

## 2024 Election Commitment – ACT Greens

<b>Name of Commitment:</b>	<b>Real Climate Leadership</b>		<b>Reference Number:</b> GRN012a
<b>Request Submitted by:</b>	Shane Rattenbury MLA, ACT Greens		
<b>Date Request Received:</b>	10-Oct-24		
<b>Additional Information Requested (details and date)</b>	Treasury sought clarification on the resourcing requirements to be absorbed to deliver the programs (11-Oct-24).		
<b>Additional Information Received (details and date)</b>	Further information on the expected resourcing to be absorbed was received (14-Oct-24).		

<b>Financial Implications</b>					
<b>Impact On:</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenues <sup>(a)</sup>	0.0	0.0	0.0	0.0	<b>0.0</b>
Expenses <sup>(a)(b)</sup>	-1,252.5	-21,812.8	-29,096.4	-28,424.5	<b>-80,586.2</b>
- Employee Expenses	-540.7	-1,896.5	-1,951.5	-2,004.5	<b>-6,393.2</b>
- Other Expenses	-659.3	-19,703.5	-26,658.5	-25,645.5	<b>-72,666.8</b>
- Cost of Financing	-52.5	-212.8	-486.4	-774.5	<b>-1,526.2</b>
Expense - Offset	0.0	0.0	0.0	0.0	<b>0.0</b>
Depreciation	0.0	-50.0	-200.0	-450.0	<b>-700.0</b>
<b>Net Operating Balance</b>	<b>-1,252.5</b>	<b>-21,862.8</b>	<b>-29,296.4</b>	<b>-28,874.5</b>	<b>-81,286.2</b>
<b>Capital Requirement</b>	<b>-1,000.0</b>	<b>-3,000.0</b>	<b>-5,000.0</b>	<b>-5,000.0</b>	<b>-14,000.0</b>
<b>Cash Surplus/Deficit</b>	<b>-2,252.5</b>	<b>-24,812.8</b>	<b>-34,096.4</b>	<b>-33,424.5</b>	<b>-94,586.2</b>
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

<b>Other Information</b>
<b>Costing Methodology Used:</b>
<b>- Costing Technique:</b>
<p>The costing is for a fixed amount of \$79.060 million in expense funding and \$14.0 million in capital funding over four years from 2024-25 to support a range of grants and programs aimed at addressing cost-of-living pressures and providing targeted assistance in the climate action space. This comprises:</p> <ul style="list-style-type: none"> <li>• \$50.0 million in expense funding to enable gas-to-electric upgrades for 5,000 low-income households, including \$2.0 million for three full-time equivalent (FTE) staff to deliver the program;</li> <li>• \$14.0 million in capital funding for the installation of 7 MW of solar panels on ACT Government buildings;</li> <li>• \$12.5 million in expense funding for the delivery of three grant programs related to solar for apartments, the community-zero emissions program and a climate solutions fund;</li> <li>• \$9.5 million in expense funding to support electric pilot projects, including \$463,000 for one FTE to administer the program;</li> <li>• \$5.0 million in expense funding to establish the Electrify Canberra Skills Hub at CIT, including funding for six FTE and training and equipment;</li> <li>• \$2.0 million in expense funding for an advisory service focused on the end-of-life replacement of shared gas hot water systems in apartment buildings, including \$1.168 million for two FTE to manage the service.</li> </ul> <p>Salary costs have been calculated using the 2024-25 Average Salary Costing Template.</p>

**- Proposal Parameters:**

- The cost of financing has been calculated at 5.25 per cent.
- Depreciation for the solar panels component has been calculated on a straight-line basis over a 20-year period.
- The costing assumes a full take-up of all grants programs.
- The costing has used workers' compensation rates of 1.68 per cent and 1.77 per cent.
- No indexation has been applied.

**Caveats or qualifications to the costing:**

- Treasury notes it is unlikely the Environment, Planning and Sustainable Development Directorate (EPSDD) would be able to absorb administration and staffing costs associated with grant programs related to solar for apartments, the community-zero emissions program and a climate solutions fund and would have to reduce or cease existing services to deliver the programs. It is estimated an additional 4.7 FTE staff (equivalent to \$3.143 million across the forward estimates and budget years) would be required to deliver these programs through the lifecycle of the proposal and the majority are funded through 2024-25 only.
- The projected offset from energy bill savings, based on ITP Renewables' 2021 report, are indicative, and there is no certainty these savings could be assured and realised.
- The proposal suggests additional funding from external agencies or the Commonwealth Government could potentially be leveraged to offset the costs of various programs. This costing excludes Commonwealth Government or other funding offsets on the basis that this is not a decision that can be assured by this jurisdiction in isolation, and there is no certainty that this funding could be secured.

**Other Comments:**

Treasury's costing differs from that submitted due to:

- the exclusion of offsets from energy bill savings and \$927,000 related to delivering the 300 MV big battery, which the proposal states would be delivered at a later time.
- the inclusion of:
  - i. the cost of financing.
  - ii. depreciation being calculated over a 20-year period as per the expected useful life for solar panels.
  - iii. repairs and maintenance funding (\$130,000 indexed and ongoing from 2028-29).

Treasury notes that the costing included various elements to be delivered within existing EPSDD and CMTEDD resources - these are further evaluated in Part B of this costing.

Treasury notes that some elements of the costing would cease once the capped funding amount has been met (gas-to-electric upgrades for 5,000 households, 7MW solar, pilot projects for apartments, Solar for Apartments, Climate Solutions Fund) other components (Electrification Skills Hub, advisory service for apartments) may continue.

**- Statistical Data Used:**

Treasury estimates.



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Stuart Hocking PSM  
Under Treasurer  
17 October 2024

## 2024 Election Commitment – ACT Greens

<b>Name of Commitment:</b>	<b>Real Climate Leadership</b>	<b>Reference Number:</b> GRN012b
<b>Request Submitted by:</b>	Shane Rattenbury MLA, ACT Greens	
<b>Date Request Received:</b>	10-Oct-24	
<b>Additional Information Requested (details and date)</b>	N/A	
<b>Additional Information Received (details and date)</b>	N/A	

### Basis of non-costing:

The proposal contains a number of components that are to be delivered by the Environment, Planning and Sustainable Development Directorate (EPSDD) and the Canberra Institute of Technology (CIT) within existing resources. However, Treasury considers that these components of the proposal would be delivered by a number of directorates and agencies across the ACT Government and is unable to undertake a costing without a clarification of the scope and nature of a number of elements. Treasury also notes that some of the components of the proposal reflect existing policy.

- **Ambitious emission targets and report on progress:** The scope and nature of this component of the proposal is unclear. Any increase or acceleration in emissions reduction targets would likely incur associated costs and require amendments to the *Climate Change and Greenhouse Gas Act 2010*. Modelling would be required to understand any financial or budgetary impacts. It is estimated 0.75 full-time equivalent (FTE) staff within EPSDD would be required across the budget and forward estimates years to begin work on this component, and this resourcing would continue existing staff whose funding terminates in 2024-25.
- **Deliver a new ACT Climate Change Strategy in 2025-26 with increased ambition, focusing on a just transition and resilience to climate impacts:** Developing and finalising a new ACT Climate Change Strategy would require EPSDD to reduce or cease existing services to cover associated costs, if it was to be delivered within existing resources. Without a clarification of scope, it is estimated 3.75 FTE staff would be required to deliver the strategy through to 2026-27, with additional funding required for consultancies and communications and engagement work.
- **Commit to reducing scope 3 (embodied) emissions from 2028 onwards and publicly report progress:** The scope and nature of this component of the proposal is unclear, including whether a target would be set. There are currently no established protocols for reporting on scope 3 emissions. Modelling would be required to understand any financial or budgetary impacts. EPSDD estimates 0.25 FTE staff at the Administrative Services Officer (ASO) 6 level, whose funding ceases in 2024-25, would be required to undertake this work across the budget and forward estimates period.
- **Review and improve the Utilities Concession to better support low-income households:** This component of the proposal would be delivered by Treasury in the Chief Minister and Economic Development Directorate (CMTEDD) and should be considered in light of other policies requiring CMTEDD to absorb costs. This would likely require a re-prioritisation of directorate resources and activities. Treasury estimates that resourcing for 0.5 FTE at the Senior Officer Grade (SOG) B level for 12 months would be required to deliver this component of the proposal.
- **Prohibit the installation of new gas appliances in homes and businesses from 2027:** This component of the proposal would require new regulation, including legislative changes. This component of the proposal would be delivered by several directorates and should be considered in light of other policies requiring them to absorb costs, and likely require a re-prioritisation of resources and activities. Previous estimates indicated 1 FTE at the SOG C level and \$900,000 in consultancy funding would be required to facilitate any regulation.
- **Streamline gas abolishment process and prohibit new installations of gas appliances:** This component of the proposal reflects existing policy which was funded through the 2024-25 Budget. It reflects a component of the Integrated Energy Plan.

**Basis of non-costing (continued):**

- Switch the ACT Government to a climate-friendly banking provider: The scope and nature of this component of the proposal is unclear and transferring the ACT Government to a new banking provider would likely result in significant costs. As part of the 2023-24 Budget, \$673,000 in funding was provided to CMTEDD to support the implementation of the ACT Government's existing banking contract.
- Develop a plan to ensure all ACT Government events are powered by 100% renewable electricity, phasing out diesel generators: The scope and nature of this component of the proposal is unclear and further context would be required to understand any potential costs. It is likely this would require implementation across all ACT Government directorates and agencies.
- Ban fossil fuel advertising in ACT Government venues and events: Previous advice from the ACT Government Solicitor indicated that there would be legal and financial risks to the Territory should fossil fuel advertising be banned. The proposal is unclear on how those costs would be managed, including any revenue shortfall for Venues Canberra.
- Deliver an additional 300MW of battery storage in the ACT: To deliver a similar initiative, 4.5 FTE staff (0.5 SES 1.4, one SOG A, one SOG B and one SOG C) within EPSDD and the Office for Climate Action, CMTEDD, were funded, and it would be expected a similar staffing profile would be required to deliver another battery, in addition to any other project costs. EPSDD and CMTEDD would likely be required to reduce or cease existing services to cover associated staff costs, if this component of the proposal was to be delivered within existing resources. Based on previous initiatives, it is estimated that an additional MW of battery storage costs approximately \$5 million.
- Continue the Community Zero Emissions Grants program, increasing funding to support community climate projects: The scope and nature of this component of the proposal is unclear, including whether the funding pool for the program would increase. Funding for existing staff delivering the program ceases in 2024-25 and EPSDD estimates 0.6 FTE at the ASO 6 level from 2025-26 would be required to continue the program.
- Integrate climate assessments in government decisions by introducing quantitative and qualitative assessments for budget decisions over \$5 million: The scope of this component of the proposal would require clarification to understand any associated costs. Climate assessments would likely require the development and trial of new analytical frameworks, assessment tools and guidance material to support implementation, and a capability uplift across all directorates and agencies in the ACT Government.
- Minimise solar export curtailment by increasing grid capacity or storage: Treasury notes that the staffing and resourcing to deliver an additional 300MW of battery storage would likely deliver this component of the proposal however there would be other associated costs. As stated above, based on previous initiatives, it is estimated that an additional MW of battery storage costs approximately \$5 million.
- Ensure an equitable rollout of smart meters, protecting consumers from upfront costs and unexpected tariff changes: The scope of this component of the proposal would require clarification to understand any associated costs.
- Collaborate with industry and regulators to develop an Electricity Network Resilience Plan in response to more frequent and severe storm events: The scope of this component of the proposal would require clarification to understand any associated costs.



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Stuart Hocking PSM  
Under Treasurer  
17 October 2024