

2021

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**GOVERNMENT RESPONSE TO THE ACT AUDIT OFFICE REPORT NO. 4/2021 –
*ACT Government's Vehicle Emissions Reduction Activities***

**Presented by
Shane Rattenbury, MLA
Minister for Water, Energy and Emissions Reduction**

Introduction

The ACT Government is committed to emissions reduction as evidenced by its *Climate Change and Greenhouse Gas Reduction Act 2010* which establishes an ambitious set of targets, including a target of net zero emissions by 2045.

Following the achievement of 100% renewable electricity supply in 2020, the transport sector remains a key focus for climate change mitigation, representing 57% of total ACT greenhouse gas emissions. The transition to zero emission vehicles (ZEVs) in the ACT as a measure to reduce emissions is backed by strong actions and commitments set by the ACT Government. Four ACT Government documents contain ZEV-related commitments.

ACT Climate Change Strategy

The *ACT Climate Change Strategy 2019-25* (the Strategy) sets out emissions reduction and adaptation measures to achieve the 2025 greenhouse gas emission reduction target, to build resilience against climate impacts, and to progress towards achieving net zero emissions by 2045.

The Strategy aims to encourage a shift to ZEVs through measures including the implementation of the *ACT's Transition to Zero Emissions Vehicles Action Plan 2018-21* (ZEV Action Plan).

Transition to Zero Emissions Vehicles

In 2018, the ZEV Action Plan set a clear direction to accelerate and support the uptake of ZEVs, including battery electric vehicles, plug-in hybrid electric vehicles, hydrogen fuel cell electric vehicles, and electric bikes. The ZEV Action Plan has resulted in the transition of the ACT Government vehicle fleet; supports the installation of charging infrastructure in new multi-unit and mixed-use developments; improves ZEV user experience by offering parking and transit lane privileges; investigates the feasibility of solar powered charging stations and the potential use of ZEV batteries to support the grid; and encourages the uptake of electric bikes.

In support of the ZEV Action Plan's goal to expand the uptake of ZEVs, the *10th Legislative Assembly Parliamentary & Governing Agreement* (PAGA) has committed Government to:

- Engage with the ZEV industry and adopt a target for new ZEV sales by 2030;
- Provide financial incentives for the purchase of ZEVs;
- Undertake a reverse auction to construct 50 public chargers in 2021-22;
- Establish a fleet advisory service to support Canberra businesses and community organisations transitioning their fleets to ZEVs; and
- Enact regulation in conjunction with the Territory Plan Review to ensure infrastructure for new multi-unit residential and commercial buildings are ZEV-ready, and investigate measures to support retrofitting of charging infrastructure in existing buildings.

These commitments position the ACT as a leader in the transition to ZEV technology and supporting infrastructure.

ACT Transport Strategy 2020

The *ACT Transport Strategy 2020* outlines the ACT Government's vision for a world-class transport system that supports a compact, sustainable and vibrant city. It sets out the Government's approach to achieving this vision and provides a framework for planning and transport investment for the next 20 years.

Zero-Emission Transition Plan for Transport Canberra

The *Zero-Emission Transition Plan for Transport Canberra* (the Plan) outlines the pathway to achieve the ACT Government's ambition of a zero emissions public transport system by 2040. It outlines the key drivers, opportunities and constraints of this transition.

The Plan maps out a practical pathway to start the transition away from fossil fuels combined with a strategic approach to achieving a complete zero emissions fleet by 2040. It considers opportunities to establish resilient supply chains and build local capability as the economy transitions to an emissions-free future.

Audit process and scope

In 2020-21, the ACT Audit Office examined the implementation of 18 ZEV-related commitments identified across four ACT Government plans and strategies. The Performance Audit Report titled *ACT Auditor-Generals Report: ACT Government's Vehicle Emissions Reduction Activities* (the Audit Report) was provided to the Speaker of the Legislative Assembly and subsequently tabled in the Legislative Assembly on 22 April 2021 as per Section 17(4) of the *Auditor General Act 1996*.

The Audit Office determined that, overall, the actions and commitments encouraging uptake of ZEV technologies reflect the evolution of technology and the market over the 2018-20 period and contribute to the ACT's emissions reduction ambitions.

The Report provides five recommendations in the areas of:

1. Program design and evaluation
2. Shared implementation plans
3. Learnings from implementation
4. Zero emissions vehicles reporting
5. Fleet policy on zero emissions vehicles.

The ACT Government thanks the Audit Office for its Performance Audit Report and welcomes the opportunity to respond to these matters. This response addresses the five recommendations below. The ACT Government agrees to all recommendations.

Recommendations

- Recommendation 1 **Program Design and Evaluation**
The Environment, Planning and Sustainable Development Directorate should review zero emissions vehicle program design and delivery, including:
- reviewing and confirming the program logic of all relevant (i.e. 16) actions in The ACT's Transition to Zero Emissions Vehicles Action Plan 2018-21 and the ACT Climate Change Strategy 2019-25;
 - determining and progressing an evaluation process for specific actions;
 - developing and applying a reliable internal monitoring and external reporting methodology for an indicator reflecting the uptake of zero emissions vehicles in the ACT; and
 - defining Government expectations on the future uptake of electric vehicles in the ACT that influence the Government's transition planning.
- Recommendation 2 **Shared Implementation Plans**
The Environment, Planning and Sustainable Development Directorate, when developing individual action plans or composite implementation plans that require multiple team input, should:
- secure authorisation by senior management;
 - maintain version control of plans;
 - share plans with the other relevant stakeholders; and
 - seek a mutual understanding of and a written commitment to the necessary steps and likely timeframes in which a task is intended to be progressed.
- Recommendation 3 **Learnings from Implementation**
The Environment, Planning and Sustainable Development Directorate should review the effectiveness of the transition of the ACT Government fleet including:
- the usage pattern of electric vehicles now in the fleet versus that of petrol/diesel vehicles;
 - barriers to increasing usage of electric vehicles; and
 - identifying learnings from the work undertaken to establish fit-for-purpose charging infrastructure in the two new government office buildings at Dickson and Civic.
- Recommendation 4 **Zero Emissions Vehicles Reporting**
The Environment, Planning and Sustainable Development Directorate should, prior to planning any successor plan to The ACT's Transition to Zero Emissions Vehicles Action Plan 2018-21, publicly report the Government's assessment of its progress in implementing the eleven actions in the plan. This assessment should be in accordance with better practice reporting and the reporting advice contained in Strengthening Performance and Accountability: A Framework for the ACT Government (2019).
- Recommendation 5 **Fleet Policy on Zero Emissions Vehicles**
ACT Government agencies should improve zero emissions passenger fleet policy adherence by:
- establishing an agreed authorisation process for the fleet policy document, the *ACT Government Fleet Procurement and Management Policy*, (process to be resolved by the ACT Government Fleet Executive within the Chief Minister, Treasury and Economic Development Directorate);
 - duly authorising the fleet policy document, the *ACT Government Fleet Procurement and Management Policy* (currently to be undertaken by the Environment, Planning and Sustainable Development Directorate);
 - obtaining Director-General authorisations of policy exceptions as intended (all directorates); and
 - strengthening policy communication and promulgation (ACT Government Fleet Executive within the Chief Minister, Treasury and Economic Development Directorate, and the Strategic Fleet Executive Group chair).
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ACT Government Response to the ACT Audit Office Report No. 4/2021 – ACT Government’s Vehicle Emissions Reduction Activities

Recommendation 1

Program Design and Evaluation

The Environment, Planning and Sustainable Development Directorate should review zero emissions vehicle program design and delivery, including:

- a) reviewing and confirming the program logic of all relevant (i.e. 16) actions in The ACT’s Transition to Zero Emissions Vehicles Action Plan 2018-21 and the ACT Climate Change Strategy 2019-25;
- b) determining and progressing an evaluation process for specific actions;
- c) developing and applying a reliable internal monitoring and external reporting methodology for an indicator reflecting the uptake of zero emissions vehicles in the ACT; and
- d) defining Government expectations on the future uptake of electric vehicles in the ACT that influence the Government’s transition planning.

Response

AGREED

The ACT Government agrees to progress a review of ZEV program design and delivery to date.

An independent review is being progressed on the outcomes of the relevant (i.e. 16) actions in the ZEV Action Plan and the ACT Climate Change Strategy. This review will provide an opportunity to reflect on ZEV action outcomes undertaken to date and to inform future vehicle emissions policy actions. The findings of the Audit Report are being used as the basis for this review.

The review will:

- Assess the key drivers of ZEV uptake in the ACT, based on the best available ACT, national and international data and research;
- Assess whether current actions have achieved their intended outcomes, based on these key drivers;
- Establish a consistent program logic for any new ZEV actions; and
- Establish a reliable monitoring and reporting methodology for current and future ZEV actions.

The ACT Government agrees that defining Government expectations of ZEV trends and uptake is important for policy review and development. As part of ongoing community reporting on ZEV policy, the ACT Government will publish ZEV uptake data on the Environment, Planning and Sustainable Development Directorate website.

Under Action 2(i) of the PAGA, Government has committed to establishing a ZEV sales target for 2030. Under this commitment, Government will define anticipated ZEV uptake over the next decade. The resulting projection of ACT ZEV uptake will allow Government to:

- Model the changes in ZEV uptake that are likely to result from Government actions;
- Evaluate the impact of Government actions against expected ZEV uptake results;
- Plan for the deployment of 50 public ZEV chargers in 2022;
- Set an informed target for 2030 sales of zero emissions vehicles; and
- Analyse options for future additional policy directions.

Recommendation 2

Shared implementation plans

The Environment, Planning and Sustainable Development Directorate, when developing individual action plans or composite implementation plans that require multiple team input, should:

- a) secure authorisation by senior management;
- b) maintain version control of plans;
- c) share plans with the other relevant stakeholders; and
- d) seek a mutual understanding of and a written commitment to the necessary steps and likely timeframes in which a task is intended to be progressed.

Response

AGREED

The ACT Government agrees that a systematic approach to action implementation requires effective coordination between Directorates and business units.

The Audit Report highlights that Climate Change Policy has established effective governance and administrative arrangements to articulate the activities and carriage of each of the first 16 commitments considered as part of the audit.

The collaboration and engagement of project teams across Government will be strengthened by identifying and documenting roles and responsibilities for ZEV actions. Under this approach each stakeholder's commitments will be documented to deliver a project plan including:

- Mutually agreed steps, tasks and responsibilities to achieve an action; and
- Timeframes required to undertake the project.

Where multiple teams are required to implement an action, authorisation will be secured by relevant senior management. Under this coordinated project planning approach, the resulting implementation plans will be communicated to relevant stakeholders.

The ACT Government will maintain correct version control of plans. This will involve the establishment of dedicated, consistent, and secure filing systems to ensure all relevant and important documentation is recorded.

The importance of a coordinated approach to Government's response to climate change is reflected in the establishment of the Office of the Coordinator General for Climate Action (the Office) within the Chief Minister, Treasury and Economic Development Directorate. The Office was established to coordinate and support the ACT Government's ambitious agenda for Climate Action. The Office is working closely with Directorates to coordinate activities across Government to keep ACT's climate change commitments on track, including those related to the uptake of ZEVs.

Recommendation 3

Learnings from implementation

The Environment, Planning and Sustainable Development Directorate should review the effectiveness of the transition of the ACT Government fleet including:

- a) the usage pattern of electric vehicles now in the fleet versus that of petrol/diesel vehicles;
- b) barriers to increasing usage of electric vehicles; and
- c) identifying learnings from the work undertaken to establish fit-for-purpose charging infrastructure in the two new government office buildings at Dickson and Civic.

Response

AGREED

The ACT Government agrees to review of the effectiveness of the ACT Government ZEV fleet transition. As outlined in the response to Recommendation 1, the ACT Government is establishing a monitoring and evaluation framework for current and future ZEV measures. A review of the fleet transition will be included in this framework.

The ACT Government's ambitious ZEV fleet leasing policy means that it now has one of Australia's largest ZEV fleets. A review of the effectiveness of actions to date will provide a useful resource of the lessons learned in Government's early adoption of ZEVs, and will inform the development of information to be shared with business and community fleet managers through the Fleet Advisory Service, committed to under the 2019-20 ACT Budget.

Recommendation 4

Zero Emissions Vehicles Reporting

The Environment, Planning and Sustainable Development Directorate should, prior to planning any successor plan to *The ACT's Transition to Zero Emissions Vehicles Action Plan 2018-21*, publicly report the Government's assessment of its progress in implementing the eleven actions in the plan. This assessment should be in accordance with better practice reporting and the reporting advice contained in *Strengthening Performance and Accountability: A Framework for the ACT Government* (2019).

Response

AGREED

As outlined in the response to Recommendation 1, the ACT Government is currently undertaking a review of ZEV Action Plan and associated actions, including their underlying program logic and monitoring and evaluation processes. This review will be conducted in line with *Strengthening Performance Accountability: A Framework for ACT Government* as recommended in the Report.

The results of this review will be made available to the public as part of the Annual Report by the Minister under the *Climate Change and Greenhouse Gas Reduction Act 2010*. Under this legislation this report is released within six months after the end of the financial year. The means that results of the review will be published between July and December 2021.

Recommendation 5

Fleet policy on zero emissions vehicles

ACT Government agencies should improve zero emissions passenger fleet policy adherence by:

- a) establishing an agreed authorisation process for the fleet policy document, the *ACT Government Fleet Procurement and Management Policy*, (process to be resolved by the ACT Government Fleet Executive within the Chief Minister, Treasury and Economic Development Directorate);
- b) duly authorising the fleet policy document, the *ACT Government Fleet Procurement and Management Policy* (currently to be undertaken by the Environment, Planning and Sustainable Development Directorate);
- c) obtaining Director-General authorisations of policy exceptions as intended (all directorates); and
- d) strengthening policy communication and promulgation (ACT Government Fleet Executive within the Chief Minister, Treasury and Economic Development Directorate, and the Strategic Fleet Executive Group chair).

Response

AGREED

The ACT Government agrees that adherence to Government's zero emissions passenger fleet target would be improved by establishing an agreed authorisation process for the ACT Government Fleet Procurement and Management Policy. The Environment, Planning and Sustainable Development Directorate is currently working with the Senior Fleet Executive Group and Fleet Contract User Group to achieve this. Director-General authorisation will be established for agreed policy exceptions.

This process will also ensure that requirements under the ACT Government Fleet Procurement and Management Policy are clearly communicated from Directors-General to Directorate fleet managers.