

**2023**

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

**TENTH ASSEMBLY**

**Standing Committee on Environment, Climate Change and Biodiversity - Report No. 5 -  
Inquiry into *Climate Change and Greenhouse Gas Reduction (Natural Gas Transition)*  
*Amendment Bill 2022***

**Government Response**

**Presented by  
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## Introduction

Canberra is internationally recognised for our world-leading emissions reduction targets, and have already achieved our legislated greenhouse gas emissions reduction target of 40% below 1990 levels by 2020, driven largely by the ACT's investment in renewable electricity.

The ACT Government has made significant progress on delivering its ambitious climate action agenda set out in the *Parliamentary and Governing Agreement for the 10<sup>th</sup> Legislative Assembly (PAGA)*. This includes a number of key initiatives that will further emission reduction across the ACT.

The *Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill 2022* was presented in the Assembly on 4 August 2022. This Bill will enable the Territory to create a future regulation to prevent new fossil gas connections in certain circumstances. This regulation-making power is an important step in preventing the growth of emissions from fossil fuel gas.

In August 2022, the Standing Committee on Environment, Climate Change and Biodiversity (the Committee) established an Inquiry into Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill. The Inquiry received ten submissions and a public hearing was held on 13 September 2022.

The Committee's final report was tabled in the Legislative Assembly on 6 October 2022. The Committee provided seven recommendations. The recommendations are outlined and addressed in this Government Response.

## **Government response to Standing Committee's Inquiry into Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill 2022**

### **Recommendation 1**

*The Committee recommends that the ACT Government ensure there is support given to financially disadvantaged members of the community when disconnecting gas users from the Territory's gas network.*

#### **Response: NOTED**

The disconnection of existing gas users is outside of the scope of the proposed regulatory change, which relates to the prevention of new fossil gas connections to the network only.

The ACT Government continues to work towards its emissions targets and will deliver an Integrated Energy Plan to support and outline the pathway towards electrification. Ensuring that the transition is just and our most vulnerable are supported through the transition is a key focus of this work.

The ACT Government has already begun the implementation of a five-year, \$50 million program to improve building efficiency and sustainability for social and public housing, low-income owner-occupiers, and the lowest performing rental properties; this includes upgrades to public housing, and financial incentives to implement minimum energy efficiency standards in rental properties and support for lower-income households to switch from gas to electric appliances. These measures demonstrate the ACT Government's commitment to ensuring a fair and just transition for all members of the Canberra community.

### **Recommendation 2**

*The Committee recommends that the ACT Government provide considerable consultation and education around the transition for small developments (that is, single residences in existing suburbs), and allow for transition timelines that will ensure that existing construction contracts are not impacted.*

#### **Response: AGREED**

The ACT Government has been connecting with stakeholder groups since the government's announcement to electrify Canberra and transition away from the use of fossil fuel gas by 2045. The ACT Government commenced direct industry and stakeholder consultation in November 2022. The purpose of the early consultation is to understand the impacts a future regulation may have on stakeholders, including the construction industry and homeowners.

A consultation paper outlining regulatory options will be released for public comment in early 2023, this will include seeking feedback on appropriate transition timelines. The drafting of a future regulation will consider feedback received during the consultation period.

### Recommendation 3

*The Committee recommends that the ACT Government in regulation:*

- *prioritise urban infill large-scale development sites; and*
- *specify the areas and premises for which gas distributors must not provide new gas connections.*

#### **Response: AGREED IN PRINCIPLE**

New multi-unit and mixed-development sites can pose a significant net zero transition challenge if they are built to include fossil gas connections. Once a building is complete, retrofitting for all-electric poses several challenges, including insufficient electrical capacity within the building, insufficient space for electric appliances, costs and disruption to residents.

Early indications from Evoenergy suggest that multi-unit and large-scale developments are the primary source of new fossil gas customers within the Territory.

Much of the large-scale infill development is occurring in areas where the electricity network is constrained. A change could incur network upgrade costs for developers, which could impact prices for properties.

The ACT Government is committed to understanding the consequences to developers, end customers and the electricity network before any new regulation is made. The potential impacts of prioritising new large-scale multi-unit developments will be drawn out through our consultation on the regulation options.

### Recommendation 4

*The Committee recommends that the ACT Government increase awareness and educate the ACT community on greenhouse gas reduction and natural gas transition.*

#### **Response: AGREED**

Issues raised in evidence include matters related to e-waste, and general community awareness, engagement and education regarding gas transition issues.

The ACT Government is committed to and continues to develop, deliver and evolve its communications, engagement, and education packages.

This commitment is demonstrated through the development of the [Powering Canberra portal](#), which has been designed to provide businesses and consumers with tailored advice, information, and recommendations to help plan their electrification journey.

The ACT Government's [Sustainable Home Advice service](#) and [Renters Home Energy Program](#) provides free independent expert energy efficiency advice and education to all Canberra homeowners and renters via an email, telephone, workshops and in-home energy assessments. Specialised education and support is also available for low income households; and businesses via the [Business Energy and Water Program](#). The ACT Government uses a comprehensive multi-channel approach to provide targeted information to key audiences. This work is ongoing and will span across the next 20 years as we continue to transition to an all-electric Canberra by 2045.

Regarding the specific issues raised regarding e-waste, the ACT Government's *Draft Circular Economy Strategy* highlights e-waste and solar panels as a key issue of concern, under the emerging and problematic waste stream theme, and a potential priority for action.

#### Recommendation 5

*The Committee recommends that the Bill be amended to specify in legislation:*

- *criteria for selecting the areas and premises for which gas distributors must not provide new gas connections; and*
- *the dates and timeframes for when the transitions are to occur.*

#### **Response: NOTED**

Through the *Climate Change and Greenhouse Gas Reduction Act 2010* (CCGGR Act), the ACT Government has committed to reaching net zero emissions by 2045. Given the over-riding emissions reduction objectives and targets within the CCGGR Act, the addition of criteria for the identification of prescribed areas would not provide a meaningful limitation on the power. This is because all new fossil gas connections would need to cease eventually to meet greenhouse gas emissions targets.

Further, the Bill provides the framework for regulations to be made to prevent new fossil gas connections to the mains network, informed by a weighing of the costs and benefits through a regulatory impact assessment process, which will be presented with a future regulation, such that the criteria and timings around connections will be provided in regulations rather than the Bill.

The ACT Government has committed to public consultation on a future regulation. Public consultation on the potential impacts of a future regulation began in November 2022, and a consultation paper outlining regulation options will be released in early 2023.

- a) Any future regulation will take into consideration the feedback received and impacts identified during the consultation.

#### Recommendations 6

*The Committee recommends that the Bill be amended so that the words 'and the ACT electricity and gas distributor' are included in Part 2A, to amend the wording for Part 2A to 'Before a regulation is made for this section, the Executive must seek, and have regard to, the advice of the Chief Planning Executive and the ACT electricity and gas distributor about the proposed regulation.'*

#### **Response: NOTED**

The ACT Government is consulting extensively with the ACT electricity and gas distributor, Evoenergy, in the development of the regulation options paper. This consultation will continue during the development of a future regulation.

Part 2A of the Bill requires the Executive to seek and have regard to the advice of the Chief Planning Executive. The Chief Planning Executive may use their role to seek advice from Evoenergy, prior to providing advice regarding a future regulation.

Recommendation 7

*The Committee recommends that, subject to the amendments proposed in this report, the Assembly pass the Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill 2022.*

**Response: NOTED**

This recommendation is addressed to the Assembly.