Climate Change and Greenhouse Emissions Reduction (Miscellaneous) Amendment Bill 2024

Explanatory Guide to the Bill

SOUTH AUSTRALIA

Government of South Australia
Department for Environment and Water

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Introduction

In 2007, South Australia was the first Australian jurisdiction to legislate specifically about climate change, passing the *Climate Change and Greenhouse Emissions Reduction Act 2007* (the Act).

The Act is an important part of the South Australian Government's broader policy agenda to deal with climate change. More information on the range of actions that the government is delivering to tackle climate change can be found at: South Australian Government Climate Change Action.

The Act provides for greenhouse gas emissions reduction targets and reporting, establishes the Premier's Climate Change Council as an independent advisory body, and provides a framework for policies and programs and other initiatives to address climate change.

Amendments are proposed to modernise the Act and provide a contemporary legislative framework to deliver South Australia's climate change policy objectives. Amending the Act is part of the government's response to the declaration of a climate emergency by the South Australian Parliament in May 2022.

This guide provides an explanation of the proposals to amend the Act.

The Department for Environment and Water invites you to learn about, and have your say on the proposed amendments.

Provide Your Feedback

You can submit your survey response to the government's YourSAy page at yoursay.sa.gov.au or provide your feedback via email to DEWClimateChange@sa.gov.au.

You can also post a response to
SA Climate Change Act Amendments,
GPO Box 1047, Adelaide SA 5001.

Consultation closes 12 noon ACST on 5 April 2024

Register for updates and information sessions

Stay informed on this project at
yoursay.sa.gov.au/climate-change-bill

Overview of the Proposed Amendments

Amendment of section 4 – Interpretation

The terms “climate change adaptation” and “climate change mitigation” are commonly used to distinguish the two separate streams of action required to respond to climate change. It is proposed to include the following definitions of these terms:

- **climate change adaptation** means any process of adjusting to the actual or expected effects of climate change
- **climate change mitigation** means measures or activities that relate to reducing the rate of climate change including (without limitation) by limiting, reducing or preventing greenhouse gas emissions.

These definitions align with the definitions in the Environment Protection (Objects of Act and Board Attributes) Amendment Act 2023.

It is proposed to define the term net greenhouse gas emissions.

- **net greenhouse gas emissions** means greenhouse gas emissions after -
  a. determining the amount of total greenhouse gas emissions attributable to the State, including any removals of greenhouse gas emissions from the atmosphere due to activities within the State; and
  b. deducting from the amount described in paragraph (a), any emissions offsets from outside of the State.

It is proposed to define what constitutes a public sector entity for the purpose of the Act.

Other amendments are proposed to this section as a consequence of the primary amendments to the Act.

Amendment of section 5 – Targets

It is proposed to amend Section 5 relating to targets to:

- update the 2050 target (the SA target);
- add a 2030 emissions reduction target; and
- update the renewable electricity target.

The current emissions reduction and renewable electricity targets in the Act are out of date and out of step with Australian and global commitments to pursue efforts to limit global warming to 1.5°C.

Legislating contemporary interim and long-term targets will help South Australia to plan for a successful transition to a net zero future in a way that maximises the benefits and minimises the costs.

2050 Net Zero Emissions Target

It is proposed to replace the existing SA target ‘to reduce by 31 December 2050 greenhouse gas emissions within this State by at least 60% to an amount that is equal to or less than 40% of 1990 levels’ with a target to achieve net zero greenhouse gas emissions by 2050.

This target aligns with the national target of net zero greenhouse emissions by 2050 legislated by the Australian Government in 2022.

2030 Emissions Target

A new interim 2030 target is proposed to reduce net greenhouse gas emissions by at least 50% by 2030 (from 2005 levels). This short-term target sets a clear milestone on the pathway to achieving net zero.

A 2030 target provides certainty to business and investors and drives South Australian policy and action. For example, through encouraging action such as energy efficiency, renewable energy, low emissions manufacturing and mining, and establishment of carbon sinks.

Renewable Electricity Target

The 2014 renewable electricity generation and use targets in the current Act have been achieved and will be removed.

The draft Bill currently proposes to update the renewable electricity target in the Act to 100% net renewable electricity generation by 2030 in line with a previous commitment made by the South Australian Government.

On 27 February 2024, the South Australian Government announced a more ambitious target of achieving 100% net renewable electricity generation by 2027.

The state is on track to achieving this. In just over 20 years South Australia has moved from 1% to over 70% of its electricity generated from renewable sources. By 2025-26 the Australian Energy Market Operator forecasts this could rise to approximately 93%.

Setting 5 Yearly Interim Targets

Section 5 will also be amended to include a requirement for the Minister responsible for the Act (the Minister) to set interim five-yearly emissions reduction targets for the state between 2030 and 2050.

Five yearly interim targets will keep South Australia on track to achieve net zero emissions in 2050 preventing reliance on last minute and potentially more costly interventions. Regular interim targets are in line with global best practice and help to ensure that cumulative emissions over the period between 2030 and 2050 align with global temperature goals.

When setting the targets, the Minister must seek to obtain advice from relevant experts, provide consistency with best national and international practices and undertake consultation.

Amendment of section 14 – Policies

State-wide emissions reduction plan

An amendment is proposed to section 14 to introduce a requirement to prepare a publicly available state-wide emissions reduction plan that will be reviewed and updated in line with the five-yearly targets. The plan must set out the government's objectives, policies, programs and initiatives for reducing, limiting or preventing greenhouse gas emissions.

Government leading by example

South Australian public sector will lead by example in reducing its emissions and managing climate risk to its assets, operations and services.

Under section 14, the Act currently allows the Minister to develop a policy or policies that demonstrate the government's leadership in dealing with climate change through the management and reduction of its own greenhouse gas emissions.

It is proposed to add another subsection, under section 14(1)(a), allowing the Minister to develop a policy or policies that would outline how government agencies should consider and manage climate-related risks in their operations and activities.

Public sector agencies currently prepare annual reports that are publicly available. It is proposed to add a provision (proposed Section 20A) for public sector agencies to outline the ways they are addressing climate change risk and emission reduction in their annual reports.

Insertion of sections 14A and 14B

Climate change risk assessment for the State

Despite local and global action, the impacts of climate change will continue to increase over the coming decades. Sound, science-based information about the risks and impacts will help South Australians plan and prepare to adapt to the changes.

It is proposed to amend the Act to require the preparation of a state-wide climate risk assessment within 2 years of the enactment of the amendments. After this, the risk assessment will be reviewed every 5 years.

A state-wide climate risk assessment will help target future adaptation actions and provide a basis for other governments, businesses, organisations and individuals to conduct their own climate risk assessment. The assessment will help support decisions about developing adaptation policies and plans, for example the development of a state-wide adaptation plan or sector plan.

The state-wide climate risk assessment must assess the economic, social, and environmental risks and implications of climate change along with any other matter that the Minister considers relevant. The assessment must, as far as is reasonably practicable, consider the latest and best available information on projected impacts of climate change.

Plans prepared by public sector entities

It is proposed to introduce a new section, section 14B, which will introduce an ability for the Premier to nominate that a public sector entity prepare a plan for an entity or sector relating to emissions reduction or climate change adaptation or both. In this context, a 'sector' refers to a group of related economic or other activities.

An entity or sector plan can help target more specific climate change mitigation or adaptation activities within government agencies or across key sectors. Sector planning would require consultation providing a mechanism for government and private sector to work together to understand and address emissions reduction or adaptation needs.

Entity or sector plans must be developed having regard to the climate related risks of the sector, including those identified in a state-wide climate risk assessment; emissions reduction or renewable electricity targets under the Act; and any relevant plans, policies and sector agreements prepared under the Act.

Amendment of section 16 – Sector agreements

Under section 16 of the Act, the Minister may enter into agreements (sector agreements) with a particular person or entity or industry or business group on a voluntary basis to recognise, promote or facilitate strategies to reduce emissions or mitigate the effects of greenhouse gas emissions.

A minor amendment is proposed to clarify that sector agreements are intended to cover climate change adaptation measures as well as strategies and methods to meet state targets for emission reductions or renewable energy.

Insertion of sections 18A and 20A

Status and effect of policies and plans (new section 18A)

Clarifying provisions are included to outline the status and effect of policies and plans under the Act.

Reports of public sector entities (new section 20A)

A new section is proposed to require government agencies and other public entities to include information in their annual reports about how they are addressing climate related risks and reducing greenhouse gas emissions.

Miscellaneous

Consequential amendments are proposed to a range of clauses to support and provide consistency with the primary amendment proposals outlined above. For example, consequential amendments include (but are not limited to) incorporating newly defined terms throughout the Act.

Please see the Draft Climate Change and Greenhouse Emissions Reduction (Miscellaneous) Amendment Bill 2024 for the full list of proposed amendments.

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