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

What we heard report | July 2024



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Acknowledgement of Country

The Department for Environment and Water acknowledges Aboriginal people as the First Peoples and Nations of the land and waters we live and work upon and we pay our respects to their Elders past and present. We acknowledge and respect the deep spiritual connection and the relationship that Aboriginal and Torres Strait Islander people have to Country.

Background

In 2007, South Australia was the first sub-national 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. The Act sets out greenhouse (GHG) 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 were 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.

Community engagement on the proposed amendments

The Department for Environment and Water (DEW) held public consultation on the proposed amendments to the Act between 23 February and 5 April 2024. The purpose of this community engagement was to:

- inform people about the proposed amendments to the Act
- present the *Draft Climate Change and Greenhouse Emissions Reduction (Miscellaneous) Amendment Bill 2024* (Draft Amendment Bill) to the community to seek their feedback on the proposed amendments
- provide opportunity for people to discuss the proposed amendments, and
- listen to the questions and issues raised to cross check that the proposed amendments are reflective of community sentiment.

Any feedback we received during this engagement process that was not relevant to the Draft Amendment Bill will be shared with the relevant departments for consideration where appropriate.

Previous community engagement

The Draft Amendment Bill was also informed by engagement with the community, industry and government in 2023, including:

- **The inaugural Industry Climate Change Conference** in April 2023, which brought together 857 industry, business, and government representatives from across South Australia to discuss pathways towards a net zero future.
- **Community Climate Conversations** which were held between May and December 2023. More than 750 people from across the state were involved in discussions about how to achieve a net zero emissions future.

Through these engagement processes we heard broad support for current policy and regulation to be strengthened to drive the scale of climate change action, such as legislated emission reduction targets and interim targets before 2050, along with support for better climate risk assessment and planning at a sector level. More information on the outcomes of this engagement can be found at: 2023 Industry Climate Change Conference Summary and Community Conversations Report 2024.

How we engaged

Consultation on the Draft Amendment Bill was held between 23 February and 5 April 2024. DEW received a total of 52 submissions, which comprised 28 survey responses on YourSAy and 24 written or emailed submissions. Several respondents chose to participate across a range of formats.

Additionally, DEW heard feedback directly from stakeholders during a series of information sessions.

The engagement process used a mix of techniques for sharing information and for collecting feedback from the community.

Explanatory Guide

An explanatory guide to the Draft Amendment Bill was developed to help explain the proposed changes to each section of the Draft Amendment Bill. The explanatory guide was supported with frequently asked questions, both of which could be viewed on YourSAy.

YourSAy

DEW used the South Australian Government's YourSAy platform to help promote the consultation and collect feedback. The YourSAy page included information about the Draft Amendment Bill, the explanatory guide, a copy of the draft Bill, a survey for people to provide feedback, a Q&A function for people to ask questions, and a series of frequently asked questions. The YourSAy consultation page was promoted through multiple channels, including social media, a media release and newsletters such as the YourSAy newsletter and DEW's Climate Action e-news. The YourSAy page was also shared with other organisations and stakeholders, who were encouraged to share the consultation with their own networks. The YourSAy page was viewed over 1,700 times during the consultation period.

Information Sessions

DEW held two information sessions online to provide the community with opportunities to learn more about the proposed amendments, ask questions and provide feedback. 16 participants attended the sessions out of a total of 27 who registered. An online information session was also recorded and linked on YourSAy for anyone who did not participate in a live session. This was viewed 42 times.

An in-person session in Adelaide was also offered, however, due to low registration and higher interest in the online sessions, the session was cancelled.

First Nations Engagement

DEW engaged with First Nations communities with through a series of workshops in March and April 2024 to hear directly from communities about a number of climate change issues and initiatives, including the Draft Amendment Bill. One online workshop and three in-person workshops in Adelaide, Murray Bridge and Port Lincoln were held and these were attended by a total of 26 participants. What we heard during this engagement has been considered and reflected in the Draft Amendment Bill.

Where other valuable insights were provided beyond the scope of the legislation, these will be considered in preparing the statewide emissions reduction plan and statewide climate risk assessment.

What we heard

Survey responses and written submissions

Respondents were asked to provide feedback on the proposed amendments to each section of the Draft Amendment Bill.

In identifying the key themes raised during consultation, there were several respondents that disagreed with the scientific basis for anthropogenic climate change, and/or the need for further climate change action. These were counterbalanced by a majority of respondents acknowledging the importance of robust climate policies and government action.

Amendment of Section 4 – Interpretation

Amendments to Section 4 of the Act proposed new definitions to several terms used in the Act and the Draft Amendment Bill, including climate change adaptation, climate change mitigation, net greenhouse gas emissions, and public sector entity. These amendments were aimed at ensuring each definition is precise, actionable and aligns with other legislation and existing definitions.

Key themes

Net greenhouse gas emissions

Several submissions called for the term "net greenhouse gas emissions" to be explicitly clarified to align with particular GHG accounting methods and include specific emissions scopes and/or sources. Other comments queried the use of carbon offsets, role of exported fossil fuels and validity of carbon capture and storage technology, and how this would be captured in the definition.

The Draft Amendment Bill has been updated to clarify that in making determinations in relation to calculating GHG emissions, including offsets, the Minister is required to consider that the method for calculating net emissions and offsets be developed in line with best national and international practices, and that consistency with methodology and principles that apply within other Australian sub-national jurisdictions is sought.

South Australia currently uses the State and Territory Greenhouse Gas Inventory developed by the Australian Government to report annually on its emissions reduction. The proposed amendments do not seek to legislate a particular accounting method, or change current GHG accounting methodologies. This allows the state to continue to improve practice and methodologies, as data and carbon offset/carbon capture and storage technologies and accounting methods develop over time, and in line with practices in other jurisdictions. It also allows for South Australia to advocate for best practice at a national level.

Alignment of definitions

Responses indicated that the new definitions of climate change adaptation and mitigation, public sector entity, and net greenhouse gas emissions should be consistent with those used in other legislation, and in other jurisdictions. There was also feedback that the definition of 'climate change adaptation' should reflect empirical science and be more specific to capture the context of what adaptation looks like in practice.

The defined terms used in the Draft Amendment Bill for 'climate change adaptation' and 'climate change mitigation' are consistent with those used in the *Environment Protection Act 1993*. The term 'net greenhouse gas emissions' aligns with the Victorian Government's definition for net greenhouse gas emissions in its *Climate Change Act 2017 (Vic).* The term 'public sector entity' was updated in the Draft Amendment Bill to align with the definition of 'public sector agency' in the *Public Sector Act 2009*.

Amendment of Section 5 – Targets

Amendments to Section 5 of the Act proposed to update emissions reduction targets and introduce more ambitious renewable electricity targets and new five-yearly interim targets for South Australia.

Targets include:

- achieving net zero GHG emissions by 2050
- reducing net GHG emissions to at least 50% below 2005 levels by 2030, and
- achieving 100% net renewable electricity generation by 2027.

During the consultation period, new data released by the Australian Government indicated that South Australia had achieved the proposed 50% reduction of emissions by 2030 target. The Draft Amendment Bill has been updated to propose a more ambitious yet achievable interim target of at least 60% reduction by 2030 (from 2005 levels).

Key themes

Support for clear and ambitious targets

There was strong support for the establishment of updated targets, with suggestions that targets could be even more ambitious. There was also wide support for setting shorter term and interim targets, to provide accountability and help accelerate action if needed. There were some views that 2030 and other interim targets should be aligned with national targets for consistency.

On 27 February 2024, the South Australian Government announced a more ambitious renewable electricity target. The proposed 100% net renewable electricity target has been brought forward from 2030 to 2027. This aligns with the state's ambition as part of the government's Hydrogen Jobs Plan and new Hydrogen and Renewable Energy Act and the State Prosperity Project to promote new investments in renewable energy.

The proposed GHG emissions reduction targets represent a floor not a ceiling and aim to be achievable while also supporting an economically and socially sustainable transition.

Under the Draft Amendment Bill, South Australia will set interim targets every five years to 2050. New targets must be an improvement on the previous targets.

The targets can be also changed at any time if there is a good reason to do so, for example significant developments in emissions reduction science, international agreements and/or technology.

Renewable electricity use target

Feedback suggested the government retain a well-defined electricity use target based on the purchase of accredited renewables, to provide clarity to community and businesses.

The Draft Amendment Bill proposed to legislate the government's policy target for 100% net renewable electricity generation by 2027. This is clearly a generation-based target, to be measured via annual generation data provided by the Australian Energy Market Operator. This target will help set the strategic direction of the government to increase renewable generation and reduce emissions, underpinned by the creation of policies, plans and programs. The government does not currently have a policy target for renewable electricity use.

The government supports consumers and businesses having the option to voluntarily buy accredited renewable electricity should they wish to.

DEW will continue to work with the Department of Energy and Mining to support the uptake of accredited renewable electricity, representing South Australia on the National GreenPower Steering Group and providing information to the public.

As with GHG emissions reduction targets, renewable electricity targets can be also changed at any time if there is a good reason to do so for example significant developments in energy generation science or technology, and/or international agreements.

Baseline measurement

Some feedback expressed confusion regarding the GHG emissions baseline measurement year of 2005, as proposed for the 2030 target.

A target can be expressed as a point value or range from a selected base year. The *Climate Change and Greenhouse Emissions Reduction Act 2007* previously used a 1990 base year consistent with the Kyoto Protocol (2012-2020). A 2005 base year, as proposed in the Draft Amendment Bill, is consistent with Australia's emissions reduction target under the Paris Agreement and the New South Wales, Victorian and Queensland governments' interim emissions reduction targets.

Inclusion of various emissions and accounting methods

As per feedback on proposed amendments to section 4, there was feedback on the inclusion of categories of emissions (e.g. Scope 1, 2 and 3) and the use of appropriate GHG accounting strategies tailored for South Australia as a sub-national jurisdiction, recognising its unique position, and transparency around these methods.

Consideration of economic and industrial impacts

Several respondents expressed concern that targets may be unattainable without harming the economy or may be too expensive for businesses and taxpayers.

The South Australian Government is committed to achieving the emissions targets in a responsible manner with a focus on capitalising on economic opportunities and a just transition for South Australians.

Between 2005 and 2022, South Australia's greenhouse emissions reduced by 57% while Gross State Product has increased by 39%.

The transition to a net zero future is driving significant investment and market change globally. By positioning the South Australia economy to reduce emissions and grow green industries for a net zero future, the state can achieve greater economic prosperity.

Consultation and alignment with best practices

Feedback emphasised the value of regular consultation, including with industry, and stressed the importance of consistency with national and international best practices, particularly in sectors that are hard to abate.

The Draft Amendment Bill requires that when the Minister sets new targets (including the 5-yearly interim targets) the Minister must seek to obtain the advice of relevant experts and undertake reasonable and appropriate consultation.

When developing targets, policies and plans under the Act and the proposed Draft Amendment Bill, the Minister must seek to have regard to the most up to date practices, policies and frameworks, and to align with national and international best practice. This approach will enable consistency while retaining the flexibility to recognise South Australia's unique industrial mix.

Achieving targets

Some feedback expressed concerns that South Australia would not meet its targets.

South Australia is making good progress toward its greenhouse gas emission reduction and renewable electricity goals.

In 2021-22, South Australia emitted 15.8 million tonnes of carbon dioxide equivalent (MtCO2-e). This represents a 57% reduction in greenhouse gas emissions from the 2005 financial year.

The Australian Energy Market Operator has determined that in 2022-23 South Australia generated 73.7% of total electricity from renewable sources. The Australian Energy Market Operator has forecast that this could rise up to about 92% by 2025-26, which is well on the way to meeting the 100% net renewable electricity generation by 2027 target.

Other feedback

Other feedback was received that is beyond the scope of this legislation and will be considered as part of policy and program development. This included discussion regarding the role of specific energy sources such as renewable gases and nuclear energy, the role of foreign entities, opportunities and supports for specific industry sectors, including the public sector, and the interaction with organisations such as the Australian Energy Market Operator.

This feedback will be shared with the relevant agencies to help inform policy and program development.

Amendment of Section 14 – Policies

Amendments to Section 14 of the Act proposed to introduce the requirement to create a publicly available state-wide emissions reduction plan and allow for the development of policies for public sector agencies to manage climate-related risks to their operations.

Key themes

Support for a comprehensive emissions reduction plan

There was overwhelming support for the establishment of a state-wide emissions reduction plan, with many respondents acknowledging it as a positive and necessary step towards strategic climate action.

Integration with national objectives

Feedback suggested that the state plan should be in harmony with national emission reduction plans. This included consideration of coordination across industry sectors and acknowledgement of Australia's growth and its implications for GHG emissions. Some feedback advocated for integrated planning that leverages synergies across sectors and jurisdictions and prioritises innovation, such as electric vehicle integration into the grid.

The Draft Amendment Bill provides that the Minister may refer to or incorporate any other policy or plan that relates to the reduction of greenhouse gas emissions for the State when developing a state-wide emissions reduction plan. This would include any national emissions reduction plans.

A state-wide emissions reduction plan is intended to be 'state-wide' so that synergies can be realised. This will be addressed through policy and plan development.

The State Government is represented on the Energy and Climate Change Ministerial Council which provides a forum for ensuring consistency between national and state policies.

Scope of the state-wide emissions reduction plan

Feedback suggested including both government and non-government sectors in the plan, and the inclusion or exclusion of specific sectors, elements and requirements, including reporting requirements, within the plan.

This level of detail is outside of the scope of the legislation, however the state-wide emissions reduction plan is intended to be a state-wide plan, which may include the private and public sectors. The issues raised relating to emissions reduction and reporting will be considered as part of policy development processes and the development of emissions measurement methodologies under the Act.

The Draft Amendment Bill also provided the option for the Premier to nominate a public sector agency, or for an agency to volunteer, to prepare a climate change plan for a particular sector. This provides flexibility to direct effort to specific sectors where additional action is required.

A just transition

Some feedback highlighted the importance of a just transition to net zero, prioritising support for low-income and vulnerable South Australians.

The Act currently includes provisions that the achievement of ecologically sustainable development will be guided by a range of principles. This includes that the use, development and protection of the environment should be managed in a way, and at a rate, that will enable people and communities to provide for their economic, social and physical well-being and for their health and safety.

Consultation with industry

Feedback from professional and industry bodies, and other stakeholders favoured collaborative engagement with the government to influence policy and initiative development.

The Draft Amendment Bill has been updated to provide that in preparing or reviewing a state-wide emissions reduction plan, the Minister must undertake such consultation as the Minister considers appropriate.

Other feedback

A range of policy suggestions were made by respondents that are beyond the scope of this legislation. These related to skills and workforce, the built environment, technology developments, public housing upgrades, demand side electricity planning, embedded carbon measurement and consumer information.

This feedback will be shared with the relevant agencies to help inform policy and program development.

Insertion of Section 14A and 14B

This amendment proposed the addition of Sections 14A and 14B into the Act, which centre on the establishment of a state-wide climate change risk assessment and development of plans by public sector agencies for entities or sectors.

Key themes

Support for proactive climate risk assessment

Feedback provided widespread support for the state-wide climate change risk assessment, considered crucial for mapping out strategic responses to climate-related risks. Stakeholders stressed the importance of such assessments in guiding both policy and practical action towards climate adaptation.

Consultation and alignment

Feedback highlighted the necessity for thorough consultation with relevant sectors and stakeholders to ensure plans and a state-wide risk assessment are properly informed and effective. Alignment with approaches taken in other states and nationally was also highlighted.

The Draft Amendment Bill has been amended to provide that in preparing or varying a state-wide climate risk assessment, the Minister must undertake such consultation as the Minister considers appropriate. This includes engagement with other jurisdictions. In addition, one of the objects of the Act is to promote action within South Australia that provides consistency with national and international schemes to address climate change.

Mandatory planning and frequent reviews

Some feedback suggested that the five-year review period for risk assessments may be too long, given the accelerating pace of climate change. Some advocated for annual reviews and mandatory planning by all public sector entities to ensure responsiveness to emerging risks.

A five-yearly review period is consistent with the national climate change risk assessment. This is a minimum requirement and reviews may be undertaken more frequently where appropriate.

Approaches to risk assessment and plans

Feedback suggested a range of specific industry sectors and cohorts to be considered as part of a climate change risk assessment or plans made by public sector agencies.

This level of detail is beyond the scope of the legislation, however, can be considered as part of policy and process development.

Amendment of Section 16 – Sector agreements

This amendment proposed a minor change to Section 16 of the Act to clarify that sector agreements should also encompass climate change adaptation measures, as well as strategies and methods to meet state targets for emission reductions or renewable electricity.

Key themes

Affirmation of sector agreements' expansion

Feedback indicated approval for the amendment's aim to expand sector agreements to include adaptation measures. This change was seen as beneficial for providing a more holistic approach to climate action.

Tangible outcomes

The importance of linking strategies to viable outcomes was raised, with an expectation that sector agreements should lead to real-world environmental improvements and allow for clear and robust reporting.

Existing provisions in section 16 of the Act allow for sector agreements to include methods to measure or acknowledge successes in meeting any targets, which would act to ensure that strategies and targets in the agreement are robust and achieve outcomes. Further, any sector agreements must be consistent with the objects of the Act.

Mandatory preparation of agreements

Feedback suggested that the creation of sector agreements should not be optional or at the discretion of the Premier but should be an obligatory action for all relevant entities.

Sector agreements are intended to be voluntary partnerships. The new provisions proposed at section 14B relating to plans prepared by public sector entities provide a mechanism for requiring private and public sector action and these plans will be mandatory where the Premier makes a nomination. This allows for targeted action where required.

Industry and public sector collaboration

Feedback suggested the need for industry and public consultation in the development of sector agreements to ensure realistic and achievable climate action.

These agreements are voluntary in nature, therefore consultation is undertaken by the parties participating in the sector agreement.

Insertion of Section 18A and Section 20A

These amendments included the proposed insertion of Sections 18A and 20A into the Act, detailing the effects of policies and plans, and the inclusion of climate action in public sector annual reports.

Key themes

Strong support for transparency and accountability

Respondents viewed the requirement for public sector agencies to report on climate-related risks and GHG emissions reduction in their annual reports as an important step towards transparency and accountability.

Reporting requirements

Feedback suggested that public sector agency reporting should be done in a way that has integrity and is consistent with reporting frameworks for climate-related disclosures introduced by the International Sustainability Standards Board, in accordance with national accreditation frameworks, and so that it aligns with best practice.

Feedback also suggested the need for a guiding reporting framework to set the direction for agencies to report on matters relating to climate risks and greenhouse gas emissions.

Section 20A of the Draft Amendment Bill has been amended to include that the Minister may make guidelines in connection with the reporting requirements of public sector agencies under this section.

These guidelines under Section 20A will aim to provide further alignment with national frameworks for public sector greenhouse gas emissions and climate risk reporting as they are developed in coming years.

First Nations workshops

Across all four workshops for First Nations people, there was a strong consensus on the need for better inclusion of First Nations' perspectives in climate change legislation and management, an emphasis on cultural practices as essential to mitigation and adaptation strategies, and a call for genuine engagement and co-decision making with First Nations communities.

Participants also highlighted the urgent need for government action to facilitate education, communication, and provision of resources for community-led climate initiatives.

The Draft Amendment Bill has been updated to include that consultation with First Nations people is an object of the Act and that a function of the Minister is to promote consultation with First Nations people about issues associated with climate change.

Miscellaneous amendments and general feedback

Miscellaneous amendments to the Act proposed changes to various sections for consistency with the primary amendments. Participants were also asked for any other comments on the Draft Amendment Bill.

Key themes

Equitable transition

Feedback suggested to ensure inclusion of a just transition for fossil fuel workers as part of plans, and that the government should address other significant social impacts climate change has on society and young people.

The objects and Minister's functions under the Act include promoting consultation with community and business; this is expected to assist with understanding the social impacts of climate change policy under the Act.

Section 14B of the Draft Amendment Bill proposed that the state-wide risk assessment must include an assessment of the economic, social and environmental implications of climate change, and the associated risks to economic activity, communities, natural environments and ecosystems, and the health and well-being of the people of the state.

Impacts on local government

Some feedback raised concerns regarding the impacts of the Draft Amendment Bill on local government.

As per feedback on amendments to section 4, the definition of 'public sector entity' in the Draft Amendment Bill has been updated to align with 'public sector agency' as defined in the *Public Sector Act 2009*, which aims to clarify the role of local government in the Draft Amendment Bill.

Public and private sector roles

The involvement of the private sector in climate policy was met with both support and concern. While some were in favour of public and private collaboration, others warned of potential conflicts of interest in policy development and accountability issues.

Other feedback

A range of policy suggestions were made by respondents that are beyond the scope of this legislation. These related to carbon leakage policy, the role of nuclear energy, food waste and electric vehicles, sector-specific considerations including the built environment and agriculture, the scientific basis and practical application of plans and policies, consumer information and building climate change resilience for both young and older people.

This feedback will be shared with the relevant agencies to help inform policy and program development.

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SOUTH AUSTRALIA

Government of South Australia

Department for Environment and Water