

Received on 16 November 2021



Office of the Premier
of South Australia

B1149000

Adrian Tembel
Chair
SA Productivity Commission
GPO Box 2343
ADELAIDE SA 5001
Email: sapc@sa.gov.au

Dear Mr Tembel,

Please find enclosed a Notice of Inquiry into South Australia's renewable energy competitiveness which sets out the terms of reference for the inquiry.

I thank you and the Commission in advance for your efforts in relation to this matter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Steven Marshall".

Hon Steven Marshall MP
PREMIER OF SOUTH AUSTRALIA

15 / 11 / 2021

Attachments:
Notice of Inquiry – SA renewable energy competitiveness

SOUTH AUSTRALIAN PRODUCTIVITY COMMISSION INQUIRY INTO SOUTH AUSTRALIA'S RENEWABLE ENERGY COMPETITIVENESS

I, Steven Marshall, Premier, hereby request that the South Australian Productivity Commission (SAPC) undertake an inquiry into South Australia's renewable energy competitiveness.

Background

Action to limit global warming is triggering significant structural adjustment in the global economy. Structural change creates challenges and opportunities.

The South Australian (SA) Government has set goals to reduce SA's greenhouse gas emissions by more than 50 per cent below 2005 levels by 2030 and to achieve net zero emissions by 2050.¹

The SA Government has made considerable progress in driving the expansion of renewable energy production to the point where in 2019-20 SA produced 56.6 per cent of its electricity from renewable sources (SA has no coal-fired generation).²

But many other states of Australia and nations globally are aggressively pursuing renewable energy expansion policies to, amongst other things, grasp economic development opportunities.

In this highly competitive environment, and given the SA Government's investment to date, it is the right time to:

- conduct a thorough economic assessment of SA's renewable energy competitiveness; and
- identify any:
 - steps the SA Government may take to enhance this competitive position; and
 - economic development opportunities that may realistically flow from the actual or prospective competitiveness position.

Terms of Reference

The purpose of this inquiry is to:

1. Assess SA's actual or potential renewable energy competitive advantage (both within Australia and globally) in terms of renewable energy cost, location, quantity, reliability, emissions levels, and other relevant factors.
2. Recommend any further actions the SA Government could take to create or enhance the actual or potential competitive advantage.
3. If a competitive advantage exists or is attainable, recommend what areas of potential economic development warrant further thorough investigation by the SA Government.

¹ South Australian Government, Climate Change Action Plan 2021-2025 p1

² Ibid p18

Inquiry Process

The SAPC will seek input from relevant experts (including from within the SA Government, principally from DEW and DEM) and draw on prior work conducted in this field.

The SAPC will consult with relevant public and private sector organisations in SA and other Australian jurisdictions, industry, professional associations and other key stakeholders.

Temporary assignment of employees from relevant public sector agencies may be arranged by the office of the SAPC in accordance with *Premier and Cabinet Circular 046 – The South Australian Productivity Commission* to support the inquiry.

The SAPC is to publish a draft report containing recommendations for consultative purposes. A final report is to be provided to me no later than 7 months from the date of receipt by the SAPC of these terms of reference.



Hon Steven Marshall MP
PREMIER OF SOUTH AUSTRALIA

15 / 11 / 2021