



# Report on the review of the *Climate Change and Greenhouse Emissions Reduction Act 2007* (South Australia)

Prepared under **Section 21** of the  
*Climate Change and Greenhouse Emissions Reduction Act 2007* (South Australia)

November 2018



**Government of South Australia**  
Department for Environment  
and Water

Department for Environment and Water

GPO Box 1047, Adelaide SA 5001

Telephone      National (08) 8463 6946  
                         International +61 8 8463 6946  
Fax                National (08) 8463 6999  
                         International +61 8 8463 6999  
Website         [www.environment.sa.gov.au](http://www.environment.sa.gov.au)

#### Disclaimer

The Department for Environment and Water and its employees do not warrant or make any representation regarding the use, or results of the use, of the information contained herein as regards to its correctness, accuracy, reliability, currency or otherwise. The Department for Environment and Water and its employees expressly disclaims all liability or responsibility to any person using the information or advice. Information contained in this document is correct at the time of writing.

© Crown in right of the State of South Australia, through the Department for Environment and Water 2018

This work is Copyright. Apart from any use permitted under the *Copyright Act 1968* (Cth), no part may be reproduced by any process without prior written permission obtained from the Department for Environment and Water. Requests and enquiries concerning reproduction and rights should be directed to the Chief Executive, Department for Environment and Water (DEW), GPO Box 1047, Adelaide SA 5001.

Report prepared by

Climate Change Policy and Strategy Branch, Climate Change Group  
Report on the review of the *Climate Change and Greenhouse Emissions Reduction Act 2007* – November 2018,  
Government of South Australia, through Department for Environment and Water, Adelaide

# Contents

---

Executive Summary .....	1
1 Introduction .....	2
2 Consultation .....	2
3 Discussion on the operation of the Act .....	3
3.1 Progress in achieving the objects of the Act .....	3
3.1.1 Object 1: Achievement of ecologically sustainable development by addressing issues associated with climate change .....	3
3.1.2 Object 2: Policies and programs that commit to action .....	3
3.1.3 Object 3: Encouraging energy efficiency and conservation .....	5
3.1.4 Object 4: Promoting research and development .....	6
3.1.5 Object 5: Encouraging the commercialisation of renewable technologies .....	6
3.1.6 Object 6: Recognising achievements .....	7
3.1.7 Object 7: Business and community consultation .....	7
3.1.8 Object 8: Support and facilitate adaptation .....	8
3.1.9 Object 9: Reporting .....	8
3.1.10 Object 10: Promote consistency with national and international policy .....	9
3.1.11 Object 11: Contribute and respond to national and international policy .....	9
3.2 Additional legislative measures to meet targets .....	10
3.3 Other relevant matters .....	10
3.3.1 Sector Agreements .....	10
3.3.2 Consideration of climate change in government decision making .....	11
3.3.3 Legal and fiduciary risk .....	11
4 Conclusion and recommendations .....	11

# Executive Summary

---

South Australia's [Climate Change and Greenhouse Emissions Reduction Act 2007](#) (the Act) sets a framework for government to work with business and the community to reduce greenhouse emissions and build resilience to the impacts of climate change.

Section 21 of the Act requires a review of its operation, extent to which the Act's objects are being achieved, additional legislative measures that may be required to achieve these objectives, and any other relevant matters. This is the third Section 21 review and covers the period 2012 to 2017.

Over the last decade, developments including Australia's ratification of the Paris Agreement, debate surrounding the national electricity market, and the review of Australia's national climate change policies have influenced South Australia's climate actions.

The report provides a historical review of the contribution of policies and initiatives against the Act's objectives and targets. Progress is being made against the Act's objects and targets. Pre-existing strategies as well as initiatives introduced during the period of the review, have supported progress on energy efficiency and conservation, on renewable energy generation, and new technology research and development.

In 2015/16, net greenhouse gas emissions were 20 per cent lower than 1990, and in 2017 nearly 50 per cent of South Australia's electricity was generated by renewable energy sources.

The Premier's Climate Change Council remains a key advisory body to oversee strategies, programs, and state government practices, as well as lead on community and industry consultation.

No legislative change is proposed as an outcome of this review. The state government will seek advice from the Premier's Climate Change Council about future strategy and approaches to climate change.

As an outcome of the review, it is recommended the state government:

1. work with the Premier's Climate Change Council to raise awareness of legal and fiduciary risks of climate change
2. include robust climate risk assessments in government operations
3. recast future sector agreements as 'Voluntary Climate Change Agreements' and ensure the diverse range of partners required to achieve transition to a low carbon economy are captured in these future agreements.
4. provide combined Section 7 and Section 21 reports in the years in which reporting requirements of those sections align to streamline reporting processes.

# 1 Introduction

---

The [Climate Change and Greenhouse Emissions Reduction Act 2007](http://www.legislation.sa.gov.au/LZ/C/A/CLIMATE%20CHANGE%20AND%20GREENHOUSE%20EMISSIONS%20REDUCTION%20ACT%202007.aspx)<sup>1</sup> (the Act) requires the Government of South Australia work with business and the community to develop and implement strategies to reduce greenhouse emissions, foster the use of renewable sources of energy, and facilitate adaptation to climate change. The review of the Act also provides an opportunity to assess the legislation in context of developments across national and international policy settings.

Section 21 of the Act requires a review of the operational performance of the Act. In particular, Section 21(2) requires that the review report on:

- (a) the extent to which the objects of the Act are being achieved
- (b) the extent to which additional legislative measures (if any) are considered necessary to achieve the targets set by the Act within the periods contemplated by this Act, including by the introduction of performance standards and other mandatory requirements
- (c) other matters determined by the Minister to be relevant to a review of this Act.

The 2009 review of the Act identified a range of issues that could affect the operation of the Act, largely due to uncertainty around the impacts of the then proposed Australian Government Carbon Pollution Reduction Scheme.

The 2011 review of the Act was completed in the context of the Commonwealth Government's Clean Energy Future plan and the *Clean Energy Act 2011*, which introduced a carbon-pricing scheme (the *Clean Energy Act 2011* was repealed in 2014).

This third review has been undertaken in the context of Australia's ratification of the Paris Agreement in November 2016, debate surrounding the national electricity market, and the review of Australia's national climate change policies – the most recent released in December 2017.

## 2 Consultation

---

Section 21(3) requires the Minister to take reasonable steps to consult with relevant business, environment groups, and community organisations in the conduct of the review of the Act and to ensure that there is consultation with the Premier's Climate Change Council.

During 2015, public consultation took place regarding the Act and development of South Australia's climate change strategy. Public discussion papers were released for consultation. Public workshops across the state's regions were held including targeted workshops with adaptation practitioners, environment and conservation specialists, and business and industry representatives. The Department of Environment, Water and Natural Resources (now the Department for Environment and Water, DEW) jointly hosted an industry-focussed workshop with the Department of State Development (now the Department for Industry and Skills, DIS). An adaptation-focussed workshop, hosted by the Local Government Association of South Australia, was held with representatives from 18 councils.

The Premier's Climate Change Council were engaged in the development of this report.

---

1

<http://www.legislation.sa.gov.au/LZ/C/A/CLIMATE%20CHANGE%20AND%20GREENHOUSE%20EMISSIONS%20REDUCTION%20ACT%202007.aspx>

# 3 Discussion on the operation of the Act

---

## 3.1 Progress in achieving the objects of the Act

Since the last review, there has been substantial work towards achieving each of the 11 objects of the Act.

### 3.1.1 Object 1: Achievement of ecologically sustainable development by addressing issues associated with climate change

*Section 3(1)(a): to assist in the achievement of ecologically sustainable development in the State by addressing issues associated with climate change and, in particular —*

- i. by setting a target (the SA target) to reduce by 31 December 2050 greenhouse gas emissions within the State by at least 60 per cent to an amount that is equal to or less than 40 per cent of 1990 levels as part of a national and international response to climate change; and*
- ii. by setting related targets (the renewable electricity targets)—*
  - (A) to increase the proportion of renewable electricity generated so that it comprises at least 20 per cent of electricity generated in the State by 31 December 2014.*
  - (B) to increase the proportion of renewable electricity consumed so that it comprises at least 20 per cent of electricity consumed in the State by 31 Decemer 2014.*

The targets are set in Section 5 of the Act. Progress against the emissions target and the renewable electricity targets is outlined in a separate report pursuant to Section 7 of the Act: Report on the operation of the *Climate Change and Greenhouse Emissions Reduction Act 2007*. In 2015/16, net greenhouse gas emissions had reduced by 20 per cent since 1990 and in 2016/17, 48.9 per cent of South Australia's electricity was being generated using renewable sources.

### 3.1.2 Object 2: Policies and programs that commit to action

*Section 3(1)(b): to promote commitment to action within the State to address climate change through—*

- i. the development of specific targets (as appropriate) for various sectors of the State's economy; and*
- ii. the development of various interim targets; and*
- iii. the development of policies and programs for the reduction of greenhouse gas emissions and for other relevant purposes.*

#### 3.1.2.1 Development of sectoral and interim targets

South Australia's former Strategic Plan included Target 61: Energy efficiency – government buildings: Improve the energy efficiency of government buildings by 30 per cent by 2020. The energy efficiency of government buildings improved by 20.4 per cent between 2000-01 and 2015-16<sup>2</sup>.

#### 3.1.2.2 Policies and programs

Section 14 of the Act provides for the setting of policies that will assist in reducing emissions and promoting or facilitating adaptation. Section 14 also requires that government develops policies that demonstrate its leadership in addressing climate change through the management and reduction of its own emissions and through the development of related reporting mechanisms.

---

<sup>2</sup> South Australian Government Buildings Energy Efficiency Report 2015-16, Department of State Development.

There have been two major climate change strategies that have guided action within South Australia over the reporting period:

- [Tackling Climate Change: South Australia's Greenhouse Strategy 2007-2020](#)<sup>3</sup>
- [South Australia's Climate Change Strategy 2015-2050 – Towards a low carbon economy](#) (2015)<sup>4</sup>. This strategy responded to advice of the [Premier's Climate Change Council in South Australia's climate change vision: Pathways to 2050](#)<sup>5</sup>.

A number of initiatives, programs and projects have been part of the implementation of these strategies. Over the review period, these policy and planning instruments provided the foundation for action to reduce emissions and adapt to climate change.

#### *Climate Change Strategy*

In November 2015, the Government of South Australia released South Australia's Climate Change Strategy 2015-2050: Towards a low carbon economy. The strategy priorities for climate change action was across six themes. The strategy was finalised through a public consultation process. The strategy included a new greenhouse gas emissions target for South Australia of net zero emissions by 2050. The strategy also had an adaptation focus with a commitment to develop statewide and whole-of-government adaptation plans.

The Premier's Climate Change Council has been tasked with developing a new cross government climate change strategy for the state, focusing on practical initiatives that reduce emissions and help South Australia adapt to a changing climate.

#### *Carbon Neutral Adelaide*

The [Carbon Neutral Adelaide Action Plan](#)<sup>6</sup> was released in November 2016 and includes pathways for reducing carbon emissions. The delivery mechanisms included a Carbon Neutral Adelaide schools program; a Sustainability Incentives Scheme; and a partnership program to drive emission reduction action. Around 140 businesses, industry, education and non-government organisations signed up as partners to the Carbon Neutral Adelaide initiative.

#### *Low Carbon Investment*

South Australia has focussed on investing in low carbon technologies. The [Low Carbon Investment Plan](#)<sup>7</sup> released in 2015 outlined strategies to invest \$10 billion in low carbon energy generation by 2025 and achieve 50 per cent of electricity production by renewable energy by 2025. A national renewable energy target helped to encourage investment in renewable energy production in South Australia.

#### *Energy Plan*

The [South Australian Energy Plan](#)<sup>8</sup> was released in March 2017. The plan sought to build a grid-connected battery to provide the state with 100 megawatts of storage. A \$150 million Renewable Technology Fund was another component of the Energy Plan. The Fund supported investment for renewable and demand management technologies.

---

<sup>3</sup> <http://apo.org.au/system/files/8847/apo-nid8847-93151.pdf>

<sup>4</sup> <http://pandora.nla.gov.au/pan/159577/20160715-1315/www.environment.sa.gov.au/files/sharedassets/public/climate-change/sa-climate-change-strategy-2015-2050-towards-low-carbon-economy.pdf>

<sup>5</sup> <https://www.environment.sa.gov.au/files/sharedassets/public/climate-change/sa-climate-change-vision-pathways-to-2050.pdf>

## Adaptation

[Prospering in a Changing Climate: A Climate Change Adaptation Framework for South Australia](#)<sup>9</sup> was released in 2016. Regional adaptation plans for each state government region were also completed.

To complement the regional adaptation plans, the Government of South Australia developed a statewide adaptation plan. In November 2017, [Towards a Resilient State: The South Australian Government's Climate Change Adaptation Action Plan](#)<sup>10</sup> featured at the United Nations Climate Change Conference of the Parties (COP) 23 and was officially released in February 2018.

## Coastal management

The 2016 revision of the [Coast Protection Board policy document](#)<sup>11</sup> supports the implementation of the [Coast Protection Act 1972](#)<sup>12</sup>. The Act also supports the objects of the *Climate Change and Greenhouse Emissions Reduction Act 2007* through climate change considerations regarding hazard management and the application of development standards such as a coastal policy allowance of sea level rise. There is also opportunity in the use of blue carbon offsetting through seagrass and mangrove protection and restoration.

### 3.1.3 Object 3: Encouraging energy efficiency and conservation

#### *Section 3(1)(c): to encourage energy efficiency and conservation*

Over the reporting period there was encouragement of energy efficiency and conservation in the residential, commercial, transport and government sectors, including through the Building Upgrade Finance mechanism and the Retailer Energy Efficiency Scheme.

#### 3.1.3.1 Building Upgrade Finance mechanism

In August 2017, the enabling legislation for the Building Upgrade Finance mechanism entered into operation. The mechanism helps building owners to access loans to improve the energy, water and environmental efficiency of existing commercial buildings. Heritage upgrades of non-residential heritage buildings are also eligible for Building Upgrade Finance.

#### 3.1.3.2 Retailer Energy Efficiency Scheme

The Retailer Energy Efficiency Scheme (REES) requires larger energy retailers to help households and business save energy. The objectives are to reduce household and business energy use, with a focus on low-income households. This provides energy cost and greenhouse gas emissions benefits.

Energy retailers that exceed specific thresholds are set annual targets to deliver energy efficiency activities to households and/or businesses. In addition, retailers with larger residential customer bases are set targets for providing energy audits to low-income households. Under REES, energy retailers installed over 2.5 million energy saving light globes; 340,000 standby power controllers; 170,000 water efficient shower heads; and over 6,000 energy efficient water heaters. In addition, over 45,000 home energy audits have been delivered to low income households.

#### 3.1.3.3 Government buildings energy efficiency measures

The [Government Buildings Energy Strategy 2013-2020](#)<sup>13</sup> provided guidance for tracking, managing and reporting energy use in government buildings with the aim of improving the energy efficiency of government buildings by 30 per cent by 2020 based on 2001 baseline. The strategy seeks to improve energy efficiency, reduce greenhouse gas emissions and limit the energy costs associated with operating government buildings.

The energy efficiency of government buildings improved by over 20 per cent between 2000 and 2016. The greenhouse gas emissions intensity of government buildings has reduced by over 45 per cent since 2000. An estimated 78 per cent of the floor space of government leased CBD buildings (over 2000 m<sup>2</sup>) occupied in 2015-16 had a National Australian Built Environment Rating System base building energy rating of four stars or higher in 2016.

---

13

[https://www.dpti.sa.gov.au/\\_data/assets/pdf\\_file/0011/176519/Government\\_Buildings\\_Energy\\_Strategy\\_PO44.pdf](https://www.dpti.sa.gov.au/_data/assets/pdf_file/0011/176519/Government_Buildings_Energy_Strategy_PO44.pdf)



### 3.1.4 Object 4: Promoting research and development

Section 3(1)(d): *to promote research and development with respect to the development and use of technology to reduce or limit greenhouse gas emissions or to support adaptation to climate change, including by developing ways to remove greenhouse gases from the atmosphere.*

Research and development provides an opportunity for the state to lead and innovate. The government has an important role to play in providing supportive regulatory and procurement mechanisms for the outcomes of sound research and development. South Australia has particular expertise in solar and wind technologies, biogas and biofuels, renewable energy storage systems, adaptation approaches, and carbon sequestration solutions. Several initiatives promoted research and development over the reporting period.

#### 3.1.4.1 Tonsley Park Innovation Precinct

The Government of South Australia collaborated with industry, through the Tonsley Park Innovative Precinct, to encourage research and development in new technologies to stimulate investment and create economic opportunities in taking action on climate change.

#### 3.1.4.2 Adelaide to Zero Carbon Challenge

A global search for solutions to meet Adelaide's carbon neutral target was undertaken with the [Adelaide to Zero Carbon Challenge](#)<sup>14</sup>. The first initiative under the challenge was South Australia's Low Carbon Entrepreneur Prize held in 2016-17.

#### 3.1.4.3 Cooperative Research Centre for Low Carbon Living.

The Department for Industry and Skills (previously DSD) committed \$300,000 in 2016-17 to the Cooperative Research Centre for Low Carbon Living to support activities to promote the Carbon Neutral Adelaide Action Plan, including research on more sustainable forms of travel.

#### 3.1.4.4 Goyder Institute

The Government of South Australia is a key partner in the [Goyder Institute for Water Research](#). The institute delivers research initiatives through collaboration with the Government of South Australia, Commonwealth Scientific and Industrial Research Organisation (CSIRO), Flinders University, University of Adelaide, University of South Australia and the International Centre of Excellence in Water Resources Management.

[SA Climate Ready](#)<sup>15</sup> developed climate projections for the natural resource management regions of South Australia. The project included applying the SA Climate Ready data to understand climate risk, assessing landscape and coastal environment carbon bio-sequestration potential, and developing tools for water and environmental managers to develop operational and management strategies that incorporate an integrated assessment of climate risks.

### 3.1.5 Object 5: Encouraging the commercialisation of renewable technologies

Section 3(1)(e): *to encourage the commercialisation of renewable energy and of technologies that will reduce or limit greenhouse gas emissions or support adaptation to climate change.*

A range of actions and initiatives aim to encourage the commercialisation of renewable energy and emissions reduction technologies. In South Australia, the main initiatives over the reporting period included:

#### 3.1.5.1 Renewable Technology Fund

The [Renewable Technology Fund](#)<sup>16</sup> released \$75 million in grants and \$75 million in loans to eligible projects to support private innovative companies and entrepreneurs. There are a number of large-scale projects under consideration in South Australia including solar thermal, biomass, hydrogen energy and pumped hydro.

#### 3.1.5.2 RenewablesSA

RenewablesSA was established in 2009 to support the growth of South Australia's renewable energy industry. The initiative sought to attract investment by removing policy and legislative barriers, providing commercially relevant information to investors and working with businesses to develop projects and take advantage of external funding. In December 2015, RenewablesSA released the [Low Carbon Investment Plan](#).

<sup>14</sup> <https://www.carbonneutraladelaide.com.au/news/adelaide-to-zero>

<sup>15</sup> <https://data.environment.sa.gov.au/Climate/SA-Climate-Ready/Pages/default.aspx>

<sup>16</sup> <http://ourenergyplan.sa.gov.au/opportunities>

### 3.1.5.3 BioEnergy Roadmap

Bioenergy is produced from organic matter derived from plants, animals or manufactured food waste. The [Bioenergy Roadmap for South Australia](#)<sup>17</sup> encourages the development of the state's bioenergy industry. The roadmap provides mentoring and grant funding to develop and assess the feasibility of bioenergy projects. The South East region has been identified as a bioenergy hotspot.

### 3.1.5.4 Climate-KIC Australia

Established in 2016, Climate-KIC Australia Ltd is a public private partnership that aims to develop innovative low carbon ideas and solutions that can be commercialised by connecting the research community, government and commercial opportunities. The Government of South Australia is a partner in Climate-KIC Australia with representation on its Board.

### 3.1.5.5 Development of energy storage options

In 2016, ZEN Energy was awarded a \$1.1 million tender to install energy battery storage at demonstration sites in government buildings within the City of Adelaide including Adelaide High School, the State Library, and the Art Galley of South Australia.

In 2017, a 150 megawatt solar thermal power plant was secured for construction in Port Augusta with capacity to store between 8 to 10 hours of electricity. The Tesla Powerpack batteries were installed in 2017 alongside French company Neoen's Hornsdale windfarm near Jamestown in South Australia's Mid North region.

## 3.1.6 Object 6: Recognising achievements

Section 3(1)(f): *to provide recognition to bodies and persons who commit to addressing climate change by achieving reductions in greenhouse gas emissions, by increasing the use of renewable energy sources, by introducing emissions off set programs or by adopting other relevant initiatives.*

### 3.1.6.1 South Australian Climate Leaders Awards

In November 2016, the Premier's Climate Change Council hosted the South Australian Climate Leaders Awards to recognise individuals and organisations taking action to address climate change. The council received more than 40 award entries across three categories: Individual, Industry and Business, and Community and Regions.

### 3.1.6.2 Carbon Neutral Adelaide Awards

In November 2017, the inaugural Carbon Neutral Adelaide Awards celebrated the contributions by Carbon Neutral Adelaide Partners, individuals and households from the City of Adelaide to become the world's first carbon neutral city. There were five award categories recognising innovation, action and leadership in the economy and at home.

## 3.1.7 Object 7: Business and community consultation

Section 3(1)(g): *to encourage and facilitate business and community consultation and early action with respect to issues surrounding climate change.*

### 3.1.7.1 Premier's Climate Change Council

Section 9 of the Act establishes the Premier's Climate Change Council whose primary function, as required by Section 11, is to provide independent advice to the Minister on matters associated with reducing greenhouse gas emissions and adapting to climate change. The council takes a leadership role in consulting with business, the environment and conservation movement and the wider community. It also disseminates information to business and other groups in order to encourage implementation to address climate change and adapt to the effects of climate change. The council meets around five times a year.

In 2017, the state government appointed a new term membership for the period 18 July 2017 until 30 June 2020. Membership includes representation and expertise from across the business community, environment and conservation sector, local government, energy sector, regional communities, and land-use planning and climate adaptation planning. The council has had a key role in numerous events to engage with South Australian

---

<sup>17</sup> <http://www.renewablessa.gov.au/content/uploads/2018/03/a-bioenergy-roadmap-for-south-australia-report-version-1.pdf>

businesses and the community about climate change issues and opportunities. Some examples over the reporting period included:

- co-hosting a forum in 2016 with the coordinators of regional climate change adaptation planning
- hosting a cross-sector networking and speaker event alongside the Climate Adaptation 2016 conference in Adelaide, with a focus on the social and economic opportunities of climate change adaptation, and
- the Council Chair participating in targeted events led by the Government of South Australia in partnership with the Property Council of Australia (SA Division) to increase awareness and understanding of the Building Upgrade Finance mechanism among financiers and South Australian property owners.

### 3.1.7.2 Broader community consultation

The Government of South Australia consulted with the community to develop [South Australia's Climate Change Strategy 2015-2050: Towards a low carbon economy](#). Members of the Premier's Climate Change Council supported the consultation by participating in the 15 workshops, and promoted the engagement process through their networks and media outlets. Three discussion papers published as part of the broader consultation process posed the themes of: 'lead' the role of Government and sectors in taking action on climate change; 'adapt' - government, communities, businesses and individuals working together; and 'reduce'- opportunities to substantially reduce emissions.

The Government of South Australia has also maintained links and engagement programs across business, industry, local councils and the community. The engagement has included grants to the Conservation Council of South Australia to raise awareness and build capacity in communities, promotion of green infrastructure, and improved coastal management.

### 3.1.8 Object 8: Support and facilitate adaptation

*Section 3(1)(h): to support measures to facilitate adaptation to circumstances that will inevitably be caused by climate change including by supporting measures that will improve the ability of the community species and ecosystems to deal with the effects of climate change.*

The Government of South Australia has undertaken or supported a range of adaptation activities at the local and state level (see Regional adaptation plans; and the South Australia Adaptation Plan under Object 2: Policies and programs that commit to action).

### 3.1.9 Object 9: Reporting

*Section 3(1)(i): to provide for reporting on progress being made within the State to meet the South Australian target, and other specific or interim targets associated with reductions in greenhouse gas emissions, and to meet targets associated with the use of renewable electricity.*

To meet this object, the following provisions require reporting on the effectiveness of the Act and work under way to address climate change:

- Section 7 requires the Minister to prepare a report every two years, on the operation of the Act in regards to levels of emissions.
- Section 20 requires the Minister's department to include in its annual report a report on work undertaken in the department on the development of climate change policy and related initiatives.
- Section 21 requires the Minister to conduct a review of the Act and its operation every four years.

Reports on Sections 7 and 21 have been prepared in accordance with the legislative requirements.

To meet the requirements of Section 20, information on the work undertaken in the Department for Environment and Water has been included in annual reports since the conception of the Act, and through the annual reports prepared by the Premier's Climate Change Council since the 2007-08 financial year.

The Premier's Climate Change Council has proposed a more streamlined and structured approach to legislative reporting. There is potential to improve the efficiency and focus of reporting requirements within the current framework and to reduce duplication between Section 21 and Section 7 reporting.

### **3.1.10 Object 10: Promote consistency with national and international policy**

*Section 3(1)(j): to promote action within South Australia that provides consistency with national and international schemes designed to address climate change, including schemes that relate to emissions trading and emissions reporting.*

The Government of South Australia has promoted action that is consistent with national and international policy.

#### **3.1.10.1 Consistency with the Paris Agreement**

The Paris Agreement<sup>18</sup> was finalised at the United Nations Framework Convention on Climate Change (UNFCCC) at the 21st Conference of the Parties (COP21) in Paris in December 2015. The Paris Agreement sets a framework for all countries to take climate change action from 2020. Under the Paris Agreement, each country determines the contributions it should make in order to mitigate global warming.

The Paris Agreement commitment is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius<sup>19</sup>. The Paris Agreement further commits countries to set mitigation targets from 2020, to review targets every five years to build ambition over time, and to promote action to adapt and build resilience to climate impacts. It also provides for enhanced transparency of action and support through a more robust transparency framework and has a strong focus on the need for investment in adaptation.

Australia ratified the Paris Agreement in November 2016. The Australian Government has set a target to reduce national emissions to 26-28 per cent on 2005 levels by 2030. The target represents a 50-52 per cent reduction in emissions per capita and a 64-65 per cent reduction in the emissions intensity of the economy between 2005 and 2030<sup>20</sup>.

### **3.1.11 Object 11: Contribute and respond to national and international policy**

*Section 3(1)(k): to enhance the ability of the State to contribute to and to respond expeditiously to national and international developments associated with issues surrounding climate change.*

Over the reporting period, the Government of South Australia participated in Climate Week in New York City in September 2016 and the Under2 Clean Energy Forum in Beijing in June 2017. The Government attended the annual United Nations Climate Change Conference of the Parties (COP). These events provided a forum to showcase South Australia's work on mitigation and adaptation action, promote key business and clean energy initiatives, and strengthen networks across sub-national governments.

The Government of South Australia has also been involved in other programs and initiatives that enable national and international contributions to policy development as listed below.

#### **3.1.11.1 States and Regions Alliance**

Created in 2005, members of the States and Regions Alliance signed the Montreal Declaration of Federated States and Regions. The Government of South Australia was an inaugural signatory to the Montreal Declaration and a founding co-chair of the Alliance.

The Alliance consists of a network of 39 governments from six continents, which collectively account for 368 million people, 12 per cent of global GDP and 2.9 gigatonnes of CO<sub>2</sub> emissions. Governments share expertise on innovative policy, report on measurable climate actions, and drive emission reduction initiatives.

#### **3.1.11.2 States and Regions Compact**

In 2014, several state and regional government coalitions for climate change were created including: the Climate Group States and Regions Alliance; Network of Regional Governments for Sustainable Development (nrg4SD); R20-Regions of Climate Action (R20); and the CDP (formerly the Carbon Disclosure Project). These coalitions report annual progress against commitments made by state and regional governments. The States and Regions Compact is a mechanism for regional governments to report on and demonstrate their support for the Paris Agreement.

---

<sup>18</sup> [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf)

<sup>19</sup> [http://unfccc.int/paris\\_agreement/items/9485.php](http://unfccc.int/paris_agreement/items/9485.php) Accessed 07/10/2017

<sup>20</sup> <http://www.environment.gov.au/climate-change/publications/factsheet-australias-2030-climate-change-target>

## Under2MOU

Sub-national governments are key players on climate change action at the international level. South Australia signed on to the [Global Climate Leadership Memorandum of Understanding](#)<sup>21</sup> (the Under2MOU) on 6 December 2015. The Under2MOU aims for sub-national governments to reduce their greenhouse gas emissions towards net zero by 2050. These are the levels needed to limit global warming to below 2 degrees Celsius as recommended by the Intergovernmental Panel on Climate Change.

South Australia contributed to the Annual Disclosure report to provide a transparent, global picture of the impact, progress and climate action driven by state and regional governments.

### 3.1.11.3 RegionsAdapt

In 2015, South Australia joined RegionsAdapt, a cooperative framework to exchange experiences and best practices on adapting to climate change. Regional governments collaborate, exchange knowledge and share best practice on adaptation and resilience<sup>22</sup>.

### 3.1.11.4 Climate Action Roundtable

The Climate Action Roundtable brings together Australian climate change ministers and lord mayors working to achieve the transition to net zero greenhouse gas emissions. Two meetings of the Climate Action Roundtable were held during the 2016 and 2017 reporting period, in Melbourne and Adelaide respectively.

### 3.1.11.5 Climate Leadership Declaration 2017

On 13 July 2017, South Australia signed a Climate Leadership Declaration along with the governments of Victoria, the Australian Capital Territory and Queensland. The Declaration was signed at a meeting with the former US Vice President, Al Gore, which took place alongside the EcoCity World Summit in Melbourne. The Declaration emphasised the role of Australia's states and territories in climate change action and set out collaborative actions to be pursued by the signatories.

## 3.2 Additional legislative measures to meet targets

There have been no additional legislative measures to meet the emissions reduction and renewable energy targets.

## 3.3 Other relevant matters

*Section 21(2)(c) requires a specific report on other matters that are determined by the Minister to be relevant to review of the Act.*

Sector agreements, consideration of climate change in government decision making and the implications of legal and fiduciary risk have been reviewed to explore implications for implementing the Act.

### 3.3.1 Sector Agreements

Section 16 of the Act provides for the development of voluntary [climate change sector agreements](#). These underpin partnerships between the Government of South Australia and other sectors related to climate change.

Since the commencement of the Act's operation in 2007, the Government of South Australia has entered into over 25 sector agreements<sup>23</sup> with a range of organisations to improve energy efficiency, reduce energy consumption, promote renewable energy, identify adaptation pathways, and support innovation in technologies and practices.

Sector agreements have been a means of formalising alliances and clarifying roles, objectives and actions for regions to deliver climate change response planning and programs. As these agreements are reaching their expiry dates, the State Government has been working with regions to assess future requirements and potential scope and diversity of partnerships required.

---

<sup>21</sup> <http://under2mou.org/wp-content/uploads/2015/04/Under2-MOU-with-Addendum-English-US-Letter.pdf>

<sup>22</sup> <http://www.nrg4sd.org/climate-change/regionsadapt/>

<sup>23</sup> [https://www.environment.sa.gov.au/topics/Science/Science\\_research/climate-change/climate-change-initiatives-in-south-australia/sa-climate-change-legislation/sector-agreements/register-sa-sector-agreements](https://www.environment.sa.gov.au/topics/Science/Science_research/climate-change/climate-change-initiatives-in-south-australia/sa-climate-change-legislation/sector-agreements/register-sa-sector-agreements)

The Premier's Climate Change Council has suggested that the agreements need to reflect the scope and diversity of partnerships for low carbon transition and to build resilience of communities and that the relevance of the agreements to adaptation action need to be more clearly articulated. The council has suggested that the agreements could be broadly recast as 'Voluntary Climate Change Agreements'.

### 3.3.2 Consideration of climate change in government decision making

Section 6(1)(i) of the Act requires that the Minister considers whether it is necessary or desirable to amend any legislation or to modify any government policy or administrative practices in order to achieve the objects of the Act and to make recommendations along these lines. No amendments or modifications have occurred since the previous Section 21 review.

No legislative change is proposed as an outcome of this review. The Premier's Climate Change Council has been tasked with developing a new across government climate change strategy for the state, focusing on practical initiatives that reduce emissions or help South Australia adapt to a changing climate.

### 3.3.3 Legal and fiduciary risk

The financial and legal sectors have been prominent in action around climate risk. The World Economic Forum<sup>24</sup> identified climate change mitigation and adaptation as the fifth highest global risk in terms of impact. The Financial Stability Boards Taskforce on Climate-related Financial Disclosure has also developed recommendations for managing physical, liability and transition risks of climate change<sup>25</sup>. Various investor groups are also pushing for greater disclosure of exposure to climate risks<sup>26</sup>.

In Australia, the Centre for Policy Development and the Future Business Council released the Climate Change and Director's Duties Memorandum of Opinion<sup>27</sup> highlighting the fiduciary liabilities and duties for company directors and governments. The Australian Prudential Regulation Authority (APRA) has also confirmed that directors have a fiduciary duty to consider and disclose the risks to their businesses posed by climate change.

Minimising risks to business and service delivery will be increasingly important. For example, incorporating climate change considerations into risk assessment and management, project management, and procurement. This is also important for government as the owner, operator and delivery agent of built assets and community services which underpin the economy and community life.

## 4 Conclusion and recommendations

---

This Section 21 review has found that progress is being made against the objects of the Act. As an outcome of the review, it is proposed that the government will:

1. work with the Premier's Climate Change Council to raise awareness of legal and fiduciary risks of climate change
2. include robust climate risk assessments in government operations
3. recast future sector agreements as 'Voluntary Climate Change Agreements' and ensure the diverse range of partners are captured in these future agreements
4. provide combined Section 7 and Section 21 reports in the years in which reporting requirements of those sections align to streamline reporting processes.

---

<sup>24</sup> <https://www.weforum.org/reports/the-global-risks-report-2017>

<sup>25</sup> <https://www.fsb-tcfd.org/publications/final-recommendations-report/>

<sup>26</sup> <https://www.weforum.org/reports/the-global-risks-report-2017>

<sup>27</sup> <https://cpd.org.au/wp-content/uploads/2016/10/Legal-Opinion-on-Climate-Change-and-Directors-Duties.pdf>