

City of Port Adelaide Enfield

Submission regarding *'Developing a new Climate Change Strategy for South Australia'*

Port Adelaide Enfield Council welcomes the opportunity to provide input into the preparation of the State's new Climate Change Strategy. A targeted and effective strategic plan, linked directly to co-ordinated private sector and government programs and investments, can provide the platform to ensure the State's economy and community can manage the impacts of climate change, but also to enable the State to identify opportunities to use that platform to improve and diversify economic investment and social resilience - vital resources in the State's transition to a post-automotive and low-carbon economy.

Council provides the below comments, based on the 5 Consultation Papers.

(1) Lead Consultation Paper

Renewable energy support in SA

As the Paper notes, the State's new Strategy needs to take into account national and international policy positions, international economic trends, and legislation. The current national approach to climate change is demonstrably weaker than most of our international counterparts and trading partners, and there is a gap emerging due to the reduced international investment in fossil fuel electricity generation – particularly coal-fired power generation. The State's ongoing work to attract renewable energy investment is supported, and will ensure efficient and secure energy supplies into the future.

The State Government's ongoing support for an appropriately designed emissions trading scheme as part of an overall package of policies and programs, is also acknowledged. There are significant revenue opportunities in a range of sectors that could benefit from efficient emissions trading and offset schemes, including Local Governments.

Council's submission to the Royal Commission on the Nuclear Fuel Cycle made a similar point – that investment in nuclear generation risks competing with (and potentially displacing) investment in renewable energy technologies and related industry goods and services, which Council considers to be a more valuable option for growing the local

economy and employment transition from the automotive and fossil fuel commodity-reliant industries.

There appears to be some poorly aligned policies within the State Government that require some clarification – for example, DMITRE, while supporting renewable technology development, is also strongly supporting ongoing exploration and investment in coal seam and unconventional gas resources in the State, which have created very significant concerns in other States – and would appear to contradict the State’s greenhouse policies, given that CSG is an energy source which creates significant emissions of greenhouse gases in the mining phase. The potential for damage to key groundwater resources is also a concern. While it is understood that the State has some short term revenue imperatives, the longer term economic benefits of moving to development of renewables and supporting business development, should not be compromised by non-aligned aims and potentially loss of market credibility regarding the State’s commitment to investments in non-fossil fuel businesses. The State should ensure all agencies are working together and collaboratively toward its stated climate change-related aims and policies.

Legislation

The Paper discusses the *Climate Change and Greenhouse Emissions Reduction Act 2007* which includes mandated targets. This innovative legislation was responsible for driving a range of leading programs and policies, by including quantified targets and policies. This strength should be continued and the review should explore a wide range of opportunities to incorporate key actions and aims in legislation. Updated (and ambitious) greenhouse reduction targets and renewable generation targets should be included in any revised version of the legislation. This single policy has enabled the State to create a competitive advantage in the supply of renewable power, which is strategically valuable in attracting high energy-use businesses into the future. The Premier’s Climate Change Council’s recommendation that the Government ‘*negotiate deep cuts in greenhouse gas emissions by 2050 and interim greenhouse and renewable energy targets for 2025*’ (p12) is supported. Port Adelaide Enfield Council would welcome the opportunity to discuss the options outlined in the Consultation Paper, regarding the specific reduction targets. Council has previously supported strong emissions reduction and renewable energy targets in order to both reduce the risks of climate change impacts in our region in the longer term and also to drive innovation and economic development in the State.

The Consultation Paper includes a comment regarding the potential for the legislation to include a greater focus on adaptation which is supported. A key issue to be addressed in the adaptation space however, is the lack of resourced and co-ordinated engagement of a range of key State agencies in the design and implementation of adaptation actions and strategic programs. This is essential to the practical and strategic scheduling and funding of the required actions identified in the regional adaptation plans.

The *Premier's Climate Change Council* should continue as per the current legislation, however the Council requires improved resources to enable it to continue to provide sound advice and innovative ideas to the government. The representation of Local Government on the Council has been a very valuable conduit and opportunity for partnership building and it is suggested this continue. The State's ongoing collaboration with the SA Local Government Association on a range of climate change and related economic development fronts is also strongly supported.

The ongoing inclusion of *Sector Agreements* in the legislation is strongly supported. The concept has been in place for several years now and has provided an innovative and effective platform for partnership building. A review of the concept would be valuable, in order to ensure that the aims and outcomes of the Agreement concept continue to adapt and evolve to support changing policy environments and strategic outcomes. Regional Sector Agreements (and their Committees / Steering Groups) will be a particularly valuable platform in supporting the collaborative and inter-sectoral implementation of regional adaptation plans as they are finalised. The Western Adelaide Region envisages that its Sector Agreement Committee will evolve into a regional reference group of key players (private and public) who will oversee and collaborate on the implementation and ongoing review of the AdaptWest Plan.

While reviewing and amending the current Greenhouse Act is required to ensure its ongoing role in driving good policy, it is ultimately an enabling Act – what also needs to occur is a review of all major legislation to assess where the regulatory system can assist or incentivise the embedding of climate change policies and practices, and to identify where regulation is creating a barrier to that progress.

(2) Reduce

Low Carbon Investment Plan for South Australia

It is acknowledged, as the Paper notes, that there has been an ongoing reduced demand for energy in Australia due to the economy's transition from energy-intensive

manufacturing into less energy-intensive business types, and also due to the reduced demand for household power from the significant uptake of household solar power. The national regulatory model for power supply has struggled to adapt to these changing conditions, and the power supply, distribution, and retailing sectors have continued to constrain innovative strategic approaches to energy efficiency and use of new technologies. This has resulted in perverse outcomes such as the energy sector's \$75 billion rollout of new network infrastructure which is now no longer required, but continues to be paid for by electricity consumers.

An example of how the current regulatory and business model fails to support the energy efficiency aims and targets of all levels of government is the failure (for over a decade) of the South Australian system to be able to implement a staged improvement in street lighting technologies and asset management. Local Government has been advocating (and being very proactive) in attempting to work with SA Power Networks (SAPN) via the relevant State Government agencies to design a process whereby the very inefficient street lighting system can be transitioned (over a practical timeframe) to more energy efficient systems. This would allow both much improved energy performance, and also would provide significant energy cost savings to Councils at a time when financial sustainability is critical. Port Adelaide Enfield Council currently commits over \$1 million per year on energy for street lighting alone – a cost that could be significantly reduced with improved energy efficiency of the asset. A significant contribution to the State's emissions reduction target would also be achieved if street lighting were made more efficient, as a matter of priority.

The State's *Low Carbon Investment Plan* (also being consulted on) identifies a significant option in this regard, which could be explored -

“ Collective power purchase contract

A campaign could be facilitated by the South Australian Government to aggregate a significant number of electricity consumers within the Adelaide coverage zone to purchase renewable energy for their electricity needs. The collective purchasing power of residents and businesses [or Councils] ... could drive competitive prices for a contract. Lead agency: State Development (Energy Markets and Programs, Renewables SA)

Councils would be interested in investigating the opportunity and feasibility of a collective (i.e. metropolitan Councils) purchase of *renewable* energy as part of the LGA's joint procurement contract for power for Councils' facilities, including street lighting – among other options to move forward in this problematic area.

Reducing transport emissions

Council supports the discussion in the Consultation Paper regarding the need for a range of policy and regulatory changes to improve carbon emissions from the transport sector. The national vehicle emissions standards in particular are significantly behind the standards in other OECD countries and should be amended as a matter of priority.

Council has strongly supported greater planning for, and investment in, public transport and is pleased to note the Commonwealth Government's recent move to put greater focus on the importance of urban cities and planning. Council looks forward to a greater focus on public transport infrastructure in the Commonwealth's funding programs in the future. The emphasis in recent years has been purely on funding major road infrastructure which has constrained both State and Local public transport and rail projects. Council of course continues to be very keen to continue collaborative planning with the State for the implementation of the endorsed light rail system to Port Adelaide and Semaphore – and also welcomes the proposed tram line on Prospect Road. Council would wish to ensure that the Prospect Road tram was developed along the full length of Prospect Road, to effectively support the Council and State Government managed Kilburn/Blair Athol Urban Renewal Program and to support the strong growth of commerce in the northern Prospect Road precinct.

Promoting cycling and walking

Council has strongly supported and invested in the development of cycling and walking trails and paths for over a decade and continues to support planning to increase the community's uptake, both to improve diversity of transport options away from car-based movement, and also to increase the community's physical activity and passive transport. The social benefits of greater use of neighbourhood walking and cycling paths are also considerable. Council's recent *Public Health and Community Wellbeing Plan 2015-2020* puts significant emphasis on this issue, and Council has proactively endorsed a range of programs and projects to improve active lifestyles and mobility. As the consultation papers note, the *30 Year Plan for Greater Adelaide* encourages and promotes alternative transport methods at a policy level, but concerns are emerging as to whether the current planning reforms may be actually working against these aims, particularly in relation to new land divisions.

Reducing emissions from the built environment

The planning reforms appear to have effectively removed or 'watered down' a range of policies and processes that have supported improved mitigation and adaptation

outcomes in new urban development – again, the climate change lens should be applied to all new legislation, and ensure that the new legislation genuinely supports the State’s strategic aims rather than working against them. The aim to remove ‘red’ and ‘green’ tape can have a negative effect if that green tape has been put in place to incentivise the development industry to design and construct buildings that will assist longer term goals. This does not appear to have been a consideration as part of the planning reform agenda.

While the State’s early adoption of 6 star energy rating schemes for new residential dwellings is acknowledged (and was in fact led by Local Government advocacy and collaboration with the development industry), a significant review of the actual performance of the national and local energy rating schemes for residential and commercial buildings is required as a matter of urgency, as there is significant evidence that the rating systems are not achieving the required outcomes.

There is significant opportunity to improve energy efficiency in the business and commercial sectors – and this should be an economic sustainability priority. Council would be keen to discuss how this element could be incorporated and facilitated in the Northern region, as part of the overall engagement with businesses in the area. The *State’s Low Carbon Investment Plan* and the *Green Industries SA Framework* provides a platform to discuss these opportunities within the northern and western regional economic development forums.

National emission reduction opportunities – as the Consultation Paper notes the Federal government’s current program of emissions abatement (primarily the Direct Action Plan) is not structured so as to drive emissions reduction in power generation or any other industrial or transport emissions sectors.

The program has in effect simply re-directed the Commonwealth’s previous environmental and revegetation project funding, such as the Caring for Country and Bushcare programs, and re-badged the funds under the emissions reduction banner. These projects have always been very worthwhile for a wide range of reasons, including their contribution to carbon sequestration, but the Direct Action Plan cannot be seen as a genuine policy response to drive greenhouse emissions reduction in the future. It appears that this will continue to be the main emissions reduction program for some time, so the State and Councils (and businesses) should make best use of the funding that the program can provide. The State Government should, however continue to strongly advocate to the Federal Government for a genuine suite of both market-based

and government-driven emissions reduction policies, regulations and funded projects, that will provide a sound platform for both emissions reductions and economic development and innovation.

The funding to the previous landcare and revegetation programs should be re-instated, as this program area has undergone significant cuts (and re-direction into other areas) in the last few years – as these ‘greening’ projects are a critically important component of regional climate change adaptation plans.

(See article below for insightful recent discussion on this issue - http://www.lga.sa.gov.au/webdata/resources/files/1%200%20What%20does%20the%20Direction%20Action%20and%20its%20policy%20content%20mean%20for%20Local%20Government%2020151021_v1%205.pdf)

(3) Adapt

In relation to State level commitments and actions, it is critical that the State government now prepare its activities and programs for incorporation into the regional adaptation plans. It is highly unlikely that relevant and meaningful planning and investments will occur at local and regional level, without the aligned activities required of the lead State agencies. It should be noted that the State’s (excellent) Adaptation Framework includes the requirement that Adaptation Plans include clear action / implementation plans and programmed investment schedules for all levels of Government and the private sector alike. This current gap will become a significant barrier to the detailed planning and implementation of adaptation actions across all regions unless addressed as a matter of priority by all key agencies.

The role of the State Government is currently not clear in, not only facilitating innovation with the business sector, but also to get that sector’s ‘buy-in’ to adaptation planning – this cannot be realistically done on a region by region basis, but should be driven and led by the relevant State agencies, including DSD. These agencies have been absent from the discussions and analysis occurring as part of the development of regional adaptation plans, which is both a significant disadvantage to the planning process, but also a lost opportunity to put business and economic development at the forefront of adaptation planning in all regions.

The issue noted in the Paper regarding engaging with industry to encourage their involvement in developing their own adaptation programs, and linking those plans to

the regional adaptation plans of governments, is becoming a critical gap. The Western Adelaide Region has requested assistance from the State Government to facilitate engagement with the business sector in the preparation and development of the regional adaptation plan. It is critical particularly in the western region to have the private sector (particularly managers of critical infrastructure assets and facilities) fully engaged in the process, and is a process that requires State Government leadership and facilitation.

'Implementing a co-ordinated approach to climate change adaptation planning across government' (page 5) is also becoming problematic as many agencies have not been able to fully engage with the process. The establishment of clear **governance arrangements** are required as a matter of urgency to implement the outcomes of the adaptation plans

Re 'Next steps' (p11)

All of the dot points in this section of the Consultation Paper are supported as being critically important to ensuring a co-ordinated, collaborative and well planned way forward.

As discussed above, Council strongly supports 'developing or enhancing effective governance arrangements to support planning and implementation across governments at all levels. This could include increased use of Sector Agreements or other partnership approaches'.

There are several actions that the State government can take as a matter of urgency, to support the recommendations in this section -

- incorporating climate change forecasts as a required criteria in the Guidelines for the preparation of Stormwater Management Plans and Asset Management Plans - both mandated requirements for Local Governments, but the guidelines for preparing these Plans are developed by the State and national bodies, so is an area requiring immediate action by the State, in order to have the required guidance documents to underpin Local Government's work in this area
- Taking on board the recommendations of the LGA's Sea Level Rise research paper 2014
- Ensure sector agreements are in place to establish stakeholder Committees in each region to oversee the implementation of Adaptation Plans and support partnerships in each region. The Sector Agreement Committees would combine Local, State, utilities, community, business and other private sector representation essential to the collaborative and co-ordinated programming of

adaptation actions in each region – and ensure co-ordination across and between regions.

- Funding and governance arrangements are established as a matter of urgency in relation to the roles and responsibilities (see LGA’s Sea Level Rise Paper for recommendations in this regard)
- Adequately support the Coast Protection Board’s program of coastal and beach management (Murray River and Coastal Branch, DEWNR) – this agency has had its funding reduced at the very time when significant effects are being felt from the effects of storm surge and sea level rise in coastal areas.

(4) Innovate

The Low Carbon Investment Plan for South Australia

This consultation paper (from Department of State Development) has been released in parallel with the Draft Climate Change Strategy ‘Innovate’ paper. Council offers the below comments on the Plan.

Council is actively supporting and engaged in the development of regional economic development platforms in both the northern and western regions, currently underway – and welcomes the State’s inclusion of strategies to enable regions to identify and support the uptake of low-carbon opportunities, and for new industries to be established to take advantage of the emerging markets in serving the renewable and other low-carbon technology industries.

As the Plan notes –

“A low carbon economy is important to the economic future of the state and its ability to compete internationally. To ignore this is to risk carbon-based business and assets being isolated as an exception to a broader international trend to low carbon action This low cost, affordable future acts as insurance against the carbon premium and incorporates a broad portfolio of technologies and innovations with the prospect to be cost competitive. It includes energy efficient and enabling technologies such as energy storage, electric vehicles, smart grids, fuels, demand management and grid stabilising technologies, wireless applications to enable low carbon technology, and other innovations not yet conceived. ”

The emphasis on linking climate change (both mitigation and adaptation) to economic development and “Innovation” is strongly supported.

The northern and western regions of Adelaide (the City of Port Adelaide Enfield sits across both) are currently working to support innovations and partnerships in order to transition our economies from a reliance on automotive manufacturing and mining. This

is an excellent opportunity to also see the opportunities inherent in transitioning to a carbon-efficient economy – which brings with it the R&D and capitalisation of products and services that offer significant opportunities for local businesses. Many businesses are already designing new ways of tapping into the investment appetite for sustainable and efficient low carbon products, and scientific and knowledge-based services – and SA is well placed to support that via the Northern Adelaide Economic Plan, and other regional programs.

Port Adelaide Enfield is also well placed to enable and support the establishment of waste-to-energy or related ventures in the region, as envisaged in the Green Industries SA program plan.

An example of an emerging technology is Battery storage design and manufacturing (for renewable energy storage) that will effectively fill the gap between renewable generation and long term storage capacity (see the Climate Change Council's recent report at link below -

<http://www.climatecouncil.org.au/uploads/ebdfcdf89a6ce85c4c19a5f6a78989d7.pdf>)

See also - http://media.bze.org.au/resp/bze_superpower_plan.pdf and <http://reneweconomy.com.au/2015/how-australia-can-become-a-renewable-energy-superpower-35215> - this article refers to a valuable new report regarding the economic opportunities (and constraints) in the next phase of the local and regional development (and export) of renewable energy products, supplies, and technologies.

While international markets and investment are heading in this direction (and have been for over a decade), it is understood the State Government were recently looking to develop Gillman into a 'fossil fuel and gas hub'. The original idea for Gillman (as per the endorsed Master Plan for the area) was for consideration of Gillman as an "Eco-Industrial Precinct", with a view to supporting leading edge businesses and technology developments, including waste-to-energy and water and that this opportunity may not be lost. It is hoped that plan for renewables development in the State will move beyond purely wind generation developments (which are very valuable) to developing and manufacturing technologies themselves at every opportunity.

This approach would also support the *Green Industries SA* agenda with regard to developing options of this kind.