

PREMIER'S CLIMATE CHANGE COUNCIL

ANNUAL REPORT

1 July 2010 to 30 June 2011



Government of South Australia

Premier's Climate Change Council

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Annual Report 2010-11

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LETTER OF TRANSMITTAL

Hon Mike Rann MP
Premier
Level 15
State Administration Centre
200 Victoria Square
Adelaide SA 5000

Dear Premier

In accordance with Section 13 of the *Climate Change and Greenhouse Emissions Reduction Act 2007*, I submit the fourth Annual Report of the Premier's Climate Change Council for the year ended 30 June 2011 for tabling before both Houses of Parliament.

The Premier's Climate Change Council was established in accordance with Section 9 of the *Climate Change and Greenhouse Emissions Reduction Act 2007*, and came into operation on 1 February 2008.



Bruce Carter
Chair
Premier's Climate Change Council

19 / 10 / 2011

FOREWORD: MESSAGE FROM THE CHAIR

It is no accident that South Australians have responded so quickly in tackling climate change. Living in the driest State on the driest continent on Earth, we have long pondered how to best develop an economy that will expand and support the community in the face of higher temperatures and lower rainfall, and that will be resilient despite the impact of these factors on agriculture, aquaculture, wine, and other industry sectors.

Responding to climate change has created substantial opportunities as well for South Australia, in innovation, diversification and leadership across a broad range of sectors. The State has worked hard to position itself as a green leader, with an emerging clean technology sector eager to deliver sustainable solutions to the problems of businesses and communities challenged by environment-related concerns such as energy use and water supply. With the likely introduction of a carbon pricing mechanism by the Commonwealth Government, it is timely to reflect upon the needs of the State in transitioning smoothly to a green economy, one that continues supporting clean technology, in order to remain competitive and prosperous into the future.

Government has a responsibility in this transition and in continuing to respond to climate change, but it is clear that it cannot act alone. The complexities of this challenge require stronger collaboration across conventional boundaries, with governments, businesses, communities and individuals all playing critical roles. The Premier's Climate Change Council, works to foster these connections.

The Council's primary function is to provide independent advice to the State Government on matters associated with reducing greenhouse gas emissions and adapting to climate change. In performing these functions, the Council takes a leadership role in consulting with business, the environment and conservation movement, various sectors and the wider community. Obtaining these views and ideas is a vital step in informing independent advice developed for the Premier, and crucially aids in building partnerships across these sectors.

This annual report outlines work undertaken during the final year of the first term of the Council and the commencement of the second term of Council. During this time the Council had a focus on understanding how best to prepare the South Australian community to respond to the inevitable impacts of climate change. This work culminated in the release of the Draft Climate Change Adaptation Framework, which aims to guide action by government agencies, local government, non-government organisations, business and the community in adapting to unavoidable climatic impacts. The Council played an integral role in advancing and supporting the development of the Framework.

I would like to conclude by congratulating the Council's inaugural chair, David Klingberg, and fellow Council members for their valuable contribution during the Council's first term, and welcome the members appointed to the Council for its second term. We look forward to building on their achievements by continuing to work collaboratively with stakeholders and across government to advise the Premier on effective ways of tackling climate change.

Bruce Carter
Chair
Premier's Climate Change Council

PLANS AND OBJECTIVES

The activities undertaken by the Council are consistent with the strategic directions set out in South Australia's Strategic Plan and the *Climate Change and Greenhouse Emissions Reduction Act 2007*.

SOUTH AUSTRALIA'S STRATEGIC PLAN

South Australia's Strategic Plan is the overarching document to guide the State's future development. The Plan was originally released in 2004, updated in 2007 and updated again in 2011.

The table below aligns the Council's 2010/11 activities undertaken in performing its statutory roles of providing independent advice, and taking leadership roles in consulting and disseminating information, with the objectives of 2007 edition of South Australia's Strategic Plan.

Table 1. Links between the Council's 2010/11 activities and South Australia's Strategic Plan

Council Activities	South Australia's Strategic Plan					
	Priorities					
	Growing prosperity	Improving wellbeing	Attaining sustainability	Fostering creativity	Building communities	Expanding opportunity
Accelerating the investment in government energy efficiency	✓		✓			
South Australia's Strategic Plan update to climate change targets advice		✓	✓		✓	✓
Adaptation Forum and NRM Council Partnership	✓	✓	✓	✓	✓	✓
Low Emissions Vehicle Event	✓		✓	✓		✓
Youth Environment Council Forum		✓		✓	✓	✓
Infrastructure Plan	✓		✓		✓	
Draft Adaptation Framework for South Australia advice	✓	✓	✓	✓	✓	✓

ROLE, LEGISLATION AND STRUCTURE

ROLE OF THE COUNCIL

The Premier announced the inaugural membership of the Council on 18 February 2008 at the 3rd International Solar Cities Congress held in Adelaide.

The Council is established under the *Climate Change and Greenhouse Emissions Reduction Act 2007*. Section 11 provides the role and function of the Premier's Climate Change Council to:

1. Provide independent advice to the Minister about matters associated with reducing greenhouse gas emissions and adapting to climate change,
2. Take a leadership role in consulting with business, the environment and conservation movement, the science community, Local Government Association and the wider community about issues associated with climate change,
3. Assist in disseminating information to business and other groups in order to encourage the implementation of sustainable practices that will assist in addressing climate change and/or adapting to the effects of climate change, and
4. Report annually to the Minister on the Council's activities and achievements.

MEMBERSHIP

Section 9(2) of the *Climate Change and Greenhouse Emissions Reduction Act 2007* requires that the Council consist of seven to ten members appointed by the Minister from across the following sectors:

- State Government
- local government sector
- business community
- environment and conservation sector
- scientific community
- other sectors of the state's community more generally

For the purpose of appointing representatives from the local government sector and environment and conservation sector the Minister consulted with the Local Government Association of South Australia and the Conservation Council of South Australia. The consultation resulted in nominations from each organisation, which were accepted by the Minister.

Under Section 10 of the *Climate Change and Greenhouse Emissions Reduction Act 2007* the members of the Council are appointed for a term not exceeding three years.

The membership of the Premier's Climate Change Council during the period of 1 July 2010 to 1 February 2011 comprised of:

- Mr David Klingberg AO (Chair), former Chancellor of University of South Australia
- Ms Julie Pettett (Conservation Council of SA nomination), Chief Executive Officer, Conservation Council of South Australia

- Mr John Kerr, Director, Capital Strategies Pty Ltd, private business consultant
- Mr Jim White, General Manager Business Sustainability, Onesteel
- Professor Don Bursill, Director, Playford Trust, Adjunct Research Professor at the University of South Australia, and water industry expert
- Ms Verity Sanders (Local Government of SA nomination), Strategic Planner Environment Policy, City of Port Adelaide Enfield
- Professor Suzanne Miller (State Government nomination), Director, South Australian Museum (Deputy Chair)
- Professor Caroline McMillen, Deputy Vice Chancellor and Vice President: Research and Innovation, University of South Australia
- Mr John O'Brien, Founder and Managing Director, Australian CleanTech

There were three ex-officio members of Council during the reporting period:

- Professor Barry Brook, Sir Hubert Wilkins Chair of Climate Change and Director of the Research Institute for Climate Change and Sustainability, University of Adelaide (Resigned 9 December 2010)
- Mr Tim O'Loughlin, Commissioner for Renewable Energy
- Ms Pauline Peel, Deputy Chief Executive, Sustainability, Aboriginal Affairs and Reconciliation

The membership changed during this reporting period with the appointment of a new Council for the period of 1 May 2011 and 31 March 2014. The new Council met for the first time on 8 June 2011. The new Council comprised of:

- Mr Bruce Carter (Chair), Partner, Ferrier Hodgson
- Mr Tim O'Loughlin, Commissioner for Renewable Energy, RenewablesSA
- Mr Brian Foster, Farmer and Chair, Eyre Peninsula Regional Agreement Committee
- Mr John O'Brien, Founder and Managing Director, Australian CleanTech
- Ms Ros DeGaris, Group Sustainability Manager, Adelaide Brighton Cement
- Ms Nicole Halsey, Director, UPRS
- Dr Prue McMichael, Plant Pathologist and Principal Consultant
- Mr Tim Kelly (Conservation Council of SA nomination), Chief Executive Officer, Conservation Council of South Australia
- Ms Verity Sanders (Local Government of SA nomination), Strategic Planner Environment Policy, City of Port Adelaide Enfield
- Professor Jean Palutikof, Director, National Climate Change Adaptation Research Facility, Griffith University.

See Appendix A for members' attendance at Council meetings held during the reporting period.

LEGISLATION: Statutory Advice

In 2010-11 the Council provided the Premier with three formal pieces of advice pursuant to Section 11 (3) of the Act:

- Accelerating the investment in government energy efficiency 28 October 2010
- Adaptation Framework for South Australia 28 October 2010
- Climate Change Targets in South Australia's Strategic Plan 31 January 2011

During this reporting period the Council reported directly to the Premier as the Minister for Sustainability and Climate Change.

ADMINISTRATION

ANNUAL REPORT

Section 13 of the *Climate Change and Greenhouse Emissions Reduction Act 2007*, requires the Council to provide an annual report to the Minister on or before 31 October each year reporting on its activities for the financial year ending on the preceding 30 June.

BUDGET ALLOCATION

The Council was allocated a budget of \$233,229 for the 2010-11 financial year.

MEMBERS FEES

Under section 10(4) of the Act, the members of the Council are entitled to fees, allowances and expenses determined by the Minister. As approved by the Premier the fee for the Chair is \$18,574 per annum and the fees for the members are \$12,383 per annum.

Pursuant to *Department of the Premier and Cabinet Circular PC016: Remuneration for Government Appointed Part-time Boards and Committees*, government employees are not paid for board membership without the specific approval of the Commissioner for Public Employment.

SECRETARIAT

The Sustainability and Climate Change Division within the Department of the Premier and Cabinet provided the secretariat support for the Council.

- Stephanie Ziersch, Executive Director, Sustainability and Climate Change Division
- Richard Day, Senior Policy Officer, Sustainability and Climate Change Division
- Cherie O'Neill, Executive Officer
- Heather Smith, Principal Adviser, Sustainability and Climate Change Division

GENDER REPORTING

The gender balance of the Council is always taken into consideration when members are appointed. Within the period of 1 July 2010 and 1 February 2011 the Council consisted of five male and four female members. Within the period of 1 April 2011 and 30 June 2011 the Council consisted of five male and five female members.

USE OF CONSULTANTS

The Council did not engage any consultants during the 2010-2011 financial year.

FREEDOM OF INFORMATION

No applications were received by the Council under the Freedom of Information Act in the reporting period.

PRIORITIES FOR 2010-2011

The Council decided that the overall theme for 2010-11 would remain adaptation, with four areas of focus in relation to that theme.

- **Adaptation**
 - As a result of earlier analysis of adaptation activities, including the identification of critical gaps, the Council concluded that adaptation activities were not coordinated and that gaps exist that may leave South Australia vulnerable to the impacts of climate change. On this basis, the Council was supportive of the South Australian Government's efforts to establish an adaptation framework. During 2010/11 the Council continued to focus on guiding the development of a draft South Australian Adaptation Framework.
- **Mitigation**
 - During 2010/11 the Council considered the implications of the deferral of the Commonwealth Government's Carbon Pollution Reduction Scheme and providing advice regarding climate change targets in South Australia's Strategic Plan. The Council also examined investment in energy efficiency within government operations and the Strategic Infrastructure Plan for South Australia.
- **Science**
 - In 2010/11 the Council also focussed on exploring the potential to standardise climate change datasets for South Australia and maintaining an Expert Sub Group of Scientists, who were invited to peer-review current scientific papers and provide a short written summary to the Council for its consideration.
- **Stakeholder Engagement. The Council**
 - Facilitated networking and relationship-building between key stakeholders
 - Consulted with stakeholders about matters associated with reducing greenhouse gas emissions and adapting to climate change to inform the development of independent advice to the Minister
 - Assisted in disseminating information in order to encourage the implementation of practices that will assist in addressing climate change and/or adapting to the effects of climate change.

ACHIEVEMENTS / WORK COMPLETED

Draft Adaptation Framework for South Australia

The Council played an important role in the development of the Draft Adaptation Framework for South Australia. The Council worked in collaboration with the Department of the Premier and Cabinet and the Natural Resource Management Council to develop the framework, which aims to provide strategic high-level direction for adaptation to climate change in South Australia. The Framework guides State Government agencies, local government, non-government organisations, regional organisations and the private sector in developing adaptation responses that increase resilience and adaptive capacity of South Australia's key sectors and regions.

The Adaptation Framework is based on a three-tiered integrated approach focusing on State-wide priorities delivered through regional and sectoral perspectives. The State-wide priorities identified through the development of the framework include four key objectives:

Objective 1 Leadership and strategic direction for building a more resilient State

Objective 2 Policy responses that are founded on the best scientific knowledge

Objective 3 Resilient, well functioning natural systems and sustainable, productive landscapes

Objective 4 Resilient, healthy and prosperous communities

The Premier's Climate Change Council endorsed the draft Climate Change Adaptation Framework for consultation and participated in consultation forums at the release of the Framework in early 2011. The Council identified the need for additional resources to implement the Framework, in particular for the development of regional agreements, climate change vulnerability assessments and provision of relevant climate change information. In the Government's response it was stated that funding for the Framework would be considered following the consultation process.

"Adaptation in South Australia: Prospering in a Changing Climate" Forum

The Premier's Climate Change Council in partnership with the Australian Academy of Technological Sciences and Engineering (ATSE) hosted the *Adaptation in South Australia: Prospering in a Changing Climate* forum on Monday 22 November 2010.

The forum attracted over 120 attendees, who heard presentations from a wide variety of eminent speakers, including key note addresses from Prof Jean Palutikof (National Climate Change Adaptation Research Facility) and Dr Mark Howden (CSIRO Climate Adaptation Flagship).

Advice on the update of South Australia's Strategic Plan

The Council provided formal advice to the Premier on the update of South Australia's Strategic Plan (SASP). The Council recommended that the State Government:

- establish a 2020 target to reduce the emissions intensity of the South Australian economy (tonnes CO_{2-e} per \$million Gross State Product) for inclusion in the 2011 edition of the SASP or during the 2011 review of the *Climate Change and Greenhouse Emissions Reduction Act*. (the Act)
- establish a climate change adaptation target for inclusion in the 2011 edition of the SASP
- develop an emissions target for Government operations
- ensure climate change targets expressed in the SASP are reflected in the Act.

The Government's response to the advice provided by the Council acknowledges the importance of the advice and recommends it be included in the 2011 SASP review and update process. As the SASP and the *Climate Change and Greenhouse Emissions Reduction Act* were both under review, it was recommended that any resulting targets within the SASP be considered for inclusion in the Act.

Accelerating the investment in government energy efficiency

The Council prepared advice to the Premier that recommended the State Government accelerate its investment in energy efficiency throughout the building stock that it owns and occupies, with the aim of achieving maximum reductions in greenhouse gas emissions by capturing all cost-effective investments.

The Council specifically recommended that:

- energy performance contracting be used by the South Australian Government as the preferred mechanism to identify energy savings, implement changes and provide guarantees for project funding in most cases
- Government establish a target for undertaking energy performance contracts (EPCs) or equivalent projects across all major sites to ensure that energy consumption in government buildings is audited and reduced
- Government identify a funding mechanism that will guarantee project funding if technical and commercial project approval has been achieved
- Government identify a lead group or agency to coordinate and prioritise the EPC roll out program, organise access to funding and facilitate the use of EPCs across government.

The Government's response highlighted that energy efficiency was considered within the Energy Efficiency Action Plan and through Target T3.13 of South Australia's Strategic Plan, which aims to improve the energy efficiency of government buildings by 25% from 2000-2001 levels by 2014. The Government advised that it would continue to pursue and consider opportunities to address the Council's recommendation to invest in cost effective energy efficiency and committed to develop a comprehensive policy framework. The policy framework would address the specific recommendations of the Council and examine the need for:

- guidelines for developing a cost effective business case for individual energy efficiency projects

- guidelines for the use of EPCs and equivalent contracting mechanisms that adequately address the financing and technical risks
- a governance model that provides mechanisms for cost effective energy efficiency projects to be identified, contract managed, funded and verified.

Low emissions vehicle event

The Council hosted an industry round-table luncheon to consult with automotive and energy sector stakeholders regarding accelerating the uptake of low emission vehicles. The round-table featured a presentation from Robin Hayock on how the UK Government's Office for Low Emission Vehicles realised the vision of "placing the UK at the global forefront of ultra-low carbon vehicle development, demonstration, manufacture and use". Robin helped establish the UK Office for Low Emission Vehicles and worked as the industrial lead within the office for two years following its inception.

Youth Environment Council Forum – Have your say

Members of the Premier's Climate Change Council attended the Youth Environment Forum 'Have Your Say' which was jointly organised by the Department of Education and Children's Services and the Mount Lofty Ranges Natural Resources Management Board. The event attracted 70 students from 15 schools across South Australia (8 regional schools and 7 metropolitan). The forum allowed young people the opportunity to develop ideas and visions for South Australia which representatives of the Youth Environment Council presented directly to the Hon. Paul Caica, Minister for Environment and Conservation on 6 December 2010. Council members assisted in facilitating theme group discussions at this event around the areas of climate change, energy, and waste and recycling. The final report presented to the Minister for Environment and Conservation was tabled at the Council's 16 December 2010 meeting.

Council comments on the Strategic Infrastructure Plan for South Australia

The Council provided comment to the Department for Transport, Energy and Infrastructure (DTEI) on the Strategic Infrastructure Plan for South Australia 2010 Discussion Paper, as a part of the update process for the Plan. The Council made recommendations around both the mitigation of greenhouse gas emissions and the need for adapting to the impacts of climate change. The Council also recommended DTEI consider the Draft Climate Change Adaptation Framework for South Australia, in updating the Infrastructure Plan.

Other Activities

- The Council was represented on the Community Engagement Board and the SASP Audit Committee
- The Council developed a list of key messages for Council use in disseminating information to the South Australian community
- The Council monitored progress on the Commonwealth Government's proposed Carbon Pollution Reduction Scheme.
- The Council worked to influence the development of a number of Climate Change Sector Agreements

NEW COUNCIL'S FUTURE WORK PROGRAM

Members of the second term of Council endorsed a forward work program at their first meeting (8 June 2011) which aimed to guide their work for the future.

Climate Smart Buildings/Precincts – Some issues that the Council may consider include designing, building and renovating precincts which take into account long term resource efficiencies and climate change resilience, business models for climate smart precincts and new models for community engagement.

Climate smart buildings including sustainable, affordable housing - The Council may examine the barriers and opportunities for improving the resource efficiency and climate resilience of residential and non-residential buildings. This could include all major investments, new building works and major upgrades. A particular focus might be on the factors that influence investment, from the guidelines and rules through the design process to the relationship of the developer with the ultimate user.

Green Futures - moving to a low carbon and climate resilient economy, including a smooth transition to a carbon market - The Council may focus on how South Australia's existing industries can transition to the low carbon economy. This topic could include the following:

- the growth of the cleantech sector
- actions to reduce the carbon intensity of South Australia's mining, manufacturing and primary industries
- assessment of the climate readiness of the South Australian economy
- identification of opportunities to benefit from Federal funding associated with carbon pricing and from South Australian technology and service developments
- opportunities for the development of an offsets industry in the State.

Energy Planning – The Council may consider assessing cost effective opportunities to integrate renewable energy and low carbon energy into South Australia's energy systems and electricity grid. The Council could focus on seeking to understand the barriers to the uptake of renewable and low carbon energy under current energy planning and major projects regimes.

Incentives for Adaptation - Models for funding and incentives for investments that improve climate resilience and support adaptation to climate change could be explored, recognising that many assets are privately owned. In particular, consideration for the role of insurance and financing institutions, as well as risk management frameworks, in driving adaptation activities may be considered.

Further potential topics were suggested including voluntary action, community education and manufacturing.

APPENDIX A: MEMBERS ATTENDANCE

For the 2010-2011 financial year the Council held five formal meetings. There were also a number of workstream meetings held.

The below table details members' attendance at the meetings held during this reporting period of 1 July 2010 to 30 June 2011.

Member	Attended	Number of meetings during member's term
David Klingberg (Chair), term concluded 1 February 2011	4	4
Don Bursill, term concluded 1 February 2011	4	4
John Kerr, term concluded 1 February 2011	4	4
Caroline McMillen, term concluded 1 February 2011	1	4
Suzanne Miller, term concluded 1 February 2011	4	4
Jim White, term concluded 1 February 2011	4	4
Julie Pettett, term concluded 1 February 2011	4	4
Verity Sanders	5	5
John O'Brien	5	5
Bruce Carter, term commenced 1 May 2011	1	1
Tim O'Loughlin, term commenced 1 May 2011	1	1
Brian Foster, term commenced 1 May 2011	1	1
Nicole Halsey, term commenced 1 May 2011	1	1
Prue McMichael, term commenced 1 May 2011	1	1
Ros DeGaris, term commenced 1 May 2011	1	1
Tim Kelly, term commenced 1 May 2011	1	1
Jean Palutikof, term commenced 1 May 2011	0	1
Ex officio members	Attended	Number of meetings
Barry Brook, resigned 9 December 2010	3	3
Tim O'Loughlin, concluded as an Ex Officio 1 February 2011	4	4
Pauline Peel	5	5