

PREMIER'S CLIMATE CHANGE COUNCIL

ANNUAL REPORT

1 July 2011 to 30 June 2012



Government of South Australia

Premier's Climate Change Council

Premier's Climate Change Council
Annual Report 2011-12

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23 August 2012

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LETTER OF TRANSMITTAL

Hon Paul Caica MP
Minister for Sustainability, Environment and Conservation
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Minister

In accordance with Section 13 of the *Climate Change and Greenhouse Emissions Reduction Act 2007*, I submit the Annual Report of the Premier's Climate Change Council for the year ended 30 June 2012 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

23 August 2012

FOREWORD: MESSAGE FROM THE CHAIR

Climate change remains one of society's greatest challenges. Our well being is intimately linked to the energy we use and carbon emissions associated with our lifestyles. We are only beginning to understand the impact that future weather patterns and pressures to reduce carbon will have in creating changes and potential opportunities for South Australia. The Premier's Climate Change Council is engaged to consider the climate change challenge and the State Government's role in addressing it.

This year has seen the introduction of a carbon pricing mechanism by the Commonwealth Government, representing a major step in supporting a transition toward a green economy in South Australia. This transition will provide opportunity for the State to support and benefit from an emerging clean technology sector, and for the businesses that adopt clean technologies to remain competitive and prosperous into the future.

The Council's primary function is to provide independent advice to the Minister 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 Minister, and crucially aids in building partnerships across these sectors.

This annual report outlines work undertaken during the second 3 year term of the Council. In this first year of the second term, the Council had a focus on urban development and ensuring that our built environment is resource efficient and resilient to climate changes. Under the topic of "climate smart precincts", this Council has explored the actions that Government can take to influence the decisions and investments that shape our urban form, and engaged with government agencies, industry and academia in these discussions.

With an increasing commitment to a green economy in South Australia, the Council is looking to work with business and the community to facilitate further transition and development over the year ahead.

I would like to thank my fellow Council members for their valuable contribution during this year. We look forward to building on our work so far and continuing to work collaboratively with stakeholders and across government to advise the Minister 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, South Australia's Greenhouse Strategy and the *Climate Change and Greenhouse Emissions Reduction Act 2007* (the Act).

SOUTH AUSTRALIA'S STRATEGIC PLAN

South Australia's Strategic Plan is the overarching document to guide the State's future development.

The table below aligns the Council's 2011/12 activities undertaken in performing its statutory roles of providing independent advice, and taking leadership roles in consulting and disseminating information, with the objectives of the 2011 edition of South Australia's Strategic Plan.

Table 1. Links between the Council's 2011/12 activities and South Australia's Strategic Plan

Council Activities	South Australia's Strategic Plan					
	Vision					
	Growing prosperity	Improving wellbeing	Attaining sustainability	Fostering creativity and innovation	Building communities	Expanding opportunity
Section 21 Review Advice			✓			
Climate Smart Precincts – Developers Roundtable	✓	✓	✓	✓		
Climate Smart Affordable Homes Roundtable		✓	✓	✓	✓	
Environmental Upgrade Finance Advice	✓		✓			
Facilitating Climate Smart Precincts Advice	✓	✓	✓	✓	✓	
Consulted on Tackling Climate Change: South Australia's Greenhouse Strategy 2010-11 Annual Progress Report			✓			
Low Carbon Energy for South Australia Forum	✓		✓	✓		

OPERATIONS AND INITIATIVES

PRIORITIES FOR 2011 - 12

Members of the Council endorsed a forward work program at their 8 June 2011 meeting which aimed to guide their work over their term. From this program, the Council decided that they would consider two main strategic themes during 2011-12, climate smart buildings and precincts and low carbon energy/energy planning for South Australia, with the following possible scope:

- 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.
- 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 project regimes.

Strategic themes have been selected on the basis that they are: important, complex issues with some underlying policy tensions; they fall within the responsibility of more than one Minister and thus require a whole of government solution; and they cannot be solved by Government working alone. Given the large and complex nature of work within the climate smart buildings and precincts theme, the majority of the Council’s work program for 2011-12 focussed on this area.

As established under section 16 of the *Climate Change and Greenhouse Emissions Reduction Act 2007*, 17 sector agreements between the Minister and various industry and regional groups were in operation in 2011-12. This year the Premier’s Climate Change Council has recommended a partnership arrangement with the urban development sector to facilitate a sector agreement to progress climate smart precincts, as part of their work on this topic. The Council has also continued to engage with sector stakeholders throughout the year, holding a number of roundtable and forum discussions. Key sectors involved include: Adelaide City Council, Urban Development Institute Australia, Local Government Association, Land Management Corporation and the Property Council of Australia (SA Division).

ACHIEVEMENTS / WORK COMPLETED

Advice on the Section 21 Review of the *Climate Change and Greenhouse Emissions Reduction Act 2007*

Under the Act a review must be undertaken every four years in accordance with Section 21 of the Act. The Premier’s Climate Change Council provided advice to the Minister for Sustainability, Environment and Conservation (the Minister) about the review undertaken by the Sustainability and Climate Change Branch of the Department of Environment and Natural Resources (DENR), making recommendations on the six key review elements being considered. The recommendations included support for the review’s findings on the five targets under consideration, and support for the development and maintenance of four of the five proposed climate change policies. In addition, the Council proposed that:

- The Act should facilitate consideration of the effectiveness of South Australian Government climate change policies, with reference to related State, national and international measures.
- The Government consider measures to support the attraction and retaining of industries that support a low carbon economy.

The Council’s advice and the Government’s response to this advice were tabled in Parliament on 28 February 2012. The Government has accepted the Council’s recommendation to work with industry and community to develop policies and targets to support emissions reductions in the shorter term. In April 2012 the Government released a consultation paper on an emissions intensity target for the South Australian economy as a potential interim target.

The response in relation to the other four targets under consideration stated that, given the headline target will be subject to reviews in 2012 and 2013, it was appropriate to remain at 60% at this time. The

response also found that it is unnecessary to remove renewable energy consumption targets and that more investigation is required to implement a carbon intensity target.

The Council's advice has therefore influenced the review of the Act, and the Government has carefully considered each policy proposal in turn.,

Climate Smart Precincts – Developers Roundtable forum

The Premier's Climate Change Council engaged with key stakeholders from the development sector for a roundtable discussion on the development of climate smart precincts on 25 October 2011. Nectar Efkarpidis, Director, Molonglo Group gave a keynote presentation on his company's work with the NewActon precinct in Canberra, and the benefit of the creation of climate smart buildings in inspiring similar developments.

Roundtable participants including Government, property industry and development industry representatives were then able to discuss key issues in relation to climate smart precincts, including: regulatory barriers, creating demonstration case studies, encouraging the development of social features, greening development finance models and governance structures for precincts.

Advice on Environmental Upgrade Finance

Continuing their work in the Climate Smart Precincts theme, the Premier's Climate Change Council received a presentation from Mr Scott Bocskay, Chief Executive, Sustainable Melbourne Fund on the Environmental Upgrade Finance program run by the City of Melbourne at their 28 November 2011 meeting. Following further development by the Council's Climate Smart Precincts sub-group, the Council has provided formal advice to the Minister on Environmental Upgrade Finance (EUF) for Greening South Australia. EUF would allow a loan to be tied to a property, rather than a property owner, to finance a building upgrade project that results in reduced energy and water costs. The advice contained the following recommendations for the South Australian Government:

- Work with the local government sector to develop a business model and business case for EUF for commercial buildings in South Australia.
- Investigate amending relevant legislation in order to provide councils with the necessary powers to raise an environmental upgrade charge against a property and establish provisions regarding consumer protection, liability and loan discharge and transfer.
- Work with the Adelaide City Council to develop arrangements for administration of EUF in the City of Adelaide before expanding to other local government areas.
- Following the establishment of EUF, investigate the potential to expand the mechanism to apply to the upgrade of residential buildings, installation of neighbourhood infrastructure such as district heating/cooling networks and new buildings.

In preparing the Government's response to this advice, on 18 June 2012 the Minister announced the commencement of a formal consultation process regarding the establishment of EUF in South Australia. The Sustainability and Climate Change Branch of DENR has also engaged a consultant to quantify the scale of retrofitting opportunities in South Australia.

Climate Smart Buildings – Climate Smart, Affordable Homes Roundtable Forum

On 10 February 2012, the Premier's Climate Change Council continued to engage with key stakeholders at a roundtable discussion on building climate smart, affordable homes. A keynote presentation was given by the Hon. Tom Roper on advancing the climate smart building agenda in South Australia.

Participants from the Government, academia, building and community housing sectors identified and discussed issues including: mandating solar hot water/PV, green accreditation for tradespeople, retrofit

packages for houses, consumer/tenant education, prefabricated houses and components, finance mechanisms, regulation, development approvals and mandatory disclosure of environmental performance.

A number of suggestions raised at the roundtable have been progressed to be included in the Council's draft Facilitating Climate Smart Precincts advice.

Advice on Facilitating Climate Smart Precincts

The Premier's Climate Change Council has completed work on advice to the Minister regarding Facilitating Climate Smart Precincts. The draft was endorsed by the Council out of session on 15 June 2012 for submission to the Minister in the first quarter of 2012-13. The investigations undertaken by the Council in preparing this advice has resulted in a vision for climate smart precincts and a set of key principles required for their development, along with recommending further research into ideas raised at the Climate Smart, Affordable Homes Roundtable on 10 February 2012.

Recommendations for the South Australian Government provided by the advice include:

- The Government re-iterate its commitment to a climate smart urban form as made in the 30 Year Plan for Greater Adelaide and endorse the climate smart vision and principles proposed by the Council.
- In order to facilitate climate smart development in South Australia, the Council recommended that the South Australian Government adopt a staged approach by firstly conducting a situational analysis of South Australia's performance that involves:
 - Conducting an assessment of the State's performance against key principles developed by the Council such that opportunities for improving Government policies and processes are identified;
 - Identifying a preferred partnership arrangement with the broader development sector that will result in an effective collaboration between champions for climate smart development and create a stronger role for all stakeholders in achieving climate smart development;
 - Identifying a preferred approach to driving innovation, tackling barriers and incentivising high performance toward a climate smart built environment, possibly through the partnership arrangement; and
 - Identifying an appropriate timeframe for regular review in order to reassess best practices and community priorities, and measure progress in the State's urban development against the key principles.
- The Council also recommended the following initiatives be investigated further. These could include the ideas listed above in relation to:
 - The application of the key principles to upcoming major land divisions
 - The role of the Urban Renewal Authority
 - Pilot projects to demonstrate solutions locally
 - Accelerated planning approvals or other incentives
 - Training and accreditation
 - Financing mechanisms to increase residential investment
 - Planning provisions that encourage small scale and community scale renewables
 - Infrastructure design and delivery of more efficient and resilient precincts
 - Information products or displays to increase consumer awareness.

Low Carbon Energy for South Australia Forum

To commence research and thinking for the Premier's Climate Change Council's second strategic theme of low carbon energy/energy planning, three presentations were given to the Council at a lunchtime forum on 28 June 2012. The invited speakers were:

- Mark Ogge, Strategic Director, Beyond Zero Emissions and Repower Pt Augusta,
- Terry Kallis, Managing Director, Petratherm
- Gus Nathan, Director, Centre for Energy Technology, University of Adelaide.

Representatives from Renewables SA and Department of Manufacturing, Innovation, Trade, Resources and Energy also attended to participate in discussion following the presentations.

Presentations focussed on longer term initiatives and research that could be best suited to South Australia's natural strengths and needs. Discussions identified issues for further investigation including funding sources for investment in step change technology and support for storage and transmission improvements.

Other Activities

The Council was consulted on Tackling Climate Change: South Australia's Greenhouse Strategy 2010-11 Annual Progress Report.

ROLE, LEGISLATION AND STRUCTURE

The Premier's Climate Change Council is established under section 9 of the Act.

OBJECTS OF THE *CLIMATE CHANGE AND GREENHOUSE EMISSIONS REDUCTION ACT 2007*

The objects of the Act are broadly:

1. To assist in the achievement of ecologically sustainable development in the State by addressing issues associated with climate change through setting targets.
2. To promote commitment to action within the State to address climate change through a number of means.

ROLE AND FUNCTIONS OF THE COUNCIL

Section 11 of the Act provides the role and function of the Premier's Climate Change Council which, in summary, are 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 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 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

Subsection 9(2) of the Act 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 Act 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 2011 to 30 June 2012 comprised of:

- Mr Bruce Carter (Chair), Partner, Ferrier Hodgson
- Mr Tim O’Loughlin, Commissioner for Renewable Energy, RenewablesSA (Resigned 17 February 2012)
- 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.
- Dr Campbell Gemmill, Chief Executive Officer, Environment Protection Authority (Appointed 1 May 2012)

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

MEMBERS FEES

Under subsection 10(4) of the Act, the members of the Council are entitled to fees, allowances and expenses determined by the Minister:

- Chair \$18,574 per annum
- Members \$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 were not paid for Council membership.

SECRETARIAT

The Sustainability and Climate Change Branch within the DENR provided the secretariat support for the Council.

LEGISLATION: Statutory Advice

In 2011-12 the Council provided the Minister with two formal pieces of advice pursuant to subsection 11 (3) of the Act:

- Section 21 Review of the Climate Change and Greenhouse Emissions Reduction Act 2007 28 November 2011
- Environmental Upgrade Finance for Greening South Australia's Building Stock 30 April 2012

During this reporting period the Council reported to the Minister for Sustainability, Environment and Conservation.

MANAGEMENT OF HUMAN RESOURCES

EMPLOYEE NUMBERS, GENDER, STATUS, SUPERANNUATION, EXECUTIVES, LEAVE, DIVERSITY, DEVELOPMENT AND OCCUPATIONAL HEALTH, SAFETY AND INJURY MANAGEMENT

The Council does not employ any of its own staff and is supported by DENR staff. Consequently, human resource information is reported as part of the DENR2011-12 Annual Report.

Within the period of 1 July 2011 and 30 June 2012 the Council consisted of five male and five female members.

FINANCIAL PERFORMANCE

BUDGET ALLOCATION

The Council was allocated a budget of \$235,389 for the 2011-12 financial year. Further financial information is reported as part of the Department of Environment and Natural Resources 2011-12 Annual Report.

FRAUD

No instances of fraud were detected in the Council in 2011-12.

CONSULTANTS

No consultants were engaged by the Council in the 2011-12 financial year.

OVERSEAS TRAVEL

No overseas travel was undertaken by Council members in the 2011-12 financial year.

FREEDOM OF INFORMATION AND WHISTLEBLOWERS PROTECTION ACT 1993

No applications were received by the Council under the *Freedom of Information Act 1991* in the reporting period. There have been no occasions on which public interest has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993*.

ENERGY EFFICIENCY ACTION PLAN, GREENING OF GOVERNMENT OPERATIONS AND REGIONAL IMPACT ASSESSMENT STATEMENTS

The Council utilises the services and facilities of the DENR. Consequently, energy efficiency and greening of Government operations information is reported as part of the DENR 2011-12 Annual Report. The Council did not undertake any Regional Impact Assessment Statements during the 2010-11 financial year.

APPENDIX A: MEMBERS ATTENDANCE

For the 2011-2012 financial year the Council held four formal meetings. A number of sub group meetings were also held.

The below table details members' attendance at the meetings held during this reporting period of 1 July 2011 to 30 June 2012.

Member	Attended	Number of meetings during member's term
Bruce Carter	4	4
Tim O'Loughlin, resigned 17 February 2012	4	4
Brian Foster	4	4
Nicole Halsey	4	4
Prue McMichael	4	4
Ros DeGaris	4	4
Tim Kelly	4	4
Verity Sanders	4	4
John O'Brien	4	4
Jean Palutikof	4	4
Campbell Gemmell, term commenced 1 May 2012	0	0