2	n/a
c. Number of Environment and Planning Forums held during the year to assist in community consultations	6	6	6
d. Prepare policy advice to inform Executive consideration of the requirement to review the ACT Planning Strategy in 2017 ³	n/a	n/a	1
e. Report on the status of actions in the Minister for Planning and Land Management's Statement of Planning Intent ⁴	n/a	n/a	4
f. Continue to engage community and stakeholders in the preparation of city-wide urban land and transport policies, strategies and plans ⁵	n/a	n/a	6

Notes:

1. Indicator discontinued as the Annual Report Card will be replaced following a review of Transport for Canberra.
2. Indicator discontinued.
3. New indicator.
4. New indicator.
5. New indicator.

Output 1.3: Heritage

Table 17: Accountability Indicators Output 1.3

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. Notification on the legislation register of Heritage Council decisions within five working days of the decision	100%	100%	100%
b. Development application advice issued within 15 working days of referral by the ACT Land and Planning Authority	90%	95%	95%
c. Decisions about heritage registrations by the ACT Heritage Council made within statutory timeframes ¹	100%	100%	100%

Notes:

1. This indicator relates to the timeframe imposed on the ACT Heritage Council to make a decision on final registrations under the *Heritage Act 2004*.

Output Class 2: Environment

Output 2.1: Environment

Table 18: Accountability Indicators Output 2.1

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. Assess data and prepare a public report on the use and quality of the water resources of the ACT annually which is to be published on the Directorate's website ¹	Jun 2017	Jun 2017	n/a
b. Submit twice yearly progress reports to the Commonwealth for the <i>National Landcare Program</i>	2	2	2
c. Prepare and submit National Environment Protection Measure jurisdictional reports to the National Environment Protection Council within agreed timeframe	Sep 2016	Nov 2016	Sep 2017
d. Submit Basin Priority Project milestone reports to the Commonwealth in accordance with the Commonwealth agreement ²	3	1	n/a
e. Response from the Conservator of Flora and Fauna on development applications issued within statutory timeframes	90%	90%	90%
f. Prepare a public report on the implementation of the ACT Water Strategy ³	n/a	n/a	Dec 2017
g. Submit ACT Healthy Waterways project milestone reports to the Commonwealth in accordance with the Commonwealth agreement ⁴	n/a	n/a	2
h. Implementation report on the 2015-17 Biodiversity Research and Monitoring Program finalised by December 2017 ⁵	n/a	n/a	100%
i. The conservator of Flora and Fauna to finalise Action Plans for matters listed under the <i>Nature Conservation Act 2014</i> , within six months following public consultation ⁶	n/a	n/a	100%

Notes:

1. Indicator discontinued and replaced with indicator 2.1(f).
2. Milestone reports were renegotiated with the Commonwealth during the year. This indicator has been discontinued and replaced with indicator 2.1(g).
3. New indicator which replaces indicator 2.1(a).
4. New indicator which replaces indicator 2.1(d).
5. New indicator
6. New Indicator

Output 2.2: Climate Change and Sustainability

Table 19: Accountability Indicators Output 2.2

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. Oversee the actions of the ACT Climate Change Strategy and Action Plan – AP2:			
- publish an annual inventory	Dec 2016	Dec 2016	Dec 2017
- publish an annual report on emissions targets	Dec 2016	Dec 2016	Dec 2017
b. Increase in the number of businesses or offices assisted to improve energy and water efficiency, reduce waste and increase recycling	10%	10%	10%
c. Estimated total electricity saved from Carbon Neutral Government Fund projects	10,000MWh	9,550MWh	10,000MWh
d. Number of households assisted by the Household Low Income Program	1,000	1,100	1,000

Output 2.3: Conservation and Land Management

Table 20: Accountability Indicators Output 2.3

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. Customer satisfaction with the Management of protected areas (Tidbinbilla Nature Reserve, Namadgi National Park and Canberra Nature Park)	90%	96%	90%
b. Implement fuel management activities – grazing – as identified under the approved Bushfire Operational Plan (BOP)	100%	100%	100%
c. Implement fuel management activities – physical removal – as identified under the approved Bushfire Operational Plan (BOP)	100%	100%	100%
d. Implement fuel management activities – slashing – as identified under the approved Bushfire Operational Plan (BOP)	100%	100%	100%
e. Implement fuel management activities – burning – as identified under the approved Bushfire Operational Plan (BOP)	100%	95%	100%
f. Implement access activities – as identified under the approved Bushfire Operational Plan (BOP)	100%	95%	100%

Output Class 3: Loose-fill Asbestos Insulation Eradication

Output 3.1: Loose-fill Asbestos Insulation Eradication Scheme

Table 21: Accountability Indicators Output 3.1

	2016-17 Targets	2016-17 Estimated Outcome ¹	2017-18 Targets
Community Engagement and Advice:			
a. Undertake a program to provide advice and support to residents of properties affected by loose-fill asbestos insulation	1	1	1
b. Conduct and/or attend Community Forums/Meetings on loose-fill asbestos insulation (e.g. health, management, demolition and personal support)	3	3	3
c. Undertake an awareness program to inform the broader community about the demolition and sales activities of the Scheme	1	1	1
Buy-Back and Demolition Program:			
d. Continue to facilitate settlement of the surrender of properties under the Buyback program	1	1	1
e. Demolish affected dwellings	207	297	222
f. Deregister affected properties post demolition and soil validation	200	372	178
Sales Program:			
g. Sale of remediated and deregistered blocks	254	312	395
Policy, Technical and Regulation:			
h. Support the conduct of a health study of asbestos exposure in affected homes ²	1	1	n/a

Notes:

1. The Asbestos Response Taskforce was transferred on 1 November 2016, as a result the 2016-17 Estimate Outcome relates to the period from 1 November 2016 to 30 June 2017. The Chief Minister, Treasury and Economic Development Directorate will report on the period between 1 July 2016 and 31 October 2016.
2. Indicator discontinued.

Output Class 4: Land Policy and Renewal

Output 4.1: Land Policy

Table 22: Accountability Indicators Output 4.1

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. 4 year Indicative Land Release Program published ¹	n/a	n/a	1

Notes:

1. This Output was transferred from the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) from 1 July 2017. CMTEDD will report on the 2016-17 Estimated Outcome This accountability indicator covers publication of the 2017-18 to 2020-2021 Indicative Land Release Program.

Output 4.2: Urban Renewal

Table 23: Accountability Indicators Output 4.2

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. Asset Recycling Initiative ¹	n/a	n/a	100%
b. Public Housing Renewal Program Contracts ²	n/a	n/a	362
c. Public Housing Renewal Program Delivery ³	n/a	n/a	424

Notes:

1. This Output was transferred from the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) from 1 July 2017. CMTEDD will report on the 2016-17 Estimated Outcome. This accountability indicator covers the 19 sites included as part of the Commonwealth Government's Asset Recycling Initiative (ARI). The target measures the percentage of ARI sites for which sales strategies have been established and endorsed.
2. This accountability indicator covers the delivery of the ACT Government's Public Housing Renewal Program and measures the number of replacement dwellings covered by new contracts in the target year. This includes dwellings covered by purchasing contracts and dwellings covered by construction contracts.
3. This indicator covers the delivery of the ACT Government's Public Housing Renewal Program and measures the number of replacement dwellings completed and transferred to Housing ACT in the target year.

Output Class EBT: Office of the Commissioner for Sustainability and the Environment

Output EBT 1: Office of the Commissioner for Sustainability and the Environment

Table 24: Accountability Indicators Output EBT 1

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. Report on the uptake of recommendations on the ACT State of the Environment and special reports as part of the annual report	Oct 2016	Dec 2016	Oct 2017
b. Undertake Ministerial initiated investigations in accordance with the Minister's direction	100%	100%	100%
c. Undertake Commissioner initiated investigations in accordance with the Terms of Reference	100%	100%	100%
d. Undertake complaints generated investigations in accordance with the Terms of Reference	100%	100%	100%
e. Report on the complaints about the management of the environment by the Territory or a Territory agency as part of the annual report	Oct 2016	Dec 2016	Oct 2017

Changes to Appropriation

Table 25: Changes to appropriation – Controlled Recurrent Payments

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
2016-17 Budget	84,733	81,090	87,086	89,152	88,825
FMA Section 16B Rollovers from 2015-16					
Actsmart Programs	65	-	-	-	-
Canberra Urban and Regional Futures	(125)	-	-	-	-
Energy Efficiency Improvement Scheme	93	-	-	-	-
Implementation of Climate Change Strategy	40	-	-	-	-
Implementing Water Reform in the Murray-Darling Basin	600	-	-	-	-
Intelledox	69	-	-	-	-
Kangaroo Population Management and Research	214	-	-	-	-
Light Rail Stage 2	635	-	-	-	-
Master Planning Program - Group Centres, Transport Corridors and Rural Villages	70	-	-	-	-
National Pests Responses Contributions for Red Imported Fire Ants, European House Borer and Electric Ants	67	-	-	-	-
Progressing Actions on Climate Change	100	-	-	-	-
Threatened Species Conservation	22	-	-	-	-
Transport and Parking - Better Options	65	-	-	-	-
2017-18 Budget Policy Adjustments					
Better services in your community - Achieving net zero emissions by 2050 - Blueprint development	-	322	254	269	-
Better services in your community - Community participation in zero net emissions	-	150	150	150	100
Better services in your community - Implementation of ACT Climate Change Adaptation Strategy	-	758	577	593	-
Better services in your community - Improving sustainability through innovative financing	-	75	62	51	-
Better services in your community - Managing native wildlife	-	821	565	579	594
Better services in your community - More support for Actsmart	-	865	-	-	-
Better services in your community - Planning for Canberra's future transport needs	-	750	-	-	-
Better services in your community - Protecting our native species and environment	-	670	670	-	-
Better services in your community - Reviewing the ACT energy rating disclosure scheme	-	300	-	-	-
Better services in your community - Supporting endangered woodlands	-	162	-	-	-
Better services in your community - Supporting the national eradication of exotic pests and diseases	-	180	180	180	180

Table 25: Changes to appropriation – Controlled Recurrent Payments (continued)

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
Better support when it matters - Public Housing Renewal - New and better properties	-	600	1,908	-	-
Better support when it matters - Public Housing Renewal - Taskforce operations	-	2,250	1,895	619	-
Building a better city - Bindubi Street extension - Early planning	-	300	-	-	-
Building a better city - Building audits	-	1,200	1,100	1,150	-
Building a better city - Building certification reform	-	407	362	368	473
Building a better city - Building regulation reform	-	610	692	675	681
Building a better city - Land Development	-	9,843	9,997	10,154	10,313
Building a better city - Molonglo East-West Arterial Road - Early planning	-	200	100	-	-
Building a better city - Strengthening oversight of land development	-	820	834	846	854
Building a better city - Swimming Pool Safety Education Campaign	200	-	-	-	-
Building a better city - Transfer of staff to the Renewable Energy Innovation Fund	-	(565)	(730)	(770)	(775)
Building a better city - William Hovell Drive upgrade - Early planning	-	200	100	-	-
Fairer revenue - Sustainable campground fees	-	(30)	(31)	(32)	(32)
More and better jobs - Canberra International Airport - Guarding against the spread of pests and diseases	-	137	144	146	149
More and better jobs - Ensuring sustainable commercial development	-	425	25	100	25
More and better jobs - Ensuring Continuity of the Spatial Data Management System	-	-	(72)	(75)	(79)
More and better jobs - Sustainably managing our forests	-	(500)	(500)	(500)	(500)
Smarter government spending - Googong Foreshore access gate upgrade	-	(76)	(81)	(85)	(91)
Smarter government spending - Improving efficiency in biodiversity management	-	(250)	(253)	(257)	(260)
Smarter government spending - Streamlining customer service delivery	-	(152)	(154)	(156)	(158)
Smarter government spending - Streamlining master planning processes	-	(125)	(127)	(128)	(130)
2017-18 Budget Technical Adjustments					
Revised Indexation Parameters	-	(118)	(189)	(195)	1 499
Revised Superannuation Parameters	-	(254)	(531)	(806)	(867)
Transfer - City Activation Unit to CRA	-	(525)	(535)	(545)	(553)
Transfer - Contribution to the Strategic Office Accommodation Project to CMTEDD	-	(44)	(45)	(46)	(76)

Table 25: Changes to appropriation – Controlled Recurrent Payments (continued)

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
Transfer - City to the Lake - New Canberra Theatre (Feasibility) from CMTEDD	-	100	-	-	-
Transfer - Land Policy from CMTEDD	-	4,738	4,427	6,561	6,618
Transfer - Loose-fill Asbestos Insulation Eradication Scheme from CMTEDD	25,322	9,431	7,966	14,471	14,579
Transfer - Molonglo Valley - Environmental Impact Statement for Deferred Area from CMTEDD	-	200	-	-	-
Transfer - Parks and Conservation from TCCS - Amendment	(474)	(1,065)	(1,241)	(1,474)	(1,466)
Transfer - Public Housing Renewal Taskforce from CMTEDD	-	38,122	6,100	-	-
Transfer - Securing Electricity Supply in the ACT - Second supply network from CMTEDD	-	150	275	-	-
Transfer - Waste Policy to TCCS	-	(192)	(197)	(201)	(206)
Revised Funding Profile - Loose-fill Asbestos Insulation Eradication Scheme	(7,292)	4,882	(1,664)	1,952	(1,125)
Revised Funding Profile - Master Planning Program - Group Centres, Transport Corridors and Rural Villages	(200)	200	-	-	-
Revised Funding Profile - Molonglo Valley - Implementation of Commitments in the NES Plan	(100)	100	-	-	-
Revised Funding Profile - Threatened Species Conservation	(220)	220	-	-	-
Revised Funding Profile - Wildlife Management	(50)	50	-	-	-
Commonwealth Grant - Established Weed and Pest Management	32	-	-	-	-
City Centre Marketing and Improvements Levy	-	(53)	(99)	(199)	(251)
2017-18 Budget	103,866	157,379	119,020	122,547	118,321

Table 26: Changes to appropriation – Expenses on Behalf of the Territory

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
2016-17 Budget	2,515	1,984	2,023	2,062	2,062
2017-18 Budget Technical Adjustments					
Revised Indexation Parameters	-	(5)	(8)	(8)	30
Revised Superannuation Parameters	(13)	(12)	(11)	(10)	(9)
Revised Funding Profile - Office of the Commissioner for Sustainability and the Environment (Operations)	(400)	400			
2017-18 Budget	2,102	2,367	2,004	2,044	2,083

Table 27: Changes to appropriation – Capital Injections, Controlled

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
2016-17 Budget	26,931	44,594	29,437	2,302	2,302
FMA Section 16B Rollovers from 2015-16					
Capital Upgrades Program	80	-	-	-	-
Carbon Neutral Government	1,537	-	-	-	-
Enhancing the Protection of Endangered Species and Habitat	57	-	-	-	-
Environmental Offsets - Gungahlin (EPIC)	14	-	-	-	-
Environmental Offsets - Lawson South	18	-	-	-	-
Molonglo Riverside Park - Stage 1	499	-	-	-	-
Molonglo Valley - Implementation of Commitments in the NES Plan - Stage 2	216	-	-	-	-
Red Hill Nature Reserve Remediation (Finalisation of Design)	(3)	-	-	-	-
Strategic Bushfire Management Plan	79	-	-	-	-
2017-18 Budget Policy Adjustments					
Better services in your community - Improving our capacity to fight bushfires	-	1,267	1,489	430	-
Better services in your community - Jarramlee Nature Reserve - Protecting our nature reserves	-	112	200	-	-
Better support when it matters - Public Housing Renewal - New and better properties	-	27,295	20,124	-	-
Better support when it matters - Public Housing Renewal - Taskforce operations	-	1,122	1,314	-	-
More and better jobs - Ensuring continuity of the Spatial Data Management System	-	869	232	-	-
2017-18 Budget Technical Adjustments					
Better Infrastructure Fund Indexation	-	-	-	-	18
Transfer - Better Infrastructure Fund for Land Release Infrastructure from CMTEDD	-	295	302	310	318
Transfer - Better Public Housing - New Public Housing properties from CMTEDD	-	147,200	80,019	-	-
Transfer - City to the Lake - New Civic Pool (feasibility) from CMTEDD	-	400	-	-	-
Transfer - Improving Our City - Woden bus interchange improvements from CMTEDD	-	150	-	-	-
Transfer - Loose-fill Asbestos Insulation Eradication Scheme from CMTEDD	55,194	50,472	29,691	8,833	741
Transfer - Upgrading infrastructure for land release from CMTEDD	-	117	-	-	-
Transfer - Urban Renewal Program - Better Public Housing - Allawah Court from CMTEDD	-	11,300	-	-	-
Transfer - Urban Renewal Program - Better Public Housing - Karuah from CMTEDD	-	5,000	-	-	-
Transfer - Urban Renewal Program - Better Public Housing - Red Hill housing precinct from CMTEDD	-	2,300	-	-	-

Table 27: Changes to appropriation – Capital Injections, Controlled (continued)

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
Transfer - Urban Renewal Program - City to the Lake - West Basin infrastructure from CMTEDD	-	7,500	-	-	-
Transfer - Urban Renewal Program - Civic and Braddon public realm improvements from CMTEDD	-	1,050	-	-	-
Transfer - Urban Renewal Program - Playground Repairs to TCCS	(40)	-	-	-	-
Transfer - Woden Valley Stormwater Retardation Basins (Design) from CMTEDD	-	230	-	-	-
Revised Funding Profile - Better Infrastructure Fund	(99)	99	-	-	-
Revised Funding Profile - Caring for our Environment - Improving species and habitat protection	(182)	170	(317)	257	72
Revised Funding Profile - Digital Canberra - New digital radio communication system	(970)	970	-	-	-
Revised Funding Profile - Enhancement of eDevelopment Interface	(190)	190	-	-	-
Revised Funding Profile - Enhancing the Protection of Endangered Species	(1,263)	1,263	-	-	-
Revised Funding Profile - Enhancing the Protection of Endangered Species and Habitat	(1,141)	522	619	-	-
Revised Funding Profile - Environmental Offsets - Lawson South	(293)	96	197	-	-
Revised Funding Profile - Loose-fill Asbestos Insulation Eradication Scheme	8,690	16,215	(25,874)	2,537	20,910
Revised Funding Profile - Red Hill Nature Reserve Remediation (Finalisation and Design)	(111)	111	-	-	-
Revised Funding Profile: Support for Building Industry - eDevelopment Renovation Project	(1,881)	1,881	-	-	-
Commonwealth Grant - Sustainable Rural Water Use and Infrastructure Program	7,000	4,250	(11,250)	-	-
Savings - Environmental Offsets Gungahlin	(156)	-	-	-	-
2017-18 Budget	93,986	327,040	126,183	14,669	24,361

Summary of 2017-18 Infrastructure Program

Table 28: 2017-18 Environment, Planning and Sustainable Development Directorate Infrastructure Program

Project	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	Four Year Investment \$'000	Physical Completion Date
CAPITAL WORKS PROGRAM						
Work In Progress						
ACT Healthy Waterways Project (Commonwealth Funded)	41,000	13,171	-	-	54,171	Jun-19
Better Public Housing - New public housing properties	147,200	80,019	-	-	227,219	Jun-19
Caring for our Environment - Establishing the Molonglo River Reserve Stage 3	440	258	-	-	698	Jun-19
Caring for our Environment - Improving species and habitat protection	959	857	257	72	2,145	Jun-21
Caring for our Environment - Tharwa fish habitat improvement	200	-	-	-	200	Jun-18
Caring for our environment - Water Quality Improvement - Contributions to the ACT Healthy Waterways Project	1,300	1,300	-	-	2,600	Jun-19
City to the Lake - New civic pool	400	-	-	-	400	Jun-18
Digital Canberra - New digital radio communication system	1,130	-	-	-	1,130	Dec-17
Enhancement of eDevelopment Interface	190	-	-	-	190	Jun-18
Enhancing the Protection of Endangered Species and Habitat	3,506	619	-	-	4,125	Jun-19
Environmental Offsets - Lawson South	161	197	-	-	358	Jun-19
Improving Our City - Woden bus interchange improvements	150	-	-	-	150	Jun-18
Molonglo Valley - Environmental Impact Statement for Deferred Area (Feasibility)	200	-	-	-	200	Jun-18
Molonglo Valley - Implementation of Commitments in the NES Plan	100	-	-	-	100	Jun-18
Molonglo Valley - Implementation of Commitments in the NES Plan - Stage 2	902	-	-	-	902	Jun-18
Red Hill Nature Reserve Remediation (Finalisation and Design)	111	-	-	-	111	Jun-18
Securing Electricity Supply in the ACT - Second supply network	150	275	-	-	425	Jun-19
Support for Building Industry - eDevelopment Renovation Project	1,881	-	-	-	1,881	Jun-18
Urban Renewal Program - Better Public Housing - Allawah Court	11,300	-	-	-	11,300	Mar-18
Urban Renewal Program - Better Public Housing - Karuah	5,000	-	-	-	5,000	Mar-18
Urban Renewal Program - Better Public Housing - Red Hill housing precinct	2,300	-	-	-	2,300	Mar-18

Table 28: 2017-18 Environment, Planning and Sustainable Development Directorate Infrastructure Program (continued)

Project	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	Four Year Investment \$'000	Physical Completion Date
Work In Progress						
Urban Renewal Program - City to the Lake – West Basin infrastructure	7,500	-	-	-	7,500	Jun-18
Urban Renewal Program - Civic and Braddon public realm improvements	1,050	-	-	-	1,050	Jun-18
Woden Valley Stormwater Retardation Basins (Design)	230	-	-	-	230	Dec-17
Total Work In Progress	227,360	96,696	257	72	324,385	
New Work						
Better services in your community - Improving our capacity to fight bushfires	1,267	1,489	430	-	3,186	Jun-20
Better services in your community - Jarramlee Nature Reserve - Protecting our nature reserves	112	200	-	-	312	Jun-19
Better support when it matters - Public Housing Renewal - New and better properties	27,295	20,124	-	-	47,419	Jun-19
Better support when it matters - Public Housing Renewal - Taskforce operations	1,122	1,314	-	-	2,436	Jun-19
Building a better city - Bindubi Street extension - Early planning	300	-	-	-	300	Jun-18
Building a better city - Molonglo East-West Arterial Road - Early planning	200	100	-	-	300	Jun-19
Building a better city - William Hovell Drive Upgrade - Early planning	200	100	-	-	300	Jun-19
More and better jobs - Ensuring continuity of the Spatial Data Management System	869	232	-	-	1,101	Jun-19
Total New Capital	31,365	23,559	430	-	55,354	
Better Infrastructure Fund						
Heritage Conservation	151	154	158	162	625	Jun-18
Land Release Infrastructure	412	302	310	318	1,342	Jun-18
Parks and Conservation	629	543	557	571	2,300	Jun-18
Unallocated Better Infrastructure Fund	96	97	97	97	387	Jun-18
Total Better Infrastructure Fund	1,288	1,096	1,122	1,148	4,654	

Financial Statements

Table 29: Environment, Planning and Sustainable Development Directorate: Operating Statement

2016-17 Budget		2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
Income							
Revenue							
84,733	Controlled Recurrent Payments	103,866	157,379	52	119,020	122,547	118,321
0	Land Revenue	64,355	53,731	-17	21,143	918	0
27	Taxes, Fees and Fines	27	28	4	29	29	29
7,946	User Charges	7,538	9,177	22	24,274	6,282	5,619
68	Interest	234	329	41	217	148	91
2,640	Resources Received Free of Charge	2,179	2,267	4	2,358	2,452	2,550
7,340	Other Revenue	15,471	21,147	37	1,154	1,119	1,611
102,754	Total Revenue	193,670	244,058	26	168,195	133,495	128,221
Gains							
0	Other Gains	29,711	2	-100	2	2	2
0	Total Gains	29,711	2	-100	2	2	2
102,754	Total Income	223,381	244,060	9	168,197	133,497	128,223
Expenses							
45,491	Employee Expenses	50,196	64,119	28	60,502	60,239	59,399
7,413	Superannuation Expenses	7,980	9,175	15	9,076	8,961	8,793
42,012	Supplies and Services	47,851	101,982	113	64,526	54,105	52,131
2,099	Depreciation and Amortisation	2,894	3,023	4	3,402	3,486	3,550
6,234	Grants and Purchased Services	1,806	4,395	143	3,649	3,691	3,660
86	Cost of Goods Sold	86	86	-	13,386	86	14,808
1,655	Other Expenses	3,101	3,456	11	3,197	3,305	10,771
0	Transfer Expenses	59,390	45,419	-24	23,112	806	2,978
104,990	Total Expenses	173,304	231,655	34	180,850	134,679	156,090
-2,236	Operating Result	50,077	12,405	-75	-12,653	-1,182	-27,867
Other Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
123,112	Increase/(Decrease) in Asset Revaluation Surplus	123,112	0	-100	0	0	0
123,112	Total Other Comprehensive Income	123,112	0	-100	0	0	0
120,876	Total Comprehensive Income	173,189	12,405	-93	-12,653	-1,182	-27,867

Table 30: Environment, Planning and Sustainable Development Directorate: Balance Sheet

Budget at 30/6/17 \$'000		2016-17 Estimated Outcome \$'000	Budget at 30/6/18 \$'000	Var %	Estimate at 30/6/19 \$'000	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000
Current Assets							
10,474	Cash and Cash Equivalents	21,422	39,845	86	35,899	33,631	30,099
4,163	Receivables	3,156	3,404	8	3,836	3,756	3,857
51	Inventories	51	51	-	51	51	51
0	Assets Held for Sale	126,115	81,115	-36	7,759	21,204	1
187	Other Assets	478	329	-31	180	43	43
14,875	Total Current Assets	151,222	124,744	-18	47,725	58,685	34,051
Non Current Assets							
8,777	Receivables	7,230	6,380	-12	5,367	4,703	4,207
275,993	Property, Plant and Equipment	417,261	291,243	-30	286,845	289,360	286,589
10,877	Intangible Assets	36,605	38,196	4	38,689	37,971	37,253
18,377	Capital Works in Progress	26,129	147,769	466	114,698	109,790	110,913
26,514	Other Assets	26,514	26,514	-	26,514	26,514	26,514
340,538	Total Non Current Assets	513,739	510,102	-1	472,113	468,338	465,476
355,413	TOTAL ASSETS	664,961	634,846	-5	519,838	527,023	499,527
Current Liabilities							
3,308	Payables	3,778	3,876	3	3,974	4,072	4,170
15,274	Employee Benefits	19,764	22,237	13	23,097	23,967	24,873
0	Other Provisions	96,138	29,698	-69	46,521	33,526	0
1,743	Other Liabilities	861	847	-2	833	819	805
20,325	Total Current Liabilities	120,541	56,658	-53	74,425	62,384	29,848
Non Current Liabilities							
938	Employee Benefits	1,052	1,161	10	1,200	1,240	1,280
0	Other Provisions	11,646	15,654	34	158	9,309	0
938	Total Non Current Liabilities	12,698	16,815	32	1,358	10,549	1,280
21,263	TOTAL LIABILITIES	133,239	73,473	-45	75,783	72,933	31,128
334,150	NET ASSETS	531,722	561,373	6	444,055	454,090	468,399
REPRESENTED BY FUNDS EMPLOYED							
204,737	Accumulated Funds	404,742	434,393	7	317,075	327,110	341,419
129,413	Asset Revaluation Surplus	126,980	126,980	-	126,980	126,980	126,980
334,150	TOTAL FUNDS EMPLOYED	531,722	561,373	6	444,055	454,090	468,399

Table 31: Environment, Planning and Sustainable Development Directorate: Statement of Changes in Equity

Budget at 30/6/17 \$'000		2016-17 Estimated Outcome \$'000	Budget at 30/6/18 \$'000	Var %	Estimate at 30/6/19 \$'000	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000
	Opening Equity						
16,805	Opening Accumulated Funds	9,320	404,742	#	434,393	317,075	327,110
6,301	Opening Asset Revaluation Reserve	3,868	126,980	#	126,980	126,980	126,980
23,106	Balance at the Start of the Reporting Period	13,188	531,722	#	561,373	444,055	454,090
	Comprehensive Income						
-2,236	Operating Result - Including Economic Flows	50,077	12,405	-75	-12,653	-1,182	-27,867
123,112	Inc/Dec in Asset Revaluation Reserve Surpluses	123,112	0	-100	0	0	0
120,876	Total Comprehensive Income	173,189	12,405	-93	-12,653	-1,182	-27,867
	Transactions Involving Owners Affecting Accumulated Funds						
26,931	Capital Injections	93,986	327,040	248	126,183	14,669	24,361
0	Capital Distributions to Government	-175,439	-194,659	-11	-92,149	-3,450	17,817
163,237	Inc/Dec in Net Assets due to Admin Restructure	426,798	-115,135	-127	-138,699	-2	-2
190,168	Total Transactions Involving Owners Affecting Accumulated Funds	345,345	17,246	-95	-104,665	11,217	42,176
	Closing Equity						
204,737	Closing Accumulated Funds	404,742	434,393	7	317,075	327,110	341,419
129,413	Closing Asset Revaluation Reserve	126,980	126,980	-	126,980	126,980	126,980
334,150	Balance at the end of the Reporting Period	531,722	561,373	6	444,055	454,090	468,399

Table 32: Environment, Planning and Sustainable Development Directorate: Cash Flow Statement

2016-17 Budget		2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
82,461	Controlled Recurrent Payments	101,571	155,084	53	116,724	120,251	116,024
2,272	Payment for Community Service Obligations	2,295	2,295	-	2,296	2,296	2,297
27	Taxes, Fees and Fines	27	28	4	29	29	29
8,309	User Charges	7,901	9,539		24,636	6,644	5,981
68	Interest Received	234	329	41	217	148	91
4,568	Other	12,699	23,250	83	3,257	3,222	3,714
97,705	Operating Receipts	124,727	190,525	53	147,159	132,590	128,136
Payments							
44,935	Employee	49,644	63,185	27	59,564	59,288	58,658
7,417	Superannuation	7,984	9,178	15	9,080	8,965	8,850
40,554	Supplies and Services	41,116	100,991	146	63,463	52,973	50,925
6,259	Grants and Purchased Services	1,831	4,420	141	3,674	3,716	3,685
0	Transfer of Territory Receipts to the ACT Government	59,390	45,419	-24	23,112	806	2,978
0	Related to Cost of Goods Sold	86	86	-	86	86	86
2,863	Other	9,962	4,561	-54	4,282	4,370	11,836
102,028	Operating Payments	170,013	227,840	34	163,261	130,204	137,018
-4,323	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-45,286	-37,315	18	-16,102	2,386	-8,882
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
0	Proceeds from Sale of Property, Plant and Equipment	217,826	248,396	14	100,000	4,375	16,858
1,502	Repayment of Loan Principal	1,529	1,550	1	1,529	1,692	1,343
1,502	Investing Receipts	219,355	249,946	14	101,529	6,067	18,201
Payments							
25,441	Purchase of Property, Plant and Equipment	27,075	258,863	856	120,876	1,809	1,220
0	Purchase of Land and Intangibles	53,754	66,806	24	1,611	19,211	3,492
1,490	Loans Provided (Loans Receivable)	2,410	920	-62	920	920	920
26,931	Investing Payments	83,239	326,589	292	123,407	21,940	5,632
-25,429	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	136,116	-76,643	-156	-21,878	-15,873	12,569

Table 32: Environment, Planning and Sustainable Development Directorate: Cash Flow Statement (continued)

2016-17 Budget		2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
26,931	Capital Injections	93,986	327,040	248	126,183	14,669	24,361
527	Proceeds from Borrowings	0	0	-	0	0	0
0	Receipts of Transferred Cash Balances	527	0	-100	0	0	0
27,458	Financing Receipts	94,513	327,040	246	126,183	14,669	24,361
Payments							
0	Distributions to Government	175,439	194,659	11	92,149	3,450	31,580
0	Financing Payments	175,439	194,659	11	92,149	3,450	31,580
27,458	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-80,926	132,381	264	34,034	11,219	-7,219
-2,294	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS¹	9,904	18,423	86	-3,946	-2,268	-3,532
12,768	CASH AT THE BEGINNING OF REPORTING PERIOD	11,518	21,422	86	39,845	35,899	33,631
10,474	CASH AT THE END OF REPORTING PERIOD	21,422	39,845	86	35,899	33,631	30,099

Notes:

1. The decrease in cash and cash equivalents in 2018-19, 2019-20 and 2020-21 is mainly due to the outflows of funding associated with the Renewable Energy Innovation Fund. The funding was primarily received in 2017-18, although expenditure will occur across the forward years.

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments:
 - the increase of \$19.133 million (23 per cent) in the 2016-17 estimated outcome from the original budget is mainly due to the transfer of the Asbestos Response Taskforce from CMTEDD on 1 November 2016 (\$18.030 million) and the FMA Section 16B rollovers from 2015-16 to 2016-17 (\$2.040 million), partially offset by the revised funding profile adjustments (\$0.695 million) and an amendment to the transfer of Parks and Conservation from TCCS (\$0.474 million).
 - the increase of \$53.513 million (52 per cent) in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to the transfer of land policy and urban renewal functions from CMTEDD (\$42.785 million), new budget initiatives (\$20.347 million), partially offset by ceasing initiatives (\$5.683 million), the decrease in funding for the Asbestos Response Taskforce (\$3.717 million), the net impact of rollovers between financial years (\$1.345 million) and the amendment to the transfer of Parks and Conservation from TCCS (\$1.065 million).
- land revenue:
 - the increase of \$64.355 million in the 2016-17 estimated outcome from the original budget is due to the sale of remediated land under the Loose-fill Asbestos Insulation Eradication Scheme following the transfer of the Asbestos Response Taskforce from CMTEDD on 1 November 2016.
 - the decrease of \$10.624 million in the 2017-18 Budget from the 2016-17 estimated outcome is due to the decrease in the sale of remediated land under the Loose-fill Asbestos Insulation Eradication Scheme.
- user charges:
 - the increase of \$1.639 million in the 2017-18 Budget is mainly due to an increase in funding available under the *Energy Efficiency (Cost of Living) Improvement Scheme*.
- other revenue:
 - the increase of \$8.131 million in the 2016-17 estimated outcome from the original budget is mainly due to an increase in the revenue received under the Renewable Energy Innovation Fund.
 - the increase of \$5.676 million in the 2017-18 Budget is mainly due to an increase in the amount to be received under the Renewable Energy Innovation Fund.

- other gains:
 - the increase of \$29.711 million in the 2016-17 estimated outcome from the original budget is due to the collection of additional Large Scale Generation Certificates surrendered by large scale users of electricity under the *Renewable Energy Target Scheme*.
 - the decrease of \$29.709 million in the 2017-18 Budget is due to the gains not being budgeted in the Directorate in the forward years.
- employee expenses:
 - the increase of \$4.705 million in the 2016-17 estimated outcome from the original budget is mainly due to the transfer of the Asbestos Response Taskforce from CMTEDD on 1 November 2016 (\$3.420 million) and the increase in staff to complete significant projects.
 - the increase of \$13.923 million in the 2017-18 Budget from the 2016-17 estimated outcome is due to new budget initiatives including support for the new City Renewal Authority (CRA) and Suburban Land Agency (SLA) (\$9.184 million), the full year impact of the transfer of the Asbestos Response Taskforce from CMTEDD (\$2.953 million) and the transfer of land policy and urban renewal functions from CMTEDD (\$1.402 million).
- superannuation expenses:
 - the increase of \$1.195 million in the 2017-18 Budget from the 2016-17 estimated outcome is due to new budget initiatives including support for the new City Renewal Authority (CRA) and Suburban Land Agency (SLA) (\$1.037 million).
- supplies and services:
 - the increase of \$5.839 million in the 2016-17 estimated outcome from the original budget is mainly due to the transfer of the Asbestos Response Taskforce from CMTEDD on 1 November 2016 (\$2.742 million) and the movement between grants and consultants to better reflect the expenditure profile of the Renewable Energy Innovation Fund (\$2.527 million).
 - the increase of \$54.131 million in the 2017-18 Budget from the 2016-17 estimated outcome is due to the transfer of land policy and urban renewal functions from CMTEDD (\$39.214 million), new budget initiatives including support for the new City Renewal Authority (CRA) and Suburban Land Agency (SLA) (\$10.308 million) and the increase in expenditure under the Renewable Energy Innovation Fund (\$5.659 million).
- grants and purchased services:
 - the decrease of \$4.428 million in the 2016-17 estimated outcome from the original budget is mainly due to the movement between grants and consultants/salaries to better reflect the expenditure profile of the Renewable Energy Innovation Fund (\$4.098 million).

- the increase of \$2.589 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to the increase in expenditure under the Renewable Energy Innovation Fund.
- transfer expenses:
 - the increase of \$59.390 million in the 2016-17 estimated outcome from the original budget is due to the transfer of the Asbestos Response Taskforce from CMTEDD on 1 November 2016.
 - the decrease of \$13.971 million in the 2017-18 Budget from the 2016-17 estimated outcome is due to the decrease in sales under the Asbestos Response Taskforce program being paid back to Government.

Balance Sheet

- cash and equivalents:
 - the increase of \$10.948 million in the 2016-17 estimated outcome from the original budget is mainly due to the cash received from the Renewable Energy Innovation Fund and the additional money available under the Carbon Neutral Government loan.
 - the increase of \$18.423 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to the cash received from the Renewable Energy Innovation Fund and the additional money available under the Carbon Neutral Government loan.
- current and non-current receivables:
 - the decrease of \$2.554 million in the 2016-17 estimated outcome from the original budget is mainly due to the repayment of the Carbon Neutral Government loans.
- assets held for sale:
 - the increase of \$126.115 million in the 2016-17 estimated outcome from the original budget is due to the land held for sale with the Asbestos Response Taskforce.
 - the decrease of \$45 million in the 2017-18 Budget from the 2016-17 estimated outcome is due to a lower number of blocks held following sale of land under the Asbestos Response Taskforce.
- property, plant and equipment:
 - the increase of \$141.268 million in the 2016-17 estimated outcome from the original budget is mainly due to the land purchased under the Asbestos Eradication Scheme.
 - the decrease of \$126.018 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to the movement of land from property to assets held for sale and the sale of land during the year.

- intangible assets:
 - the increase of \$25.728 million in the 2016-17 estimated outcome from the original budget is due to the additional Large Scale Generation Certificates received as part of the *Renewable Energy Target Scheme*.
- current and non-current capital works in progress:
 - the increase of \$7.752 million in the 2016-17 estimated outcome from the original budget is mainly due to the capital works associated with Parks and Conservation projects. These projects include Enhancing the Protection of Endangered Species and Environmental Offsets.
 - the increase of \$121.640 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to new initiatives, including the Public Housing Renewal projects (\$76.549 million) and the capital works associated with current projects for environment and ACT Healthy Waterways.
- current and non current employee benefits:
 - the increase of \$4.604 million in the 2016-17 estimated outcome is mainly due to the impact of the transfer of Asbestos Response Taskforce staff from CMTEDD on 1 November 2016 and the flow-on effects of the 2015-16 financial results.
 - the increase of \$2.582 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to the increase in staff associated with the transfer of land policy and urban renewal functions from CMTEDD/LDA.
- other provisions:
 - the increase of \$107.784 million in the 2016-17 estimated outcome from the original budget relates to the value of the provisions associated with the Loose-fill Asbestos Insulation Eradication Scheme following the transfer of the Asbestos Response Taskforce from CMTEDD on 1 November 2016.
 - the decrease of \$62.432 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to a decrease in the value of the provisions associated with the Loose-fill Asbestos Insulation Eradication Scheme as property remediation is completed.

Statement of Changes in Equity

- capital injections:
 - the increase of \$67.055 million in the 2016-17 estimated outcome from the original budget is mainly due to the transfer of the Asbestos Response Taskforce from CMTEDD on 1 November 2016 (\$63.884 million), the increase in funds received from the Commonwealth for the ACT Healthy Waterways project (\$7 million) and the FMA Section 16B rollovers from 2015-16 to 2016-17 (\$2.497 million), partially offset by the rollover of funds from 2016-17 to 2017-18 (\$6.130 million).

- the increase of \$233.054 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to the transfer of transfer of land policy and urban renewal functions from CMTEDD (\$175.542 million), new budget initiatives (\$30.665 million), the increase in funds received from the Commonwealth for the ACT Healthy Waterways project (\$20.500 million) and the rollover of funds from 2016-17 to 2017-18 (\$5.302 million).

Cash Flow Statement

Variations in the Statement are explained in the notes above.

Financial Statements

Table 33: Environment, Planning and Sustainable Development Directorate: Statement of Income and Expenses on behalf of the Territory

2016-17 Budget		2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
	Revenue						
2,515	Payment for Expenses on Behalf of the Territory	2,102	2,367	13	2,004	2,044	2,083
23,206	Taxes, Fees and Fines	28,707	31,091	8	32,130	33,318	34,017
4,103	Land Revenue	48,332	20,638	-57	39,672	45,654	56,624
185	Interest	1,732	796	-54	1,907	2,494	1,969
30,009	Total Revenue	80,873	54,892	-32	75,713	83,510	94,693
	Gains						
0	Other Gains	2,154	0	-100	0	0	0
0	Total Gains	2,154	0	-100	0	0	0
30,009	Total Income	83,027	54,892	-34	75,713	83,510	94,693
	Expenses						
817	Employee Expenses	866	829	-4	843	853	863
114	Superannuation Expenses	107	105	-2	108	111	114
823	Supplies and Services	363	908	150	514	527	539
761	Grants and Purchased Services	761	525	-31	539	553	567
0	Other Expenses	3,624	4,547	25	1,450	1,400	900
27,494	Transfer Expenses	75,147	47,978	-36	72,259	80,066	91,710
30,009	Total Expenses	80,868	54,892	-32	75,713	83,510	94,693
0	Operating Result	2,159	0	100	0	0	0
	Other Comprehensive Income						
	<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>						
0	Increase/(Decrease) in Asset Revaluation Surplus	-11,701	0	100	0	0	0
0	Total Other Comprehensive Income	-11,701	0	100	0	0	0
0	Total Comprehensive Income	-9,542	0	100	0	0	0

Table 34: Environment, Planning and Sustainable Development Directorate: Statement of Assets and Liabilities on behalf of the Territory

Budget at 30/6/17 \$'000		2016-17 Estimated Outcome \$'000	Budget at 30/6/18 \$'000	Var %	Estimate at 30/6/19 \$'000	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000
Current Assets							
1,475	Cash and Cash Equivalents	3,620	3,587	-1	3,554	3,521	3,488
934	Receivables	67,544	93,599	39	99,138	104,907	110,676
0	Inventories	133	133	-	133	133	133
2,409	Total Current Assets	71,297	97,319	36	102,825	108,561	114,297
Non Current Assets							
2,252	Receivables	1,297	1,403	8	1,509	1,615	1,721
82,310	Property, Plant and Equipment	90,232	90,232	-	90,232	90,232	90,232
84,562	Total Non Current Assets	91,529	91,635	..	91,741	91,847	91,953
86,971	TOTAL ASSETS	162,826	188,954	16	194,566	200,408	206,250
Current Liabilities							
464	Payables	69,500	95,507	37	100,998	106,719	112,440
294	Employee Benefits	99	104	5	109	114	119
922	Other Liabilities	1,034	1,039	..	1,044	1,049	1,054
1,680	Total Current Liabilities	70,633	96,650	37	102,151	107,882	113,613
Non Current Liabilities							
222	Payables	111	222	100	333	444	555
7	Employee Benefits	14	14	-	14	14	14
2,425	Other Liabilities	1,189	1,189	-	1,189	1,189	1,189
2,654	Total Non Current Liabilities	1,314	1,425	8	1,536	1,647	1,758
4,334	TOTAL LIABILITIES	71,947	98,075	36	103,687	109,529	115,371
82,637	NET ASSETS	90,879	90,879	-	90,879	90,879	90,879
REPRESENTED BY FUNDS EMPLOYED							
31,869	Accumulated Funds	34,210	34,210	-	34,210	34,210	34,210
50,768	Asset Revaluation Surplus	56,669	56,669	-	56,669	56,669	56,669
82,637	TOTAL FUNDS EMPLOYED	90,879	90,879	-	90,879	90,879	90,879

Table 35: Environment, Planning and Sustainable Development Directorate: Statement of Changes in Equity on behalf of the Territory

Budget at 30/6/17 \$'000		2016-17 Estimated Outcome \$'000	Budget at 30/6/18 \$'000	Var %	Estimate at 30/6/19 \$'000	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000
	Opening Equity						
31,869	Opening Accumulated Funds	32,051	34,210	7	34,210	34,210	34,210
50,768	Opening Asset Revaluation Reserve	68,370	56,669	-17	56,669	56,669	56,669
82,637	Balance at the Start of the Reporting Period	100,421	90,879	-10	90,879	90,879	90,879
	Comprehensive Income						
0	Operating Result - Including Economic Flows	2,159	0	-100	0	0	0
0	Inc/Dec in Asset Revaluation Reserve Surpluses	-11,701	0	100	0	0	0
0	Total Comprehensive Income	-9,542	0	100	0	0	0
	Closing Equity						
31,869	Closing Accumulated Funds	34,210	34,210	-	34,210	34,210	34,210
50,768	Closing Asset Revaluation Reserve	56,669	56,669	-	56,669	56,669	56,669
82,637	Balance at the end of the Reporting Period	90,879	90,879	-	90,879	90,879	90,879

Table 36: Environment, Planning and Sustainable Development Directorate: Cash Flow Statement on behalf of the Territory

2016-17 Budget		2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
2,515	Payment for Expenses on Behalf of the Territory	2,102	2,367	13	2,004	2,044	2,083
23,206	Taxes, Fees and Fines	28,707	31,091	8	32,130	33,318	34,017
185	Interest Received	1,732	796	-54	1,907	2,494	1,969
0	Land Sales	43,632	15,806	-64	34,705	40,548	51,375
4,275	Other	4,872	5,004	3	5,139	5,278	5,421
30,181	Operating Receipts	81,045	55,064	-32	75,885	83,682	94,865
Payments							
817	Employee	871	829	-5	843	853	863
114	Superannuation	107	105	-2	108	111	114
1,023	Supplies and Services	563	1,108	97	714	727	739
761	Grants and Purchased Services	761	525	-31	539	553	567
27,494	Transfer of Territory Receipts to the ACT Government	75,147	47,978	-36	72,259	80,066	91,710
5	Other	3,629	4,552	25	1,455	1,405	905
30,214	Operating Payments	81,078	55,097	-32	75,918	83,715	94,898
-33	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-33	-33	-	-33	-33	-33
-33	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	-33	-33	-	-33	-33	-33
1,508	CASH AT THE BEGINNING OF REPORTING PERIOD	3,653	3,620	-1	3,587	3,554	3,521
1,475	CASH AT THE END OF REPORTING PERIOD	3,620	3,587	-1	3,554	3,521	3,488

Notes to the Territorial Budget Statements

Significant variations are as follows:

Statement of Income and Expenses on behalf of the Territory

- payment for Expenses on Behalf of the Territory:
 - the decrease of \$0.413 million (20 per cent) in the 2016-17 estimated outcome from the original budget is mainly due to the rollover of funds from 2016-17 into 2017-18.
- taxes, fees and fines:
 - the increase of \$5.501 million in the 2016-17 estimated outcome from the original budget is mainly due to a change in the accounting treatment for revenue transferred to Controlled under the *Energy Efficiency (Cost of Living) Improvement Scheme* (\$3.624 million). Previously the transfer to Controlled was net off against the revenue from electricity suppliers. It is now shown as an expense item. The estimate for Lease Variation Charge is also higher following an increase in building activity (\$2.162 million).
 - the increase of \$2.384 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to an increase in the estimate for Lease Variation Charge.
- land revenue:
 - the increase of \$44.229 million in the 2016-17 estimated outcome from the original budget is mainly due to the transfer of land revenue from the land release program from TCCS on 1 July 2016.
 - the decrease of \$27.694 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to timings in the land release program.
- interest revenue:
 - the increase of \$1.547 million in the 2016-17 estimated outcome from the original budget is mainly due to the interest received for variations in land sales from the discontinued LDA. This was transferred to the Directorate from TCCS on 1 July 2016.
- other gains:
 - the increase of \$2.154 million in the 2016-17 estimated outcome from the original budget is due to transfer of land assets from TCCS on 1 July 2016.
 - the decrease of \$2.154 million in the 2017-18 Budget is due to the once off transfer of land in 2016-17.

- other expenses:
 - the increase of \$3.624 million in the 2016-17 estimated outcome from the original budget is mainly due to the change in accounting treatment for the transfer of revenue to Controlled under the *Energy Efficiency (Cost of Living) Improvement Scheme*. Previously the transfer to Controlled was net off against the revenue from electricity suppliers. It is now shown as an expense item.
- transfer expenses: variations in these expenses reflect the variations in revenues described above.

Statement of Assets and Liabilities on behalf of the Territory

- cash and equivalents:
 - the increase of \$2.145 million in the 2016-17 estimated outcome from the original budget is mainly due to the flow-on effects of the 2015-16 financial results.
- current and non-current receivables:
 - the increase of \$65.655 million in the 2016-17 estimated outcome from the original budget is mainly due to the transfer of receivables from TCCS for land revenue outstanding.
 - the increase of \$26.161 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to the timings in the land release program.
- property, plant and equipment:
 - the increase of \$7.922 million in the 2016-17 estimated outcome from the original budget is mainly due to the revaluation of land as a result of a change in the 10-year Government bond rate (\$5.901 million) and the transfer of land from TCCS (\$2.021 million).
- current and non-current payables:
 - the increase of \$68.925 million in the 2016-17 estimated outcome from the original budget is mainly due to the transfer of payables from TCCS for the payment back to Government for land revenue.
 - the increase of \$26.118 million in the 2017-18 Budget from the 2016-17 estimated outcome is mainly due to the timings in the land release program.
- other liabilities:
 - the decrease of \$1.124 million in the 2016-17 estimated outcome from the original budget predominately relates to the flow-on effects of the 2015-16 financial results.

Statement of Changes in Equity and Cash Flow Statement

Variations in the Statement are explained in the notes above.

Table 37: Output Class 1: Planning Operating Statement

2016-17 Budget		2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
Revenue							
25,047	Controlled Recurrent Payments	25,661	27,831	8	26,061	26,783	26,033
1,366	User Charges	2,204	2,501	13	2,441	2,468	2,519
1,082	Resources Received Free of Charge	1,082	1,270	17	1,317	1,369	1,424
0	Other Revenue	685	10	-99	10	10	10
27,495	Total Revenue	29,632	31,612	7	29,829	30,630	29,986
Expenses							
16,057	Employee Expenses	16,060	17,681	10	18,031	18,010	17,387
2,617	Superannuation Expenses	2,617	2,732	4	2,755	2,706	2,599
9,305	Supplies and Services	12,629	13,467	7	11,772	12,631	12,583
988	Depreciation and Amortisation	350	447	28	806	926	926
170	Grants and Purchased Services	170	0	-100	0	0	0
3	Other Expenses	49	50	2	52	53	54
29,140	Total Ordinary Expenses	31,875	34,377	8	33,416	34,326	33,549
-1,645	Operating Result	-2,243	-2,765	-23	-3,587	-3,696	-3,563

Table 38: Output Class 2: Environment Operating Statement

2016-17 Budget		2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
Revenue							
59,686	Controlled Recurrent Payments	60,175	58,232	-3	61,636	61,917	61,766
27	Taxes, Fees and Fines	27	28	4	29	29	29
6,580	User Charges	5,334	6,676	25	3,833	3,814	3,100
68	Interest	234	329	41	217	148	91
1,558	Resources Received Free of Charge	1,097	997	-9	1,041	1,083	1,126
7,340	Other Revenue	14,786	21,137	43	1,144	1,109	1,601
75,259	Total Revenue	81,653	87,399	7	67,900	68,100	67,713
Gains							
0	Other Gains	29,709	0	-100	0	0	0
0	Total Gains	29,709	0	-100	0	0	0
75,259	Total Income	111,362	87,399	-22	67,900	68,100	67,713
Expenses							
29,434	Employee Expenses	30,716	31,556	3	31,064	31,562	31,489
4,796	Superannuation Expenses	4,767	4,734	-1	4,627	4,612	4,526
32,707	Supplies and Services	32,480	34,350	6	35,314	33,681	31,620
1,111	Depreciation and Amortisation	2,544	2,540	-	2,560	2,550	2,614
6,064	Grants and Purchased Services	1,636	1,963	20	1,203	1,230	1,195
86	Cost of Goods Sold	86	86	-	86	86	86
1,652	Other Expenses	1,817	1,692	-7	1,811	1,858	1,863
75,850	Total Ordinary Expenses	74,046	76,921	4	76,665	75,579	73,393
-591	Operating Result	37,316	10,478	-72	-8,765	-7,479	-5,680

Table 39: Output Class 3: Loose-fill Asbestos Insulation Eradication Operating Statement

2016-17 Budget	2016-17 Estimated Outcome	2017-18 Budget	Var %	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	
Revenue							
0	Controlled Recurrent Payments	18,030	14,371	-20	6,321	16,411	13,541
0	Land Revenue	64,355	53,731	-17	21,143	918	0
0	Total Revenue	82,385	68,102	-17	27,464	17,329	13,541
Gains							
0	Other Gains	2	2	-	2	2	2
0	Total Gains	2	2	-	2	2	2
0	Total Income	82,387	68,104	-17	27,466	17,331	13,543
Expenses							
0	Employee Expenses	3,420	6,373	86	2,864	2,714	2,714
0	Superannuation Expenses	596	633	6	608	577	676
0	Supplies and Services	2,742	8,865	223	4,131	1,444	1,758
0	Depreciation and Amortisation	0	36	#	36	10	10
0	Cost of Goods Sold	0	0	-	0	0	14,722
0	Other Expenses	1,235	1,675	36	1,295	1,355	8,866
0	Transfer Expenses	59,390	45,419	-24	18,412	806	2,978
0	Total Ordinary Expenses	67,383	63,001	-7	27,346	6,906	31,724
0	Operating Result	15,004	5,103	-66	120	10,425	-18,181

Table 40: Output Class 4: Land Policy and Renewal Operating Statement

2016-17 Budget	2016-17 Estimated Outcome	2017-18 Budget	Var %	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
Revenue						
0	0	56,945	#	25,002	17,436	16,981
0	0	0	-	18,000	0	0
0	0	56,945	#	43,002	17,436	16,981
0	0	56,945	#	43,002	17,436	16,981
Expenses						
0	0	8,509	#	8,543	7,953	7,809
0	0	1,076	#	1,086	1,066	992
0	0	45,300	#	13,309	6,349	6,170
0	0	2,432	#	2,446	2,461	2,465
0	0	0	-	13,300	0	0
0	0	39	#	39	39	-12
0	0	0	-	4,700	0	0
0	0	57,356	#	43,423	17,868	17,424
0	0	-411	#	-421	-432	-443

CITY RENEWAL AUTHORITY

This document is not intended to be a Statement of Intent. The Statement of Intent, including Strategies, Key Performance Indicators and Priorities, will be developed by the City Renewal Authority (CRA) Board in accordance with the *Financial Management Act 1996* (FMA) and the *City Renewal Authority and Suburban Land Agency Act 2017*. The Authority will commence 1 July 2017 and the appointed Board will provide the Statement of Intent, once developed, to the Treasurer for tabling in the Legislative Assembly as soon as practicable in accordance with section 62 of the FMA.

Purpose

The City Renewal Authority (CRA) is a Territory Authority established under the *City Renewal Authority and Suburban Land Agency Act 2017*. The CRA is responsible for delivering the Government's urban renewal agenda within the boundaries of any declared urban renewal precinct(s).

The objects of the CRA are to encourage and promote:

- a vibrant city through the delivery of design led, people focussed urban renewal, including by creating opportunities:
 - to include the community and relevant entities in the design and delivery of urban renewal;
 - to grow and diversify the Territory's economy; and
 - for private sector investment in urban renewal.
- social and environmental sustainability through:
 - planning and delivery of urban renewal;
 - improved urban infrastructure; and
 - responsiveness to demographic change in the ACT.

The CRA must operate commercially in accordance with sound risk management practices.

In relation to an urban renewal precinct, the functions of the CRA are to:

- carry out urban renewal;
- buy and sell leases of land on behalf of the Territory;
- make arrangements for the public service or another entity to carry out development or works;
- support public and private sector investment and participation in urban renewal, including by supporting development that is attractive to potential investors and participants;
- manage orderly urban renewal, including holding, managing and selling land and other property;
- support cooperation between the authority, the community, and relevant entities (for example, industry groups);
- support high quality design, planning and delivery of sustainable urban renewal;
- meet housing targets;
- support statutory greenhouse gas emissions targets and deliver environmentally sustainable development; and
- follow and support whole of government strategies.

2017-18 Priorities

The priorities for the CRA will be set out in the Statement of Intent to be issued by the CRA Board in accordance with the *Financial Management Act 1996* and the *City Renewal Authority and Suburban Land Agency Act 2017*.

Estimated Employment Level

Table 1: Estimated Employment Level

	2015-16 Actual Outcome	2016-17 Budget	2016-17 Estimated Outcome	2017-18 Budget
Staffing (FTE)	0	0	0	20

Changes to Appropriation

Table 2: Changes to appropriation – Controlled Recurrent Payments

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
2016-17 Budget	-	-	-	-	-
2017-18 Budget Policy Adjustments					
Building a better city – City Renewal Authority – Initial works package	-	400	-	-	-
2017-18 Budget Technical Adjustments					
Transfer – Functions from the LDA	-	3,739	3,799	3,861	-
Transfer – City Activation Unit from EPSDD	-	525	535	545	553
Transfer - Urban Renewal for Civic - Creating a vibrant city centre from EPSDD	-	94	-	-	-
2017-18 Budget	-	4,758	4,334	4,406	553

Table 3: Changes to appropriation – Capital Injections

	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
2016-17 Budget	-	-	-	-	-
2017-18 Budget Policy Adjustments					
Building a better city – City Renewal Authority – Initial works package	-	2,000	-	-	-
Building a better city – City Renewal Authority – City to the lake	-	7,500	15,000	14,888	-
2017-18 Budget	-	9,500	15,000	14,888	-

Financial Statements

Table 4: City Renewal Authority: Operating Statement

2016-17 Budget	2016-17 Estimated Outcome	2017-18 Budget	Var %	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
Income						
Revenue						
0	0	4,758	#	4,334	4,406	553
0	0	432	#	5,643	8,190	60,190
0	0	1,764	#	1,792	1,821	1,850
0	0	6,954	#	11,769	14,417	62,593
Expenses						
0	0	3,038	#	3,111	3,183	3,257
0	0	389	#	401	413	422
0	0	3,133	#	2,689	2,736	2,736
0	0	0	-	9	9	569
0	0	182	#	186	191	196
0	0	250	#	3,386	4,729	33,175
0	0	0	-	0	0	812
0	0	0	-	0	0	636
0	0	6,992	#	9,782	11,261	41,803
0	0	-38	#	1,987	3,156	20,790
0	0	-11	#	596	947	6,237
0	0	-27	#	1,391	2,209	14,553
0	0	-27	#	1,391	2,209	14,553

Table 5: City Renewal Authority: Balance Sheet

Budget at 30/6/17 \$'000	2016-17 Estimated Outcome \$'000	Budget at 30/6/18 \$'000	Var %	Estimate at 30/6/19 \$'000	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000
Current Assets						
0	0	7,834	#	7,519	6	234
0	0	11,715	#	13,487	23,275	20,523
0	0	9,500	#	22,500	37,388	0
0	0	29,049	#	43,506	602,669	20,757
Non Current Assets						
0	0	5,966	#	5,966	5,966	5,966
0	0	0	-	1,991	1,982	38,801
0	0	5,966	#	7,957	7,948	44,767
0	0	35,015	#	51,463	68,617	65,524
Current Liabilities						
0	0	603	#	603	603	603
0	0	188	#	1,636	3,902	809
0	0	791	#	2,239	4,505	1,412
Non Current Liabilities						
0	0	26	#	26	26	26
0	0	26	#	26	26	26
0	0	817	#	2,265	4,531	1,438
0	0	34,198	#	49,198	64,086	64,086
REPRESENTED BY FUNDS EMPLOYED						
0	0	34,198	#	49,198	64,086	64,086
0	0	34,198	#	49,198	64,086	64,086

Table 6: City Renewal Authority: Statement of Changes in Equity

Budget at 30/6/17 \$'000	2016-17 Estimated Outcome \$'000	Budget at 30/6/18 \$'000	Var %	Estimate at 30/6/19 \$'000	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000
Opening Equity						
0	0	0	-	34,198	49,198	64,086
0	0	0	-	34,198	49,198	64,086
Comprehensive Income						
0	0	-27	#	1,391	2,209	14,553
0	0	-27	#	1,391	2,209	14,553
Transactions Involving Owners Affecting Accumulated Funds						
0	0	9,500	#	15,000	14,888	0
0	0	24,698	#	0	0	0
0	0	27	#	-1,391	-2,209	-14,553
0	0	34,225	#	13,609	12,679	-14,553
Closing Equity						
0	0	34,198	#	49,198	64,086	64,086
0	0	34,198	#	49,198	64,086	64,086

Table 7: City Renewal Authority: Cash Flow Statement

2016-17 Budget	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
0	0	4,758	#	4,334	4,406	553
0	0	432	#	5,643	8,190	60,190
0	0	5,190	#	9,977	12,596	60,743
Operating Receipts						
Payments						
0	0	3,038	#	3,111	3,183	3,257
0	0	389	#	401	413	422
0	0	1,369	#	897	915	886
0	0	182	#	186	191	196
0	0	0	-	0	0	812
0	0	-11	#	596	943	6,231
0	0	1,479	#	5,158	14,518	30,422
0	0	0	-	0	0	636
0	0	6,446	#	10,349	20,163	42,862
0	0	-1,256	#	-372	-7,567	17,881
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES						
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Payments						
0	0	9,500	#	15,000	14,888	0
0	0	9,500	#	15,000	14,888	0
0	0	-9,500	#	-15,000	-14,888	0
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES						

Table 7: City Renewal Authority: Cash Flow Statement (continued)

2016-17 Budget	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
0	0	9,500	#	15,000	14,888	0
0	0	9,034	#	0	0	0
						Balances
0	0	18,534	#	15,000	14,888	0
Payments						
0	0	-56	#	-57	-57	17,647
0	0	-56	#	-57	-57	17,647
0	0	18,590	#	15,057	14,945	-17,647
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES						
0	0	7,834	#	-315	-7,510	234
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS						
0	0	0	-	7,834	7,519	6
CASH AT THE BEGINNING OF REPORTING PERIOD						
0	0	7,834	#	7,519	6	234
CASH AT THE END OF REPORTING PERIOD						

Notes to the Controlled Budget Statements

Explanatory notes to the Controlled Budget Statements explain variations between the 2016-17 estimated outcome to the 2016-17 and 2017-18 budgets. However, as the *City Renewal Authority and Suburban Land Agency Act 2017* established the CRA effective 1 July 2017, notes are not provided due to the absence of 2016-17 budget and estimated outcome.

SUBURBAN LAND AGENCY

This document is not intended to be a Statement of Intent. The Statement of Intent, including Strategies, Key Performance Indicators and Priorities, will be developed by the Suburban Land Agency (SLA) Board in accordance with the *Financial Management Act 1996* (FMA) and the *City Renewal Authority and Suburban Land Agency Act 2017*. The Authority will commence 1 July 2017 and the appointed Board will provide the Statement of Intent, once developed, to the Treasurer for tabling in the Legislative Assembly as soon as practicable in accordance with section 62 of the FMA.

Purpose

The Suburban Land Agency (SLA) is a Territory Authority established under the *City Renewal Authority and Suburban Land Agency Act 2017*.

The SLA is responsible for delivering the ACT Government's suburban development program, including urban renewal in established town centres and suburbs.

The objects of the SLA are to encourage and promote inclusive communities through the delivery of people-focussed neighbourhoods. Importantly, this includes the delivery of suburban development which supports:

- affordable housing;
- a safe and healthy population;
- social inclusion;
- housing choice; and
- environmental sustainability.

The SLA is responsible for encouraging and promoting urban renewal outside declared urban renewal precincts, growth and diversification of the Territory's economy and social and environment sustainability. In exercising its functions, the SLA must also operate effectively, in a way that delivers value for money, in accordance with sound risk management practices.

The functions of the SLA are to:

- buy and sell leases of land on behalf of the Territory;
- ensure a mixture of public and private housing in new suburbs;
- increase the supply of affordable and community housing;
- meet housing targets;
- carry out development of land in a manner that is environmentally sustainable; and

- follow and support whole-of-government strategies.

Each of these functions must be exercised in a way that supports statutory greenhouse gas emissions targets and delivers environmentally sustainable development.

The SLA must work with any entity that has an interest in land that the agency intends to buy, sell, improve or develop to encourage cohesive suburban development.

2017-18 Priorities

The priorities for the SLA will be set out in the Statement of Intent to be issued by the SLA Board in accordance with the *Financial Management Act 1996* and the *City Renewal Authority and Suburban Land Agency Act 2017*.

Estimated Employment Level

Table 1: Estimated Employment Level

	2015-16 Actual Outcome	2016-17 Budget	2016-17 Estimated Outcome	2017-18 Budget
Staffing (FTE)	0	0	0	77

Financial Statements

Table 2: Suburban Land Agency: Operating Statement

2016-17 Budget	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
Income						
Revenue						
0 Land Revenue	0	575,832	#	574,533	520,786	517,484
0 User Charges	0	392	#	402	412	422
0 Interest	0	6,413	#	6,141	4,749	4,217
0 Resources Received Free of Charge	0	9,120	#	8,626	8,765	8,906
0 Other Revenue	0	484	#	486	488	491
0 Total Revenue	0	592,241	#	590,188	535,200	531,520
Expenses						
0 Employee Expenses	0	12,040	#	12,341	12,650	12,966
0 Superannuation Expenses	0	1,534	#	1,572	1,611	1,651
0 Supplies and Services	0	37,586	#	38,149	32,751	33,246
0 Grants and Purchased Services	0	974	#	999	1,023	1,049
0 Cost of Goods Sold	0	156,513	#	163,467	259,622	281,947
0 Borrowing Costs	0	611	#	1,722	2,309	972
0 Other Expenses	0	40,657	#	138,343	1,808	761
0 Total Expenses	0	249,915	#	356,593	311,774	332,592
0 Share of Operating Profit from Joint Venture Accounted for using the Equity Method	0	4,222	#	19,723	12,919	12,772
0 Operating Result from Ordinary Activities	0	346,548	#	253,318	236,345	211,700
0 Income Tax Equivalent	0	103,964	#	75,995	70,904	63,510
0 Operating Result	0	242,584	#	177,323	165,441	148,190
0 Total Comprehensive Income	0	242,584	#	177,323	165,441	148,190

Table 3: Suburban Land Agency: Balance Sheet

Budget at 30/6/17 \$'000	2016-17 Estimated Outcome \$'000	Budget at 30/6/18 \$'000	Var %	Estimate at 30/6/19 \$'000	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000
Current Assets						
0		199,859	#	133,952	63,526	87,850
0		10,879	#	10,879	10,879	10,879
0		267,536	#	389,579	413,228	285,983
0	Total Current Assets	478,274	#	534,410	487,633	384,712
Non Current Assets						
0		19,685	#	19,685	19,685	19,685
0		47,193	#	42,005	39,861	51,153
0		46,844	#	46,844	46,844	46,844
0		49,625	#	49,625	49,625	49,625
0		602	#	602	602	602
0	Total Non Current Assets	163,949	#	158,761	156,617	167,909
0	TOTAL ASSETS	642,223	#	693,171	644,250	552,621
Current Liabilities						
0		41,350	#	178,345	26,474	26,474
0		2,523	#	2,523	2,523	2,523
0		83,561	#	83,561	83,561	83,561
0		31,027	#	22,587	21,273	19,055
0		287,518	#	209,911	314,175	224,764
0	Total Current Liabilities	445,979	#	496,927	448,006	356,377
Non Current Liabilities						
0		115	#	115	115	115
0		69,004	#	69,004	69,004	69,004
0		27,717	#	27,717	27,717	27,717
0	Total Non Current Liabilities	96,836	#	96,836	96,836	96,836
0	TOTAL LIABILITIES	542,815	#	593,763	544,842	453,213
0	NET ASSETS	99,408	#	99,408	99,408	99,408
REPRESENTED BY FUNDS EMPLOYED						
0		102,770	#	102,770	102,770	102,770
0		-3,362	#	-3,362	-3,362	-3,362
0	TOTAL FUNDS EMPLOYED	99,408	#	99,408	99,408	99,408

Table 4: Suburban Land Agency: Statement of Changes in Equity

Budget at 30/6/17 \$'000	2016-17 Estimated Outcome \$'000	Budget at 30/6/18 \$'000	Var %	Estimate at 30/6/19 \$'000	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000
Opening Equity						
0	0	0	-	99,408	99,408	99,408
0	0	0	-	99,408	99,408	99,408
Comprehensive Income						
0	0	242,584	#	177,323	165,441	148,190
0	0	242,584	#	177,323	165,441	148,190
Transactions Involving Owners Affecting Accumulated Funds						
0	0	-39,549	#	-136,995	0	0
0	0	138,957	#	136,995	0	0
0	0	-242,584	#	-177,323	-165,441	-148,190
0	0	-143,176	#	-177,323	-165,441	-148,190
Closing Equity						
0	0	102,770	#	102,770	102,770	102,770
0	0	-3,362	#	-3,362	-3,362	-3,362
0	0	99,408	#	99,408	99,408	99,408

Table 5: Suburban Land Agency: Cash Flow Statement

2016-17 Budget	2016-17 Estimated Outcome	2017-18 Budget	Var %	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
0	0	431	#	442	453	464
0	0	4,315	#	4,210	4,210	4,210
0	0	585,949	#	557,914	512,493	517,484
0	0	39,423	#	52,356	31,569	24,509
0	0	630,118	#	614,922	548,725	546,667
Payments						
0	0	12,040	#	12,341	12,650	12,966
0	0	1,534	#	1,572	1,611	1,651
0	0	29,096	#	29,522	23,986	24,339
0	0	974	#	999	1,023	1,049
0	0	611	#	1,722	2,309	972
0	0	103,647	#	84,435	72,218	65,728
0	0	187,450	#	281,710	283,271	154,702
0	0	39,456	#	53,259	32,633	24,822
0	0	374,808	#	465,560	429,701	286,229
0	0	255,310	#	149,362	119,024	260,438
INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES						
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
0	0	12,868	#	34,447	15,602	1,487
0	0	12,868	#	34,447	15,602	1,487
Payments						
0	0	20,000	#	0	0	0
0	0	34,212	#	7,605	0	0
0	0	54,212	#	7,605	0	0
0	0	-41,344	#	26,842	15,602	1,487
INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES						

Table 5: Suburban Land Agency: Cash Flow Statement (continued)

2016-17 Budget	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
0		203,210	#	0	0	0
0		203,210	#	0	0	0
Payments						
0		66,252	#	0	152,168	0
0		151,065	#	242,111	52,884	237,601
0		217,317	#	242,111	205,052	237,601
0		-14,107	#	-242,111	-205,052	-237,601
0		199,859	#	-65,907	-70,426	24,324
0		0	-	199,859	133,952	63,526
0		199,859	#	133,952	63,526	87,850

Notes to the Controlled Budget Statements

Explanatory notes to the Controlled Budget Statements explain variations between the 2016-17 estimated outcome to the 2016-17 and 2017-18 budgets. However, as the *City Renewal Authority and Suburban Land Agency Act 2017* established the SLA effective 1 July 2017, notes are not provided due to the absence of 2016-17 budget and estimated outcome.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

TOPIC: Rollover Information

Talking Points There were 14 initiatives that had funding rolled from 2016-17 to the 2017-18 financial year.

Key information

- The reasons for each revised funding profile (rollover) is as follows:

Controlled		
Initiative name	Amount (\$,000)	Reason
Revised Funding Profile - Master Planning Program - Group Centres, Transport Corridors and Rural Villages	200	Funding set aside for additional expert advice to address issues arising from community consultation.
Revised Funding Profile - Molonglo Valley - Implementation of Commitments in the NES Plan	100	Commonwealth availability and liaison complexity has delayed progress. Also, offset effectiveness surveys have been delayed to accommodate seasonal variability of some species.
Revised Funding Profile - Threatened Species Conservation	220	The Scientific Committee of the Native Woodland Conservation strategy has requested a full review in June 2017 delaying progress on the strategy. Additionally, review of the Strategic Bushfire Management Plan has been delayed postponing Conservation Research's input into the SBMP.
Revised Funding Profile - Wildlife Management	50	Funding has been set aside to purchase Gonacon vaccine in 2017-18, provide additional support to the CSIRO partnership and expand the project to an additional site.
Territorial		
Office of the Commissioner for Sustainability and the Environment (Operations)	400	Production of the State of the Environment report takes place over a three year period. Consequently, timing of invoices requires funds to be rolled over to 2017-18.
Capital		
Revised Funding Profile - Better Infrastructure Fund	99	Funding required to service contractual commitment for signage production and installation in July 2017.
Revised Funding Profile - Caring for our Environment - Improving species and habitat protection	170	Inclement weather, skilled labour shortages and stakeholder consultations has delayed progress on works associated with Kinleyside offset area.

Revised Funding Profile - Digital Canberra - New digital radio communication system	970	The project was delayed due to a protracted selection process in evaluating a radio type that is consistent and applicable for both ESA and PCS. It is also beneficial for Government to combine the two orders from ESA and PCS into one order to benefit from economies of scale. The contracts for the radios are expected to be signed shortly, but payment will be in 2017-18.
Revised Funding Profile - Enhancement of eDevelopment Interface	190	The project has been delayed due to the complexity of the system and slow procurement processes.
Revised Funding Profile - Enhancing the Protection of Endangered Species	1,263	Inclement weather conditions have delayed operational activities such as weed and pest control across the reserves. In addition, the extent of stakeholder engagement to finalise the design brief for the Mulligans Predator Proof Fence and services agreement with land holders at Kinleyside has delayed the Environment Offsets program.
Revised Funding Profile - Enhancing the Protection of Endangered Species and Habitat	522	Inclement weather in spring 2016 delayed weed and rabbit control projects requiring rollover of these funds to ensure effective ongoing management of exotic species for the protection of endangered species and habitat. In addition, improvement to weed spraying methods and changes to kangaroo fencing requirements have resulted in savings to be reallocated to additional control programs in forward years.
Revised Funding Profile - Environmental Offsets - Lawson South	96	Higher than anticipated quotes to establish the Golden Sun Moth Habitat has delayed the project until a more cost effective approach can be identified. In addition, severe ground slumping within the Jarramlee Nature Reserve and conflicting advice on erosion control remediation works has delayed riparian restoration planting.
Revised Funding Profile - Red Hill Nature Reserve Remediation (Finalisation and Design)	111	The funds need to be rolled over to supplement additional funds for on ground remediation work (Subject to a 2017-18 Budget bid)
Revised Funding Profile: Support for Building Industry - eDevelopment Renovation Project	1,881	The project has been delayed due to the complexity of the system and slow procurement processes.

Further detailed information is available at Attachment A, if required.

Attachment A:

Controlled		
Initiative name	Amount	Reason
Revised Funding Profile - Master Planning Program - Group Centres, Transport Corridors and Rural Villages	200	Reason: Community panel style reference groups have been established for two master plans to facilitate discussion around the community and developer issues raised in follow up to community engagement. The outcomes of the community panel may require additional expert advice and further community engagement to inform the next stage of finalising the master plan. Progress on the Tharwa village plan has been delayed pending Government consideration of infrastructure funding in the 2017/18 budget.
Revised Funding Profile - Molonglo Valley - Implementation of Commitments in the NES Plan	100	<ul style="list-style-type: none"> • some seasonal survey requirements (for example, verification of the effectiveness of some offsets relating to particular species) can only be done at specific times of the year and subject to existing weather patterns • staff changes at the Commonwealth Department of Environment and Energy have delayed the exchange of information to enable the ACT to implement some conditions. This also resulted in a postponement of a site visit, which in turn was critical for informing reports being prepared by consultants • discussions have occurred with the Commissioner of the Environment in relation to an independent audit, and the basis upon which this would be funded • gathering some information in relation to the mapping of matters of national environmental significance against the Commonwealth approved budget has involved lengthy and complex discussions across relevant Government agencies, and we are only now able to properly present this information for the purpose of external reporting • we have an existing panel which we will use to procure the contracts for this work

<p>Revised Funding Profile - Threatened Species Conservation</p>	<p>220</p>	<p>This funding includes \$132,000 for an SPOC for 12 months in 2017-18 to complete the Native Woodlands Conservation strategy. Funding was available in this year’s budget however the Scientific Committee has asked for a full review to be considered, and the only opportunity is in the next meeting in June. CR is not able to progress the plan any further, until the Scientific Committee provides input. The Woodlands Strategy review is a Government requirement every 10 years. It is currently overdue. Without this funding we will not be able to deliver the Strategy. This is the last of three large conservation strategies to be delivered from the CR unit. The draft Grasslands Conservation Strategy has just been released for public consultation (i.e. YourSay web site) and the draft Aquatic and Riparian conservation strategy is likely to go out for public consultation in the middle of the year.</p> <p>The second component is \$55,000 for a professional officer grade 2 for 6 months to undertake the environmental analysis required for the next Strategic Bushfire Management Plan (SBMP). The SBMP is the strategic document that guides fire management planning in the ACT. It is reviewed every 5 years. CR provides the ecological input on ACT threatened species, communities and other environmental issues (water catchment, soils etc). This project has been delayed and the majority of work will be undertaken next financial year. As above, without this funding we are will be stretched to deliver on our commitments.</p> <p>The final component is \$33,000 to support materials and additional costs related to the implementation of these projects.</p> <p>While there is some funding for threatened species in the 2017-18 budget, this will be fully allocated with existing commitments to research (e.g. translocations of species into the Mulligans Flat woodlands sanctuary, conservation reserve monitoring and general unit costs). The roll-over funding is for additional Government commitments.</p>
<p>Revised Funding Profile - Wildlife Management</p>	<p>50</p>	<p>Eastern Grey Kangaroo fertility control research and monitoring has established that the Gonacon vaccine is effective in reducing fertility in female kangaroos and that delivery through a dart is possible but requires further work on a marking system. A 2017-18 budget bid is likely to provide some further funding but has been significantly reduced. This early roll-over has identified some current funding that will be delayed to the 2017-18 financial year so that the Gonacon vaccine can be purchased (\$20,000), the partnership with CSIRO can be supported for a small amount (\$20,000) and material purchased (\$10,000) to support further applicant of this project at one additional site and monitoring continued.</p>

Territorial		
Office of the Commissioner for Sustainability and the Environment (Operations)	400	It is the start of the 3 year cycle for the Report and timing of expenditure can overlap years due to the timing of invoices.
Capital		
Revised Funding Profile - Better Infrastructure Fund	99	<p>We are requesting approval to roll over \$ 99 175 of CUP funding into July to finalise the budget bid for signage in Canberra Nature Park, signs in Namadgi and the delivery of the supporting signs guide. The signs guide is essential to ensure a consistent look and feel across the Agency Reserves. The delivery of the program is based on funding 142 00 from CUP supplemented by approx 150 000 from EPSDD to provide activities declaration signage.</p> <p>In the interest of efficiency and consistency the delivery of the 2 programs was combined. There is a contract in place for the delivery of these outstanding items.</p> <p>The delivery of the printing and installation may now occur in July. The value of these works is the \$ 99 175 we are seeking to roll over</p>
Revised Funding Profile - Caring for our Environment - Improving species and habitat protection	170	<ul style="list-style-type: none"> • Delays have occurred in implementing two large capital works projects and the management of the Kinlyside offset area. • The Mulligans Flat Predator Proof Fence project is delayed due to extended stakeholder consultation regarding the design and siting of the fence. In addition, during the planning approvals stage a major change to the design of the fence was required to remove the electric wiring given the close proximity of the proposed fence to the new urban development of Throsby. • The refurbishment of the Mitchell depot is the preferred option for accommodating staff associated with implementing the Environmental Offsets program. This has required an extended design process and consultation with staff to bring the staff accommodation into line with the new Activity Based Working policy. This has led to a delay in the project. • A new suitable mechanism for managing Offsets on rural lease (Kinlyside) is being developed requiring legal and policy review. An interim measure to undertake the required works within the offset area is being trialled however there have been delays due to the required extended stakeholder consultation with rural lessees. • The Kinlyside erosion control project was delayed due to the availability of skilled contractors suitable to undertake the substantial erosion control works. • Delays have occurred due to wet weather significantly reducing access to sites to undertake regular land management actions, including weed control.

Revised Funding Profile - Digital Canberra - New digital radio communication system	970	The project was delayed due to a protracted selection process in evaluating a radio type that is consistent and applicable for both ESA and PCS. It is also beneficial for Government to combine the two orders from ESA and PCS into one order to benefit from economies of scale. The contracts for the radios are expected to be signed shortly, but payment will be in 2017-18.
Revised Funding Profile - Enhancement of eDevelopment Interface	190	The project has been delayed due to the complexity of the system and slow procurement processes.
Revised Funding Profile - Enhancing the Protection of Endangered Species	1,263	Unforeseen weather conditions have delayed operational activities across the reserves such as weed and pest control. Fencing work is on hold due to wet conditions. Due to the extent of stakeholder liaison required to finalise the Design Brief a significant delay has resulted in the Mulligans Predator Proof Fence construction program. Further delays have resulted due to finalising a services agreement with land holders at Kinleyside given a new approach. Extending the overall program by one year for the Environmental Offsets program will enable a more evenly spread, feasible program. The time extension will not impact on the commitments with the Commonwealth.
Revised Funding Profile - Enhancing the Protection of Endangered Species and Habitat	522	<ul style="list-style-type: none"> • The business case identified funding for weed and vertebrate pest control for 2016/17 in these sites including funding for a kangaroo fence at Jerrabomberra East to assist deliver the kangaroo management program. ACT Government ecologists determined that a kangaroo fence is not required at Jerrabomberra East. Therefore the project was delayed as further planning is required to re-allocate these funds to other weed and vertebrate pest control activities. • The use of boom spraying as an alternative method for weed control has proven to be cost effective and reduced costs given a larger area can be sprayed at any given time compared with hand spraying. The savings have been redirected into further weed control activities scheduled for subsequent years. • The wet spring in 2016 significantly reduced access to the offset sites for large scale weed control and therefore delayed the project. • The wet spring in 2016 has resulted in a postponement of the rabbit control project.
Revised Funding Profile - Environmental Offsets - Lawson South	96	<ul style="list-style-type: none"> • The Golden Sun Moth habitat connectivity project did not proceed as it was determined that the project did not provide value for money for the ACT Government. This project had a budget of \$250,000 however, quotes obtained to implement the work were greater than expected (>\$400,000). The project is delayed while an alternative cost effective approach is being investigated. • Severe ground slumping of the site has required extensive site contamination investigations which are the subject of a 2017-18 Business Case. • Erosion control works have been delayed due to conflicting advice on how to undertake the complex works by expert contractors. There are also uncertainties about the cause of

		<p>the erosion. The cause of the erosion could be related the significant ground slumping experienced on site. Riparian restoration planting has been delayed until the completion of erosion control works.</p>
Revised Funding Profile - Red Hill Nature Reserve Remediation (Finalisation and Design)	111	The funds need to be rolled over to supplement additional funds for on ground remediation work (Subject to a 2017-18 Budget bid)
Revised Funding Profile: Support for Building Industry - eDevelopment Renovation Project	1,881	The project has been delayed due to the complexity of the system and slow procurement processes.

EPD 2017-18 BUDGET INITIATIVES

Initiative Title	Branch	Description of Initiative	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	Capital \$'000	FTE No:
Building a better city – Implementation of ACT Climate Change Adaptation Strategy	Climate Change & Sustainability	The Government will continue to deliver priority actions through the ACT Climate Change Adaptation Strategy. Climate change adaptation actions are expected to achieve both direct and indirect carbon emission savings by improving overall resilience to extreme weather and climate induced events.	758	577	593	0	0	2.50
Better services in your community – More support for Actsmart	Climate Change & Sustainability	The Government will deliver programs to reduce waste and increase recycling in businesses, schools and at public events; promote environmentally sustainable choices in the community; and continue the wood heater replacement program.	865	0	0	0	0	0.00
Better services in your community – Achieving net zero emissions by 2050 – Blueprint development	Climate Change & Sustainability	The Government will identify and analyse policy actions to help to achieve its zero net emissions target by 2050. The Government will also undertake community consultation, economic modelling and regulatory impact statements of the policy actions identified in the first stage of the program.	322	254	269	0	0	1.50
Better services in your community – Community participation in carbon neutrality	Climate Change & Sustainability	The Government will undertake a four year Zero Emissions Community Grants program, which will provide resourcing to community groups, notforprofit organisations and small enterprises to deliver projects and initiatives that support the ACT's target of zero net emissions.	150	150	150	100	0	0.00
Better services in your community – Improving sustainability through innovative financing	Climate Change & Sustainability	The Government will investigate proven smart and innovative financing opportunities to undertake sustainability upgrades. The Government will also expand and improve on existing programs such as Carbon Neutral Government, the Actsmart business energy and water program, and cross government initiatives such as the Public Housing Asset Management Strategy and Digital Canberra Action Plan, incorporating the Smart City initiative	75	62	51	0	0	0.00
	Total		2,170	1,043	1,063	100	0	4.00

**Environment and Planning Directorate
Community Consultation and the Directorate's response**

Community Consultation affecting Minister Rattenbury - Output 2.2 Climate Change and Sustainability

Name of Organisation	Summary of Requests	Related budget bid	If no budget bid, why
SEE-Change	Put a coherent plan together for carbon neutrality by 2050.	Zero Net Emissions Framework – Blueprint for a Zero Emissions Territory – ACT's Climate Change Strategy to 2050.	
National Electrical and Communications Association	<ol style="list-style-type: none"> 1. Establish a pilot scheme for hybrid power generation, which might potentially incorporate incentives for business and consumer to utilise the power thus generated. 2. ACT Government should encourage property owners to undertake voluntary Home Energy Audits. These audits should occur at the point of sale or any new rental arrangement. 		<ol style="list-style-type: none"> 1. This could be investigated through the Renewable Energy Innovation Fund. 2. EPSDD already has advertising campaigns to encourage home owners to do the audits.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

ISSUE: Building a better city - Transfer of staff to the Renewable Energy Innovation Fund

	2017-18	2018-19	2019-20	2020-21	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	-565	-730	-770	-775	-2,840

The Government will continue to provide dedicated staffing resources in support of innovation activities provided from the Renewable Energy Innovation Fund for a period of four years.

Talking Points

- The \$12 million Renewable Energy Innovation Fund (REIF) has been established through wind industry contributions as a result of the Government's successful renewables energy reverse auction program.
- The principal objective of REIF is to drive the development of a vibrant, sustainable, export-oriented renewable energy and energy storage industry in the Territory to create jobs, and grow and diversify the ACT economy.
- The transfer of staffing costs to REIF recognises the resourcing required to support and implement activities to secure the achievement of this desired outcome.
- The above funding represents part of the Executive Director, Director, SOGB (Carbon Neutral Government Program), 4 SOGC positions and 2 ASO6 positions. This would be for four years only, GPO restored in the 2021-22 financial year. Staff funded by REIF are responsible for:
 - Managing a range of REIF planning, reporting, administration (including financial management) and governance activities;
 - Providing secretariat support to the REIF Business Advisory Board;
 - Coordinating the receipt, evaluation and ongoing management of funding applications (such as the recent Direct Grants and Innovation Connect Grants rounds) and contributing to the design of funding strategies in consultation with the Board;
 - Supporting the management and ongoing operation of the Renewables Innovation Hub and supporting wider precinct initiatives;
 - Liaising with, and supporting, local, national and international renewable energy industry stakeholders; and
 - Providing strategic direction in relation to, and implementing, the Government's broader Renewable Energy Industry Development Strategy.

Background

- The Renewable Energy Innovation Fund (REIF) was established in December 2014 as a result of local investment commitments made by the Hornsdale Wind Farm Stage 1, a successful proponent in the ACT's first wind auction.
- REIF was expanded in December 2015, following the success of Hornsdale Stage 2 in the ACT's second wind auction.
- A total funding pool of \$12M (excluding administration costs) is available across four streams:
 - Trades training innovation—to establish world-class training facilities and programs for wind, solar and distributed battery storage installation. This will build on existing initiatives such as the Renewable Energy Skills Centre for Excellence at the Canberra Institute of Technology.
 - Energy research partnerships—to further develop the capability of Canberra's world class research institutions to provide applied research services to renewable energy and storage businesses.
 - Renewables Innovation Hub and precinct—to provide practical accommodation support and networking opportunities to businesses at the Renewables Innovation Hub and wider precinct.
 - Technology demonstration—to demonstrate innovative technologies and build industry capacity and reduce costs of deployment.

Administration Guidelines and Business Advisory Board

- The operation of REIF is guided by Internal Administration Guidelines. The Minister for the Environment is the final arbiter of the actions and disbursements of the Fund.
- The Fund is administered by the Fund Administrator, the Executive Director, Climate Change and Sustainability, Environment, Planning, and Sustainable Development Directorate.
- The implementation and deployment of funds under REIF is guided by the REIF Business Advisory Board (BAB). The BAB, appointed by the Minister, consists of senior commercial leaders from across the ACT and surrounding region.

- The BAB provides strategic commercial input and guidance to the Minister in relation to the application of REIF funds, assisting the Territory in its goal to achieve a vibrant, export-oriented, renewable energy industry in the ACT for the benefit of participating businesses, institutions and the ACT community. The BAB members are:
 - Ms Sylvia Tulloch (Chair)
 - Mr Mark Schneider
 - Ms Anne-Marie Perret
 - Ms Penny Sackett
 - Mr Bruce Godfrey
 - Mr Paul Adams
 - Mr Carlo Botto
-

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

ISSUE: Advertising Costs

Talking Points

- The Directorate has spent \$0.902 million on advertising between 1 July 2016 and 31 May 2017.
 - Spending on advertising has increased due to the Asbestos Response Taskforce, Basin Priority Project and additional advertising on pool safety.
 - The Directorate's original advertising budget, excluding the Asbestos Response Taskforce and the 'Backyard Lifeguard' swimming pool safety campaign, was \$0.349 million for 2016-17.
-

Key information

- The Directorate's advertising spend for the budget year to date is as follows:

	2016-17	2015-16
Program	\$'000	\$'000
Environment		
Actsmart General	36	60
Actsmart Business and Office	126	91
Actsmart Energy	37	46
Actsmart Public Events Recycling	26	7
ToiletSmart	-	0
Heat	17	28
Climate Change - AP2	16	8
Energy	33	-
National Landcare Program	1	1
Waterwatch	5	-
Basin Priority Project	71	5
Water	44	0
Parks and Conservation	28	-

Planning		
Development Assessment	-	22
Building Policy (Swimming Pool Safety)	165	0
Heritage Public Notices	1	3
Master Planning	-	12
General (across both Outputs)		
General (such as recruitment costs)	18	16
Asbestos Response Taskforce	278	-
Total Advertising	902	299

Additional Information

Due to the number of swimming related accidents, the Directorate was instructed to highlight pool safety measures to reduce household swimming pool related accidents.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

ISSUE: Travel and Fleet Costs

Talking Points

- The Directorate has spent \$1.546 million on travel between 1 July 2016 and 31 May 2017.
- The Directorate spent \$0.272 million on travel and fleet costs in 2015-16.
- The Directorate has a budget of \$0.212 million for travel and \$1.585 million for vehicle fleet costs.

Key information

- The breakdown of travel costs is as follows:

Type	\$'000
Pay Parking	6
Taxi Hire/Cabcharge	34
Travel (Domestic)	137
Travel (Overseas)	30
Other Travel	2
Vehicle Fleet Costs	1,337
	1,546

Additional Information

The increase in expenditure is due to Parks and Conservation and Asbestos Response Taskforce moving into EPSDD this financial year.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ESTIMATES BRIEF

ISSUE: AGENCY RESOURCE MANAGEMENT PLAN

Context

The ACT has the most ambitious greenhouse gas emissions reduction targets in Australia. The Resource Management Plan is a tool to support government to manage environmental resources more efficiently and reduce its greenhouse gas emissions.

Talking Points

- The 2017-18 target for energy reduction across EPSDD is 3% from 1 July 2017;
- The target is based on an estimate of EPSDD energy consumption as at 1 July 2017, given the announced EPSDD restructure and growth in operations beginning on this date;
- 2016-17 YTD data indicates EPSDD is achieving 7% energy efficiency on the previous year and is expected to meet its 3% target for 2016-17;
- Anticipated consolidation of staff in DPMH by the end of 2017 is expected to result in reduced overall heating load with winter the greatest driver of energy consumption;
- The opportunity to further reduce heating, ventilation and air conditioning (HVAC) load may be achieved through Dame Pattie Menzies House (DPMH) through an increased in accommodation density.
- Opportunities have been identified for energy efficiency at Parks and Conservation Services (PCS) depots particularly through the upgrading of HVAC systems.

Estimated baseline energy consumption incl. LDA as at 1 July 2017:	
Electricity (kWh)	1,406,796
Gas (MJ)	1,377,768
Baseline energy consumption (GJ)	6,442
Forecast EPSDD energy consumption as at 30 June 2018:	
Electricity (kWh)	1,323,864
Gas (MJ)	1,300,164
Forecast energy consumption (GJ)	6,066
Forecast reduction (%)	-5.8%
Efficiency target (%)	-3.0%

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

ISSUE: ADMINISTRATIVE ARRANGEMENTS – Climate Change and Sustainability

	2017-18	2018-19	2019-20	2020-21	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	(192)	(197)	(201)	(206)	(796)

Talking Points

- Effective 1 November 2016 responsibility for waste policy transferred to the Transport Canberra and City Services Directorate (TCCS)
- This transfer ensures alignment of waste policy with delivery of waste management operations across the ACT
- The funds transferred to TCCS include:
 - \$15,000 for contribution to the National Litter Index
 - \$7,500 for travel expenses related to the role; and
 - the balance covering SOGB employee expenses and related on costs associated with the function.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

ISSUE: Staff Survey

Context

Staff Survey: 20th of April to 28th of April 2017.

EPSDD as the entity existed in the 2016-17 financial year.

Participation Rates: 296 respondents (49% of the total headcount @ April 2017 (headcount 596)).

Classification	% of participants		Classification	% of participants
Executive	1.37%		People Managers	37.46%
SOGC-SOGA (or equivalent)	46.05%		Non-People Managers	62.54%
ASO1-AS06	52.58%			

The Survey results are currently being analysed and upon completion the Directorate will have a comprehensive plan to ensure our strengths are recognised and maintained, while any areas for improvement are considered and actions are developed and implemented.

An initial analysis of the data has identified some of the following broad themes.

Some identified strengths:

- Staff are proud to work for EPSDD and committed to the work they do;
- Our people are extremely satisfied with the performance of their direct Supervisor;
- Staff recognise the importance and value of the Performance Management Framework and individual development plans.

Some identified areas for improvement:

- Investing in our people via learning and development opportunities – the Directorate will develop a learning development strategy during 2017/18;
- Streamlining recruitment processes and practices. Currently reviewing and working towards a revised recruitment process for EPSDD to enhance rigor and management awareness of the required protocols.
- Executive visibility and communication. The newly created governance team and communications and engagement team will assist in enhancing transparency of decision making and visibility of internal and external communications alike.

There were zero formal reports of Bullying and Harassment received during 2016-2017 financial year.

ENVIRONMENT AND PLANNING DIRECTORATE
MINISTER FOR THE ENVIRONMENT AND CLIMATE CHANGE
ESTIMATES BRIEF

TOPIC: STAFF SURVEY

- **Establishment of the Managers Advisory Group (MAG)**

This group replaces the Executive Policy Committee and held its first meeting on 11 June 2015. MAG meets fortnightly and brings together senior managers from across the directorate to discuss important policy work being developed by the directorate and provides a forum for all areas to contribute. It also provides an excellent forum for managers to be briefed on the emerging issues facing government and the directorate.
- **Performance management**

The directorate is seeking to ensure that all staff have a performance management plan in place. To ensure this happens, we are realigning all performance management plans with the new financial year. This will allow performance plans to reflect the budget and strategic priorities for the coming year. Training is also being scheduled as soon as possible to ensure staff get the most out of these important conversations.
- **Corporate plan**

The corporate plan has been finalised and distributed to all staff. The plan encapsulates the priorities for the Directorate as well as the principles which we seek to operate by. Divisional business plans have been developed to assist in achieving the outcomes included in the corporate plan and will align with performance management plans.
- **Corporate awareness training**

This training allows staff to better understand their obligations when it comes to matters such as governance, records and finance. These sessions have been well attended and feedback has been very positive.
- **General training**

Training identified from the 2016 survey has been delivered in the first half of 2016. The topics included:

 - Respect Equity and Diversity (RED) for staff and RED for managers
 - Persuasive Communication
 - Emotional Intelligence
 - Cultural Awareness
 - Conflict Resolution
- **Bullying and harassment**

EPD is actively looking at ways to address bullying and harassment in the workplace.

Communication has been offered to team meetings so that all staff understand their responsibility to treat those around them with respect and maintain a safe and inclusive working environment. Values and signature behaviours are displayed around the building and in the lifts. Communication to staff regarding the RED Framework and a current list of RED Contact Officers has occurred.

- **More information**

We have increased our communications with all staff. Updates on budget measures, clean up days and other services available to staff have assisted in keeping people up to date with relevant issues. In addition, EPD HR continues to provide regular emails to all staff on a range of matters of specific interest/benefit to them.

- **Healthy You Committee**

The EPD Healthy You Committee are a dedicated group of employees who put together a program of activities for staff including both physical and mindful.

Activities this year have included:

- Living a Healthy Life With Long Term Conditions
- Blood Donor Bus at DPMH
- Promotion of the Domestic Violence Crisis Service (DVCS)
- Promotion of the EPD Bike Fleet
- Provision of a Book Nook
- Yoga
- Workplace Massage
- Pay Day Walking Groups
- Photography Walks
- Healthy Breakfast
- Super 6's Cricket Tournament
- Nutrition Assessment Program
- Table Tennis Tournament

Reported Workplace Issues

There have been no formal reports of bullying and/or harassment in the reporting period. There have been two issues raised with the RED Executive Sponsor which were resolved informally.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ESTIMATES BRIEF

TOPIC: Fees and charges

Talking Points

- The Directorate will be increasing fees and charges for the 2017-18 financial year to better reflect cost of service, an agreed increase in the Wage Price Index of 2% and specific Budget Cabinet decisions.
-

Key information

- Budget Cabinet approved adjustments to several fees and charges, as follows:
 - An increase to the existing Building Levy to fund improved building certification, implementation of building policy reforms and a building audit program. The fee increase is budgeted to generate \$2.2m in additional revenue in the first year;
 - An increase to all campground fees by 20 per cent across ACT Parks and Conservation campgrounds. This fee increase is budgeted to generate \$0.030m in the first year; and
 - The Directorate has increased the Water Abstraction Charge (WAC) by 3% as per the Government's decision in the 2017-18 Budget, this is expected to generate \$2.1m over three years, and this will be passed back to Treasury.
- A new fee is proposed that recognises the reduced workload required for land rent payout applications submitted by a solicitor using the current Unimproved Capital Value. The old fee still applies where the applicant is not a solicitor.
- Estimated revenue collection for 2017-18:

○ Lease Variation Charges	\$22.481 million
○ Development Applications	\$ 6.177 million
○ Lease Administration	\$ 2.256 million
○ Land Revenue	\$20.638 million
- The increase of \$5.501 million in the 2016-17 estimated outcome from the original budget is mainly due to a change in the accounting treatment for revenue transferred to Controlled under the Energy Efficiency (Cost of Living) Improvement Scheme (\$3.624 million). Previously the transfer to Controlled was net off against the revenue from electricity suppliers. It is now shown as an expense item. The estimate for Lease Variation Charge is also higher following an increase in building activity (\$2.162 million).

- The increase of \$44.229 million in the 2016-17 estimated outcome from the original budget is mainly due to the transfer of land revenue from the land release program from TCCS on 1 July 2016.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

TOPIC: Building a better city – Implementation of the ACT Climate Change Adaptation Strategy

	201718	201819	201920	202021	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	758	577	593	0	1,928

The Government will continue to deliver priority actions through the ACT Climate Change Adaptation Strategy. Climate change adaptation actions are expected to achieve both direct and indirect carbon emission savings by improving overall resilience to extreme weather and climate induced events.

Talking Points

- Our climate is already changing. For example in our region we are experiencing higher temperatures, heatwaves, and more variable rainfall with intense summer storms. Climate change impacts can threaten human health, our infrastructure and property, and also the natural environment and agricultural productivity.
- The *ACT Climate Change Adaptation Strategy: Living with a warming climate, 2016* sets out short term actions for the ACT Government between now and 2020 to help our city prepare; to reduce the Territory’s vulnerability to climate risks; and increase the Territory’s resilience to climate change shocks and stresses.
- This is not just a problem for Government. Climate change affects everyone, therefore it is everyone’s responsibility to act. We need to reach out to everyone in our community to help them understand what they can do now and in future to protect themselves and their loved ones to remain healthy and safe.
- Key to achieving these aims is communicating with all sectors of the community. The Government is continuing the commitment made in 2014 to ongoing, relevant and timely community engagement on climate change matters.
- The Strategy also initiates new policy, the *Living Infrastructure Strategy*, to make sure our city remains the ‘bush capital’ and ‘garden city’ that we cherish, that attracts our knowledge workers and tourists. This new and exciting work will help reduce urban heat, enabling us to be active and healthy, better use rainwater to water the landscape and improve the health of our soils.
- By funding this work on adapting to and reducing the risks from climate impacts, the ACT Government is setting us all on the path to a transformed and resilient future to safeguard the wellbeing of our community and our economy.

Key information

- The *ACT Climate Change Adaptation Strategy – Living with a Warming Climate* (the Adaptation Strategy) was released on 8 August 2016.
- Work on delivering the Strategy's 27 actions from 2017 to 2020 is underway, in accordance with the Implementation Plan, the whole-of-government internal work plan which details the responsibilities of each of the Directorates.
- The governance for this work is oversighted by the Adaptation Steering Committee of all Directors-General and an Adaptation Working Group with senior officers from all Directorates.
- Progress reporting will be made public through the Minister's annual report on action on climate change as required under the *Climate Change and Greenhouse Gas Reduction Act, 2010* and through the *2017 Implementation Status Report* by the Office of the Commissioner for Sustainability and the Environment.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

TOPIC: Better services in your community – More support for Actsmart

	201718 \$'000	201819 \$'000	201920 \$'000	202021 \$'000	Total \$'000
Expenses	865	0	0	0	865

The Government will deliver programs to reduce waste and increase recycling in businesses, schools and at public events; promote environmentally sustainable choices in the community; and continue the wood heater replacement program.

Talking Points

- Actsmart Business Recycling Program - Delivery of waste and recycling accreditation program to the ACT business community including delivery of annual awards and the business sustainability expo.
- Actsmart Schools Program - Supports all ACT schools to reduce energy and water, increase recycling and improve biodiversity in the schools operations. This program also links to the curriculum to support improvements in the school's sustainability.
- Actsmart Public Event Program - Supports event holders in the ACT to deliver sustainable events including reducing water and energy, encouraging sustainable transport and increase recycling at events.
- Wood heater program - Provides rebates for removing wood heaters and installing electric heaters. Promote the program to raise awareness and take up. Education and other options to address air pollution created from wood heaters
- The programs are supported by the ACT Government's Sustainability Hub – the Actsmart website. The Actsmart website, launched in February 2015, delivers information and advice on how Canberrans can take action via three sections including:
 - What's happening with our climate?
 - What can I do to take action?
 - How is my government helping?
- The Actsmart website is designed to be a one-stop shop for sustainability for the community making information simple and encouraging action.

Key information

- These programs support the delivery of the 9th Parliamentary Agreement on Climate Change and Sustainability – to commit to doing everything we can as a community and city to combat human-induced climate change.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

TOPIC: **Better services in your community – Achieving net zero emissions by 2050 – Blueprint development**

	201718	201819	201920	202021	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	322	254	269	0	845

The Government will identify and analyse policy actions to help achieve its net zero emissions target by 2050. The Government will also undertake community consultation, economic modelling and regulatory impact statements of the policy actions identified in the first stage of the program.

Talking Points

- ACT Government’s next climate change strategy is being developed. This is titled “Blueprint for a zero emissions Territory: The ACT’s climate change strategy to 2050” (The Blueprint).
- The Blueprint will set the ACT on a pathway to achieving its legislated target of net zero emissions by 2050 at the latest, including setting firm interim targets for 2030 and 2040.
- Major new policy development is required to achieve this target, which needs a detailed and robust evidence base. This will be provided through rigorous modelling of policy actions across all sectors of our society.
- The Blueprint will focus on how each policy, initiative and action can achieve both greenhouse gas emission reductions (climate change mitigation) as well as reduce our vulnerability to the impacts of the changing climate (adaptation). This integrated and systemic approach is essential to protect our community and our economy to the shocks and stresses from climate change. The outcome of this is increased resilience, avoidance of mal-adaptation and least cost to the community over time.
- Policies will be required across all sectors of the economy including energy, transport, buildings, land use and waste and include making our buildings climate wise and energy efficient; a more compact city for our increasing population; maintaining our 100% renewable electricity target and reducing use of natural gas; decarbonising our transport network, how we travel, and reducing waste and landfill emissions.
- There will be trade-offs and decisions to make, but our leading practice community engagement approach will ensure the final strategy (policy and actions) meet our citizens expectations.

- A key component of this work will be the Government leading by example in demonstrating the feasibility and positive outcomes in emission reduction and cost savings to the broader community.
- Further energy and fuel efficiency upgrade projects will be implemented across ACT Government assets to reduce emissions and provide ongoing cost savings, by developing detailed business cases for ACT Directorates and engaging executives across Directorates to implement these business cases through the funding available under the Carbon Neutral Government loan fund. Sustainability will be embedded in core business to ensure emissions and cost savings are achieved and maintained.
- A carbon credits policy will be developed with a detailed strategy to identify appropriate local opportunities to generate carbon credits.
- The ACT is considered a global leader in regional action on climate change. We were the first state or territory in Australia to legislate a target of net zero emissions by 2050. This work will ensure we deliver on that commitment and remain both a national and international leader.

Key information

- 'Action Plan 2: A new climate change strategy for the ACT (AP2)' is the current policy framework that sets the pathway to achieve the ACT's legislated greenhouse gas reduction targets.
- The ACT is on track to achieve its targets of 40% reduction in emissions from 1990 levels and 100% renewable electricity by 2020.
- As the majority of actions under AP2 are either completed or underway, the ACT Government's next climate change strategy is being developed.
- By 2020 emissions in the ACT will be mostly from transport (60%), natural gas (21%) and waste (6%).
- Community consultations on The Blueprint (initial development) were held on 27 February 2017 and 1 May 2017; more than 70 members of the community, business and academic fields met at each Roundtable to share their ideas on how we can achieve a zero emissions Territory.
- The development of the ACT's new integrated climate change policy, to update AP2, coincides with the Australian Government's review of national climate change policy and is also aligned with the ACT Government's review of its transport and planning strategies. Taking account of both mitigation and adaptation to climate change in the strategic spatial planning of our city, including transport planning, will be crucial to achieving the target of a net zero emissions Territory by 2050 at the latest.
- The ACT Government is committed to leading by example and achieving net zero emissions from its operations by 2020; this work is driven by the Carbon Neutral Government (CNG) Framework.
- The ACT Government is responsible for around 5% of the ACT's greenhouse gas emissions and Government emissions are currently on a linear decline towards 2020.
- The ACT Government has achieved a 20 per cent reduction in emissions over the past three years.
- Approximately \$13 million worth of energy efficiency projects have been implemented to date, which will provide around \$1.8 million in annual cost savings.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

TOPIC: Better services in your community – Community participation in carbon neutrality

	201718 \$'000	201819 \$'000	201920 \$'000	202021 \$'000	Total \$'000
Expenses	150	150	150	100	550

The Government will undertake a four year Zero Emissions Community Grants program, which will provide resourcing to community groups, not-for-profit organisations and small enterprises to deliver projects and initiatives that support the ACT's target of zero net emissions.

Talking Points

- The 2017-18 ACT Budget will invest \$550,000 over four years for the new ACT Community Zero Emissions Grants Program.
- The program will deliver grants of up to \$25,000 with a total pool of \$150,000 available in 2017-18.
- The Community Zero Emissions Grants Program will support individuals and community groups to run engagement programs and undertake projects to help improve the sustainability of the wider community, and contribute towards achieving the ACT's net zero emissions target.
- The objective of the Program is to encourage innovative solutions at the local and community level across the energy, buildings, transport, land use and waste sectors.
- The Community Zero Emissions Grants Program is designed to fund projects and activities that will:
 - assist the community transition to net zero emissions
 - develop and implement innovative solutions across the community to reduce greenhouse gas emissions
 - generate new knowledge or information to facilitate local solutions to transition to zero emissions
 - develop innovative solutions to engage the community on zero emissions
- Grants will help support on-the-ground actions targeting energy efficiency, transport, waste and building design and include projects such as electric bicycle charging stations, battery swaps, electric car and e-bike sharing, innovative community waste solutions, zero emissions buildings, streets and precincts.
- Support will also be available for projects that engage and educate the wider community about how they can reduce their own emissions footprint.

Key information

- The program supports Parliamentary Agreement Item 6.1 on the net zero emissions target by 2050 at the latest. Government on its own cannot undertake all the activities required to reach net zero emissions, and it is important to incentivise individuals, organisations and the community to develop and implement solutions to help the ACT reach this target.
- The program would also support the ACT Government's Climate Change Strategy AP2 Action 8: ActSmart Energy Assist, "The ACT Government will establish ACTSmart Energy Advice to provide up-to-date practical advice and support to small and medium businesses, community groups and representative organisations".

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ESTIMATES BRIEF

TOPIC: Better services in your community – Improving sustainability through innovative financing

	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	Total \$'000
Expenses	75	62	51	0	188

The Government will investigate proven smart and innovative financing opportunities to undertake sustainability upgrades. The Government will also expand and improve on existing programs such as Carbon Neutral Government, the Actsmart business energy and water program, and cross government initiatives such as the Public Housing Asset Management Strategy and Digital Canberra Action Plan, incorporating the Smart City initiative.

Talking Points

- Innovative financing can improve sustainability by increasing investment in the energy efficiency of buildings and the built environment. This will assist the ACT achieve its target of net zero emissions in Government operations by 2020 as outlined in the Carbon Neutral Government Framework, and the ACT transition to a net zero emissions Territory by 2050 at the latest.
- In the last few years, a broad range of financial tools and mechanisms have become available in Australia through the Clean Energy Finance Corporation (CEFC) and major banks. There are also a number of procurement models which incorporate alternative financing options that are gaining traction both in the government and private sectors.
- This initiative will identify opportunities for the ACT Government, businesses, educational institutions and community groups to access smart financing opportunities to transition to a zero emissions economy. Innovative finance could fund a range of climate change mitigation, adaptation and sustainability upgrades to existing and new buildings. In particular, this will overcome the problem of financing building upgrades in low income and rental households.
- This type of intervention is needed to overcome upfront cost barriers to invest in energy efficiency, solar and/or battery upgrades and tackle real barriers to sustainable buildings stemming from market failures such as knowledge gaps, and split incentives where owners don't make efficiency investments in properties because it is the tenants who pay the bills.
- Opportunities to be investigated for innovative financing will complement existing Government programs, and further incentivise higher energy efficiency and sustainability in buildings and the built environment.

- There is significant potential to improve the energy efficiency of existing residential and commercial building stock by at least 30-50% due to advances in the energy efficiency of lighting, air-conditioning, and appliances or office equipment.
- There are opportunities to expand on the current Carbon Neutral Government (CNG) Program by using innovative financing to augment the existing CNG loan fund to enable investments in large building upgrades.
- This initiative delivers on the strategic priorities of achieving a Carbon Neutral ACT Government by 2020 and the ACT achieving net zero emissions by 2050 at the latest, as it will identify funding sources to deliver ACT Government's next climate change strategy. This is titled "Blueprint for a zero emissions Territory: The ACT climate change strategy to 2050" (The Blueprint).

Key information

- Innovative financial strategies available for governments include sustainable bonds, revolving loan facilities and energy performance contracts. In addition, there are international sources of funding such as the Green Climate Fund and numerous low carbon financial products available from banks and the Clean Energy Finance Corporation (CEFC) that could assist the ACT.
- Business cases for projects to upgrade Government building energy efficiency, install solar, batteries and improve the living infrastructure could be included in a potential ACT Sustainable Bonds Issue in 2019.
- This initiative delivers on the ACT's Climate Change and Greenhouse Gas Reduction Act 2010, which sets emissions reduction targets of net zero greenhouse gas emissions by 2050, 40% below 1990 levels by 2020, and 100% renewable electricity by 2020.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Electricity and Gas price increases

Context

The Independent Competition and Regulatory Commission (ICRC) released its final retail electricity pricing decision on 7 June 2017. This decision will apply to regulated retail electricity tariffs offered by ActewAGL Retail from 1 July 2017. ActewAGL Retail has also announced an increase in residential gas prices of 17.3 per cent in 2017-18.

Talking Points

Electricity price increase

- The ICRC's final decision provides for an 18.95 per cent increase in ActewAGL Retail's regulated retail electricity tariffs from 1 July 2017.
- This is a significant increase - this will mean that an annual electricity bill for a typical four person household (consuming 8,000 kWh) will increase by approximately \$333 in 2017-18. The annual electricity bill for such a household will be approximately \$2,089 (including GST) in 2017-18.
- Unfortunately, this increase comes at a time when gas prices are also rising significantly. However, despite these increases, it is also important to note ACT consumers continue to have access to some of the lowest retail electricity prices in Australia.
- Rising wholesale electricity costs are the primary contributor towards this increase. The recent shutdown of a major brown coal power station (Hazelwood) in Victoria had the effect of reducing supply, causing wholesale prices to rise across the National Electricity Market.
- The price increases are a direct outcome of the failure of the Federal Government to provide investor confidence in the sector meaning new modern low carbon generators are not being built as aging coal generators retire.
- The ACT community isn't the only one feeling this impact – significant increases in electricity prices similar to the ACT are also expected to occur in other parts of Australia.
- Some State governments, such as Tasmania and Queensland, have taken actions to either cap or reduce the level of wholesale electricity costs that are passed through to consumers in those states. As the ACT Government does not own electricity generation businesses or host a large electricity generation sector, these options are not applicable to the ACT.

ACT's renewable energy policies

- Approximately 10 per cent of the 2017-18 regulated retail electricity price decision can be attributed to the ACT's Feed-in Tariff schemes. ACT electricity consumers have been paying this gradual contribution towards the 100 per cent by 2020 renewable electricity target.
- The Government has been very open about the costs of moving to 100 per cent renewable electricity, and remains confident that these costs will be less than originally modelled in 2012.
- The contract mechanism the Government has used to secure large-scale renewable electricity generators is helping offset the impact of rising wholesale costs.
- The ACT pays the difference between the feed-in tariff price and the wholesale market price. If wholesale prices rise, then ACT consumers pay a smaller feed-in tariff.

- The ACT is on-track to achieve its 100 per cent by 2020 renewable electricity target, which is one of the most ambitious targets globally. It continues to have broad community support, despite the modest associated cost.

Action to reduce electricity price pressures

- The ACT Government is helping households and businesses to manage their energy costs.
- Eligible households in the ACT can apply for an annual rebate of up to \$426.46 to assist with utility bills, including water, gas and electricity. From 1 July 2017, the annual rebate for eligible households will increase to just over \$600.
- We provide comprehensive information, tools and programs to help households and businesses manage their energy costs and usage. Households and businesses can visit www.actsmart.gov.au or call 13 22 81 for free information and advice on the energy savings opportunities available.
- The Government has supported the establishment of an Energy Consumer Advocate, to provide the community with a voice in decision making processes like the ICRC retail electricity price decision process.
- The ACT Government will continue to maintain price regulation on retail electricity prices. Without this, we would have no basis to scrutinise and keep a lid on electricity prices.
- The ACT Government is also investing in energy efficiency, which has never been more cost effective for consumers. The Energy Efficiency Improvement Scheme is saving participating households around \$5 per week on average, and it has a particular focus on energy savings in low income priority households.
- The ACT Government has made a contribution of \$250,000 to the ActewAGL Energy Support Fund, thereby ensuring up to \$500,000 will be available to help consumers struggling with their energy bills.
 - This fund will provide vouchers to community groups that provide emergency relief services, for distribution to vulnerable Canberrans to help with their energy bills.
 - ActewAGL will establish a dedicated 'Bill Help hotline', which will provide a central point of contact for customers in relation to the range of support options and information on rebates, concessions and energy saving advice.
 - It will also help establish a solar grants program for eligible community organisations, which will help cut energy bills for groups that provide vital community services.

Rising gas prices

- ActewAGL Retail recently announced that residential gas prices will increase by 17.3 per cent in 2017-18. Unlike electricity prices, gas prices are not regulated in the ACT.
- This will mean that a typical household consuming 43 gigajoules (GJ) of gas from ActewAGL Retail will see their annual gas bill rise by approximately \$250.
- The increase in gas prices is driven by rising wholesale costs. These costs have almost doubled over the past year driven by rising gas exports from the east coast of Australia.
- It is disturbing that Australian gas is being exported overseas at prices cheaper than those paid by Australian consumers.
- The Federal Government has recently announced potential export controls to manage gas prices. According to the Federal Government, this mechanism will allow for export controls to be imposed on companies if there is a gas supply shortfall.

- Prices are also being exacerbated by a lack of competition between suppliers and pipeline operators. The COAG Energy Council has noted that parts of wholesale and gas transmission markets have monopoly characteristics and has initiated a range of reforms to ensure efficient prices flow through to customers.

Substituting Gas

- The continual increase in gas prices over the past few years combined with the ACT's 100 per cent renewable electricity target now means that the common understanding that gas is cheap and clean, may be incorrect in many cases.
 - Rising gas prices have made it increasingly economical for households to substitute high efficiency electric appliances in place of gas including for water and space heating and cooking.
 - This is already apparent in new medium to high density residential developments in Canberra, some of which have avoided gas heating in favour of reverse cycle air conditioners for their combined heating and cooling needs.
 - Gas suppliers should note that the continuous increase in prices has meant that large parts of the community are now questioning whether it is in their interest to use gas at all.
-

Background

The ACT Government regulates ActewAGL Retail's standing offer retail electricity tariff. The ICRC is the ACT's independent price regulator for retail electricity prices.

(If Asked) Actions to cap electricity prices in other jurisdictions

- The Tasmanian Government has introduced legislation to effectively cap electricity prices, by providing the Treasurer with the power to determine a Ministerial Order the wholesale electricity price that can be passed on to consumers through retail electricity prices.
- If the ACT was to seek to implement a similar measure as the Tasmanian Government, this would see the Government incur a significant portion of the costs, through reduced dividends associated with its joint venture ownership of ActewAGL Retail. However, it would also significantly impact on competing private sector retail electricity firms, and the other joint venture owners of ActewAGL Retail and Distribution.
- A measure of this nature to cap electricity prices would act contrary to the ACT's broader objective of increasing and encouraging competition within the Territory's retail electricity market.
- The Queensland Government has given direction to Stanwell, a Queensland Government owned electricity generation business, to moderate its wholesale electricity market bid prices. The effect of such a direction seeks to reduce wholesale electricity prices in Queensland. If effective, pass through costs to consumers in that jurisdiction may be depressed however, dividends paid to the Queensland Government (and therefore taxpayers) would also be reduced.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Providing choice to developers in the provision of gas network infrastructure

Context

Recent public commentary has considered the possibility to not require the provision of gas distribution network infrastructure to new suburban estate developments. This matter has recently come to public attention following the proposal by the Riverview Group to not include gas reticulation as part of the new Ginninderry estate development at West Belconnen.

Talking Points

- The Territory Plan requires natural gas distribution infrastructure to be installed in all new estate developments, along with other services like water and electricity.
- The ACT Government is considering a request from the developers of the Ginninderry estate in West Belconnen to remove the mandatory requirement to install natural gas in support of its plans for a low-carbon electricity 'microgrid' for the whole development.
- Current estimates suggest that by 2020, over 15 per cent of ACT greenhouse gas emissions will come from natural gas related emissions, predominantly associated with residential and commercial space and water heating applications. Consistent with our greenhouse gas emissions reduction targets and our commitment to net zero emissions by 2050 at the latest, it is prudent that the Government examines how we might reduce all emissions sources, including from natural gas use.
- Infrastructure decisions made in coming years will shape our future emissions profile.
- While the growth in natural gas consumption in the Territory has moderated in recent years, gas is expected to play a role for some time to come, especially in the national electricity generation sector, supporting the transition to renewables.
- Observed increases in retail gas prices are now challenging the long held assumption that gas is a cheaper and cleaner alternative to electricity for particular residential uses.
- Innovations in household cooking (induction stoves), space heating and hot water appliances (heat pumps) now provide households with more choice of how to meet their heating and cooking needs. Winding back government mandates and promoting greater consumer choice will promote technology and commercial innovation and lower costs for all energy users.

Background

Requirements for gas in new estates

- The provision of natural gas reticulation infrastructure to new estate developments is established via a mandatory rule in the Estate Development Code. Rule 43 of the Estate Development Code requires the provision of gas distribution infrastructure, as well as other essential services such as electricity and water, in new estate developments.

- The Estate Development Code is part of the Territory Plan, a statutory document legislated through the *Planning and Development Act 2007*. Any decision to not require the mandatory roll out of gas distribution infrastructure to new estate developments would require a variation to the Territory Plan.
- Any Territory Plan variation that removed the Government mandated roll out requirement would not preclude a developer from choosing to have natural gas distribution infrastructure installed in a new estate development.
- Any decision by the ACT Government to change its existing policy and vary the Territory Plan would require broad consultation with government agencies, developers and the wider community.

Infrastructure costs

- ACT energy consumers, through regulatory determinations, bear the cost of energy infrastructure investment through their energy bills. It is therefore important that policy makers have sufficient information and evidence to enable appropriate scrutiny of future investment decisions for energy infrastructure.
 - A gradual reduction of household gas consumption for economic reasons could create a scenario where energy consumers were required to carry the cost of maintaining underutilised infrastructure, rather than the risk being borne by the gas network business that made the investment. This is a matter that could also be considered by the COAG Energy Council which oversees the way in which gas network expansion and gas network pricing for consumers is approved.
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ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ASSEMBLY BRIEF

ISSUE: ACT Climate Change policy – costs to community and consumers

Context

The cost of the ACT Government Feed-in Tariff schemes and the cost of the Energy Improvement Efficiency scheme is passed on to consumers via electricity bills.

Talking Points

- ACT Government climate change mitigation policies are expected to contribute around \$200 to the typical annual electricity bill of a four person household in the ACT in 2017-18. Despite these costs, the ACT continues to have among the cheapest electricity prices in Australia.

These costs are offset by an annual saving of around \$250 on average for the over 70,000 households that have participated in the Government's Energy Efficiency Improvement Scheme.

Cost of the Feed-in tariff (FiT) schemes

- The ACT's FiT schemes which support investment in clean renewable energy form the largest share of these costs.
- Together, the ACT's large and small FiT schemes are expected to contribute approximately \$168 to the annual electricity bill of a typical four person Canberra household in 2017-18.
- These FiT schemes are a key part of the ACT's 100 per cent by 2020 renewable electricity target. The ACT remains on track to achieve its 100 per cent by 2020 renewable electricity target. This is one of the most ambitious targets globally.
- The Government has been very open about the costs of moving to increased supply of renewable electricity, and remains confident that these costs will be less than originally modelled in 2012.

Cost of the Energy Efficiency Improvement Scheme (EEIS)

- The Energy Efficiency Improvement Scheme is expected to contribute approximately \$31 to the annual electricity bill of a typical four person Canberra household in 2017-18. This is much lower than the expected annual average saving in 2020 of around \$250 for participating households.

Background

The *Climate Change and Greenhouse Gas Reduction Act 2010*, commits the Territory to reducing greenhouse gas emissions to 40 per cent below 1990 levels by 2020. To achieve these reductions, the ACT Government set a target to secure 100 per cent renewable electricity by 2020. The switch to renewable electricity is projected to account for over 90 per cent of emission reductions by 2020. The cost of these policies is passed on to consumers via electricity bills.

Note: The annual consumption of a typical four person household in the ACT is 7.441 megawatt hours (Source: Australian Energy Regulator), which has been used to calculate the cost of these policies. This is different from the Electricity and Gas Price Increases question time brief, which uses 8 megawatt hours to help achieve consistency with the ICRC's report and media release, noting this overestimates costs.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ASSEMBLY BRIEF

ISSUE: Federal Court decision on appeal by the Australian Energy Regulator on network revenue

Context

A Federal Court decision in May 2017 against the Australian Energy Regulator (AER) on network revenue has attracted significant attention in media and from consumer groups as the decision is likely to cause significant increases in electricity prices. Network charges comprise the largest proportion of consumer electricity bills (approximately 40%).

Talking Points

- On 24 May 2017, the Federal Court of Australia substantially upheld the Australian Competition Tribunal's prior ruling that the Australian Energy Regulator must remake its NSW and ACT network revenue determinations.
- The networks had objected to the AER's determinations which significantly reduced their revenues. The AER had concluded that the way these businesses were run was inefficient and this should not be paid for by customers.
- The Court's decision will likely result in significant increases in electricity prices for ACT and NSW electricity customers.
- Despite media speculation, it is not yet clear what the extent or timing of any price increases may be. There are a number of legal and regulatory processes that still need to play out. There is also potential for further appeals on this matter.
- The Government is working closely with the relevant authorities to determine what this means for consumers in the short and medium term.
- The ACT Government has been concerned for some time about rising network electricity prices and the inability of the national regulatory regulation regime to constrain price rises.
- The ACT Government is working through the COAG Energy Council to bring forward a package of reform measures for consideration and agreement by the Council in July 2017 to ensure that the AER has the powers it needs to ensure only reasonable costs are passed on to consumers.

Background

The AER is responsible for regulating the revenues and tariffs of electricity and gas distribution and transmission networks as these are natural monopolies. In 2015, the AER significantly reduced the revenues allowed to be recovered by these networks. Following an appeal, the Australian Competition Tribunal agreed in early 2016 to reverse some aspects of a network pricing decision made by the AER in relation to ACT (ActewAGL Distribution) and NSW electricity networks.

The AER filed an appeal in the Federal Court against the Tribunal's decision in March 2016. The Court announced its decision on 24 May 2017. Its judgement also covers a separate appeal made by a NSW gas network on a similar matter.

The Federal Court substantially upheld the Australian Competition Tribunal's prior ruling that the AER must remake its NSW and ACT network revenue determinations. The judgement states on the specific matters under appeal, the AER had not established the grounds for judicial review and had not established that the Tribunal's orders were not supportable.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Electricity outages in Gungahlin

Context

There have been several electricity outages in Gungahlin during May and early June 2017. This has attracted criticism from the community and received media coverage.

Talking Points

- The ACT Government has been made aware of the electricity supply outages that have occurred recently across suburbs in Canberra's north.
- The suburbs of Gungahlin, Bonner, Amaroo, Forde and Jacka have been affected by these outages, the largest of which occurred on Friday 2 June impacting around 2,300 customers.
- The ACT Government has been advised that the majority of these outages occurred as a result of isolated faults or incidents, and were not related to each other.
- ActewAGL Distribution, the electricity network operator for the ACT, has advised the Government that the causes of the outages included cable faults, and in one instance, as a result of damage to the network by a third party.
- ActewAGL Distribution has advised the ACT Government that it has prioritised restoration of electricity supply as soon as possible, and is working to ensure that outages do not reoccur, particularly during the peak winter period.
- ActewAGL Distribution has also advised that it will consider claims for compensation on a case by case basis where consumers can demonstrate an actual financial loss due to an outage.
- I would like to note that while electricity supply can never be 100 per cent guaranteed due to external factors such as the weather, Canberra generally enjoys high levels of electricity supply reliability.
- The Australian Energy Regulator's *State of the Energy Market Report* released in May 2017 notes that a typical electricity customer in the National Electricity Market experiences on average up to 200 minutes of electricity supply interruption per year, compared to well under 100 minutes in the ACT.
- However, the AER further notes that customers in the ACT have the lowest incidence of unplanned outage time across the National Electricity Market.
- The ACT Government is continuing to monitor this situation and expects the steps being taken by ActewAGL Distribution will ensure that customers in Gungahlin are not inconvenienced unnecessarily.

Background

ActewAGL Distribution owns and is responsible for the operation of the ACT's electricity distribution network. The data below on the recent outages in Gungahlin has been provided by ActewAGL Distribution.

Date	Customer impact	Cause
8th May	2000	Cable fault
15th May	2000	Network Protection operation
17th May	700	Third Party damage
24th May	2000	Network Protection operation
1st June	2000	Cable fault
2nd June	2300	Cable Fault

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Climate Action Roundtable

Context

The Climate Action Roundtable (CAR) is designed to be a forum where Australian jurisdictions and cities can come together to identify opportunities in addressing climate change cooperatively towards meeting the Paris Climate Agreement target of zero net emissions by 2050.

Talking Points

- Australian states, territories and capital cities are actively engaged in taking action on climate change. There is a significant opportunity for Australian sub-national governments to share knowledge, address common challenges and work together on climate change mitigation and adaptation.
- The CAR is an ACT initiative with a focus on cooperative work amongst jurisdictions towards zero net emissions with smarter, cleaner, and more resilient infrastructure and services, as well as increased social and economic opportunity.
- The second CAR was held in Cairns, Queensland on 23 and 24 February 2017. It included participation from State Ministers from Queensland, South Australia and the ACT with representation from capital cities Melbourne, Adelaide, Darwin, Hobart and Sydney.
- The communiqué from the second CAR outlined the following three priorities:
 - Recognition of the impacts of climate change being felt in Australia already;
 - Confirmation of a joint collaborative submission to the 2017 national climate policy review; and
 - Establishment of a Senior Officer Working Group to develop a forward work program and report to the next Roundtable meeting in Adelaide in mid-2017.
- The CAR forward work program will focus on the following three work streams:
 - Energy efficient built environment, to be led by the ACT;
 - The transition to renewable energy including energy storage and low emission vehicles, to be led by South Australia; and
 - Partnership opportunities, to be led by Queensland.
- The next CAR will be hosted by South Australia in the second half of 2017.

Background

The first CAR was convened by the ACT Government and held on 26 August 2016. Following the first CAR, a letter was prepared from State and Territory Ministers to Federal Environment and Energy Minister, the Hon. Josh Frydenberg MP, seeking an active role by jurisdictions in the Commonwealth's 2017 review of Australia's national climate policy.

The CAR joint submission to the 2017 national climate policy review is currently being finalised by South Australia with signatures from representing Ministers.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ASSEMBLY BRIEF

ISSUE: Trends in ACT greenhouse gas emissions – from electricity, gas, transport, land use and waste

Context

The ACT must prepare a greenhouse gas inventory as per Section 12 of the *Climate Change and Greenhouse Gas Reduction Act 2010*. The inventory measures emissions for the past financial year, and compares these to reporting in previous years and the 1990 base year.

Talking Points

- The 2015-16 ACT greenhouse gas inventory, tabled in Parliament in December 2016, is available online.
- The ACT is on track to meet its legislated targets of reducing greenhouse gas emissions to 40% below 1990 levels and transitioning to 100% renewable electricity by 2020.
- In 2015-16 emissions were 26% higher than in 1989-90 and 1% higher than in 2014-15.
- In 2015-16 emissions totalled 4040 kilotonnes of carbon dioxide equivalent (kt CO₂-e).
- The 2015-16 emissions profile was dominated by electricity at 55% of total emissions, followed by transport fuels (27%) and natural gas (9%). Industrial processes and waste activities collectively contributed approximately 8% of total emissions.
- It is projected that emissions will start to fall markedly from 2016-17 as the first of the large-scale renewable electricity generation facilities starts operation. This will see emissions from the electricity sector decline at a rapid rate between 2017 and 2020. The projected decline will ensure the ACT reaches its 40 % emissions reduction target by 2020.
- The proportion of renewable electricity in the grid increased from 18.8% to 20.2 % between 2014-15 and 2015-16. This included 38 Giga Watt hours (GWh) of electricity from the Royalla solar farm, and for the first time, 19 GWh of feed-in-tariff entitlements from the Coonooer Bridge wind farm. This increase in renewable electricity generation offsets the slight increase in demand of electricity attributed mostly to population growth.

Electricity and Gas

- The 100% renewable electricity target is the primary mechanism for achieving the ACT's legislated emissions reduction target of 40% below 1990 levels by 2020.
- Emissions from electricity decreased by 0.1% from 2014-15 to 2015-16 (from 2236 kt to 2234 kt CO₂-e). Factors influencing this change included;
 - consumer demand for electricity supplied through the meter increased by 0.7% and distribution losses increased;
 - the renewable electricity share of total electricity supplied increased from 18.8% to 20.2%; and
 - the emissions intensity of the remaining 80% of electricity purchased from the grid increased slightly.
- Consumption of renewable electricity in the ACT has increased from 14.2% in 2010-11 to 20.2% in 2015-16. The rate of increase over this period has been affected by the decrease of renewable energy in the National Electricity Market following the repeal of the national carbon price.

- Contracts established under the ACT's 100% renewable electricity target will ensure that 80% per cent of ACT electricity will come from renewable sources (wind and solar) by 2018. 100% of ACT electricity will be generated from renewable sources by 30 June 2020.
- Emissions from natural gas decreased by nearly 5% between 2014-15 and 2015-16. This decrease may reflect a shift from gas to electricity on the part of residential consumers, however further analysis is required to understand the driver of this change.
- As a proportion, natural gas emissions are projected to contribute around 20% of total emissions in 2020. However the absolute value of emissions from natural gas is relatively stable, with demand modelled to be decoupled from population growth from 2017 out to 2020.

Transport

- Transport emissions continue to grow and increased by 44 kt CO₂-e or 4.8% between 2014-15 and 2015-16. Consumption of both petrol and diesel increased.
- By 2020 the transport sector is projected to account for over 60% of total emissions.
- The ACT is currently commencing a review of the Transport for Canberra policy which will seek to reduce emissions from this sector.
- Policies to support emissions reductions in transport include the Canberra Metro Light Rail and electric bus trials, along with funding for active travel infrastructure such as bike paths.

Waste and Industrial Emissions

- Waste accounted for 3% of emissions, and industrial processes (synthetic gases) accounted for 5% of emissions in 2015-16.
- These sectors are projected to increase to 6% and 9% respectively of ACT emissions by 2020. Emissions from waste are set to drop soon after 2020 as the Government's carbon neutral waste sector policy comes into effect.
- Emissions from waste increased by 13.6 kt CO₂-e (15%) from 2014-15 to 2015-16. The increase was driven by a rise in estimated emissions from solid waste disposal.
- This increase is attributed to the methane emissions of legacy waste, as opposed to an increase in year to year waste to landfill. Gross emissions are partly offset by the capture of landfill gas and its combustion to generate electricity, with less gas captured this year possibly attributed to rainfall.
- This inventory adopted the new higher Global Warming Potential value for methane, to align with international best practice, which necessitated a recalculation of estimated waste emissions in prior inventory years.

Land use

- The data for land use, land use change and forestry (LULUCF) comes from the National Greenhouse Gas inventory which is based on detailed analysis of satellite imaging. These data were updated in May 2016, estimating the LULUCF sink for the ACT in 2015-16 to be -7.9 kt CO₂-e. Projection models are unable to predict LULUCF changes, and set the value at a fixed rate of -12.

Background

The *Climate Change and Greenhouse Gas Reductions Act 2010* (the Act) sets the following climate action targets for the ACT:

- zero net emissions by 2050
- 40% emissions reductions on 1990 levels by 2020
- 100% renewable electricity by 2020.

Section 12 of the Act requires an independent entity to prepare an annual greenhouse gas inventory.

The Minister must present the Report to the Legislative Assembly within 21 days after receiving the report. The report for 2015-16 was tabled on 15 December 2016 (16/20385). An amendment to the report was made to correct an error and was provided to members of the Legislative Assembly on 22 December 2016 (16/24515).

There are a number of reports produced by government that track the growth in renewables, including the Feed-in Tariff report. The percentage of renewables presented between the reports was mismatched by 0.8%.

Upon notification of the error in the Inventory, the data was immediately corrected and a new report produced. Letters were provided to Members along with a copy of the amended report prior to the Christmas break which demonstrates the transparency and speed in which the issue was dealt with.

In July 2016, a Disallowable Instrument to the Act was tabled, making technical amendments to the formal method of GHG accounting. This included updating the waste method with new global warming potential factors for methane, and an extrapolation method for synthetic gases. GHG emissions are accounted as kilotonnes of carbon dioxide equivalents (kt CO₂-e).

This year, the 1990 baseline emissions were recalculated in accordance with international guidelines and the ACT GHG methodology. This was to ensure a consistent comparison between current and baseline emissions as accounting methods improve. Changes to LULUCF figures from the national data base and waste emissions due to the GWP of methane were applied to the 1990 baseline emissions. This resulted in a slight increase from the original calculation of 3185.5 to 3196.8 kt CO₂-e. This means the 40% emissions reduction target by 2020, in absolute kt CO₂-e, has increased from 1911 to 1983 kt CO₂-e.

Emissions in 2015-16 were 26% higher than 1990 levels.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Pathway to net zero emissions

Context

As the majority of actions under the ACT climate change strategy (Action Plan 2) are either underway or completed, the ACT Government's next climate change strategy is being developed. This is titled "The Blueprint for a zero emissions Territory: The ACT climate change strategy to 2050" (The Blueprint). The Blueprint will set the ACT on a pathway to achieving its legislated target of zero net emissions by 2050 at the latest, including setting firm interim targets for 2030 and 2040.

Talking Points

- During 2015-16 the ACT's greenhouse gas emissions profile was dominated by emissions from electricity (55%). The next largest sectors were transport (27%); natural gas (9%); and industrial processes and waste activities (8%).
- The implementation of the 100% renewable electricity target will mean that post-2020 emissions reduction policies will need to focus strongly on the transport and natural gas sectors.
- Community consultations on the blueprint were held on 27 February 2017 and 1 May 2017; more than 60 members of the community, business and academic fields met in each Roundtable to share their ideas on how we can achieve a zero emissions Territory.
- Further specific meetings with stakeholders will continue, with an aim of having a consistent open dialogue with the community at all stages of development.

Electricity and Natural Gas

- In 2018 the ACT electricity supply will reach 80% renewable electricity, and increase to 100% in 2020. This will remove emissions from this source and is the primary mechanism to achieving 40% emissions reductions by 2020 as set out in the *Climate Change and Greenhouse Gas Reduction Act 2010*.
- The megawatts required to maintain the 100% renewable electricity target will need to be continually monitored as the city continues to grow, and as electricity demand changes as our transport sector becomes increasingly electrified.
- Natural gas emissions are projected to contribute around 21% of total emissions in 2020, however in absolute terms demand is stable.
- To transition from the consumption of natural gas as our population grows, consideration should be given to the role of natural gas in new developments and ongoing use of gas appliances for cooking, space heating and hot water. High efficiency appliances are now widely available as substitutes.

Transport

- By 2020 the transport sector is projected to account for around 62% of total emissions. Measures such as increased uptake of public transport, electrification of transport options and reduced consumption of transport are being investigated.

Waste

- A carbon neutral waste sector framework is under development. Waste is linked with city planning and development, along with consumer habits of Canberrans.

Land use

- The data for Land Use, Land use Change and Forestry (LULUCF) comes from the National Greenhouse Gas inventory from detailed analysis of satellite imaging. It is not possible to determine our future emissions (increases or reductions) into the future as this is influenced by natural events (droughts, fires etc).
- The ACT has some capacity to grow its emissions sink through land use change and improved urban forestry. Future considerations include best practice urban forestry, improved grass land management and re-vegetation where appropriate to offset greenfield developments.

Interim targets

- In the development of the ACT's blueprint to zero net emissions, emission reduction pathways per sector will be defined and modelled against a baseline scenario. These models will show what interim targets could be set for 2030 and 2040, noting the ACT Government commitment to achieve zero net emissions by 2050 at the latest and in consideration of the ACT's share of a global carbon budget.
- Policy actions and implementation targets will be set along the path to 2050, showing where key policies such as zero emissions buildings need to be in place to meet the net zero emissions goal.
- The ACT was invited to speak at the international climate change conference in Marrakech (COP22), where other states and regions across the globe were impressed by our ambitious policies and inspired by our aspirational pathway to 2050 at the latest.

Background

- 'Action Plan 2: A new climate change strategy for the ACT (AP2)' is the current policy framework that sets the pathway to achieve the ACT legislated greenhouse gas reduction targets. The ACT is on track to achieve its targets of 40% reduction in emissions from 1990 levels and 100% renewable electricity by 2020.

- A Review of AP2 in November 2015 demonstrated the success of the strategy to date. AP2 set a timeline for the next iteration of the strategy to be developed in 2017. The next iteration is necessary to map the blueprint to net zero emissions by 2050 at the latest. With the ACT achieving 100% renewable electricity by 2020, the focus of the next climate action plan will shift to transport and the built environment, to limit our emissions from transport fuels and natural gas. The building and planning sectors are a critical focus, as what we build today will still exist in 2050.
- The ACT participated in the 2016 UN conference on Climate Change (COP22) in Marrakesh, Morocco, which had a focus on states and regions setting pathways to 2050.
- The update of AP2 coincides with a planned review of national climate change policy by the Australian Government in 2017. It will also be aligned with the ACT's Government's review of its transport and planning strategies.
- The contracted emissions modelling required for the Blueprint began January 2017. The current timeline suggests a discussion paper to be released publicly by July 2017, developed in close consultation with key environmental community groups and stakeholders.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: EEIS Programs and Services supporting the ACT community

Context

The Energy Efficiency Improvement Scheme (EEIS) requires electricity retailers to achieve energy savings in households and small-to-medium enterprises. The Scheme also provides targeted assistance to low income households through a 20% Priority Household Target.

Talking Points

- The Energy Efficiency Improvement Scheme (EEIS) will operate until 2020 with new activities for businesses and households being phased in.
- As part of the ongoing process of strengthening the EEIS, new insulation activities and updates to building sealing activities have been developed. These are detailed in a consultation paper that is now out for review. See 'latest updates' on the EEIS website for details. Codes of practice will be developed later and will detail the health and safety requirements for the activity. Consideration is also being given to introducing top-up and wall insulation activities.
- The EEIS is a key mechanism for delivering on the ACT's 100% Renewable Electricity Target (RET) and 40% emission reduction target by 2020 as it meets the strategic priority of helping households and businesses reduce emissions and electricity costs.
- Since the EEIS started in 2013, more than 76,000 households have participated in the Scheme, including more than 19,000 priority low income households.
- In the first quarter of 2017, 297 Canberra businesses have participated in the EEIS lighting upgrades. Over 19,500 lights have been installed, saving more than 5,200 tonnes of carbon dioxide equivalent emissions. The installed items have the potential to save around \$8 million over ten years.
- Energy efficient lighting upgrades can save up to 60% of business lighting energy bills and the program is expected to save approximately 40,000 tCO₂e in 2017.
- The ACT Government is reviewing the 2018 Priority Household Target and consulting with stakeholders, including ActewAGL, community groups and Housing ACT, whether it should be again set at 20% or at a higher or lower level.
- Over 1,100,000 energy saving items have been installed to date, saving over 690,000 tonnes of greenhouse gas emissions.
- Energy efficiency savings from the EEIS in 2020 are estimated to be \$3.20 per week on average across all ACT households, with participating households saving around \$5.00 per week.
- Over 50 Canberra suburbs have participation rates in the EEIS above 30%.
- As a result of the EEIS, approximately 30 fulltime equivalent staff and contractors have been employed to deliver energy efficiency programs, including 20 electricians and 10 plumbers.

- In March 2017, EnergyAustralia became the first Tier 2 retailer to initiate delivering EEIS activities, starting with commercial lighting upgrades. All other Tier 2 retailers have so far opted to pay an 'Energy Savings Contribution' in lieu of undertaking activities.
- Both EnergyAustralia and ActewAGL are hiring local electricians for EEIS delivery. Local businesses are expected to save around \$191 million in energy bills as a result of EEIS energy efficiency upgrades.
- ActewAGL is continuing to provide residents with a range of EEIS activities to help manage their energy consumption. These include ActewAGL's Fridge Buyback scheme and replacing poor performing ducted gas space heaters with high efficiency ducted gas space heaters including installing insulated gas heating ductwork. Customers are receiving \$3000 off a new 6-star high efficiency ducted gas heating system and eligible low income priority households are receiving a \$4000 rebate. The abatement from this initiative is expected to be 10,000 tCO₂e during 2017.
-

Background

- The Energy Efficiency Improvement Scheme (EEIS) was established under the *Energy Efficiency (Cost of Living) Improvement Act 2012* and began on 1 January 2013.
- The Act sets a Territory-wide energy savings target and obligates ACT electricity retailers to meet an individual Retailer Energy Savings Obligation by undertaking activities in households or small-to-medium enterprises. Smaller Tier 2 retailers can achieve their obligation by paying an 'Energy Savings Contribution'.
- An independent review of the EEIS in 2014 concluded there was high participant satisfaction and there would be significant overall benefits to continuing the EEIS.
- An Amendment Bill to extend the EEIS to 2020 was passed on 4 August 2015. It recognises the Scheme's significant success to date and the potential that remains to implement cost-effective energy savings in ACT households and businesses.
- The extension will also promote innovation and competition by enhancing business opportunities, introducing new activities and harmonising with other jurisdictions.
- Until March 2017, all Tier 2 retailers opted to pay an 'Energy Savings Contribution' in lieu of undertaking activities to meet their 2016 compliance period obligations. Energy Savings Contributions offset the cost of administering the EEIS and fund complementary programs such as Actsmart Energy Programs and Solar for Low income Households.
- Annual Tier 2 contributions are expected to reduce over time as more retailers begin to deliver activities.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Sustainability Programs

Context

EPSDD delivers ten major sustainability programs under the Actsmart banner across the household, low income household, business, schools and community sectors.

Talking Points

- During February 2017, the Actsmart programs team engaged more than 2,000 members of the public through participation at the National Multicultural Festival and the Canberra Show. This gave the team the opportunity to promote programs and climate change/sustainability initiatives of Government.
- Funding for the energy related programs has been appropriated by Treasury from the Energy Efficiency Improvement Scheme (EEIS) – Tier 2 funding until June 2018, while funding for non energy programs is received through budget appropriation until June 2018.
- These programs support policies including the Greenhouse Gas Targets legislation, the climate change strategy (AP2), the Sustainable Energy Policy, the ACT Water Strategy and the ACT Waste Management Strategy.
- The table attached provides details of Actsmart programs, their purpose and delivery mechanism and participation levels.
- The programs are regularly evaluated to ensure they remain relevant and do not overlap with other programs offered by industry or other government agencies. Programs are flexible and developed using evidence based project planning.
- The use of social media via Facebook and Twitter was introduced in May 2015 and has created new avenues for the community to access information and engage on sustainability and climate change matters. Engagement has increased steadily (10 new followers per week) through this cost effective engagement channel.
- The Actsmart Business team are working with the City Activation team to improve functionality in key CBD laneways. Implementing streamlined waste services will result in improved resource recovery, less truck trips within the laneways and cleaner, less cluttered and more aesthetically pleasing laneways for the public and for events run through City Activation team.
- Statistics in the table are updated quarterly. The attached table has been updated to include the period 1 July 2016 to 31 May 2017.

Background

The programs are supported by the ACT Government's Sustainability Hub – the Actsmart website. The Actsmart website, launched in February 2015, delivers information and advice on how Canberrans can take action via three sections including:

- What's happening with our climate?
- What can I do to take action?
- How is my government helping?

The Actsmart website is designed to be a one-stop shop for sustainability for the community making information simple and encouraging action.

The Actsmart programs are also supported via social media mediums including Facebook and Twitter. Event details and good news stories from Actsmart businesses, schools and residents are promoted and shared using social media.

The Actsmart programs are supported by key events throughout the year including:

- The Annual Business Sustainability Awards (Awards) recognise the sustainability contributions of Actsmart businesses and public event holders and has been running since 2010. At the most recent event, held in May 2017, more than 150 business clients attended with 13 awards presented from over 60 nominations.
- A champion's breakfast was held in 2016 where invited clients not currently participating in the Business programs heard from Actsmart champions on how they successfully rolled out the programs in their workplace. Feedback was excellent and the event will be trialled as a lunch at this year's Annual Business Sustainability Expo (Expo).
- The Expo provides businesses and public event organisers with a holistic approach to sustainability, with exhibitors showcasing the latest products and services to assist with energy and water efficiency and better waste management. Attendees also had access to workshops held throughout the day, covering topics on key industry challenges and the latest industry tools. The Expo has been running since 2012 and has the Canberra Business Chamber as a partner. The 2016 Expo was held in September 2016, had approximately 300 attendees who had access to 45 stallholders and was our most successful Expo to date. Planning is well underway for the 2017 Expo being held on 7 September.
- The Actsmart Schools Earth Hour Competition Awards was held in May 2017 at the Legislative Assembly. The competition attracted 58 entries which included posters, poems and social media posts submitted by primary, secondary and college students. Entries showcased innovative activities undertaken during School Earth Hour by the whole school. The competition gave schools and individual students the opportunity to creatively express their commitment to a sustainable ACT—and, by extension to the global action for climate change.

Actsmart Household Programs			
Program	Purpose	2015/16 Outputs	2016/17 Outputs (as at 31 May 2017)
Low Income Home Energy Efficiency Program	<ul style="list-style-type: none"> To assist low income households in the ACT to improve the energy efficiency of their homes, reduce their energy and water consumption, reduce their energy and water bills, and contribute to reducing greenhouse gas emissions. 	<ul style="list-style-type: none"> 1207 low income households assisted. <p>Savings:</p> <ul style="list-style-type: none"> Energy: 530 MWh (electricity and gas) annual savings. Greenhouse gas emissions: 328 t CO₂ –e annually for refrigerators, freezers, washing machines, draught sealing, and window treatment only - not including savings from other appliances and products or behaviour change following householder education. 	<ul style="list-style-type: none"> A total of 1218 households have been assisted. 523 in home energy assessments and draught proofing. 695 people assisted through workshops/education sessions 97 No Interest Loan Scheme subsidies to 71 applicants (some received more than one subsidy). 9156 low income households assisted by the Low-Income program (formerly Outreach) since the programs commenced in 2010.
Low Income Split Systems	<ul style="list-style-type: none"> The split system program is delivered by a contractor to low income households to enable them to switch to more energy efficient split systems. Energy Efficient Split systems (80 units in 2016/17) are provided to eligible residents after St Vincent de Paul (SVDP) has conducted a home assessment. 	<ul style="list-style-type: none"> 146 low income households assessed by SVDP as meeting eligibility criteria. 69 split systems installed. 	<ul style="list-style-type: none"> 72 split systems have been installed

Actsmart Household Programs			
Program	Purpose	2015/16 Outputs	2016/17 Outputs (as at 31 May 2017)
Curtain Program	<ul style="list-style-type: none"> The current curtain trial program is being delivered through St Vincent de Paul's volunteer program. Eligible households receive up to two sets of curtains in the main living area to reduce heat loss through windows, and improve privacy and comfort. ACT Government support is through purchasing the material while St Vincent de Paul sources volunteers to make and install the curtains. 	<ul style="list-style-type: none"> Curtain program (trial) ran from 2014 to October 2016. Current funding for this program was received from the EEIS Tier 2 funds and has been expended. An evaluation of the effectiveness of the program will be undertaken in 2016/17 to determine ongoing support from Government. 	<ul style="list-style-type: none"> Over 250 sets of curtains have been installed since the commencement of the trial.
Solar for Low Income	<ul style="list-style-type: none"> Funding of \$2 million over four years was appropriated in the 2016/17 budget. Provides financial assistance for low income households to install solar panels to maintain equity as energy prices increase and to remove barriers for low income households to benefit from household solar. 	<ul style="list-style-type: none"> Program was not operating in 2015/16. 	<ul style="list-style-type: none"> Procurement process is underway.

Actsmart Household Programs			
Program	Purpose	2015/16 Outputs	2016/17 Outputs (as at 31 May 2017)
Wood Heater Replacement Program	<ul style="list-style-type: none"> • Reduces winter air pollution from wood smoke by offering a financial incentive for replacing an old wood heater with new mains supplied natural gas heating. • Program has run since 2004 with gas subsidy offered by ActewAGL. • The option of installation of high efficiency electric heating was funded by EEIS Tier 2 funds (as a trial) in November 2015. • Option for a \$100 rebate to support households with the cost of removal of wood heater without replacement has been added to the program. • 1,114 households have received rebates over the life of the program (2004 – 2016). 	<ul style="list-style-type: none"> • 66 applications received. • 49 applications for new systems approved. • 9 applications for wood heater only removal approved. • 24 rebates claimed including 9 electric, 13 gas and 2 removal only. 	<ul style="list-style-type: none"> • 50 applications received. • 26 applications for new systems approved. • 10 applications for wood heater only removal approved. • 26 rebates claimed including 12 electric, 7 gas and 7 removal only. • Some rebates claimed were from last FY applications. •
Actsmart Sustainable Home Advice	<ul style="list-style-type: none"> • A free service providing independent expert energy efficiency advice to Canberra households via an email service, telephone and face to face at public events and workshop delivery. • The service helps residents be more comfortable in their homes while saving energy, money and helping the environment. 	<ul style="list-style-type: none"> • Advice provided through 281 phone/email enquiries. • 1,539 people engaged through workshops and events. • 34 user pay home assessments. 	<ul style="list-style-type: none"> • 301 phone/email enquiries. • 35 events/workshops have been held including topics such as 'Understanding solar', 'Draught proofing', 'Actsmart about your heating/cooling and 'Beyond 6 star – prebuild workshops.' • 984 people engaged through workshops and events. • 6 user pay home assessments (on hold since Oct 2016).

Actsmart Household Programs			
Program	Purpose	2015/16 Outputs	2016/17 Outputs (as at 31 May 2017)
Actsmart Carbon Challenge	<ul style="list-style-type: none"> Established in 2015, the Carbon Challenge is an online tool to get Canberrans involved in becoming more sustainable at home. Individuals can self nominate in challenges over 6 focus areas including energy, waste, water, transport, food and community. Emission savings/badges earned for completed challenges. 	<ul style="list-style-type: none"> 930 total users in 2015/16. 'Change your Mode for March' campaign March 2016 invited Canberrans to commit to walk, ride or catch the bus instead of using their car. 110 participants. 1.3 tonnes of CO₂ emissions saved, equivalent to taking 3 cars off the road for a month. 4,370 kms travelled using alternative modes of transport. 	<ul style="list-style-type: none"> 2,981 total users 'ACT Primary Schools Carbon Challenge' held in August 2016. Over 1,600 households participated. 2,290 tonnes of CO₂ emissions saved from the Schools Challenge. Approximately 7,634 cars off the road for the month of August. 2017 campaign under development.

Actsmart Business Programs			
Program	Purpose	2015/16 Outputs	2016/17 Outputs (as at 31 May 2017)
Actsmart Business Recycling program	<ul style="list-style-type: none"> Provides advice, and support via education, stickers, signage and accreditation to the business and office sector to assist in implementing waste reduction and increase recycling aimed at reducing waste to landfill and CO₂ emissions. Program is delivered on a cost recovery basis via a cross border agreement with Queanbeyan-Palerang Regional Council. 	<ul style="list-style-type: none"> 800 sites signed up to the program. 348 accredited sites. <p>Savings from accredited sites:</p> <ul style="list-style-type: none"> 14,000 m³ of mixed recyclables diverted from landfill. 19,480 m³ of paper and cardboard diverted from landfill. 1597 m³ of organic material diverted from landfill. Emission savings: 6874 t CO₂-e (based on above figures). 	<ul style="list-style-type: none"> 872 905 sites signed up to the program as at 31 March. 392 412 accredited sites as at 31 March. <p>Note: Queanbeyan statistics:</p> <ul style="list-style-type: none"> 64 66 sites signed up 37 sites accredited.
Actsmart Public Event program	<ul style="list-style-type: none"> Provides advice to Public Event holders to assist in implementing recycling at their public event. Program was expanded in 2015 to include advice and guides for event holders in broader sustainability including energy, water and transport options. 	<ul style="list-style-type: none"> 55 events with over one million visitors Events included Floriade, National Multicultural Festival, fetes and festivals. <p>Savings:</p> <ul style="list-style-type: none"> 41,015 kg of mixed recycling collected. 10,421 kg organic waste diverted from landfill. Emission savings: 70 t CO₂-e. 	<ul style="list-style-type: none"> 67 events held from 1 July to 31 May. <p>Savings:</p> <ul style="list-style-type: none"> 46,749 kg of mixed recycling collected. 10,804kg organic waste diverted from landfill.

Actsmart Business Programs			
Program	Purpose	2015/16 Outputs	2016/17 Outputs (as at 31 May 2017)
Actsmart Business Energy and Water program	<ul style="list-style-type: none"> • Provides advice and financial assistance for efficiency upgrades to small businesses in the ACT to assist in reducing energy and water consumption. • Offers onsite energy and water assessment and tailored energy and water action plan, with recommendations for efficiency upgrades. • A \$5,000 rebate is available on a 50/50 cost sharing basis to assist businesses with costs of efficiency upgrades. • 480 businesses have participated to the EoFY 2015/16, with 227 claiming the rebate. • Estimated lifetime energy savings from the upgrades installed since program commencement to EoFY 2015/16 are 24,690 MWh, equivalent to the energy used by 3,375 houses a year. 	<ul style="list-style-type: none"> • 143 businesses received an assessment, with 75 sites receiving a rebate in the financial year. <p>Annual savings (estimates for 75 sites who completed retrofits):</p> <ul style="list-style-type: none"> • Energy savings: 811 MWh. • Business energy bills savings: \$179,500. • Total emission saving: 635 t CO₂ –e. 	<ul style="list-style-type: none"> • 196 businesses received an assessment, with 122 clients receiving a rebate in financial year. <p>Annual Savings (estimates for 122 sites who completed retrofits for period 1 July 2016 - 31 May 2017)</p> <ul style="list-style-type: none"> • Energy savings: 1,480 MWh. • Business energy bills savings: \$324,600. • Total emission saving: 1,040 t CO₂ –e.

Actsmart Business Programs			
Program	Purpose	2015/16 Outputs	2016/17 Outputs (as at 31 May 2017)
Actsmart Medium Business Lighting Efficiency Webtool	<ul style="list-style-type: none"> • Provides businesses with a fast, easy to use self help method for determining what LED lights can be used to replace existing inefficient lighting. • This tool was developed to support medium business but is suitable for use by all businesses. • The Webtool provides estimated capital costs and anticipated dollar savings based on ACT data from LED light upgrades, giving a simple payback period (in years) from the upgrades. 	<ul style="list-style-type: none"> • The Lighting Efficiency Webtool was under construction in the 15/16 financial year. 	<ul style="list-style-type: none"> • The Webtool was launched on 1 September 2016. • The Webtool has 9 categories of lights with 22 different lighting types in total. • Note the Webtool is yet to be promoted via print media, radio or social media exposure. • Interest has been received by other states in acquiring this tool for use in their states.

Actsmart Schools Program			
Program	Purpose	2015/16 Outputs	2016/17 Outputs (as at 31 May 2017)
Actsmart Schools Program	<ul style="list-style-type: none"> • 100% of schools (public, private and independent) in the ACT are signed to the program. • Assists schools to: reduce ecological footprint; educate for sustainability through the curriculum; develop a long-term, whole school approach to addressing sustainability; and implement sustainable management practices into everyday school operations. • Schools receive assistance to conduct water, waste and energy audits, a guide to implement actions, then follow-up audits to record reductions in usage. • Offers ACT Teacher Quality Institute accredited professional development activities to Teachers, Facilities Managers, and Senior Students. • Collects and records baseline data from audits on a database for monitoring and reporting progress. • Accredits schools that reduce energy and water consumption and waste to landfill; manage school grounds/biodiversity sustainably and integrate sustainability into the curriculum. • Provides assistance in the delivery of the Education Directorate's - ACT Education Energy Program. 	<ul style="list-style-type: none"> • 5 schools have received '5 star' accreditation. • 19 schools received a horticulturist visit. • 6 workshops held: <ul style="list-style-type: none"> ○ 'Sustainability in Your School Grounds' – 49 attendees from 21 schools ○ Waste and Recycling in ACT Schools – 45 attendees from 30 schools ○ Driving Energy Efficiency through Student Leadership – 46 attendees from 29 schools ○ Delivering Sustainability through the Curriculum' – 49 attendees from 21 schools ○ Junior Student Eco Bus Tour - 65 attendees from 14 schools ○ Senior Student Eco Bus Tour – 38 attendees from 9 schools. • 49 school visits for waste/ recycling support. • 15 schools borrowed the waste interactive display. • 20 energy audits completed. • 36 new accreditations. 	<ul style="list-style-type: none"> • Horticulturist visit to 32 schools. • Seven workshops held: <ul style="list-style-type: none"> ○ 'Sustainability Curriculum' – 33 attendees from 17 schools ○ 'Senior Eco Bus Tour' –30 attendees from 9 schools. ○ Junior Eco Bus Tour – 78 attendees from 15 schools ○ Taqwa Islamic School – 4 participants ○ 'Sustainability Coordinators' – 45 attendees from 34 schools ○ 'Sustainable school grounds' – 52 attendees from 45 schools ○ 'Waste and recycling' – 42 attendees from 15 schools • - 69 schools assisted to establish waste and recycling systems. • 106 school visits. • 31 schools borrowed waste interactive display. • 13 school energy audits completed and reports delivered. • 33 student energy kits delivered. • 41 new accreditations. • Five new 5-star accreditations

Community Programs			
Program	Purpose	2015/16 Outputs	2016/17 Outputs (as at 31 March 2017)
Community Partnerships	<ul style="list-style-type: none"> From 1 July 2013, Service Funding Agreements with SEE-Change, Canberra Environment Centre and the Conservation Council are managed by Sustainability Programs in the Climate Change and Sustainability Division. Operational funding is provided to these organisations under the Agreements to: <ul style="list-style-type: none"> protect and enhance the natural systems in the ACT and surrounding region promote a sustainable and zero net emission society increase awareness of and participation in environmental issues. 	<p>SEE-Change</p> <ul style="list-style-type: none"> 22 local group meetings - 136 people in attendance. Over 65 programs, activities undertaken with 4250 people engaged. Membership discounts offered through 10 businesses. 48 regular newsletters sent out. Over 300 posts on SEE-Change website, facebook and Twitter. 2 opportunities for bulk buy of electric bikes. Bike trailer hires. Worked with EPSDD to conduct energy savings workshops. <p>Activities include:</p> <ul style="list-style-type: none"> Solar House Day Sustainable house tours Chook co-op workshop ACTCOSS Conference presentation Food and fuel security talk Floriade talks Curtain retrofit workshops <p>Canberra Environment Centre</p> <p>Activities:</p> <ul style="list-style-type: none"> sustainability workshops Floriade talks 	<p>SEE-Change</p> <ul style="list-style-type: none"> Activities include: <ul style="list-style-type: none"> Collaboration and input into Net Zero Emissions Blueprint Roundtable. Solar House Day Sustainable house tours Chook co-op workshop ACTCOSS Conference presentation Food and fuel security talk Floriade talks Curtain retrofit workshops SEE-Change group meetings Houseblitz workshop Bike trailers hire Ecological footprint competition Community partnerships: Food Co-op, ITP Renewables, PopCar. Wetlands restoration and education Transition Streets program Fortnightly newsletters to over 1500 people <p>Canberra Environment Centre</p> <ul style="list-style-type: none"> 22 workshops/events held since July 2016, including; <ul style="list-style-type: none"> Backyard Aquaponics Making zero waste products Bee keeping, and Garden maintenance Held Canberra Harvest Festival in March 2017, with approximately 1000 participants.

Community Programs			
Program	Purpose	2015/16 Outputs	2016/17 Outputs (as at 31 March 2017)
		<p>Conservation Council ACT</p> <ul style="list-style-type: none"> • Several campaigns and policy priorities identified and commenced, including Climate Change advocacy, biodiversity conservation in proposed development areas, management of biodiversity offsets, waste minimisation as a key part of waste management and cat containment policy. The People’s Food Plan was finalised in May 2016. • Ongoing member group engagement, including biodiversity working group, regular Environment Exchanges, weekly newsletter to member groups including monthly newsletter to all supporters. • Sponsor ACR organisation for November 2015 People’s Climate March with an estimated more than 6000 people attending. • Ongoing representation and advocacy of environmental issues including through the Environment and Planning Forum, Joint Community Government Reference Group, submissions to Legislative Assembly inquiries and government consultations. 	<ul style="list-style-type: none"> • Permaculture design certificate launch. • Commenced 6 month work for the dole program, to rejuvenate and extend the ANU community garden working with 100 people. • Weekly visits to child care centres as part of the Grow Together program to 200 people. • Fortnightly newsletter to approximately 2100 people. • Average of 4 social media posts per week reaching over 3000 people. <p>Conservation Council ACT</p> <ul style="list-style-type: none"> • Submissions and commentary included; <ul style="list-style-type: none"> ○ Policy on kangaroo management, ○ National Park Feasibility Reference Group; ○ ACT Region Food Council: Draft Terms of Reference and Governance Principles; and ○ Parliamentary Agreement for 9th Legislative Assembly of the ACT • Distribution of information: <ul style="list-style-type: none"> ○ Email bulletins and weekly member communications reached over 4400 people ○ Social Media followers – Facebook 1185, Twitter 832.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ASSEMBLY BRIEF

ISSUE: Carbon Neutral Government Framework – Savings opportunity through accelerating energy efficiency in government operations

Context

The ACT Government is leading by example through the Carbon Neutral Government (CNG) Framework in working to achieve carbon neutrality in its own operations by 2020.

Talking Points

- Endorsed in August 2012, the CNG Framework enables and coordinates a whole-of-government approach to achieving sustained emissions reductions and energy savings with the aim of achieving carbon neutrality of government operations in a cost-effective manner by 2020.
- Government emissions account for around 5% of the ACT's emissions profile and in 2015-16 were approximately 185 kilotonnes of carbon dioxide equivalent. Government has reduced its emissions by 20% since 2012-13 as a result of mitigation actions like large-scale energy efficiency upgrades and the transition to 100% renewable electricity by 2020. A 1.2% reduction in electricity consumption was achieved across Government in 2015-16.
- To become carbon neutral means that any residual emissions will need to be fully offset by the generation or purchase of carbon credits/offsets.
- The CNG Fund provides interest free loans to agencies to support approved energy efficiency projects. Energy savings are used to repay the loan, replenishing the loan fund and making funds available for new projects. The current balance of the Fund is approximately \$6 million.
- 24 ACT Government projects have been supported under the CNG Fund since 2010, to a value of approximately \$13 million. A diverse range of projects have been supported including: lighting; heating, ventilation and cooling (HVAC) upgrades; smart building management systems; and an off grid solar photovoltaic system connected to battery storage. These projects make ongoing annual cost and energy savings from the date of their implementation. The estimated cumulative total emissions reductions of these projects, once fully implemented, is 8,500 tonnes of carbon dioxide equivalent per year.
- Large scale LED lighting upgrade projects, including installing internal lighting to more than 90 government buildings and schools, have resulted in an estimated cost saving of \$1.4 million per year. These projects have reduced electricity use by around 20% at most sites.
- To access the CNG Fund, ACT Government agencies are required to have a current Resource Management Plan and a business plan outlining how the loan will be repaid. All directorates currently have a Resource Management Plan.
- From July 2012 the ACT Government redirected the majority of its GreenPower budget to support energy efficiency projects through the CNG Fund, which is administered by EPSDD. GreenPower currently makes up 5% of the ACT Government's electricity purchases, and this proportion will be maintained until the 2018-19 financial year.

- The Enterprise Sustainability Platform (ESP) database, fully implemented in 2014, is an essential component of the ACT Government working towards carbon neutrality in its operations by 2020. It provides Directorates and other agencies with comprehensive information on utility (electricity, gas and water) consumption, cost and greenhouse gas emissions data required for reporting and resource management planning.
- The 2010-11 and 2011-12 ACT Budgets provided \$407,000 and \$780,000 respectively for the establishment and ongoing operation of the ESP project over four years. This period concluded at the end of June 2016. The cost of the ESP is currently covered by contributions from existing ACT Government agency budgets and this is continued in forward estimates.
- The initial four year ESP Services Agreement expired in June 2016. The contract was extended by 12 months to ensure continuity of key database, bill checking and account management services while a new publicly competitive procurement process was undertaken. A Request for Proposal for an initial three year contract period was published on the TendersACT website on 22 December 2016. That procurement is being finalised. The current contract is being further extended to 7 September 2017 to align with the existing IT licence period.
- ESP data underpins the tracking of formal energy reduction targets (carbon budgets) in 2016-17, which set an annual cap on energy consumption for an agency. Energy budgets are linked to an accountability indicator in Director-General performance agreements from July 2016.
- The CNG Framework was scheduled to be reviewed commencing in 2016. The review has been completed. The review evaluated progress on implementation strategies and actions under the Framework, considers existing measure and successes to date, and recommends actions required to ensure that the ACT Government achieves net zero emissions by 2020, and further reduces and maintains net zero emissions beyond 2020. The final review report will be provided to the CNG Implementation Committee, the ACTPS Strategic Board, the Minister for Climate Change and Sustainability and the Chief Minister.
- The ACT Government is currently undertaking a trial of electric bikes for staff work travel. As well as encouraging active travel and supporting the Healthy Weight Initiative, electric bikes reduce transport costs and greenhouse gas emissions.
- The eight electric bikes are located at four locations (EPSDD, TCCS, EDU and CMTEDD) between Dickson and Civic. Over 200 individuals have been inducted in the use of the electric bikes, with more than 45 active users per month. Around 30 trips per month on average have occurred along that route. In total, the electric bike fleet has now travelled more than 3,200 kilometres.

Background

A CNG Implementation Committee, consisting of a representative from each Directorate, was established in 2013 to coordinate efforts across Government and oversee implementation of the CNG Framework. The Committee reports annual progress to the ACTPS Strategic Board.

To facilitate the transition to carbon neutral government operations, the CNG Program team in EPSDD administers the CNG Loan Fund, maintains the ESP database of energy and water consumption, costs and emissions, and provides training and assistance to agencies in reducing and reporting energy and emissions. Four energy project officers in the ACT Property Group also provide a whole of Government energy efficiency service.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Energy market transitions

Context

Australian energy markets are experiencing a major period of change driven by a range of government reforms and shifts in technology and consumer preferences.

Talking Points

Changing consumer preferences

- Energy consumers are gaining greater choice and control including through adopting rooftop solar and energy storage and through non-conventional 'microgrid' approaches to electricity network development.
- The COAG Energy Council has committed to removing barriers to new technologies. Consumer groups are also being consulted on how to best balance consumer protections and the need to enable market innovation.

Changing generation mix

- Commonwealth and state-based renewable energy support schemes are resulting in traditional thermal (fossil fuel-based) generation being displaced by large-scale wind and solar generators, which have different technical characteristics.
- The 'Finkel Review' into the future security of the National Electricity Market (NEM) was released on 9 June 2017. The Review contains a substantial number of recommendations to enhance energy security and reliability of supply, and to increase certainty as the energy sector transitions to one that is less greenhouse gas intensive. This work comes at an important time while the Australian Government is undertaking its review of national emissions reduction policies and as investor uncertainty in the generation sector is contributing to rising wholesale electricity prices.
- The ACT Government has welcomed the Finkel Review and is working with our counterparts in the Commonwealth and other States to examine the recommendations and to develop a response. The COAG Energy Council will consider the Review and will advise COAG First Ministers by August on which findings can be implemented. It is imperative that we don't jump to conclusions or rule out potential policy options before there has been an opportunity to assess them.
- The ACT's position to date is that while national approaches to decarbonise the electricity sector are preferable, policy ambition needs to be consistent with the need to limit global warming to well below 2°C as per the Paris Climate Agreement. In the absence of national leadership, it is incumbent on states and territories to drive the transition to a zero emission power supply.

Power of Choice reforms for metering and tariffs

- Current electricity network tariffs provide little incentive for customers to reduce peak demand even though increasing peak demand is the major driver of new network investment and costs to our community. New network tariffs will come into effect in the ACT on 1 July 2017 that better reflect the cost of supplying electricity at different times of the day. These tariffs will be optional for consumers and EPSDD is developing a campaign to inform consumers of the enhanced choice and control this will provide them over their power bills.
- Electricity Market Rules have also been changed to promote competition in metering services (currently only provided by ActewAGL Distribution in the ACT). From December 2017 electricity retail businesses will be able to offer metering services to households and businesses. Also from December 2017, all new meters installed will be smart meters.
- This move to smart metering will be accompanied by effective communication with the community to address any concerns. These changes have broad support from industry and consumer groups, including St Vincent de Paul and Energy Consumers Australia, and will result in reduced costs of running our power system and greater choice and control for electricity consumers. However, as people may have to change their energy usage patterns to avoid higher energy bills it is important the Government supports vulnerable households through this transition.. Because customers maintain a choice over their tariff and metering, tariff changes will only impact customers who require a new meter to be installed after December 2017.

Background

The ACT's Sustainable Energy Policy 2011-2020 provides an integrated framework with four targeted outcomes:

- Secure and affordable energy
- Smarter use of energy (energy efficiency)
- Cleaner energy
- Growth in the clean economy.

In addition to ACT energy policies and programs, all jurisdictional Energy Ministers participate in the COAG Energy Council (the Council) which provides policy leadership of the National Electricity Market (NEM) under the Australian Energy Market Agreement. The NEM is operated by the Australian Energy Market Operator (AEMO), regulated by the Australian Energy Regulator (AER) and rules are made by the Australian Energy Market Commission (AEMC).

Amid a period of significant change in Australian energy markets, and following the 'black system' event in South Australia on 28 September 2016, the COAG Energy Council tasked Australia's Chief Scientist, Dr Alan Finkel AO, to lead a review and develop a blueprint for the future security of the National Electricity Market (NEM).

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Renewable energy programs

Context

The Environment, Planning and Sustainable Development Directorate (EPSDD) is progressing a number of programs aimed at meeting the Territory's 100% renewable electricity target and developing Canberra as a centre for renewable energy investment and innovation.

Talking Points

- Approximately 75% of the 100% renewable electricity target will be achieved through generation secured as part of the Government's award winning reverse auction program for large-scale wind and solar. The remaining 25% will be delivered through GreenPower purchases, roof-top solar generation and the ACT's share of the national Renewable Energy Target (RET).
- In 2015-16, 20.2% of the ACT's electricity supply was from renewable sources. This is set to rapidly increase to 40% this calendar year and 100% over the next four years as the remaining large-scale wind and solar farms are completed. All contracts are on-track to secure the 100% target by 2020.
- The renewable auctions also contained local investment requirements to develop Canberra as a centre for the renewable energy innovation both nationally and internationally. Key initiatives include:
 - National and international renewable energy companies such as Neoen, Union Fenosa Wind Australia, CWP Renewables, Windlab and Maoneng Australia have established a strong presence in Canberra. These companies are increasingly using Canberra as their base for managing assets across Australia as well as their Asia-Pacific operations.
 - The \$12 million industry-funded Renewable Energy Innovation Fund (REIF), which is financing a range of exciting activities to support the local renewable energy innovation ecosystem. These include Canberra's Renewables Innovation Hub, which is a flexible, collaborative co-working and office space located in Canberra's renewable energy precinct (City West) which brings together innovative startups, researchers and business across Australia's clean tech sector.
 - Working with leading industry players including Neoen, Union Fenosa, Siemens and Hyundai to develop innovative technology demonstration projects in new areas such as zero-carbon hydrogen transport and hydrogen power storage.
 - Leveraging the ACT's national and international leadership position as a 'centre for excellence' in renewable energy policy and program delivery to explore new export opportunities in priority markets and attract inbound investment.

- The \$25 million Next Generation Energy Storage Grants program which will support the roll out of more than 5,000 solar battery storage systems to 2020 in Canberra homes and businesses. These systems will also collect critical data to inform industry research and development. The number of systems installed will soon surpass 200, and a further 100 have been sold for installation in the coming months (see Brief 10 – Battery storage program).

Renewable energy certificate surrender

- The ACT’s large-scale renewable energy generators are required to transfer ‘Large-scale Generation Certificates (LGCs)’ to the Territory. The ACT Government’s policy is to voluntarily surrender these LGCs to ensure the renewable energy generation they represent is additional to the national Renewable Energy Target (RET), and therefore that they can be counted towards the Territory’s 100 per cent target.
- There has been no voluntary surrender of the ACT’s LGCs to-date as the Commonwealth Government has been unable to confirm their previous commitment that voluntary surrenders would be additional to the national RET. It is anticipated that this issue will be clarified in the Commonwealth’s climate change policy review process, which is expected to be completed in late-2017.

Background

Since the release of Climate Change Action Plan 2 (AP2), the ACT Government has systematically put in place the renewable energy and energy efficiency programs required to achieve its GHG and renewable energy targets.

The ACT’s large-scale renewable energy projects are summarised below.

	<i>Location</i>	<i>% of 2020 electricity supply</i>	<i>Capacity - MW</i>	<i>Feed-in tariff - \$/MWh</i>	<i>Construction completion</i>
Solar Auction					
Royalla solar farm	ACT	1.2%	20	\$186.00	31-Mar-14
Maoneng solar farm	ACT	0.7%	13	\$178.00	18 -Nov -16
Williamsdale solar farm	ACT	0.5%	7	\$186.00	Est. 1- Feb-17
First Wind Auction					
Ararat wind farm	Ararat, VIC	8.9%	80.5	\$87.00	14-Apr-17
Coonooer bridge wind farm	Bendigo, VIC	2.7%	19.4	\$81.50	29-Feb-16
Hornsedale 1 wind farm	Port Augusta, SA	13.6%	100	\$92.00	16-Apr-17
Second Wind Auction					
Hornsedale 2 wind farm	Port Augusta, SA	13.2%	100	\$77.00	01-Dec-18
Sapphire 1 wind farm	Glenn Innes, NSW	11.5%	100	\$89.10	30-Jun-18
Next Gen Auction					
Hornsedale 3 wind farm	Port Augusta, SA	13.6%	109	\$73.00 (\$78.00*)	01-Oct-19
Crookwell 2 wind farm	Capital Region	10.0%	91	\$86.60 (\$90.40*)	17-Sep-18

* Price includes Energy Storage Contribution (ESC)—contributing to the \$25 Million Next Generation Energy Storage Program

Small Scale Solar

- The ACT Government's Small and medium-scale FiT Scheme commenced on 1 March 2009 and closed on 13 July 2011.
- The 10,304 systems installed under the Scheme had an installed capacity of 26.3 MW at the end of 2015-16. According to the review of the Scheme tabled in the Legislative Assembly in September 2015, the Scheme fulfilled its objectives and contributed to the significant uptake of rooftop solar in the ACT. According to the ACT's electricity distributor, the Small and Medium FiT Scheme, and the solar support schemes offered by retailers, provide a total installed capacity of 51.5 MW.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Implementation of the ACT Climate Change Adaptation Strategy

Context

The *ACT Climate Change Adaptation Strategy – Living With a Warming Climate* (the Adaptation Strategy) was released on 8 August 2016. The 27 actions are in the course of being implemented.

Talking Points

- The overarching aims of adaptation are to:
 - reduce the Territory’s vulnerability to climate risks and impacts; and
 - increase the Territory’s resilience to climate change shocks and stresses.
- The Adaptation Strategy includes 27 actions primarily focussed on what the government can do in the short term for five topic sectors plus ‘innovation and integration’ and ‘monitoring and evaluation’. The five sectors in the Adaptation Strategy are:
 - Emergency and disaster management
 - Community health and wellbeing
 - Settlements and infrastructure
 - Water
 - Natural resources and ecosystems
- The Implementation Plan runs from 2017-2020 and is a whole-of-government internal work plan, detailing the responsibilities of each Directorate in delivering the Adaptation Strategy.
- EPSDD has established a whole-of-government Adaptation Steering Committee (ASC) for all Directors-General, as well as an officer-level Adaptation Working Group (AWG). These groups will help coordinate implementation and reporting against the Implementation Plan.
- The inaugural meeting of the ASC, chaired by the EPSDD Director-General (DG) on 1 March 2017 included presentations from the Commissioner for the Emergency Services Authority (ESA) and the Chief Health Officer (CHO). The CHO noted that the World Health Organisation has declared that “climate is the defining health issue of the 21st century”. A second meeting of the ASC was held on 23 May 2017 (attended by Minister Rattenbury, Minister for Climate Change and Sustainability), and the other 2017 meeting dates are , 23 August and 25 October.
- The AWG is chaired by the Climate Change and Sustainability Division’s Executive Director and first meeting on 14 March 2017, was attended by Minister Rattenbury. A second meeting of the AWG was held on 17 May, and the other 2017 meeting dates are 9 August and 18 October.
- Measuring the effectiveness in reducing vulnerability and increasing resilience to climate change will take time. Progress reporting on the 27 actions will occur annually through the Ministers Annual Report on Climate Change. Additionally, sector based resilience indicators are to be displayed on a “graphics dashboard” on the ACT Government’s sustainability web site <http://www.actsmart.act.gov.au/> to illustrate change over time.

- Key to achieving these aims is communicating with all sectors of the community. The ongoing work under the Community Engagement Strategy on Climate Change (2014) is being refreshed under action #23 – Awareness raising.
- The ACT Government is currently updating its climate change policy and action with the working title “Blueprint for a Zero Emissions Territory”. A key feature of this new policy towards net zero emissions by 2050 will be the integration of mitigation and adaptation outcomes.

Background

The Territory’s second action plan on climate change; a new climate change strategy and action plan for the Australian Capital Territory (AP2), includes 18 actions with three of these focusing on adaptation. The 2014 Statement of Intent by the Minister for the Environment directed the ACT Government prepare a specific adaptation strategy.

The chart below from the Adaptation Strategy Implementation Plan lists the actions by completion date and lead Directorate. This chart shows where some actions have more than one part, therefore the total numbers of actions add up to more than 27.

AGENCIES	ACTION-NUMBERS	TOTALS
COMPLETION-YEAR-2017		
Environment-Planning-and-Sustainable-Development-Directorate (EPSDD)		28
Climate-Change-&-Sustainability-Division	2b, 2c, 23, 24a, 24b, 24c, 24d, 25a, 25b, 25c, 26a, 26b, 27a, 27b	13
Environment-Division	17a, 17b, 17c, 18, 20a, 20b, 21, 22a, 22b, 22c	10
Planning-Delivery-&-Strategic-Planning-Divisions	10, 11a, 11b, 12 (shared-with-TCCS)	4
TBD	6b	1
Transport-Canberra-&-City-Services (TCCS)		4
Strategy-Innovation-&-Cust-Exp	10, 11a, 11b, 12 (shared-with-EPSDD)	4
Justice-&-Community-Safety-Directorate (JACS)		
Emergency-Services-Agency	1, 2a, 3a, 3b, 4, 5, 7	7
Chief-Minister-and-Treasury		
Chief-Minister--Access-Canberra	8	1
COMPLETION-YEAR-2018		
Environment-Planning-and-Sustainable-Development-Directorate (EPSDD)		1
Climate-Change-&-Sustainability-Division	15	1
Transport-Canberra-&-City-Services (TCCS)		2
Active-Travel-Office	6a, 14	2
Chief-Minister-and-Treasury		
Chief-Minister--Procurement-&-Capital-Works	13	1
COMPLETION-YEAR-2019		
Environment-Planning-and-Sustainable-Development-Directorate (EPSDD)		1
Environment-Division	19	1
COMPLETION-YEAR-2020		
Environment-Planning-and-Sustainable-Development-Directorate (EPSDD)		2
Climate-Change-&-Sustainability-Division	9 (shared-with-Chief-Ministers)	1
Planning-Delivery-Division	16	1
Chief-Minister-and-Treasury		
Chief-Minister--Strategic-Policy-&-Cabinet	9 (EPSDD)	1

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Next Generation Battery storage program

Context

In December 2015, the ACT Government announced plans to roll out more than 5000 battery storage systems in ACT homes and small businesses by 2020. This program was an outcome of a detailed assessment of various ways to support energy storage on our network.

Talking Points

- The \$25 million Next Generation Energy Storage Grants program will support the roll out of more than 5000 solar battery storage systems to 2020 in Canberra homes and businesses.
- The number of systems installed under the program will soon surpass 200, and around a further 100 are contracted for sale.
- The current subsidy is \$825 per kW of Sustained Peak Output. For the average household solar photovoltaic and battery system, this equates to around a \$2900 rebate, bringing the total installed cost of a typical solar PV and battery system to around \$12,000 to \$16,000. The cost and rebate varies significantly between systems.
- Grants are paid on successful installation and following an inspection by Access Canberra.
- Each system installed will collect critical data to inform industry research and development, and further position Canberra as a world leader in this 'sunrise industry'.

Reposit Power product recall

- Reposit Power is a local company that provides equipment (called 'Reposit Kit') that is used on the majority of batteries installed under the ACT's Next Generation Energy Storage program. The product is an energy gateway device used to control energy storage devices and to collect operational data. In total, there are 145 of these devices installed in the ACT.
- Reposit has identified that the equipment is not compliant with a relevant Australian electrical safety standard, and is recalling the product. There are no known reports of any safety incidents involving the product, and there is no direct danger to the public. Reposit is voluntarily recalling the product, and has not been directed to do so by Access Canberra or any other regulatory body.
- Reposit is contacting all affected customers to make arrangements to rectify the issue with the equipment. Reposit has indicated it will take around 6-8 weeks to complete the recall.

Background

- On 1 September 2016, \$2 million in funding was allocated across eight companies to install solar storage in Canberra homes and businesses.
- The program is funded from \$25 million in industry funding secured through the 2016 200MW Next Generation Renewables auction.

Correct and accurate as at June 2017

- The program has strict safety guidelines. All equipment installed must meet all relevant Australian standards and best-practice guidelines which have been developed in consultation with Access Canberra and industry. All batteries installed under the program are inspected by Access Canberra.
 - The subsidies are provided via eight battery installers who were selected through a competitive grants process. This ensures the best value for money for the Territory, and that batteries are only installed by skilled and accredited tradespeople. The process also favoured installers who committed to contributing to the local renewable energy industry.
 - The installers are: ActewAGL Retail, SolarHub, Evergen, Power Saving Centre, EPC Solar, IT Power Renewables, Energy Matters and Origin Energy.
-

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ASSEMBLY BRIEF

ISSUE: Williamsdale Solar Farm – Contractor Issues

Context

On 15 March 2017 a subcontractor on the Williamsdale Solar Farm contacted the Minister's office about non-payment of overdue invoices for some of the work on the solar farm. Some of the solar farm's subcontractors have contacted the media about the issue.

Note: The subcontractor in question has not agreed to its name being made public.

Talking Points

- The Environment, Planning and Sustainable Development Directorate (EPSDD) has been in communication about the issue with the project owner - Impact Investment Group, and the main EPC subcontractor, Melton Contracting.
 - EPSDD understands that there have been issues associated with the timely payment of invoices for Williamsdale Solar Farm subcontractors. EPSDD understands that an agreement has now been reached between the involved parties, and looks forward to receiving confirmation of the final resolution of the matter in the coming weeks.
 - EPSDD has been informed by Impact Investment Group that they have paid all amounts it was contractually obliged to pay to IB Vogt, and the issue concerns IB Vogt's payment of amounts owed to its subcontractors. It is understood that around six subcontractors are alleged to be affected.
 - The ACT Government was not directly involved in the solar farm's construction and will not be a party to any Security of Payments Tribunal case.
-

Background

- The Williamsdale Solar Farm was a successful project in the 2013 regular stream of the Large-scale Solar Auction in which it secured a \$186/MWh feed-in tariff entitlement for a 7MW solar farm (it has an additional 3MW supported by the ACT's medium feed-in tariff scheme).
 - The solar farm was completed in February 2017. Its owner is the Impact Investment Group and its Engineering, Procurement and Construction (EPC) contractor is German company, IB Vogt.
 - On 15 March 2017, a sub-contractor on the Williamsdale Solar Farm, Employ Me Pty Ltd, contacted the Minister's office to allege that approximately \$89,000 was owed to it for work on the solar farm and payment was overdue. Other subcontractors on the solar farm also have made allegations of overdue payments. Some of the subcontractors have contacted the media about the issue.
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ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Community Zero Emissions Grants Program

Context

The Community Zero Emissions Grants Program was announced on 25 May 2017 by Minister for Climate Change and Sustainability Shane Rattenbury. The grants meet a Government commitment to support the community's transition to net zero emissions by 2050 at the latest.

Talking Points

- The Community Zero Emissions Grants Program provides \$550,000 over four years to eligible community groups and individuals for innovative projects, initiatives and programs which will assist the ACT's transition to net zero emissions by 2050 at the latest.
- The program will support locally based, community driven projects which encourage real change in ACT communities.
- The Community Zero Emissions Grants Program is designed to fund projects and activities that will:
 - assist the community transition to net zero emissions
 - develop and implement innovative solutions across the community to reduce greenhouse gas emissions
 - generate new knowledge or information to facilitate local solutions to transition to zero emissions
 - develop innovative solutions to engage the community on zero emissions.
- The grants will be delivered through annual targeted rounds. Up to \$150,000 will be allocated in round one in 2017/18 to support on-the-ground actions across the energy, buildings, transport, land use and waste sectors.
- Support will also be available for projects that engage and educate the wider community about how they can reduce their own emissions footprint.
- Up to \$25,000 (excluding GST) will be available to eligible applicants.
- Applications for round one close on Monday 24 July 2017 and applicants will be advised on Monday 28 August 2017.

Background

- Proposals must clearly align with the ACT's target of net zero emissions by 2050, and could include projects such as electric bicycle charging stations, battery swaps, electric car and e-bike sharing, innovative community waste solutions, and zero emissions buildings, streets or precincts.
- The benefits of grant projects will be many and varied, including increased economic diversity in the community and enhanced job opportunities, as well as engaging with the community in the transition to zero net emissions and facilitating Canberra's smart city initiatives.

- The Program supports Parliamentary Agreement Item 6.1 on the target of net zero emissions target by 2050 at the latest. The Program also supports the ACT Government's Climate Change Strategy AP2 Action 8: ACTSmart Energy Assist, "The ACT Government will establish ACTSmart Energy Advice to provide up-to-date practical advice and support to small and medium businesses, community groups and representative organisations"

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Renewable Energy Innovation Fund

Context

- The Renewable Energy Innovation Fund (REIF) was established in December 2014 as a result of local investment commitments made by the Hornsdale Wind Farm Stage 1, a successful proponent in the ACT's first wind auction. REIF was expanded to a total of \$12 million in December 2015, following the success of Hornsdale Stage 2 in the ACT's second wind auction.

Talking Points

- The principal objective of REIF is to drive the development of a vibrant, sustainable, export-oriented renewable energy and energy storage industry in the Territory to create jobs, and grow and diversify the ACT economy.
- A total funding pool of \$12 million is available across four streams:
 - Trades training innovation—to establish world-class training facilities and programs for wind, solar and distributed battery storage installation. This will build on existing initiatives such as the Renewable Energy Skills Centre for Excellence at the Canberra Institute of Technology.
 - Energy research partnerships—to further develop the capability of Canberra's world class research institutions to provide applied research services to renewable energy and storage businesses. This includes support for a world-class smart energy storage research program at the Australian National University.
 - Renewables Innovation Hub and precinct—to provide practical accommodation support and networking opportunities to businesses at the Renewables Innovation Hub and wider renewables precinct in Canberra.
 - Technology demonstration—to demonstrate innovative technologies and build industry capacity and reduce costs of deployment, for example through the competitive REIF Direct Grants and Innovation Connect Grants rounds, announced as open in January 2017.

Update on expenses and commitments

- Funds are provided in instalments from the Hornsdale Wind Farm. Contributions to date total \$5.2 million. The remaining \$6.8 million will be paid over the next 4 years.
- To date the following disbursements have been made:
 - Renewables Innovation Hub establishment and management (net of income received through Hub memberships) - \$410,536; and
 - Administration (including support for the REIF Business Advisory Board) - \$145,266.
- The following funding has been committed:
 - \$5.05 million for the ANU battery storage research program
 - \$2 million for the Renewables Innovation Hub (this includes the funding already spent)
 - \$2 million for REIF Direct Grants
 - \$0.36 million for Innovation Connect Grants
 - The amount of funding allocated to REIF administration is expected to be \$1.2 million over four years. This covers two FTE and resourcing levels are subject to ongoing review.
- A public announcement regarding the outcome of the recent Direct Grants and Innovation Connect Grants is anticipated in the coming months.

Background

- The operation of REIF is guided by Internal Administration Guidelines. The Minister for the Environment is the final arbiter of the actions and disbursements of the Fund.
- The Fund is administered by the Fund Administrator - the Executive Director, Climate Change and Sustainability, Environment, Planning, and Sustainable Development Directorate.
- The implementation and deployment of funds under REIF is guided by the REIF Business Advisory Board (BAB). The BAB, appointed by the Minister, consists of senior commercial leaders from across the ACT and surrounding region.
- The BAB provides strategic commercial input and guidance to the Minister in relation to the application of REIF funds, assisting the Territory in its goal to achieve a vibrant, export-oriented, renewable energy industry in the ACT for the benefit of participating businesses, institutions and the ACT community.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Large Scale Generation Certificates

Context

Through a series of reverse auctions for large-scale wind and solar, feed-in tariff (FiT) entitlements have been granted to three solar projects and seven wind projects to support the ACT's target of 100% renewable electricity by 2020. The deeds signed with the proponents of all projects require them to transfer, to the Territory, the Large-scale Generation Certificates (LGCs) for which they have received a FiT payment.

Talking Points

- One LGC is equal to the generation of one megawatt hour (MWh) of renewable electricity.
- The ACT Government's policy is to voluntarily surrender these LGCs to the Clean Energy Regulator to enable this generation to be counted towards the achievement of the ACT's 100 per cent renewable electricity target by 2020.
- Voluntary surrender is also intended to ensure the Territory's renewable energy generation remains 'additional' to the national Renewable Energy Target scheme and national greenhouse gas emission reduction efforts.
- The ACT Government is currently waiting for the outcomes of the national climate policy review before surrendering the LGCs.
- The Budget paper further foreshadows that, given ongoing national renewable energy and climate change policy uncertainty, in the future Government will consider the appropriate use of its certificates on an annual basis. While it remains Government policy that the default position will see the certificates voluntarily surrendered, this will occur following Government consideration of the circumstances prevailing at that point in time.

Accounting treatment

- The 2017-18 Budget reflects a change in the expense and revenue impacts associated with Large-scale Generation Certificates.
- This is because the value of LGCs is determined through an open certificate market, where LGCs can be traded, bought and sold, and this therefore impacts the estimated value of the Government's certificates it holds.
- Accounting practice is to record the certificates as revenue at market value upon receipt in the financial year in which they are created and recognised. Government policy is to voluntarily surrender these certificates to the Clean Energy Regulator and, in accordance with current accounting practices, an equivalent expense would be recorded.
- This year the budget assumes that the expense of surrendering the certificates will occur in the year following their receipt, to allow for internal review of appropriate use of the ACT's certificates. This treatment, while not providing any net revenue over the life of the Large-scale Generation Certificates program, has the effect of recognising additional net revenue in 2017-18, 2018-19 and 2019-20. From 2020-21, this change involves a net cost to the budget.

Background

- EPSDD estimates that 76 per cent of the Government's 100 per cent renewable electricity target will be met from large-scale generation secured through the Government's reverse auction process. The remainder will be met from other renewable energy sources the Territory is financially responsible for, including GreenPower purchases, rooftop solar generation and the Territory's share of the national Renewable Energy Target.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Finkel Review

Context

The *Independent Review into the Future Security of the National Electricity Market* ('the Finkel Review') final report was publicly released on Friday 9 June 2017 following its presentation to COAG First Ministers in Hobart. COAG Energy Council is next scheduled to meet on 13-14 July 2017. The Council will prepare a response detailing which recommendations could be accepted and the timeframe for implementation. The response is due to COAG First Ministers by the end of August 2017.

Talking Points

- The Finkel Review outlines a reform blueprint to inform the development of a strategic energy plan.
- The ACT Government has strongly advocated within the COAG Energy Council on the need to integrate climate and energy policy. The Finkel Review is a prime opportunity to establish a reform path that furthers climate change mitigation objectives, while strengthening power system security and delivering improved outcomes for energy consumers.
- The absence of a coherent long term national framework on climate change means that investment is not occurring to backfill the withdrawal of coal generation in the sector. This is driving up wholesale electricity costs and undermining power system security.
- The report focuses on four key outcomes
 - Increased Security.
 - Future Reliability.
 - Rewarding Consumers.
 - Lower Emissions.
- These outcomes are supported by three key pillars:
 - Orderly Transition and national agreement on emissions reduction trajectory.
 - System Planning.
 - Stronger Governance.
- The final report recommends that a Clean Energy Target (CET) be established. A CET does not necessarily prefer any particular generating technology; instead, the CET mechanism is technology neutral and drives the delivery of an agreed emissions reduction outcome.
- The Clean Energy Target provides payments for generators based on how far below a certain carbon emissions baseline they are – so renewable energy will receive full certificates, while gas and coal with carbon capture and storage can receive partial certificates.
- The Finkel Review's outcome-focused recommendation is consistent with the ACT Government's preference for a national market-based approach.

Recommendations

- There are 50 recommendations in the report, which cover:

- Preparedness for the upcoming summer, to minimise the risk of power outages.
 - Ensuring energy security through review of connection standards and the performance of ancillary services that keep the electricity grid operating normally.
 - A transition to a reliable and low emissions power supply, through providing certainty about an emissions reduction trajectory for the National Electricity Market.
 - Developing a credible mechanism such as a Clean Energy Target to achieve this trajectory, and introducing a requirement that generators provide advanced notice of closure, to allow replacement power generation to be built in advance of the closure.
 - Improved gas markets to minimise and mitigate the impacts of gas supply shortages on electricity generation.
 - Improved system planning to ensure the efficient development and connection of electricity from generation source to consumers.
 - Rewarding customers by providing them with the information and opportunities required to make informed decisions in purchasing and consuming electricity.
 - Stronger Governance in order to guide the operation and evolution of the National Electricity Market and ensure it remains fit for purpose.
- Most of these recommendations are expected to be supported by many stakeholders, subject to the details of final policy design.
 - The modelling suggests that these recommendations would lead to a reduction in electricity costs to consumers of \$1,000 over a decade to 2030 compared to business as usual, and would reduce emissions to 28% below 2005 levels by 2030.

Implementation

- The Finkel Review recommendations are being put forward as a single package. Efforts to pick and choose selected recommendations risk undermining total overall benefits.
- The ACT Government will have an opportunity to influence the formal COAG Energy Council Response to the Finkel Report.
- This response will be a collaborative effort, and it would be pre-emptive to rule in or out any individual component of the Review.

Background

Following South Australia's state-wide blackout during a severe storm event on 28 September 2016, the COAG Energy Council tasked the Commonwealth Chief Scientist, Dr Alan Finkel AO, to lead a review to develop a blueprint for reform of the NEM to maintain energy security during a period of transition in energy markets.

In preparing the blueprint, the Expert Panel consulted widely, visiting regulators and operators across Europe and the United States and commissioning a review of best practices from the International Energy Agency. In Australia, the Expert Panel held public and private consultations in every region of the National Electricity Market, undertaking over 120 individual meetings and receiving over 390 written submissions.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ASSEMBLY BRIEF

ISSUE: Community Solar

Context

The Community Solar Scheme was a commitment of the 2012 Parliamentary Agreement. It is an opportunity for people who missed out on earlier roof-top feed-in tariff schemes, or who are unable to install solar panels because they live in high density housing, to invest in a local solar generator.

Talking Points

- In February 2014, The ACT Government approved the release of 1MW of capacity under the *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011*. There have been two rounds of proposals for the Community Solar Scheme to date but neither produced a robust proposal that could proceed to development.
- In 2016, SolarShare was invited to submit a new proposal. The revised proposal was received on 26 May 2017.
- SolarShare has proposed to build a one megawatt community solar generator next to the existing Mount Majura Solar Farm.
- SolarShare have already conducted some fundraising for the project, reportedly securing \$3.07 million in local investor commitments.
- The Community Solar Scheme when released in 2014 outlined that a large-scale feed-in tariff of *up to* \$200 per megawatt-hour would be provided for a successful proposal. SolarShare has requested this maximum amount, despite the cost of solar dropping markedly in the intervening period.
- The submission is currently being reviewed in relation to the evaluation criteria and guidelines established for the initiative. This includes both internal and external technical review of elements of the proposal, and additional information may be requested of SolarShare through this process.
- The Minister for the Environment will make the final decision regarding the outcome of the process. EPSDD expects to make a recommendation to the Minister in the coming months.

Background

The Community Solar Scheme was a commitment in the 2012 ACT Parliamentary Agreement. In February 2014, The ACT Government approved the release of 1MW of capacity under the *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011*.

The Scheme has had two proposal periods, the most recent of which opened on 7 November 2014 and closed on 8 April 2015. Two proposals were received during that period (including one from SolarShare). Both proposals were assessed by an Advisory Committee to have deficiencies including a lack of renewable electricity development experience, exposure to cost overruns and lack of a community investment strategy.

Both proponents were subsequently invited to explore the possibility of a joint proposal but, by March 2016, both parties determined they could not go ahead with such a proposal. In May 2016, SolarShare was invited to submit a new proposal, which was received on 26 May 2017.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT ASSEMBLY BRIEF

ISSUE: Impact of Solar on the Electricity Grid

Context

The evolving nature of the electricity market, innovations in new technology and the changing behaviour of energy consumers is challenging the traditional 'top down' delivery model for electricity. Consumers are increasingly exporting solar generated electricity back into the grid which is causing new challenges for electricity distribution network operators to manage.

Talking Points

- ActewAGL Distribution (AAD), as the ACT electricity distribution network operator, is required to operate the electricity system within specific technical tolerances.
- Various Australian Standards and Technical Codes established under the ACT *Utilities Technical Regulation Act 2014* and the *Utilities Act 2000* set out the requirements. These requirements are generally referred to as 'Quality of Supply', and include elements such as voltage.
- When released later this year, revised Technical Codes will enforce a Quality of Supply compliance monitoring program which is aligned to the relevant Australian Standard.
- The standard voltage for electricity supply at the customer point of connection is 230 volts (V), and between an operating tolerance of 216 and 253V.
- Instances where supplied voltage exceeds 253V can permanently damage household electrical appliances and should be rare occurrences. EPSDD has recently been made aware of several cases of distribution network over-voltage through representations by consumers and reports by AAD.
- Solar PV systems, when exporting their output back to the network, can cause network voltage to rise as the grid will only accept solar energy where it is supplied at a higher voltage than on the network at a point in time. The cumulative effect of these solar PV systems when exporting to the grid could cause the voltage of the network to rise.
- New Australian Standards ensure that inverters automatically isolate a solar photovoltaic (PV) system that is faulty or a technical risk to Quality of Supply. However, the thousands of inverters installed across Canberra under the now superseded standards did not have to comply with this requirement and many of these inverters would have a higher automatic trip threshold voltage which may not be adjustable.

Engagement with ActewAGL Distribution

- Officials from Access Canberra Utilities Technical Regulation (UTR) and EPSDD Energy Policy met with representatives of AAD on 12 May and 6 June 2017 to discuss Quality of Supply issues.

- ACT Government officials requested the 6 June meeting and sought firm action by AAD in responding to Quality of Supply concerns. UTR officials provided AAD with a list of key requirements and AAD agreed to provide a Quality of Supply plan of action, including a program of work with milestones and timeframes, by 30 June 2017.
- In a meeting on 22 June 2017, AAD provided an update to UTR on its Quality of Supply initiatives. These now include engaging a specialist consultancy (Voltage and Current Dynamics) to advise on compliance with the Quality of Supply assessment in Australian Standard AS/NZS 61000.3.100.
- UTR will continue to work with AAD on developing a Quality of Supply Strategy. AAD has committed to provide an updated strategy that incorporates the advice received from Voltage and Current Dynamics by the end of October 2017.
- It is important to note that Quality of Supply issues cannot and will not be immediately resolved, despite AAD's commitment to develop a response strategy.
- AAD's program of testing, consistent with the requirements of Australian Standards, will assist to identify the scale and scope of current Quality of Supply issues on the AAD network, which will inform the extent of any remedial technical actions that may be required.
- Early and proactive management of Quality of Supply issues by AAD and the ACT Government seeks to ensure that ACT consumers to continue to install and enjoy the benefits of solar PV systems and avoid the need to adopt restrictions on new solar PV systems, as has been the case in other Australian jurisdictions.
- UTR and EPSDD Energy Policy will continue to work closely with AAD to enforce compliance with Quality of Supply standards and to ensure continued high quality service to Canberrans.
- A range of non-network activities can assist in mitigating the effect of solar on the electricity network, such as demand management which aligns solar generation with household electricity consumption, and installation of battery storage to store solar production.

Background

The Utilities Technical Regulation Annual Report 2015-16, released in 2017, provides public information on AAD's reporting against quality of supply parameters, as required by the Electricity Distribution (Supply Standards) Code. The Annual Reports noted that AAD's current Quality of Supply testing program did not comply with Australian Standards.

UTR is continuing to work with AAD to improve the understanding of Quality of Supply issues, develop a response strategy, and to enforce compliance with the requirements of the Technical Code