



**Australian Government**  
**Climate Change Authority**

# **CLIMATE CHANGE AUTHORITY**

## **CORPORATE PLAN 2019-20**

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## INTRODUCTION

I am pleased to introduce the sixth corporate plan for the Climate Change Authority.

The Authority's role is to provide rigorous, independent and balanced advice to the Minister responsible for climate change, and to the Australian Parliament, on climate change matters by undertaking reviews and other research tasks.

The Climate Change Authority *Corporate Plan 2019-20* has been prepared to meet the requirements of paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* and Division 8 of the *Climate Change Authority Act 2011*.

The plan covers the four years from 2019-20 to 2022-23.

This is the Authority's seventh year of operation. Key achievements over the past 12 months include:

- In December 2018, the Authority released its *Review of the National Greenhouse and Energy Reporting legislation*, to which the Government has since responded; and
- In March 2019, the Authority released two background research papers. These documents present a 'stocktake' of current Australian and international climate change policies. A third stocktake which was released in July 2019, examined industry action on climate change mitigation in Australia. These stocktakes are inputs to updating advice to the Australian Government on policies to meet Australia's emissions reduction commitments under the Paris Agreement.

The corporate plan, Portfolio Budget Statements and annual report are the core elements of the Commonwealth Government's performance framework. The corporate plan is developed at the beginning of the reporting cycle and sets out the Authority's strategies for achieving its purpose and how success will be measured.

In line with its functions, the Authority will focus on the following activities over the four years from 2019-20 to 2022-23:

- complete the statutory reviews of the Carbon Credits legislation by December 2020 and the National Greenhouse and Energy reporting legislation by December 2023
- complete Special Reviews as requested by the Minister or the Parliament
- identify and undertake self-initiated research on climate change matters.

In all of its work, the Authority seeks to embody its core principles and values of independence, broad stakeholder engagement, excellence in research and analysis, transparency, good governance and accountability, and building staff capacity. These core principles and values are set out in more detail in this plan.

The Authority is supported by an expert secretariat. I thank them for their continued hard work, collegiality, good humour and commitment to excellence.

**Brad Archer**  
Chief Executive Officer

## PURPOSE

### OBJECTIVE AND ROLE

The Climate Change Authority's objective is to provide rigorous, independent and balanced advice to the Minister responsible for climate change, and the Australian Parliament, on climate change policy, in order to improve the quality of life for all Australians.

We do this by conducting robust and transparent research, reviews and analysis. We take account of diverse perspectives by engaging with a wide range of contributors.

## FUNCTIONS

The Authority's functions are set out in its enabling legislation, the *Climate Change Authority Act 2011*. These include:

- conducting reviews and making recommendations on the *Carbon Credits (Carbon Farming Initiative) Act 2011* and *National Greenhouse and Energy Reporting Act 2007*—these review requirements are established in legislation
- conducting reviews and making recommendations on other matters as requested by the Minister responsible for climate change, or the Australian Parliament
- undertaking its own independent research and analysis into climate change and other matters relevant to its functions.

The Authority is a non-corporate statutory body located in the Environment and Energy portfolio.

The Authority is an advisory body. We do not administer government programs or regulation.

## THE AUTHORITY'S CORE PRINCIPLES AND VALUES

The Authority has identified the following organisational principles and values, which guide how it conducts its business.

### INDEPENDENCE

The Authority operates independently under its own legislation, budget allocation and staff. We demonstrate independence and balance in thinking and action. Our advice is based on our own research and judgements.

### BROAD AND POSITIVE STAKEHOLDER ENGAGEMENT

The Authority takes account of all available inputs and perspectives by engaging with a wide range of stakeholders and other contributors with an interest in climate change policy and related matters.

We consult the public on every review, consistent with the requirements of our legislation.

### EXCELLENCE IN RESEARCH AND ANALYSIS

The credibility of the Authority relies on the quality of its research, analysis and reporting. We undertake thorough research and analysis through detailed planning, drawing on the best available knowledge, and applying highly skilled resources to the task.

We have a skilled workforce with a broad range of experience and established links to relevant expert local and international organisations.

### TRANSPARENCY

The Authority operates in an open and transparent way. We have a statutory obligation to publish our reports. Those reports are a result of reviewing and synthesising existing materials, engaging stakeholders and undertaking research to generate original reporting, analysis and advice.

### GOOD GOVERNANCE AND ACCOUNTABILITY

We maintain the highest standards of accountability and governance.

The Authority is subject to the *Public Governance, Performance and Accountability Act 2013* and the *Public Service Act 1999*, and has specific additional governance requirements under the *Climate Change Authority Act 2011*.

### BUILD STAFF CAPACITY

The Authority's staff is its most valuable resource. Continued investment in our staff is vital for maintaining and enhancing the Authority's performance.

We provide all staff with the opportunity to develop skills and knowledge through formal training and other development opportunities.

## AUTHORITY MEMBERS

The Climate Change Authority is an independent statutory body comprising a Chair, the Chief Scientist and up to seven members appointed by the Minister responsible for climate change.

The members of the Authority are:

- Chair: Dr Wendy Craik AM
- Chief Scientist: Dr Alan Finkel AO
- Mr Stuart Allinson
- Ms Kate Carnell AO
- The Hon John Sharp AM
- Dr Russell Reichelt
- Mr Mark Lewis

The Authority has engaged Dr Scott Power from the Bureau of Meteorology to provide advice on climate science.

Two Authority member positions are currently vacant. On 11 October 2020, the term of appointment of four members will expire; Dr Wendy Craik AM, Mr Stuart Allinson, Ms Kate Carnell AO and The Hon John Sharp AM.

Details of Authority members' qualifications and expertise can be found on the Authority's website at [www.climatechangeauthority.gov.au](http://www.climatechangeauthority.gov.au).

The Authority is supported by the Chief Executive Officer and secretariat staff.

## ACTIVITIES, ENVIRONMENT, CAPABILITY AND RISK

The Authority's activities over the reporting period will focus on statutory reviews of the Carbon Credits and National Greenhouse and Energy Reporting legislation, self-initiated research on climate change matters and other Special Reviews as requested by the Minister or the Parliament.

Prior to the 2019-20 Federal Budget, the Government's policy had been that the Authority would be wound up within the life of the current Parliament. This position was reversed in the Budget, with the Authority allocated funding through to 2022-23 commensurate with current levels.

Nonetheless, ongoing pressures on the Authority's budget currently present the most significant risk to the delivery of the Authority's work plan and its performance. The Authority is taking steps to address this situation.

As a small agency, the Authority partners with other Commonwealth agencies to provide its corporate services.

The Authority undertakes its work within a strong governance framework, including meeting governance requirements under the *Public Governance, Performance and Accountability Act 2013*.

The Authority has a Risk Management Framework to drive a positive risk management culture. The framework complies with the requirements of the *Commonwealth Risk Management Policy 1 July 2014* and the *Public Governance, Performance and Accountability Act 2013*.

### ACTIVITIES

This corporate plan covers the four years from July 2019 to June 2023.

In line with its functions and available resourcing, the Authority will focus on the following activities.

#### Activity 1: Complete reviews of the National Greenhouse and Energy Reporting and Carbon Credits legislation

- The *Carbon Credits (Carbon Farming Initiative) Act 2011* underpins the Emissions Reduction Fund. In 2020, the Authority will begin work on its third review of the Carbon Credits legislation. The review must be completed by 31 December 2020.
- The *National Greenhouse and Energy Reporting Act 2007* establishes a single national reporting framework for greenhouse gas emissions and companies' energy consumption and production. The legislation also supports the safeguard mechanism, which sets limits on the emissions of large businesses. The next review is due by 31 December 2023.

#### Activity 2: Other reviews requested by the Government or Parliament

- In 2019–20 and for the remaining three work periods, the Authority may be asked to perform other Special Reviews by the Minister or the Parliament.
- For example, in 2017–18, the (then) Minister requested the Authority undertake a review of the Office of the National Wind Farm Commissioner.

#### Activity 3: Self-generated research and analysis

- During the life of this corporate plan, the Authority will identify and undertake its own research on climate change matters.
- For example, in March 2019, the Authority released two stocktake documents which summarise current Australian and international climate change policies.

### OPERATING ENVIRONMENT

The environment in which the Authority is operating has shifted since its establishment in 2012.

Prior to the 2019-20 financial year, Government policy was to wind up the Authority, thus creating uncertainty in the Authority's operating environment. As announced in the 2019-20 Federal Budget, this policy has been reversed. Funding for the Authority remains an issue with processes currently underway to ensure the financial stability of the Authority. At this point in time there remains significant

pressure on the Authority's budget with unspent prior year funds expected to be exhausted in 2019-20.

Considering the Authority's current operating environment, Table 1 summarises the Authority's ability to control factors that will influence its activities and performance over the four years to June 2022.

## CAPABILITY

### STAFFING

The Authority relies on its staff to undertake the research and analysis that supports its reviews and reports. Staff expertise and professionalism are critical to both the production of high-quality reports, and building and maintaining good stakeholder relationships.

The Authority secretariat currently consists of a Chief Executive Officer leading eight staff.

The Authority encourages employees to undertake learning and development to build up competencies relevant to their roles. The Authority has a study assistance policy that sets out the assistance provided to staff for learning and development opportunities. The policy provides financial and leave assistance to its staff enrolled in study or training that is relevant to the operational needs of the agency. Each staff member has the opportunity to identify and access appropriate training through the Authority's Performance and Development Program.

The Authority also provides one-on-one coaching to address particular development needs and extensive on-the-job training.

### SHARED SERVICES ARRANGEMENTS

The Authority maintains agreements for the provision of corporate services with the Industry portfolio and the Department of the Environment and Energy.

The Industry arrangement covers the provision of finance, payroll and human resources systems and support. This arrangement is similar to the one that was in place when the Authority was part of the Industry portfolio.

The Environment arrangement provides information technology systems and support, and some corporate support including legal, freedom of information, budget coordination and some travel services.

These arrangements are performed on a fee-for-service basis. They are appropriate for a small agency, in line with the Government's shared services agenda.

FACTORS – GREATER INFLUENCE	FACTORS - PARTIAL INFLUENCE	FACTORS - LITTLE INFLUENCE
<ul style="list-style-type: none"> <li>• Providing Authority members with sound advice on which to make decisions</li> <li>• Preparing research reports that are clear, evidence based and well-constructed</li> <li>• Conduct of research</li> <li>• Meeting deadlines for legislative reviews</li> <li>• Consulting effectively with stakeholders</li> <li>• Working with other Commonwealth agencies</li> <li>• Recruiting and managing staff</li> <li>• Effective governance</li> <li>• Effective measures to address risk and fraud</li> <li>• Authority business operations including shared services arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Budget allocations</li> <li>• Influence of reviews and research on governments and other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Requests from Minister or the Parliament to undertake Special Reviews</li> <li>• Appointments of members to the Authority</li> </ul>

## RISK OVERSIGHT AND MANAGEMENT

### GOOD GOVERNANCE

The Authority has a strong governance framework. To ensure it complies with governance requirements under the *Public Governance, Performance and Accountability Act 2013*, the Authority will continue to:

- ensure that delegations for human resources and finances are appropriate
- ensure there is control and oversight to deal with fraud and risk
- maintain an Audit Committee
- educate its staff to apply APS Code of Conduct and Values on a day-to-day basis
- educate new staff on the Authority's governance practices
- maintain governance issues as standing agenda items on regular senior management meetings.

### RISKS

The Authority maintains a risk management framework and policy, which are updated regularly and reviewed by its Audit Committee.

Table 2 sets out the Authority's high-level strategic risks for the reporting period, along with risk ratings and mitigation strategies. Risk treatments and treatment owners are outlined in the Authority's risk register, which is updated regularly. Individual work initiatives such as major procurements also have targeted risk strategies.

Climate risk affects businesses and government agencies, both large and small. It comprises the physical risks of a changing climate, and the risks and opportunities that arise in moving toward a low carbon economy. The Taskforce on Climate Related Financial Disclosures (TCFD) of the G20's Financial Stability Board (responsible for promoting global financial stability) has concluded that climate change-related risks are a threat to financial stability which could, among other things, undermine asset value and business strategies, disrupt business operations, and impose costs, e.g. through increased insurance premiums.

Along with several other Commonwealth agencies, the Authority is working to build consideration of climate risk into its risk management processes. Starting this year, we will focus on strengthening staff capacity in the identification and management of climate risk, and conduct an initial scan of the Authority's exposure to climate risks. This will position us to progressively embed climate risk considerations into our planning and reporting processes.

TABLE 2: CLIMATE CHANGE AUTHORITY STRATEGIC RISKS

RISK TYPE	RISK DESCRIPTION	LIKELIHOOD, CONSEQUENCE AND RATING	MITIGATION STRATEGIES
Managing financial resources	<ul style="list-style-type: none"> <li>Budget pressures compromise delivery of the work program</li> <li>The Minister responsible for climate change or the Parliament requests a Special Review, putting additional pressure on resources</li> </ul>	Likely; moderate; medium	<ul style="list-style-type: none"> <li>The Chief Executive Officer and the Chief Finance Officer monitor budget expenditure closely</li> <li>Funding priorities planned to align with key priorities and closely monitored by Chief Executive Officer and Chief Finance Officer</li> <li>Actions to increase the Authority's funding are pursued</li> <li>The secretariat's work priorities are managed flexibly, in line with available resources</li> <li>Funding priorities and constraints communicated to Authority members</li> </ul>
Managing people resources	<ul style="list-style-type: none"> <li>Inability to retain staff in circumstances of budget uncertainty and limited organisational size</li> <li>The Minister responsible for climate change or the Parliament requests a Special Review, putting additional pressure on resources</li> </ul>	Unlikely; moderate; medium	<ul style="list-style-type: none"> <li>Staff kept informed about developments in the operational environment and supported with effective change management and resilience strategies, including through the Employee Assistance Program</li> <li>The secretariat's work priorities are managed flexibly, in line with available resources</li> <li>Actively foster a positive work environment and ensure staff can access development opportunities</li> </ul>
Capability	<ul style="list-style-type: none"> <li>Insufficient number of skilled staff leads to gaps in skillsets required to deliver outcomes.</li> <li>Insufficient staff for proper oversight and management of reviews or segregation of duties</li> </ul>	Unlikely; moderate; medium	<ul style="list-style-type: none"> <li>Appropriate delegation of powers, robust information sharing processes including on lessons learned, transparent decision-making processes</li> <li>Engage independent consultants where appropriate</li> <li>Partner with other organisations where appropriate</li> <li>Support staff learning and development opportunities</li> <li>Oversight by Audit Committee</li> <li>Maintenance of fraud plans</li> </ul>

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<p><b>Performance</b></p>	<ul style="list-style-type: none"> <li>• The Authority's reviews and research reports contain significant factual errors or fail to meet delivery deadlines</li> <li>• Stakeholders consider that the Authority does not have the expertise or independence to advise the Government effectively</li> <li>• Appointment of new members and bringing them up to speed causes delays in finalising reviews</li> </ul>	<p><b>Unlikely; moderate; medium</b></p>	<ul style="list-style-type: none"> <li>• The Authority maintains quality assurance processes to minimise the chance of factual error</li> <li>• The Authority scopes its work carefully and monitors review time frames</li> <li>• The Authority consults with a wide range of stakeholders to be informed by a broad spectrum of views and evidence</li> <li>• Conduct stakeholder surveys to solicit feedback and tailor engagement approaches accordingly</li> <li>• Develop a stakeholder engagement charter</li> <li>• The Authority explicitly considers stakeholder views and other relevant information sources when taking decisions on its reports and other products</li> <li>• Member handbook kept up to date and induction sessions able to be rolled out quickly</li> </ul>
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## PERFORMANCE

### OUTCOMES

The Authority's outcome is to:

*Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.*

### OUTCOME STRATEGY

The Authority will deliver influential, independent and expert advice by:

- undertaking extensive and rigorous research and analysis
- engaging stakeholders to gather information and debate policy options
- presenting insightful and practical reports
- operating within a strong governance and accountability framework.

In undertaking its reviews, the Authority must take the following principles into account:

- economic efficiency
- environmental effectiveness
- equity
- the public interest
- the impact on households, business, workers and communities
- support the development of an effective global response to climate change
- Australian foreign policy and trade objectives.

The Authority must also consult publicly when conducting its reviews and publish its reports on its website.

### DELIVERY STRATEGIES

To support the Authority's work, the secretariat will deliver on its legislative obligations by preparing timely, high-quality reviews for the Authority by:

- undertaking thorough policy development and analysis, including desktop research and analysis of relevant issues
- conducting in-depth analysis of relevant sectors and contemporary research
- commissioning other analytical work (for example, economic modelling) where required
- conducting meaningful and transparent consultation with experts and stakeholders, including business, industry, environment and other community groups
- monitoring developments in climate change policy by reviewing publicly available resources and building networks with expert, local and international organisations.

The secretariat will also facilitate the Authority’s decision-making further by:

- arranging regular meetings of the Authority
- providing briefing, reports and other supporting documentation that are fit-for-purpose and of a high quality

**PERFORMANCE CRITERIA**

The Authority will assess its performance against the following criteria:

- The Authority’s advice is timely, high quality, well-received by stakeholders, and used in public policy forums and discussions.
- The Authority’s public consultation processes are transparent, accessible and highly regarded by stakeholders.
- The Authority’s secretariat supports effective decision-making by the Authority.

Our performance framework as well as our approach to performance measurement and assessment are set out in Figure 1 and Table 3.

**FIGURE 1: OUR PERFORMANCE FRAMEWORK**

<b>OUR PURPOSE</b>	To provide rigorous, independent and balanced advice to the Minister responsible for climate change, and the Australian Parliament, on climate change policy, in order to improve the quality of life for all Australians.					
<b>OUR FUNCTIONS AND ACTIVITIES</b>	Conducting reviews and making recommendations on the Carbon Credits (Carbon Farming Initiative) Act 2011 and <i>National Greenhouse and Energy Reporting Act 2007</i> . These review requirements are established in legislation.		Conducting reviews and making recommendations on other matters as requested by the Minister responsible for climate change, or the Australian Parliament.		Undertaking its own independent research and analysis into climate change and other matters relevant to its functions.	
<b>OUR CORE PRINCIPLES AND VALUES</b>	Independence	Broad stakeholder engagement	Excellence in research and analysis	Transparency	Good governance and accountability	Building staff capacity
<b>OUR PERFORMANCE CRITERIA</b>	The Authority’s advice is timely, high quality, well-received by stakeholders, and used in public policy forums and discussions.		The Authority’s public consultation processes are transparent, accessible and highly regarded by stakeholders.		The Authority’s secretariat supports effective decision making by the Authority.	
<b>OUR CORE CAPABILITIES</b>	High calibre staff			Systems and processes to support high performance		

## PERFORMANCE MEASUREMENT AND ASSESSMENT

TABLE 3: PERFORMANCE INFORMATION

YEAR	ACTIVITY	KEY PERFORMANCE INDICATORS	TARGET	ASSESSMENT
2019-20 - 2022-23	<ul style="list-style-type: none"> <li>Complete the stocktake on industry action on climate change mitigation in Australia in July 2019</li> <li>Update of policy toolkit to meet Paris Agreement commitments.</li> <li>Complete review of the Carbon Credits legislation by December 2020</li> <li>Complete other Special Reviews as requested by the Government or the Parliament</li> <li>Identify and undertake other self-generated research on climate change matters.</li> </ul>	<ul style="list-style-type: none"> <li>The Authority's advice is timely, high quality, well-received by stakeholders, and used in public policy forums and discussions.</li> <li>The Authority's public consultation processes are transparent, accessible and highly regarded by stakeholders.</li> <li>The Authority's secretariat supports effective decision-making by the Authority.</li> </ul>	<ul style="list-style-type: none"> <li>Advice is provided by the due date</li> <li>Advice draws on the best available knowledge and is informed by a broad range of perspectives</li> <li>Public consultation is comprehensive, representative and transparent</li> <li>Government considers the Authority's findings and recommendations in developing and implementing policy</li> <li>The Authority's research and analysis influences the public policy debate on climate change issues</li> <li>Authority members express satisfaction with the secretariat's work.</li> </ul>	<ul style="list-style-type: none"> <li>Date of delivery to the Minister responsible for climate change or the Parliament and date of publication on the Authority's website</li> <li>Consideration of the Authority's processes for collecting and analysing evidence to support findings and recommendations</li> <li>Analysis of the Authority's consultation and submissions processes and stakeholder participation</li> <li>Analysis of feedback by the Government and other stakeholders on the Authority's research and analysis</li> <li>Analysis of feedback from Authority members on the secretariat's work.</li> </ul>

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