



AUSTRALIAN CAPITAL TERRITORY GOVERNMENT

RESPONSE TO THE FINAL REPORT OF THE LEGISLATIVE ASSEMBLY INQUIRY ON ACT GREENHOUSE GAS REDUCTION TARGETS

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**Presented by
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Introduction

The ACT Government welcomes the Final Report of the Legislative Assembly Inquiry into ACT Greenhouse Gas Reduction Targets and is pleased to announce agreement or agreement in principle to 5 of the 8 recommendations. The Government sees the work of the Inquiry as important in helping to inform future policy on climate change in the ACT.

The ACT Government established the Inquiry as a basis for building consensus within the Legislative Assembly so that meaningful change can be achieved and maintained. We need to ensure that there is confidence in the community in a long term commitment to reducing greenhouse gas emissions, irrespective of the government of the day. On 17 November 2009, the Government released its response to the Legislative Assembly Inquiry Interim Report, agreeing in full or in principle to 29 of the Committee's 31 recommendations. Through this process the Government established the ambitious target for the ACT to be carbon neutral by 2060.

Climate Change and Greenhouse Gas Reduction Act 2010

Legislating greenhouse gas reduction targets is an important step in establishing a framework through which the ACT will transition to zero net emissions. The Government enacted the Climate Change and Greenhouse Gas Reduction Act 2010 ("the Act") on 5 November 2010 which sets out ACT targets for:

- 2060 - long term target of zero net greenhouse gas emissions;
- 2020 - interim target of 40% of 1990 levels;
- 2050 - interim target of 80% of 1990 levels; and
- 2013 - peaking per capita emissions.

The targets in the Act reflect current scientific evidence. The Inter Governmental Panel on Climate Change has clearly stated that to avoid dangerous climate change global temperatures should not increase by more than 2 degrees. To limit emissions to this extent, the concentrations of greenhouse gas in the atmosphere should not exceed 450ppm and to emissions reductions in developed countries should be the equivalent of 40% of 1990 levels by the year 2020.

In addition to the interim and long term targets, the Act:

- prescribes regular reporting to the Legislative Assembly on the ACT's greenhouse gas emissions trends;
- establishes a Climate Change Council, which will provide independent advice on climate change issues as they affect business and the wider community; and
- encourages private entities to take action through voluntary sector agreements with Government.

Climate Change Council

Working with the community and business sector is paramount to reach our greenhouse gas reduction targets. To this end a Climate Change Council will be established to advise the Minister on reducing greenhouse gas emissions and adapting to climate change.

The Climate Change Council will consist of at least five and up to nine members appointed by the Minister, drawing expertise and representation from: climate change science; environment and conservation; built environment (urban development, transport and infrastructure); community sector; business sector; government sector and other expertise as required.

The Climate Change Council will promote community and business engagement in climate change mitigation and adaptation.

Sector Agreements

The Act also provides for the establishment of voluntary sector agreements between the Minister and organisations, individuals or specific sectors. Sector agreements will provide the basis for groups or individuals to demonstrate serious intent to address climate change consistent with the intent of the Act.

Weathering the Change: Action Plan 2 and the Sustainable Energy Policy

The targets set by the ACT Government recognise that Government, business and community will need to work together to achieve them.

Weathering the Change Action Plan 2 will guide how the ACT will achieve our targets. The Government anticipates releasing *Weathering the Change* Action Plan 2 in mid 2011.

The draft Sustainable Energy Policy was released for public comment in December 2009. The 35 submissions received and comments made in public forums are being considered in finalising the Sustainable Energy Policy. The final policy is due to be released early in 2011 (Recommendation 1&2).

Weathering the Change Action Plan 2 and the Sustainable Energy Policy will be informed by cost effectiveness analysis of policy options which includes an assessment of abatement potential (Recommendation 4).

Sectors that provide the greatest potential for contributing to greenhouse gas emissions reductions in the ACT are:

- stationery energy sector – electricity use and generation;
- transport sector – modal shifts; and
- built environment – urban design and energy efficiency measures.

Reporting

The Act sets out a clear reporting process for the Minister to request an independent entity, the Independent Competition and Regulatory Commission in the foreseeable future, to provide updates for each financial year, on:

- the amount of greenhouse gas emissions in the ACT for each financial year following commencement of the Act; and

- an analysis of the ACT's progress in meeting targets, including:
 - a comparison of the annual emissions amount with the interim and final targets;
 - identification of the main sources of greenhouse gas emissions in the ACT; and
 - identification of possible reasons for changes in greenhouse gas emissions from previous years.

The Act also clearly sets out a number of functions to be performed by the Minister that will promote action on climate change and for each financial year the Minister will report to the Legislative Assembly on actions taken (Recommendation 5&6).

Conclusion

The ACT Government would like to thank the Legislative Assembly Inquiry on ACT Greenhouse Gas Reduction Targets, as well as the ACT community members who were involved in the hearings, provided evidence or prepared submissions.

Building a consensus within the Legislative Assembly on climate change and greenhouse gas reduction targets will ensure that meaningful change can be achieved and maintained. Similarly to the Interim Response, the Government has been able to agree or agree in principle to the majority of recommendations made by the Inquiry.

The Government has provided a response to individual recommendations of the Final Report in the following table.

Response to Individual Recommendations

The ACT Government's response to each of the Committee's specific recommendations is outlined below.

Recommendation	Response	Comment
Recommendation 1 The Committee recommends that the ACT Government provides an update to the Assembly during the September 2010 sitting period about the timeline for the public release of the final energy policy, <i>Weathering the Change</i> Action Plan 2 and the consultancy report from Kinesis.	Agreed	The ACT Government will provide an update on the timeline for the public release of the final energy policy and <i>Weathering the Change</i> Action Plan 2. The Sustainable Energy Policy is expected to be released early in 2011 and <i>Weathering the Change</i> Action Plan 2 is expected to be released mid 2011. The Kinesis report 'Action Plan 2 Primer' has been publicly released (26 August 2010) and is available on the DECCEW website.
Recommendation 2 The Committee recommends that the ACT Government release the final energy policy, <i>Weathering the Change</i> Action Plan 2 and the consultancy report from Kinesis by the last sitting day in October 2010.	Not Agreed	The Sustainable Energy Policy is expected to be released early in 2011 and <i>Weathering the Change</i> Action Plan 2 is expected to be released mid 2011. The Kinesis report 'Action Plan 2 Primer' has been publicly released (26 August 2010) and is available on the DECCEW website.
Recommendation 3 The Committee recommends that the ACT Government investigate the feasibility of implementing an opt out approach to the GreenPower scheme and its potential impacts on ACT residents. The outcomes of the investigation should be reported to the Assembly before any action is taken.	Not Agreed	In 2009, the ACT Government implemented a scheme to require electricity suppliers to offer GreenPower to new and reconnecting customers. The ACT Government investigated an opt-out scheme in the implementation of Action Plan 1, but decided to progress a first offer to new customers instead so that consumers would not be supplied with a GreenPower product that they could not afford by default.

Recommendation 4 The Committee recommends that the ACT Government draw on the work of the ICRC to adopt a cost/efficiency evaluation methodology to evaluate any programs implemented to reduce greenhouse gas emissions.	Agreed	Work has already commenced on the development of <i>Weathering the Change</i> Action Plan 2 in which the ACT Government will draw on the ICRC submission to the Inquiry "Cost Effectiveness Analysis" in evaluating programs to reduce greenhouse gas emissions.
Recommendation 5 The Committee recommends that the ACT Government establish a set of criteria to inform the development of other evaluation methodologies to assess greenhouse gas emission mitigation strategies.	Agreed in principle	Work has already commenced on the development of <i>Weathering the Change</i> Action Plan 2 in which the ACT Government will consider the best approach for embedding the evaluation of greenhouse gas emission mitigation strategies.
Recommendation 6 The Committee recommends that the ACT Government: (a) advise the Assembly about the evaluation methodologies that will be applied to evaluate greenhouse gas emission mitigation strategies and programs (b) advise the Assembly how it will report against the evaluation methodologies and the timetable for reporting.	Agreed in principle	The ACT Government will report regularly to the Legislative Assembly on greenhouse gas emission mitigation strategies and programs in line with Ministerial responsibilities (reporting annually on Ministerial functions set out in <i>Climate Change and Greenhouse Gas Reduction Act 2010</i>).
Recommendation 7 The Committee recommends that the ACT Government conducts an assessment of current sustainable energy policies against the COAG complementary measures. This assessment should be presented to the Assembly by the last sitting day in 2010.	Not Agreed	With the current uncertainty surrounding the Carbon Pollution Reduction Scheme, conducting an assessment on current programs and policies at this time is not recommended. Assessment against the Principles will be undertaken as a matter of course for all future measures under <i>Weathering the Change</i> Action Plan 2 and the Sustainable Energy Policy.

Recommendation 8 The Committee recommends that the ACT Government implement measures to further encourage local community action similar to the Victorian initiative which registers the estimated impact of local projects.	Agreed in principle	Local community action will be essential in achieving greenhouse gas reduction targets, and the ACT Government will be drawing on best practice and innovative approaches used in other Australian jurisdictions and overseas. The ACT Government will be designing strategies and actions to reflect the ACT situation.
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