

Not Relevant

304 DPC06/026CS

Climate Change Legislation (Michael Rann)

Not Relevant

304

CABINET COVER SHEET

1. **TITLE:** CLIMATE CHANGE LEGISLATION
 2. **MINISTER:** Hon Mike Rann
Minister for Sustainability and Climate Change
 3. **PURPOSE** To seek Cabinet approval for the revised *Climate Change and Greenhouse Emissions Reduction Bill 2006* and its introduction into Parliament in the last sitting period for 2006.
 4. **IDENTIFY THE RELEVANT GOVERNMENT POLICY AND/OR SA's STRATEGIC PLAN TARGET**

On 2 February 2006 Cabinet approved a greenhouse emissions reduction target of 60 per cent below 1990 levels by 2050. The Government then made an election commitment to enshrine this target in climate change legislation. Draft legislation was released for three months public consultation in June 2006.

The legislation reinforces the intent of a number of existing targets within the SASP, particularly those relevant to reducing energy consumption (T3.2), the achievement of the Kyoto target (T3.3), and reducing our ecological footprint (T3.10). The latter includes the targets to increase the use of renewable electricity so that it comprises 20% of total electricity consumption and, increasing the energy efficiency of dwellings.
 5. **ICT COMPONENT** Does the submission have a material ICT Component? No *
- The Office of the Chief Information Officer agrees with the basis of the assessment of the ICT component contained in this submission**

6. **RESOURCES REQUIRED FOR IMPLEMENTATION**

Proposed amendments to the legislation are consistent with existing Government policy and support initiatives that are delivered within existing resources.

Direct costs associated with the introduction of the Bill relate to the Premier's Climate Change Council and the reporting obligations and establishment of the voluntary offset program. The former has a secured budget of \$826,000 and the latter will be met within existing resources.

Any future initiatives to implement the legislation will be progressed through Cabinet and the budget process on a case-by-case basis. In the interim they will be managed within existing resources.

Treasury and Finance agrees with the basis of the assessment of costs contained in this submission

7. **COMMUNITY AND ENVIRONMENTAL IMPACT**

Does the submission have an impact on business?

No *

The Department of Trade and Economic Development agrees with the basis of the assessment of the business compliance costs associated with this submission.

8. **RISKS**

If the Bill is not approved:

- the Government will fail to meet its public commitment to introduce the legislation into Parliament before Christmas 2006;
- the achievement of relevant SASP targets and the 60% emissions reduction target will be at risk; and,
- the State will not have a legislative framework in place to position it to take early action to minimise the impacts of climate change.

The draft bill was distributed to over 3000 stakeholders and targeted consultations were held with the business community and property sector. The vast majority supported the intent of the legislation and the Government's leadership on the issue. 142 written submissions on the legislation were received.

Generally the community sector considered that the legislation needed to include mandatory measures and incentives to be effective and the business community cautioned against the use of more prescriptive measures with some favouring a more national approach. The following Government agencies were consulted:

- Treasury and Finance – advised that there are costs associated with this submission
- Premier and Cabinet – identified the need for the submission to outline the extent of regulatory making powers
- Transport, Energy and Infrastructure – suggested that additional targets may increase the reporting and monitoring burden without significant benefit
- Health – identified the need for adaptation and population health impacts to be addressed
- Families and Communities – supported the changes to legislation, particularly the inclusion of adaptation and acknowledgement that certain communities may be particularly disadvantaged
- Trade and Economic Development – supported the voluntary approach
- Environment and Heritage – identified the opportunity for proposed State biodiversity legislation to include relevant climate change references
- Primary Industries and Resources SA – noted that the legislation will encourage the agricultural sector to make the necessary adjustments and stimulate opportunities in biofuels and carbon sinks
- Water, Land and Biodiversity Conservation – supported the legislation and inclusion of adaptation and noted the need for voluntary offset programs to deliver biodiversity benefits
- Environment Protection Authority – noted the opportunity to streamline reporting requirements with State of the Environment Reporting
- Zero Waste SA – identified the need for sector agreements to deliver against Government's waste management objectives.

10. **COMMUNICATION
STRATEGY**

If approved the legislation will be introduced into Parliament and the second reading speech will refer to relevant policy and program matters. A copy of the Bill will be placed on the Government's website and hard copies distributed to all stakeholders that have been involved in the preparation of the legislation.

11. **URGENCY**

For Cabinet's consideration on 30 November 2006 to allow for the introduction of the Bill in the last sitting period of 2006.

12. **RECOMMENDATIONS**

That Cabinet:

- approve the revised *Climate Change and Greenhouse Emissions Reduction Bill 2006* and its introduction into Parliament in the last sitting period of 2006; and
- note that the revised Bill will have an additional target as follows: *'to increase the proportion of renewable electricity generated so that it comprises at least 20% of electricity generated in the State by 31 December 2014.'*

I declare that I have no actual or potential conflict of interest in relation to the proposals contained in this submission.



Signature of Minister

Date 29/11/06.

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Sustainability and Climate Change Division

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MINUTES forming ENCLOSURE to

File

DPC 06/026CS

TO THE PREMIER FOR CABINET

RE: CLIMATE CHANGE LEGISLATION**1. PROPOSAL**

That Cabinet:

- 1.1. approve the revised *Climate Change and Greenhouse Emissions Reduction Bill 2006* (Attachment One) and its introduction into Parliament in the last sitting period of 2006; and
- 1.2. note that the revised Bill will have an additional target as follows: 'to increase the proportion of renewable electricity generated so that it comprises at least 20% of electricity generated in the State by 31 December 2014.'

2. BACKGROUND

- 2.1. The Government made an election commitment to introduce climate change legislation to:
 - 2.1.1. set a target for cutting greenhouse emissions by 60% of 1990 levels by 2050;
 - 2.1.2. require an annual report to Parliament on the issue of climate change; and,
 - 2.1.3. establish a voluntary carbon offset program for business and government.
- 2.2. In June 2006 Cabinet approved the draft *Climate Change and Greenhouse Emissions Reduction Bill* and its release for public consultation until 29 September 2006.
- 2.3. The draft bill sets in place a legislative framework focused on voluntary measures that would enable the Government to:
 - 2.3.1. give legislative effect to the 60% greenhouse emissions reduction target and the 20% renewable energy targets;
 - 2.3.2. set interim and sector specific emissions reduction targets;

- 2.3.3. develop voluntary sectoral agreements;
 - 2.3.4. require a four yearly report to Parliament on progress;
 - 2.3.5. establish a voluntary carbon offset program;
 - 2.3.6. establish consultative mechanisms with the community and business, including the establishment of the Premier's Climate Change Council; and,
 - 2.3.7. undertake a review of the legislation after four years to examine the effectiveness of measures taken and to give consideration to any additional measures considered necessary to achieve the target, including mandatory measures such as minimum performance standards.
- 2.4. The emissions reduction and renewable energy targets are consistent with targets recommended for inclusion in the update of *South Australia's Strategic Plan*, to be considered by Cabinet on 5 December. The targets as specified in the legislation are:
- to reduce by 31 December 2050 greenhouse gas emissions within the State by at least 60% to an amount that is equal to or less than 40% of 1990 levels;
 - to increase the proportion of renewable electricity generated so that it comprises at least 20% of electricity generated in the State by 31 December 2014; and
 - to increase the proportion of renewable electricity consumed so that it comprises at least 20% of electricity consumed in the State by 31 December 2014.
- 2.5. The legislation provides a flexible and responsive framework that gives Government the ability to take up new policies and initiatives as they emerge at the State, national and international levels.
- 2.6. The draft legislation was not intended to compel government, business or the community to operate or behave in particular ways, for the following reasons:
- 2.6.1. the initial greenhouse response should emphasise education and incentives and voluntary measures to promote action, including market based solutions;
 - 2.6.2. the legislation needs to avoid conflict with other legislation already available to Government to enforce compliance such as the Development Act and the Environment Protection Act;
 - 2.6.3. it is important that it is not seen as a sovereign risk to investment; and,

- 2.6.4. the draft bill provides for the aforementioned review after four years.
- 2.7. The outcomes of the public consultation and proposed changes to the legislation to allow its introduction into Parliament in the last sitting period of 2006, are discussed in **Section 3**.
- 2.8. The overall intent of the legislation will continue to focus on voluntary measures and collaboration to achieve change. The climate change legislation is intended to be an overarching piece of legislation that sets the targets, policy directions and frameworks. Other specific legislative changes or proposals flow from this central piece of legislation, for example the proposed feed in law.
- 2.9. The Government also made an election commitment that in developing the draft climate change legislation the Government would consider:
- support for research and technology;
 - a legal framework for biological carbon sinks; and,
 - climate change impact assessment for major projects.
- 2.10. The commitment to support research and technology is being met initially through the Government's establishment and funding of the Hubert Wilkins Climate Change Chair at the **University of Adelaide**.
- 2.11. The commitment to develop a legal framework for biological carbon sinks (as it relates to private land) is currently the subject of proposed amendments to the *Forestry Property Act*, which were introduced into Parliament in **September 2006**.
- 2.12. It is proposed that the commitment regarding climate change impact assessments for major projects be met through amendments to the *Development Act 1993 and Development Regulations*. This matter will be the subject of separate advice to Cabinet.

3. DISCUSSION

3.1. Purpose

- 3.1.1. The draft bill was released before its introduction into Parliament to provide an opportunity for business and the broader community to have a role in the formulation of its content. By the end of October 2006 a total of 142 submissions and 36 letters of support were received on the draft bill. A list of submissions and letters of support is attached (Attachment Two).
- 3.1.2. Consultation events were also held with the property sector, key industry groups and environment groups. A community survey was also sent to 2000 people in *South Australia's Strategic Plan (SASP) Community Network*. Over 20% responded to the survey.

- 3.1.3. The overwhelming majority of submissions from all sectors and other jurisdictions interstate and overseas commended the Government for its leadership on climate change action and supported the general intent of the legislation.
- 3.1.4. However, approximately 40% of submissions called for the legislation to be strengthened through the inclusion of more mandatory measures to compel behaviours, for example the establishment of energy efficiency standards for appliances and buildings and a state based mandatory renewable energy scheme. These views mostly came from the renewable energy sector, environment movement and community sector, with the Premier's Round Table for Sustainability also calling for more mandatory measures to be included in the legislation.
- 3.1.5. The legislation is the first of its kind in Australia, and one of a few such examples internationally that have given legal effect to emission reduction targets and provided for the introduction of measures to achieve the targets.
- 3.1.6. The *California Global Warming Solutions Act 2006* requires the Californian Air Resources Board to develop regulations and market mechanisms that will ultimately reduce the State's greenhouse gas emissions by 25 % by 2020. Mandatory caps will begin in 2012 for major sources, although the Governor is given powers to suspend the cap in case of an emergency or significant economic harm.
- 3.1.7. Alberta's *Climate Change and Emissions Act 2003* establishes a target to be met by 2020. As with the proposed South Australian legislation, this Act has no legal effect on the rights of any parties, but it establishes a position which must then form part of the policy of successive governments, unless changed by the legislature. The Alberta legislation also provides for mandatory reporting of greenhouse gas emissions and provides for the making of regulations to establish a scheme for the specification and verification of offsets and carbon sinks.
- 3.1.8. The United Kingdom (UK) Government has also announced its intention to introduce a climate change bill in the Queen's speech earlier this month. It is anticipated that the UK climate change bill will be built on four pillars. These include reducing greenhouse gas emissions, introducing enabling powers to allow new measures to be introduced and considering extra monitoring arrangements.
- 3.1.9. The development of the UK climate change bill is a recommendation from the Stern Report, released by the national government and written by respected former World Bank economist Sir Nicolas Stern.

3.1.10. The report states that the impact of global poverty, conflict and mass migration due to climate change far outweighs the costs of taking urgent action to counter global warming. The report concludes that early action would be far cheaper than waiting until the full effects of climate change are felt and that the international community has a 10 to 15 year window of opportunity to take action.

3.1.11. The introduction of the revised climate change legislation will be a clear demonstration of the South Australian Government's commitment to take early action to minimise the impacts of climate change. Such action must be considered as essential risk management by all governments.

3.2. Summary of submissions and proposed changes

3.2.1. The following provides a summary of key points raised in the submissions on the draft climate change legislation.

3.2.2. Submissions from the business community generally supported the legislation and its focus on voluntary and market based measures and collaborative approaches, while cautioning the use of more prescriptive measures.

3.2.3. The submissions from BHP Billiton, the Property Council and Business SA raised concerns regarding the economic and business risks associated with the achievement of the 60% emissions reduction target.

3.2.4. The submission from Flinders Power noted that the Bill provides an important opportunity to create a stable policy framework for South Australia. This submission and those from BHP Billiton, Business SA, the Property Council, International Power and Energy Retailers Association raised concerns regarding the state 'going it alone' in its policy response and stated a preference for nationally based measures, rather than state based schemes.

3.2.5. The introduction of the legislation will take place against a backdrop of rapidly developing policy in relevant areas, including development of a national emissions trading regime by States and Territories and development of mandatory standards for reporting on emissions and assessing reductions.

3.2.6. The legislation allows for the implementation of State and national policies as they emerge, such as the proposed feed in law, emissions trading and emissions reporting. The legislation simply establishes the necessary heads of power, which also potentially support national agreements and schemes. In the case of national policies such as emissions trading and reporting,

the head of power is conditional upon national agreements being reached.

- 3.2.7. This will be achieved within a legislative framework that obliges the Government to maintain a commitment to ongoing dialogue and collaboration with business and the community in the setting of any targets and the implementation of the legislation, including receiving advice from the Premier's Climate Change Council.
- 3.2.8. Submissions from the environment and conservation movement supported the intent of the legislation, while calling for more reference to land and marine based biodiversity issues.
- 3.2.9. In terms of specific matters relating to biodiversity conservation and climate change, these policy issues are more appropriately responded to in the relevant issue specific statutes. This includes the *Natural Resources Management Act 2005* and the proposed Nature Conservation (Biodiversity) legislation that is currently under development as part of the implementation of *South Australia's Nature Conservation Strategy*. The strategy is due to be considered by Cabinet in late 2006, with a view to its public release in early 2007.
- 3.2.10. Submissions from the Premier's Round Table for Sustainability, environment groups, local government, the business sector, the South Australian Farmers Federation and the Natural Resources Council called for adaptation issues to be addressed in the legislation. This is seen as necessary to ensure that the legislation positions the state (including agricultural and viticulture industries) to respond to the inevitable impact of climate change that is already happening and is projected to happen.
- 3.2.11. The CSIRO report *Climate Change Under Enhanced Greenhouse Conditions in South Australia*, which was commissioned by the Government and released in September 2006, found that the warming trend in South Australia is intensifying and rainfall is generally decreasing. By 2030 areas near the coast are projected to have a temperature increase of between 0.2 to 1.6 degrees and inland areas to warm by 0.6 to 1.8 degrees. Adaptation to this predicted change is a core element of any policy response to climate change.
- 3.2.12. Submissions from environment groups, including the Conservation Council and Greenpeace Australia and submissions from the renewable energy sector called for South Australia to establish a State based mandatory renewable energy scheme to ensure that the 20% renewable energy targets can be met.

- 3.2.13. South Australia continues to have the highest uptake of renewable energy of all mainland states without a mandatory renewable energy scheme. The commitment to introduce feed in legislation and the Government's decision to buy enough 'Greenpower' to meet 20% of its energy use by 2008 will also assist the State to maintain this position.
- 3.2.14. A number of submissions from the community and business sector and from the legal firm Finlaysons, recommended that incentives needed to be provided to encourage sectors to enter into voluntary sectoral agreements and that agreements need to be enforceable.
- 3.2.15. The Sustainability and Climate Change Division is currently in discussion with the wine industry, cement industry and electronics industry regarding proposed sectoral agreements.
- 3.2.16. A number of the submissions including the SA Chamber of Mines, the South Australian Farmers Federation and the Local Government Association offered to assist in the formulation of sectoral agreements for their sectors. BHP Billiton's submission supported the concept of sectoral agreements and the company offered to enter into a dialogue aimed at working with the Government to develop an agreement for the Olympic Dam operations (including the proposed expansion).
- 3.2.17. In light of the positive initial response, the voluntary approach to sectoral agreements is to be retained.
- 3.2.18. The Premier's Round Table for Sustainability's submission also called for the inclusion of a provision for the development of a specified interim target for greenhouse emissions reduction (eg a 2020 target).
- 3.2.19. The legislation allows for the setting of interim targets, and includes the 20% renewable target for 2014 as an interim target focused on one sector i.e. stationary energy.
- 3.2.20. A number of submissions from the energy sector cautioned against the setting of a state-wide interim target, including BHP Billiton, Flinders Power, the Energy Retailers Association and the National Generators Forum.
- 3.2.21. A further issue raised was the lack of detail in the legislation on what measures will be taken to implement it. As mentioned previously the climate change legislation is a high level overarching legislative framework and operational aspects of climate change policy responses rest in other statutes and strategies.

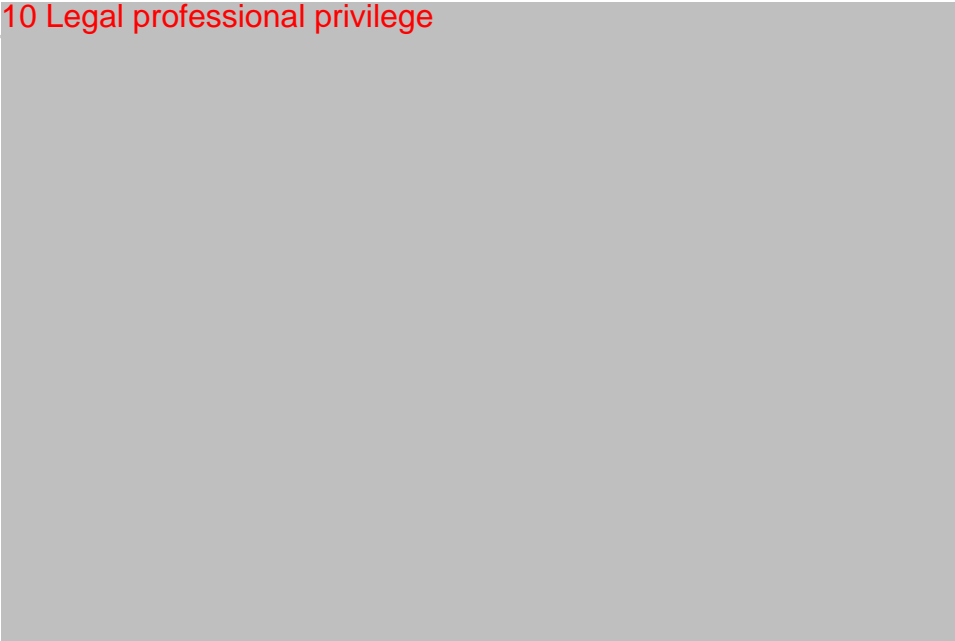
- 3.2.22. In this context, it is important to note that much of the Government's action on climate change in the short term will be detailed in *Tackling Climate Change: South Australia's Greenhouse Strategy*, which is being submitted to Cabinet for separate consideration.
- 3.2.23. Given the relationship between the legislation and the Strategy, it is important that the Government's public communication on each draws attention to the fact that the legislation sets in place the targets and high level policy framework that the Strategy delivers upon.
- 3.2.24. A substantial number of submissions called for the consultation requirements to be clarified and strengthened, including ensuring the appropriate balance of expertise and representation on the Premier's Climate Change Council. A number of submissions questioned the level of discretion the Minister had in appointing and removing members from the Council.
- 3.2.25. A number of submissions regarded the four yearly reporting cycle as too long given that climate change science and policy is a rapidly evolving area. The reporting cycle (4 yearly) and review cycle (4 yearly) and tenure of the membership to the Premier's Climate Change Council (3 years) were also seen as needing changes to ensure that the report outcomes informed the review and that Council's advice was taken into consideration in each.
- 3.2.26. The Environment Protection Authority submission noted the potential for overlap between the State of the Environment Report (SOE) required under the Environment Protection Act and the report required under the climate change legislation.
- 3.2.27. The next SOE report is due to be produced in 2008. The EPA submission suggested that to allow for consistent, integrated and cost effective reporting, consideration could be given to amending the Environment Protection Act to require the next SOE report to be produced in 2010 and every four years thereafter. This would allow the reports under each statute to be synchronised.

Proposed amendments

- 3.2.28. Consistent with existing Government policy the overall intent of the legislation will continue to focus on voluntary measures and collaboration to achieve change.
- 3.2.29. However, to respond to other substantive policy issues raised in the consultation, the following revisions to the Bill are being proposed.

Reporting

3.2.30. **10 Legal professional privilege**



3.2.31.

Government leadership

3.2.32. **10 Legal professional privilege**



3.2.33.

3.2.34.

3.2.35.

Premier's Climate Change Council

3.2.36. **10 Legal professional privilege**



10 Legal professional privilege

3.2.37.

Greenhouse emissions reporting

3.2.38. 10 Legal professional privilege

3.2.39.

3.2.40.

3.2.41.

Voluntary carbon offsets

3.2.42. 10 Legal professional privilege

3.2.43.

3.2.44.

3.2.45. **10 Legal professional privilege**

3.2.46.

Adaptation

3.2.47. **10 Legal professional privilege**

3.2.48.

3.2.49.

Renewable energy and low emissions technologies

3.2.50. **10 Legal professional privilege**

3.2.51.

3.2.52.

3.2.53.

Energy efficiency

3.2.54. **10 Legal professional privilege**

3.2.55. 10 Legal professional privilege

Research and development to support innovation

3.2.56. 10 Legal professional privilege

3.2.57.

Matters for noting

3.2.58. 10 Legal professional privilege

3.2.59. Given this context the following matters related to financial incentives and mandatory measures raised in submissions have not been incorporated in the revised bill, but are provided for Cabinet's information;

- setting of a state wide interim emissions reduction target;
- establishment of a specific fund to support implementation of measures (as per Alberta's legislation);
- inclusion of additional provisions to ensure that early movers are not disadvantaged, including that Government will not indemnify business against carbon risk and the creation of a legal framework for the description of carbon neutrality to ensure a consistent standard for those that claim status;
- setting in place licence requirements for energy retailers to purchase a certain percentage of electricity from renewable energy sources;
- providing a green electricity subsidy credit to allow business to buy electricity from renewable sources at the same cost as conventional sources; and,
- provision of incentives for business to enter into voluntary sector agreements, including remissions on payroll tax and awarding Special Project Facilitation Status.

3.2.60. The revised *Climate Change and Greenhouse Emissions Reduction Bill* is attached for Cabinet's approval and for introduction in Parliament in the last sitting period of 2006 (Attachment Two).

3.3. Impacts and Implications

3.3.1. Economic, financial and budgetary implications

The climate change legislation is intended to be an overarching piece of legislation that sets the targets and policy directions and frameworks. Specific legislative changes or proposals for implementation flow from this central piece of legislation. The overall intent and scope of the legislation is consistent with existing Government policy and delivers on a range of SASP targets as outlined in 3.3.3 below.

3.3.2. Required resources

The costs associated with these specific initiatives are being and will be progressed through the Cabinet and budget process on a case-by-case basis.

Direct costs associated with the introduction of the Bill are:

- Premier's Climate Change Council: the recent State budget committed \$826,000 over the next four years to provide support for the work of the Premier's Climate Change Council. The proposed changes to the make up and functions of the Council would be meet within this existing budget allocation.
- The reporting obligations, voluntary offset schemes and registers provided for in the Bill may need additional resourcing from within Government. Once these options are sufficiently developed, they will be progressed through the Cabinet and budget process on a case-by-case basis. In the interim they will be managed within existing resources.

Other proposed changes to the Bill are consistent with existing Government policy and support current initiatives. Any future new initiatives would be progressed through the Cabinet and budget process on a case-by-case basis. In the interim they will be managed within existing resources.

3.3.3. South Australia Strategic Plan (SASP)

The setting of the 2050 emissions target will be relevant to all Government policy and strategy, as it will be a key determinant in economic, social and environmental decision making. It is anticipated that the target will be incorporated in future iterations of SASP.

The legislation therefore reinforces the intent of a number of existing targets within SASP, including:

- reduce energy consumption in Government buildings by 25% within 10 years and lead Australia in wind and solar power generation within 10 years (T3.2);
- double the use of public transport to 10% of weekday travel by 2018 (T3.9);
- reduce our ecological footprint to reduce the impact of human settlements and activities with 10 years (T3.10), which includes the targets to increase the use of renewable electricity so that it comprises 20% of total electricity consumption and, increasing the energy efficiency of dwellings;
- reduce waste to landfill by 25% within 10 years; and,
- Increase environmental flows by 500 GL in the Murray-Darling by 2009 as a first step towards improving sustainability in the Murray-Darling Basin, with a longer-term target to reach 1500 GL by 2018 (T3.1).

3.3.4. Information and communication technology requirements

There are no software, hardware, systems or infrastructure required as part of this proposal. Requirements relating to reporting obligations will be met within existing resources.

3.3.5. Staffing implications

The administration of the legislation will be undertaken within existing staffing resources, including secretariat support for the Premier's Climate Change Council that received funding as part of the 2006/7 budget. The additional workload to administer the sectoral agreements and voluntary offset register may require a reprioritisation of activities of the Sustainability and Climate Change Division.

3.3.6. Impact on the community and the environment

3.3.6.1. Regulatory impact

- a) The legislation establishes an enabling framework, focused on voluntary approaches with the detail to be determined once policies emerge at the state and national levels. These voluntary measures include the voluntary offset scheme and voluntary industry agreements with no sanctions for non-performance.
- b) The legislation will enable the Minister to establish regulations pertaining to establishment of the information provision and reporting requirements, the establishment of the voluntary emissions offset program and the setting of Government targets.

- c) A general regulatory making power is also included to allow for the effective implementation of the legislation. Any subsequent regulatory impacts would be advised to Cabinet when it considers regulations to implement specific policies, including any that arise as a result of the review of the legislation after four years.

3.3.6.2. Business impact

- a) The legislative framework is overarching and will not impose any immediate compliance burden on business. DTED advised that the Business Cost Calculator is not relevant for the legislation and supports the voluntary measures included in the legislation.
- b) The success of the legislation is contingent upon the support and engagement of the business community. To this end it is important that the Premier's Climate Change Council has significant business representation.

3.3.6.3. Impact on environment

- a) The environmental benefits from a South Australian target alone will be insignificant in terms of global climate change. However, the legislation aims to lead national and global action to attain cuts in greenhouse gas emissions of similar magnitude.
- b) The legislation also aims to prevent major adverse implications for our natural eco-systems and for those who depend upon them through inaction or delayed action. The anticipated loss of species increases dramatically with every rise in average temperatures and changes in average rainfall, notwithstanding the capacity to modify some impacts through adaptation measures. The substantial environmental benefits will be achieved once specific policies are implemented, for example improvements to air quality, resource management and biodiversity conservation.

3.3.6.4. Impact on families and society

- a) The legislation is not anticipated to have any immediate impact on the community. Climate change will have an impact on all sections of the community and their capacity to adapt will vary, with certain communities being particularly disadvantaged.
- b) More assessment of impacts of the overall policy response to climate change will be required when the transition pathways to meet the target are better defined. The pathways to achieve the 60% emissions reduction target are likely to require significant changes in community attitudes and behaviours.

- c) The community is likely to benefit from adaptation issues being addressed in the legislation, as this will allow South Australia to respond effectively and quickly to policy opportunities as they emerge nationally and internationally and help minimise any social impacts.

3.3.6.5. Regional Impact

- a) The legislation is not anticipated to have any immediate impact on regions.
- b) However, the achievement of the 60% emissions reduction target is likely to impact on regions, including the agriculture sector that has limited opportunities to reduce emissions.
- c) The inclusion of adaptation in the revised bill and provisions relating to sectoral agreements, voluntary offset program and Premier's Climate Change Council all provide opportunities for Government to work within regional areas to address the risks from climate change.
- d) This includes opportunities to explore new regional industries such as bio-fuels and those related to carbon sinks.
- e) Additional strategies to address regional issues are included in *Tackling Climate Change*. These include strategies to address the impact of climate change on water resources, including accounting for climate change in water allocation plans and investigating options to increase water supply diversity and security. The Strategy recognises the importance of building community capacity and resilience, particularly in vulnerable areas such as disadvantaged, marginal, rural and remote communities.

3.3.7. Risk management strategy

The key risks are:

- a) If the revised bill is not approved:
 - the Government will not meet its public commitment to introduce the legislation into Parliament before Christmas 2006;
 - there is significant risk that the State's 60% emissions reduction target and relevant SASP targets will not be met. The legislation in association with the greenhouse strategy sets in place the framework and planned response for the State to achieve the 60% emissions reduction target and a range of SASP targets as outlined in Section 3.3.3;

- b) a negative reaction from some sectors (eg community, environment movement and renewable energy sectors) that the legislation lacks mandatory measures and enforcement provisions;
- c) a negative reaction to the lack of incentives and funding mechanisms to support the implementation of the legislation; and,
- d) a negative reaction from some parts of industry that prefer a nationally based approach.

3.3.8. Consultation

Public consultation on the draft bill occurred from June to September 2006. Attachment Two lists those that made submissions.

The following agencies have been consulted in the preparation of the revised Bill and comments have been incorporated as appropriate:

- Department of the Premier and Cabinet
- Department of Treasury and Finance
- Department of Transport, Energy and Infrastructure
- Department of Health
- Department of Families and Communities
- Department of Trade and Economic Development
- Department of Environment and Heritage
- Department of Primary Industries and Resources SA
- Department of Water, Land and Biodiversity Conservation
- Environment Protection Authority
- Zero Waste SA

3.3.9. Implementation Plan

If approved the Bill will be introduced into Parliament in the last sitting period for 2006 for debate in 2007. The legislation sets in place the overarching framework for the setting of climate change targets and policies and will be subject to review every four years. A report on progress will be submitted to Parliament every two years commencing

in 2010. The Premier's Climate Change Council will provide advice to the Minister on the implementation of the legislation.

3.3.10. Communication Strategy

It is intended to introduce the Bill into Parliament in the last sitting period for 2006. The introduction of the Bill may occur at the same time that *Tackling Climate Change: South Australia's Greenhouse Strategy* is released (if the latter is approved by Cabinet).

A media release will be prepared to publicise the introduction of the legislation.

The Bill and associated materials will be placed on the Government's climate change website and hard copies of the Bill and second reading speech will be distributed under the Premier's signature to all those that made submissions.

Future communication tasks will be determined once the timing of the debate on the Bill is set.

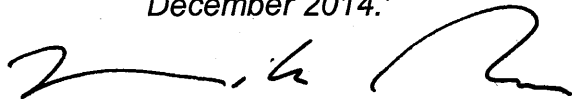
3.3.11. Executive Council

This proposal does not need the approval of Her Excellency the Governor in Executive Council.

4. RECOMMENDATIONS

It is recommended that Cabinet:

- 4.1. approve the revised *Climate Change and Greenhouse Emissions Reduction Bill 2006 (Attachment One)* and its introduction into Parliament in the last sitting period of 2006; and
- 4.2. note that the revised Bill will have an additional target as follows: '*to increase the proportion of renewable electricity generated so that it comprises at least 20% of electricity generated in the State by 31 December 2014.*'



HON MIKE RANN MP

MINISTER FOR SUSTAINABILITY AND CLIMATE CHANGE

Date: 29/11/06

Bill drafted by Parliamentary Counsel

15 pages removed

Exempt clause 10(1) – legal professional privilege