



CLIMATE
CHANGE
AUTHORITY

ANNUAL REPORT

2019-2020



Australian Government
Climate Change Authority

ABOUT THIS REPORT

The Climate Change Authority's annual report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013*.

The annual report is available in print from 13 libraries around Australia and online at www.climatechangeauthority.gov.au/about-cca.

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The Hon Angus Taylor MP
Minister for Energy and Emissions Reduction
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to provide you with the Climate Change Authority's annual report for the financial year 2019-20.

This document has been prepared in accordance with section 81 of the *Climate Change Authority Act 2011* and section 46 of the *Public Governance, Performance and Accountability Act 2013*. I certify that all requirements have been addressed.

A handwritten signature in black ink, appearing to read 'Brad Archer', written over a horizontal line.

Yours sincerely
Brad Archer
Chief Executive Officer



Australian Government
Climate Change Authority

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1. MEMBERS OF THE CLIMATE CHANGE AUTHORITY

CHAIR: DR WENDY CRAIK AM

Dr Wendy Craik was appointed Chair of the Authority on 1 May 2016 for a period ending 11 October 2020. Dr Craik was a member of the Authority from 12 October 2015 to 30 April 2016.

Dr Craik has over 25 years' experience in senior roles in public policy, including as Commissioner of the Productivity Commission, Chief Executive of the Murry-Darling Basin Commission, President of the National Competition Council, Chair of the Australian Fisheries Management Authority and Australian Rural Leadership Foundation, Executive Director of the National Farmers' Federation and Executive Officer of the Great Barrier Marine Park Authority. She has been a director on a number of boards. She is currently Chair of the Steering Committee for the Ten Year Program for the Eradication of Red Imported Fire Ants, Chair of the bid for the Onebasin CRC, and a board member of the Reserve Bank of Australia and Australian Farm Institute.

Dr Craik was invested as a Member of the Order of Australia in 2007 for service to the natural resource sector of the economy, particularly in the areas of fisheries, marine ecology and management of water reform, and for contributions to policies affecting rural and regional Australia.

EX OFFICIO MEMBER AND CHIEF SCIENTIST: DR ALAN FINKEL AO

Dr Alan Finkel has been Australia's Chief Scientist since January 2016. The Chief Scientist is an ex officio member of the Climate Change Authority. As Chief Scientist, Dr Finkel was appointed in January 2020 as Chair of the Expert Advisory Panel for the CSIRO Report on Climate and Disaster Resilience, and in February 2020 he was appointed as Chair of the Technology Investment Roadmap Ministerial Reference Group. He led the development of the 2019 National Hydrogen Strategy, which was adopted in November 2019. He also led the 2016 National Research Infrastructure Roadmap, the 2017 Review into the National Electricity Market ("Finkel Review"), and the 2018 STEM Industry Partnership Forum report. He serves as the Deputy Chair of Innovation and Science Australia. Dr Finkel has an extensive science background as an entrepreneur, engineer, neuroscientist and educator.

MR STUART ALLINSON

Mr Stuart Allinson was appointed as a member of the Authority on 12 October 2015 for a term of five years. Mr Allinson was the acting Chair of the Authority from 12 October 2015 to 30 April 2016.

Mr Allinson's career has predominately focused on the energy sector, as a manager, consultant and company director in Australasia and Europe. In 2012, Mr Allinson co-founded BidEnergy and as Managing Director, took the company to an ASX listing in 2016. He is now a professional company director and is involved with a number of high growth businesses in the energy and sustainable technology sectors.

Mr Allinson attended Imperial College of Science and Technology and holds a BSc Mathematics Upper Second Class Honours (Associate of the Royal College of Science) and Master of Petroleum Engineering (Associate of the Royal School of Mines). He also holds a Master of Business Administration, Royal Victoria University of Manchester, England. Whilst studying for his MBA, he attended Kellogg Graduate School of Management in Illinois as part of an international student exchange program.

Mr Allinson's early career was in oil and gas exploration and production. He later specialised in energy and environmental market deregulation. In 1997, he immigrated to Australia to work with Ernst & Young as an energy market specialist, consulting to governments, regulators and businesses involved with market reform.

MS KATE CARNELL AO FAICD FAIM

Ms Kate Carnell was appointed as a member of the Authority on 12 October 2015 for a term of five years.

In March 2016, Ms Carnell became Australia's first Small Business and Family Enterprise Ombudsman.

Ms Carnell was the CEO of the Australian Chamber of Commerce and Industry (ACCI) from May 2014 to February 2016. ACCI is Australia's largest and most representative business organisation, advocating for over 300,000 businesses across all industries.

Ms Carnell is well known and respected in the not-for-profit and business communities, having served two years as CEO of beyondblue, four years as CEO of the Australian Food and Grocery Council and three years as the CEO of the National Association of Forest Industries.

Ms Carnell began her professional life as a pharmacist. She owned and managed pharmacies for some 20 years, was the inaugural chair of the ACT Branch of the Australian Pharmacy Guild and went on to become National Vice-President of the Pharmacy Guild of Australia.

Ms Carnell served as Chief Minister of the ACT from 1995 to 2000.

In 2006, Ms Carnell was appointed as an Officer of the Order of Australia for her services to community through contributions to economic development and support for the business sector, knowledge industries, the medical sector and medical technology advances.

THE HON JOHN SHARP AM

Mr Sharp was appointed as a member of the Authority on 12 October 2015 for a term of five years.

Mr Sharp has a farming and business background. His political career commenced in 1980 at the age of 25 when he was elected to the Young Shire Council. In 1984, he was elected to the Federal Parliament as the National Party member for Gilmore. Following redistribution in 1993, he represented the seat of Hume. Mr Sharp served 14 years in the Federal Parliament, and from 1987 to the end of 1997 was a member of the Coalition's front bench as Shadow Minister and then Minister for Transport and Regional Development. He served as Federal Treasurer of the National Party from 2000–15.

During his parliamentary career, Mr Sharp became well known and respected for his role in promoting aviation safety and was responsible for numerous reforms, including a complete rewrite of the aviation regulations. He was also responsible for the reform of Australia's railways, creating the Australian Rail Track Corporation.

Mr Sharp is founder and director of Thenford Consulting, a high-level aviation and transport consulting company, Deputy Chairman of Australia's largest independent regional airline, Regional Express (Rex), Chairman of Pel Air, an airfreight business and charter operator, and a director of Luerssen Australia and the Australian Maritime Shipbuilding and Export Group.

From 2001–15, Mr Sharp served as a director of Airbus Group Australia Pacific. He was a director of Skytraders, operating aircraft for the Australian Antarctic Division, from 2005–13, and the French/Australian Chamber of Commerce and Industry.

Mr Sharp was invested as a Member of the Order of Australia in 2018 for significant service to the people and Parliament of Australia, to the aviation industry, and to the community.

MR MARK LEWIS

Mr Lewis was appointed as a member of the Authority on 1 April 2019 for a term of five years.

Mr Lewis is a former WA Minister for Agriculture and Food and was a member for the Mining and Pastoral Region in the WA Legislative Council from 2013 to 2017. He is currently also a Director on the Regional Development Corporation and a number of public (limited) and private companies. Mr Lewis has a lifetime of involvement in sustainable agriculture and rural communities.


Mr Lewis holds a Master of Applied Science, Advanced Diploma Management and Graduate Certificate Management. His undergraduate studies were in the Animal Health field.

DR RUSSELL REICHEL T

Dr Reichelt was appointed as a member of the Authority on 1 April 2019 for a term of five years.

In addition to the Climate Change Authority, Dr Reichelt is the representative of the Australian Prime Minister for the High Level Panel for a Sustainable Ocean Economy. He is also Chair of the NSW Marine Estate Management Authority and a board member of the Great Barrier Reef Foundation.

Dr Reichelt's technical background is in marine science, numerical modelling of ocean processes, ocean policy and management for conservation and sustainable use. He led development of a new reporting mechanism for the Great Barrier Reef (the GBR Outlook Report) which has been legislated in the Great Barrier Reef Marine Park Act and adopted by the national State of the Environment Committee and UNESCO'S World Heritage Centre for all World Heritage Sites listed for their natural values.



Dr Reichelt was Chairman of the Great Barrier Reef Marine Park Authority from 2007 to 2018 where a very high priority was to understand, report and respond publicly on the impact of climate change on the Great Barrier Reef and tropical reefs worldwide. He has a PhD in tropical marine science (1980) and has served as CEO of the Australian Institute of Marine Science, Chairman of Australia's Fisheries Research and Development Corporation, and twice as a member of Australia's State of the Environment Committee.

He has previously chaired Australia's National Oceans Advisory Group advising a panel of five Australian cabinet ministers, CSIRO's Wealth from Oceans Flagship Advisory Committee and Seafood Services Australia Ltd. He is an Adjunct Professor at James Cook University, University of Queensland and Queensland University of Technology; and a Fellow of the Australian Academy of Technological Sciences & Engineering; Fellow of the [UK based] Institute of Marine Engineering, Science and Technology and a Fellow of the Australian Institute of Company Directors.

2. CHIEF EXECUTIVE OFFICER'S REVIEW

I am pleased to present the Climate Change Authority's annual report for 2019-20, the Authority's eighth year of operation.

When reflecting on 2019-20, it is impossible to ignore the extraordinary circumstances that we have faced in the form of the tragic Australian bushfire season and global COVID-19 pandemic, the impacts of both still being felt and the latter still very much challenging our way of life. Both events intersect strongly with the recent work of the Authority.

The evidence is clear that climate change will increase the frequency and intensity of natural disasters, such as bushfires, in Australia. Strong global action to reduce greenhouse gas emissions and limit global warming will lower the risk of extreme hot weather, flooding and drought, and is very much in Australia's interests. In March 2020, the Authority released a major research report, *Prospering in a low-emissions world: An updated climate policy toolkit for Australia*, which examines how Australia can reduce greenhouse gas emissions to meet its 2030 Paris Agreement target, and also subsequent, more ambitious targets, while prospering in a world making the transition to net zero emissions. It also examines how we can better prepare for the impacts of climate change that are now unavoidable. As noted in the report, the necessary global transition to low-carbon emissions and the need for Australia to enhance our preparedness for future climate impacts present challenges but also great opportunities.

The full implications of COVID-19 were not apparent in March but have since been revealed as far-reaching and damaging for our society and economy. Responding to the challenges of the pandemic and climate change come together in the Authority's recent research report *Economic recovery, resilience and prosperity after the coronavirus*, released in July 2020. This report identifies measures from *Prospering in a low-emissions world* that could contribute to an economic stimulus package in ways that could also build Australia's resilience to the economic impacts of a changing climate, and position Australia to take advantage of our abundant clean energy resources and emerging low-emissions technologies. The Authority's consultations revealed that even as businesses responded to the immediate and sizable challenges of the COVID-19 pandemic, they remained focus on the long term challenges and opportunities of the global response to climate change.

The Authority's research reports have been well received and informed public discussion and decision making on climate policy. The advice embodies the Authority's core principles and values such as independence, broad stakeholder engagement, excellence in research and analysis, transparency, and good governance and accountability.

The Authority also commenced work in 2019-20 on its statutory review of the Emissions Reduction Fund legislation. The review has now been completed, released and is with the Government for consideration.

I thank all those who contributed to the work of the Authority over the course of 2019-20. This includes everyone who participated in our consultation processes and the subject matter experts, industry leaders and others who generously donated their time to share their expertise and views with Authority members and staff. This input is crucial to ensuring we continue to provide high quality, independent advice to the Government, the Parliament and the community on Australia's climate change policies.

I would like to extend my gratitude to the Authority members. The engagement, guidance and expertise of our members have underpinned the value and credibility of the Authority's work.

I also thank the Authority secretariat staff for their expertise and maintaining high levels of professionalism, resilience and good humour in the face of the difficult external circumstances that have prevailed over the course of 2019-20.

Brad Archer
Chief Executive Officer

3. ABOUT THE CLIMATE CHANGE AUTHORITY

3.1 FUNCTIONS OF THE AUTHORITY

The Authority was established under the *Climate Change Authority Act 2011* (the Act) and commenced operation on 1 July 2012. The Authority is a non-corporate independent statutory body established to provide advice on climate change issues.

The Authority has a number of functions as set out under the Act. These include:

- conducting reviews and making recommendations on the *Carbon Credits (Carbon Farming Initiative) Act 2011* and *National Greenhouse and Energy Reporting Act 2007*
- 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 reports to the Commonwealth Parliament through the Minister responsible for climate change.

3.2 ORGANISATIONAL STRUCTURE

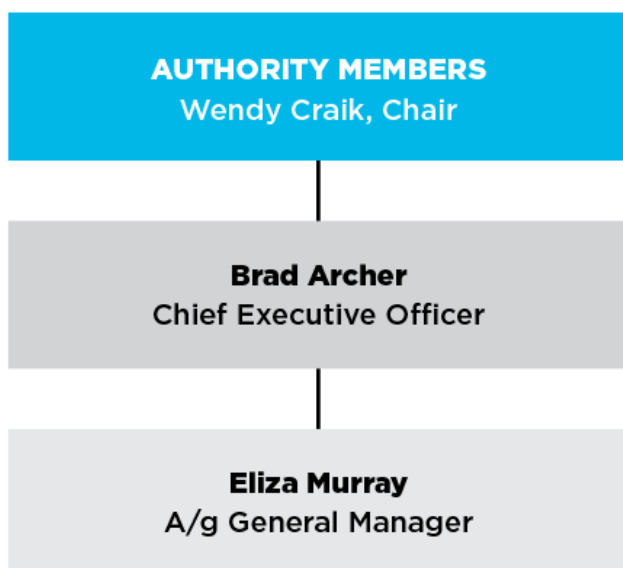
The Authority's organisational structure is outlined in Figure 1. A fully constituted Authority comprises a Chair and up to seven part-time members, plus an ex officio member—Australia's Chief Scientist. Members are appointed by the Minister responsible for climate change under section 18 of the Act. At the time of finalising this Annual Report, there are seven Authority members including the Chair of the Authority, Dr Wendy Craik AM.

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

Authority members are supported by the Chief Executive Officer (CEO) and Authority staff, known as the Authority's secretariat. The CEO, Mr Brad Archer, is responsible for the day-to-day administration of the Authority.

The Authority has established structures, systems and processes to meet its governance, compliance and accountability responsibilities (see Chapter 5).

FIGURE 1: CLIMATE CHANGE AUTHORITY ORGANISATION CHART



3.3 OBJECTIVE

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

The Authority does this by conducting statutory and specifically commissioned reviews, and by undertaking climate change research.

3.4 OUTCOME AND PROGRAM STRUCTURE

The Commonwealth Government requires agencies to measure their performance in terms of outcomes. Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs that contribute to government outcomes over the Budget and forward years.

A summary of the Authority's outcome is described below, together with its related program.

Outcome description

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 is delivering independent expert advice on climate change mitigation initiatives. In 2019-20, the Authority will undertake stakeholder engagement, research and analysis to inform its review and other research reports.

This outcome is linked to Program 1.1: Reviewing Climate Change Mitigation Policies. Performance against this program is assessed in Chapter 4.

4. ANNUAL PERFORMANCE STATEMENT

4.1 INTRODUCTORY STATEMENT

This report provides the 2019–20 annual performance statements for the Climate Change Authority, as required under section 39(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 16F of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule). These annual performance statements are based on properly maintained records, accurately reflect the performance of the Authority and comply with section 39(2) of the PGPA Act.

4.2 PURPOSE

The Authority's purpose 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 (Portfolio Budget Statement Outcome 1).

4.3 ACTIVITIES

Over the year, the Authority pursued this purpose by undertaking the following activities.

Activity 1: Commenced the 2020 review of the Emissions Reduction Fund (Carbon credits legislation)

- The *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth) (CFI Act) implements the crediting and purchasing elements of the Emissions Reduction Fund (ERF). The CFI Act requires that every three years the Authority must review the operation of the Act, regulations and other instruments made under the Act, which includes the ERF. The next statutory review is due in December 2020.
- The Authority released a paper for consultation on its 2020 review of the ERF in April 2020. In acknowledging the severe disruption caused by COVID-19 and recognising that it may be difficult for stakeholders to make submissions, the Authority provided stakeholders with a range of options for providing input to the review. The Authority received 53 submissions and consulted with over 20 companies and organisations.
- The Authority intends to publish the ERF review in the second half of 2020 ahead of the statutory deadline in December 2020.

Activity 2: Self-generated research and analysis

- In July 2020, the Authority published a research report *Economic recovery, resilience and prosperity after the coronavirus* that identified measures previously proposed by the Authority that could contribute to an economic stimulus package in response to the economic impacts of COVID-19.
 - The Authority drew on the consultations and submissions as part of the *Prospering in a low-emissions world* report (see below) and held further consultation in May and June 2020 to seek input from government agencies involved in the stimulus response and with a cross section of industries and civil society affected by the crisis.
- In March 2020, the Authority published *Prospering in a low-emissions world: An updated climate policy toolkit for Australia*. This report, which the Authority commenced work on in early 2019, updates the Authority's previous advice to the Australian Government on policies to meet Australia's emissions reduction commitments under the Paris Agreement, including the 2016 report *Towards a policy toolkit: Special review of Australia's climate goals and policies*.
 - The update took into account developments in Australia and around the world in terms of the economics and science of climate change.
 - The Authority consulted widely for the report, receiving 67 submissions and consulting with over 40 organisations.
- The Authority published a stocktake on industry action which was released on 11 July 2019. It was downloaded 348 times during the 2019-2020 reporting period. The publication of this stocktake was assessed as part of the Authority's performance in the 2018-19 annual report.

4.4 ASSESSMENT OF THE AUTHORITY'S PERFORMANCE

In line with the 2019–20 Portfolio Budget Statements and the Authority's 2019–2020 Corporate Plan, the Authority has assessed its performance in 2019–20 against the following indicators:

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

Over the year, the Authority provided expert advice to the Australian Government through the publication of *Prospering in a low-emissions world: An updated climate policy toolkit for Australia*. This report updated its advice to the Australian Government on policies to meet Australia's emissions reduction commitments under the Paris Agreement. The advice provided was timely, drew on the best available knowledge and was informed by a broad range of expertise and perspectives. The report has informed public discussion and decision making on climate policy. The Chair and CEO of the Authority were invited to present on the *Prospering in a low-emissions world* report at several high profile business, industry and academic forums. These presentations were well received. The Authority has gone about its work in a transparent way and its findings were the result of independent decision making by Authority members, supported by an expert secretariat. The analysis in Table 1 indicates the Authority has met or is on track to meet its performance targets.

The Authority also commenced the statutory review of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth) including the Emissions Reduction Fund and commenced self-initiated research on economic measures to help the Australian economy recover from COVID-19 and build future resilience and prosperity. The ERF review will be delivered in the 2020-21 reporting period. *Economic recovery, resilience and prosperity after the coronavirus* was published at the start of the 2020-21 reporting period on 17 July 2020.

The Authority's reviews and research cover a diverse range of climate change matters which are often contentious and complex. They help inform public debate and policy development over an extended period. For these reasons, the Authority's contribution is best considered over the medium term. The Authority will work towards further developing its performance framework to better assess its longer term performance and influence.

The Authority's previous work and findings are frequently referenced in the media, research reports by other organisations and in Parliamentary processes, illustrating the ongoing influence of the Authority. The Authority's past recommendations on Australia's emissions reduction targets published in 2014 in the *Targets and Progress* review. The *2016 Special Review of Australia's climate goals and policies: Towards a policy toolkit*, which looked at the policies needed to deliver on the Paris Agreement and the 2014 report on *Light vehicle emissions standards for Australia* continue to be cited in the media. *Prospering in a low-emissions world: An updated climate policy toolkit for Australia* received broad coverage in the media and was promoted by several investment, business, industry and carbon market peak bodies and Government agencies like the Clean Energy Finance Corporation. The report was also referenced in academic reports and recommendations of the report were endorsed as official policy of a large agricultural peak body.

4.5 REPORT ON PERFORMANCE

Table 1: Performance Information

ACTIVITY: COMMENCE 2020 REVIEW OF THE EMISSIONS REDUCTION FUND (CARBON CREDITS LEGISLATION)

KEY PERFORMANCE INDICATORS

- 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.

ASSESSMENT

Target: Commence review of the *Carbon Credits (Carbon Farming Initiative) Act 2011 (Cth)* including the Emissions Reduction Fund

On track to meet

The review commenced at the start of 2020 and is on track to be published in the second half of 2020 ahead of the statutory deadline of December 2020.

Target: Advice draws on the best available knowledge and is formed by a broad range of perspectives

On track to meet

In preparing the review the Authority is drawing on a range of information sources, both international and domestic literature, and the Authority's own research and analysis. The review also draws heavily on written submissions and stakeholder meetings. The Authority received 53 submissions in response to the consultation paper and also met with over 20 different organisations.

The Authority spoke to representatives from industry, all levels of government, carbon service providers, peak body representatives and businesses participating in the voluntary carbon market. The Authority is also consulting extensively with the Clean Energy Regulator, which is responsible for administering the ERF, and the Department of Industry, Science, Energy and Resources which is responsible for policy development.

The Authority has also engaged the CSIRO to undertake a technical review of the risks from climate change to storing and maintaining carbon in the landscape under the ERF methods. This scientific report will inform the Authority's recommendations and will be published alongside the ERF review.

The Authority's project plan includes time to undertake a thorough fact checking process.

Target: Government considers the Authority's findings and recommendations in developing and implementing policy

On track to meet

The Authority considers the review report will help inform policy development. The Authority will engage with relevant Government departments to ensure they fully understand the review and the Authority will ensure it is available to meet any requests for information arising from the report.

Target: The Authority's research and analysis influences the public policy debate on climate change issues

On track to meet

The review report will be placed on the Authority's website once completed. Interested stakeholders will be notified of the publication of the report. The Authority will continue to meet any requests for information from the public arising from the report and its recommendations.

Target: Public consultation in comprehensive, representative and transparent

Met

Public consultation was comprehensive and representative, with the Authority meeting or talking to individuals from more than 20 organisations. In acknowledging the severe disruption cause by COVID-19 and recognising that it may be difficult for stakeholders to make submissions, the Authority provided stakeholders with a range of options for providing input to the review:

- extending the deadline for submissions for those who requested one
- considering all relevant submissions made to the *Prospering in a low-emissions world* report
- encouraging stakeholders to re-submit submissions made to other processes and reviews, if they would like the Authority to consider them as part of the ERF review

- targeted consultation with key stakeholders through remote meetings.

The Authority spoke to representatives from industry, peak body representatives, all levels of government, carbon service providers, project participants and private sector buyers of carbon credits. The Authority is also consulting extensively with the Clean Energy Regulator, which is responsible for administering the ERF, and the Department of Industry, Science, Energy and Resources which is responsible for policy development.

Public consultation was transparent. The Authority released a consultation paper on its website in April 2020, disseminated it to interested parties that had subscribed to the Authority's emails and also directly targeted other relevant individuals and organisations. 51 written submissions were received. These have been made available on the Authority's website (other than those submissions marked as confidential).

The CEO of the Authority also presented on the ERF review at a virtual public forum organised by the carbon market industry peak body – the Carbon Market Institute in April and provided information on avenues to consult the Authority for the ERF review.

Target: Authority members express satisfaction with secretariat's work

On track to meet

The Authority members and the Chair have expressed satisfaction with the secretariat in preparing the review.

ACTIVITY: PUBLICATION OF SELF-INITIATED RESEARCH REPORT: *PROSPERING IN A LOW-EMISSIONS WORLD: AN UPDATED CLIMATE POLICY TOOLKIT FOR AUSTRALIA*

KEY PERFORMANCE INDICATORS

- 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.

ASSESSMENT

Target: Finalise the research report on updating advice to the Australian Government on policies to meet Australia's emissions reduction commitments under the Paris Agreement

Met

As this is not a legislated review there is no set due date, however the Authority did make public statements about releasing the report in late 2019 or early 2020.

To ensure the report could take account of the latest emissions projections and significant Government announcements the Authority released the report in March 2020.

Target: Draws on the best available knowledge and is informed by a broad range of perspectives

Met

In preparing the report the Authority drew on a range of information sources, both international and domestic literature, and the Authority's own research and analysis. The review also drew heavily on written submissions and stakeholder meetings. The Authority received 67 submissions in response to the consultation paper and also met with over 40 different organisations.

The Authority spoke to representatives from industry, all levels of government, environmental groups, peak body representatives, academic organisations and expert advisory groups.

The Authority undertook a thorough fact checking process before publication of the report.

Target: The Authority's research and analysis influences the public policy debate on climate change issues **Met**

The report received broad coverage in the media and was promoted by several investment, business, industry and carbon market peak bodies and Government agencies such as the Clean Energy Finance Corporation. The report was also referenced in academic reports and recommendations of the report were endorsed as official policy of a large agricultural peak body. The report was downloaded 704 times and the report summary was downloaded 524 times since publication in March until the end of the 2019-20 reporting period.

The Chair and CEO of the Authority were invited to present on the *Prospering in a Low-emissions world* report at several high profile business, industry and academic forums. These presentations were well received.

Target: Public consultation is comprehensive, representative and transparent **Met**

Public consultation was comprehensive and representative, with the Authority meeting or talking to individuals from more than 40 organisations. Public consultation was transparent. The Authority released a consultation paper on its website in July 2019, disseminated it to interested parties that had subscribed to the Authority's emails and also directly targeted other relevant individuals and organisations. 67 written submissions were received and made available on the Authority's website (other than those submissions marked as confidential).

Target: Authority members express satisfaction with secretariat's work **Met**

The Authority members, including the Chair, have provided positive feedback to the secretariat on the report. Authority members expressed the view that the report was a highly relevant and useful resource for Australia.

ACTIVITY: RESEARCH REPORT: ECONOMIC RECOVERY, RESILIENCE AND PROSPERITY AFTER THE CORONAVIRUS

KEY PERFORMANCE INDICATORS

- 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.

ASSESSMENT

Target: Finalise the research report within set timelines **Met**

The Authority members agreed in May to prepare a short research report on the economic impacts of COVID-19 and identify possible stimulus measures from the *Prospering in a low-emissions world* report recommendations that support economic recovery, build economic and climate resilience and accelerate the transition to low emissions.

There is no legislated review or set due date for the report. The report was published on 17 July 2020.

Target: Advice draws on the best available knowledge and is informed by a broad range of perspectives **Met**

The Authority's report builds extensively on the research and analysis for the *Prospering in a low-emissions world report* as well as on a range of information sources, both international and domestic literature, and further research and analysis.

The Authority drew on the consultations and submissions as part of the *Prospering in a low-emissions world report* and held further consultation in May and June 2020 to seek input from government agencies involved in the stimulus response and with a cross section of industries and civil society affected by the crisis.

The Authority undertook a comprehensive fact checking process.

Target: Government considers the Authority's findings and recommendations in developing and implementing policy **On track to meet**

The Authority considers the research will help inform policy development. The Authority will engage with relevant Government departments to ensure they fully understand the research and the Authority will ensure it is available to meet any requests for information arising from the report.

This will be assessed in the 2020-21 reporting year.

Target: The Authority's research and analysis influences the public policy debate on climate change issues **On track to meet**

The research report was placed on the Authority's website. Interested stakeholders were notified of the publication of the report. The Authority will continue to meet any requests for information from the public arising from the report and its recommendations.

This will be assessed in 2020-21 reporting year.

Target: Public consultation is comprehensive, representative and transparent **Met**

The Authority drew on the consultations and submissions as part of the report *Prospering in a low-emissions world: An updated climate policy toolkit for Australia* and held further consultation in May and June 2020 to seek input from government agencies involved in the stimulus response and with a cross section of industries and civil society affected by the crisis.

Target: Authority members express satisfaction with secretariat's work **Met**

The Authority members and the Chair have expressed satisfaction with the research report, particularly the capacity of the secretariat to respond quickly to changing circumstances and turn around a report of high quality in such a short timeframe.

5. MANAGEMENT AND ACCOUNTABILITY

5.1 CORPORATE GOVERNANCE

The Climate Change Authority is a non-corporate independent statutory authority comprising a Chair and up to eight members. The Authority is supported by a CEO and six other staff (as at 30 June 2019).

As with other Commonwealth bodies where a significant degree of independence is required, the Authority is subject to ministerial direction on general matters only, not on the conduct or content of its reviews.

The Authority's CEO is responsible for its day-to-day administration. During 2019-20, the CEO was supported by the acting General Manager Reviews, a Chief Finance Officer and an acting Director of the Reviews and Research team. This group comprises the Authority's executive management team.

The Authority is bound by the PGPA Act and the *Public Service Act 1999*.

The Authority's recently published corporate plan covers the periods 2020–21 to 2023–24. It was prepared in accordance with the requirements of the PGPA Act. This plan, along with the governance, direction and compliance requirements of the PGPA Act and the Public Service Act 1999, provides the Authority with a strong corporate governance environment.

5.1.1 RISK MANAGEMENT

The Authority recognises that effective risk management is a key element in effective governance. An ongoing major focus for 2019-20 was to ensure that risk management was maintained as an organisation-wide priority and to further embed Authority risk management practices.

The Authority updated its Risk Management Policy and Framework, with the revised version endorsed by the Audit Committee in March 2020. The Chief Finance Officer is responsible for maintaining the Strategic Risk Profile. Individual risk action plans are maintained that identify the current risk profile, current controls and agreed management actions. The Strategic Risk Profile and risk action plans are updated and any changes in the risk profile or key risks are reported to the executive management team and Audit Committee on a regular basis.

In response to the novel coronavirus pandemic, the Authority developed a COVID-19 risk assessment and treatment plan. The Authority's approach managing the impacts and risks of COVID-19 for its staff and operations was reviewed by Comcare in July 2020 and found to be in compliance with the Work Health and Safety Act 2011 and the Work Health and Safety Regulations.

The Authority's risk management framework complies with the requirements of the Commonwealth Risk Management Policy and the PGPA Act.

5.1.2 FRAUD CONTROL

The Authority updated its Fraud Control Plan, with the revised version endorsed by the Audit Committee in March 2020. The plan complies with the requirements of the Commonwealth Fraud Control Policy and PGPA Act. The Fraud Control Plan sets the standards and processes for the management, control and reporting of actual fraud, suspected fraud and the risk of fraud. All suspected fraud matters are required to be reported to the CEO and Audit Committee.

As part of its ongoing fraud risk assessment activities, the Authority conducted a review of its fraud risks and a formal risk assessment. This included identifying control measures and proposed treatments. The plan requires all Authority staff to participate in fraud awareness training.

There were no incidents of suspected or actual fraud in 2019-20.

5.1.3 ASSET AND ASSET MANAGEMENT

In 2019-20 the Authority did not manage assets.

5.1.4 SHARED SERVICES

The Authority maintains agreements for the provision of corporate services with the Department of Industry, Science, Energy and Resources (Industry). These cover the provision of finance, payroll and human resources systems and support.

Prior to February 2020, the Authority had an arrangement with the Department of the Environment and Energy to provide information technology systems and support, and some corporate support including legal, freedom of information, budget coordination and some travel services. Since changes to the structure of the Australian Public Service, these services have been provided through an agreement with

the Industry portfolio.

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.

5.1.5 AUDIT COMMITTEE

The Authority's Audit Committee provides independent assurance and advice to the CEO, including reviewing the appropriateness of the Authority's financial and performance reporting, systems of risk oversight and management, and systems of internal control, compliance framework and security. Section 45 of the *Public Governance, Performance and Accountability Act 2013* and section 17 of the Public Governance, Performance and Accountability Rule 2014 set out the role of the audit committee for Commonwealth entities.

The Authority's Audit Committee charter sets out the committee's role, authority, membership and functions, and its procedural, reporting and administrative arrangements. The charter is available on the Authority's website at <https://www.climatechangeauthority.gov.au/about-cca/key-documents>.

In September 2019 Mr Robert Hanlon resigned his position as audit committee member. Mr Craig Jordan was appointed in February 2020.

The Audit Committee met twice during the year—on 18 September 2019 and 31 March 2020.

Table 2: Audit Committee Members and Attendance

Member Name	Qualifications, knowledge, skills or experience	Number of meetings attended/total number of meetings	Total annual remuneration for the 2019-20 period (GST exclusive)
Ms Jo Schumann	<p>Jo Schumann has extensive experience in the public sector having worked in both the ACT and Commonwealth public sectors and for the Canadian Government. During her 30 year career, Ms Schumann held senior executive positions responsible for Corporate Services the Department of Veterans Affairs (1998-2009), Australian Competition and Consumer Commission (2010-2015) and Murray Darling Basin Authority (2015-2017). Ms Schumann's experience encompasses a broad range of areas including risk management, governance and assurance, finance, human resources, information technology, media and communications.</p> <p>Ms Schumann holds a number of Board Chair and non-executive positions in the government and community sectors; she is currently the independent Chair of the Climate Change Authority Audit Committee and Chairs the Infrastructure Project Finance Agency Audit Committee as well as Chairing the Audit Committee of the Office of the Australian Information Commissioner.</p> <p>Since 2017, Ms Schumann has run her own business as a qualified coach and mentor, providing training, coaching and facilitation services to middle level public servants and senior executives within the public sector and works as a volunteer mentor for young juvenile justice offenders. Ms Schumann has a Master of Arts (Urban Geography), is a graduate of the Australian Institute of Company of Directors and holds accreditations in executive coaching and emotional intelligence assessment.</p>	2/2	\$1,400
Ms Sita Jackson	Ms Jackson has extensive experience in the Commonwealth public sector. Ms Jackson has held senior executive positions at the National Indigenous Australians	1/2	Nil

	<p>Agency (2019-current), the Department of the Prime Minister and Cabinet (2018-2019) as well as the Department of the Environment and Energy (2014-2018). Ms Jackson's experience covers the areas security and transformation, compliance, business and ministerial services as well as APS reforms, machinery of government change implementation, and executive support.</p> <p>Ms Jackson's formal qualifications include an Executive Masters in Public Administration, Graduate Certificate in Public Sector Management, an Associate Intensive Program covering Compliance Project Management, a Diploma of Policing and a Certificate of Policing through the Police Recruit Education Program.</p>		
Mr Craig Jordan	<p>Craig Jordan has extensive experience in the public sector having worked in both the ACT and Commonwealth public sectors. His experience covers senior management roles in Government, Aviation, Telecommunications, and Fast Moving Consumer Goods.</p> <p>Mr Jordan has held senior executive and/or Chief Financial Officer positions across Transport Canberra and City Services (2017- current), Civil Aviation Safety Authority (2011-2016) and Therapeutic Goods Administration (2007-2011), among other positions.</p> <p>Mr Jordan's formal qualifications include a Master of Business Administration (MBA), Certified Practising Accountant (CPA) and a Bachelor of Business (Accounting).</p> <p>Mr Jordan has a proven record in leadership, customer relationship management and business process reengineering. He has extensive experience in leading multi-disciplinary teams across finance, human resources and information technology, as well as extensive experience in developing financial management frameworks, financial planning and analysis, business cases, new policy proposals, risk management and finance system implementations.</p>	1/1	Nil
Mr Robert Hanlon	<p>Robert Hanlon joined the Department of the Environment and Energy as the Chief Finance Officer in October 2018. Prior to this, he was the National Manager of Debt Management at the Department of Human Services (DHS) and formally was the Chief Finance Officer and National Manager of People & Capability at the Australian Financial Security Authority.</p> <p>Mr Hanlon has worked in both the private and public sector across a range of industries. His private sector experience includes Business and Personal lending with the National Australia Bank Ltd and Business Advisory and Taxation services with Deloitte. Mr Hanlon joined the Australian Public Service in 2007 and has held executive level positions at Medicare Australia, Customs and Border Protection and the Department of Agriculture.</p> <p>Mr Hanlon is a Chartered Accountant and a Fellow of Certified Practising Accountants Australia. He holds a Masters of Business Administration and Bachelor of Commerce degree and is a graduate of the Institute of Australian Company Directors.</p>	1/1	Nil

For 2019-20, the major business of the committee focused on reviewing or approving the Authority's governance arrangements including:

- Performance reporting, including key performance indicators
- COVID-19 Risk Plan
- Risk Management Policy and Framework
- Fraud Control Plan
- Business Continuity Plan
- Internal shared service governance arrangements
- Compliance reporting.

5.1.6 EXTERNAL SCRUTINY

During 2019-20:

- no judicial, administrative tribunal or Australian Information Commissioner decisions relating to the Authority were handed down
- there were no reports by the Auditor-General on the operations of the Authority, other than the report on the annual financial statements contained at **Appendix A**
- there were no reports on the operations of the Authority conducted by a Parliamentary Committee or the Commonwealth Ombudsman
- the Authority appeared before the Senate Standing Committee on Environment and Communications for Senate Budget and Additional Estimates as required.

5.1.7 ETHICAL STANDARDS

In managing and developing its people, the Authority is bound by the *Public Service Act 1999* and the guidelines of the Australian Public Services Commission.

Values and behaviours are a key element of the Authority's corporate plan, and the Authority's values and behaviours align to the Australian Public Service Values and Code of Conduct.

During 2019-20, the Authority maintained a range of measures to promote ethical standards and all employees were provided with a copy of the Australian Public Service Values and Code of Conduct as well as the Duties of Officials under the *Public Governance and Accountability Act 2013*.

5.1.8 FREEDOM OF INFORMATION

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information as part of the Information Publication Scheme. This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report.

Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements. The Authority publishes on its website all mandatory information on activities under the FOI Act.

5.1.9 ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1991* requires Commonwealth Government organisations to detail their environmental performance and contribution to ecologically sustainable development in their annual reports. Further information about the Act, including a link to the Act, can be found at www.environment.gov.au/epbc/about.

In 2019-20, the Authority continued a range of measures contributing to ecologically sustainable measures including:

- providing downloadable publications on the Authority's website to reduce the need to print and distribute hard-copy material
- purchasing paper and business cards with 100 per cent Australian recycled content
- applying sustainable practices in the office aimed at reducing energy and resource consumption including:

- o mandating default two-sided, black and white printing
- o ensuring equipment such as desktop computers, photocopiers, dishwashers and printers incorporate energy efficiency features
- o recycling paper, cardboard and printer cartridges.

5.1.10 LEGAL SERVICES EXPENDITURE

Legal services expenditure by the Authority during 2019-20 amounted to \$1,067.

5.2 FINANCIAL OVERVIEW

5.2.1 FINANCIAL PERFORMANCE

For the year ended 30 June 2020, the overall financial result for the Authority displays an operating surplus of \$108,000.

The Authority's employee expenses account for 75% of the Authority's expenditure. The Authority met all of its financial obligations in 2019-20.

Through the Federal Government's 2019-20 Additional Estimates processes, the Authority received additional funding to continue its operations at current levels, with a portion being received via direct appropriations in 2019-20.

5.2.2 RESOURCE STATEMENT 2019-20

Table 3: Resources Statement 2019-20

Agency Resources Statement 2019-20			
	Actual Available Appropriation	Payments Made 2019-20	Balance Remaining ³
	\$'000	\$'000	\$'000
Ordinary annual services			
Prior year funding available	695	695	0
Carry forward 2018-19	695	695	0
s.74 relevant agency receipts ¹	1,151	1,070	81
Departmental appropriation ²	903	302	601
TOTAL RESOURCING AND PAYMENTS	2,749	2,067	682

¹ Receipts received under s.74 of the *Public Governance, Performance and Accountability Act 2013*.

² Appropriation Act (no.3) 2019-20

³ Remaining balance will be applied to meeting the future settlement of current period expenses and provisions.

5.2.3 PURCHASING

In 2019-20, the Authority sourced all goods and services in accordance with the principles set out in the Commonwealth Procurement Rules.

The Authority supports small-business participation in the Commonwealth Government procurement market. Small and medium enterprises and small enterprise participation statistics are available on the

Department of Finance website: www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/. The Authority encourages greater participation by small and medium enterprises in its procurement activities by:

- communicating in clear, simple language and presenting information in accessible formats
- facilitating on-time payments by the use of electronic finance systems and the use of payment cards where appropriate.

The Authority's policy outlines the core principle underlining procurement as value for money, which is enhanced by:

- encouraging competition by ensuring non-discrimination in procurement and competitive procurement processes
- promoting the use of resources in an efficient, effective, and ethical manner
- making decisions in an accountable and transparent manner.

All competitive tenders and contracts over \$10,000 led by the Authority during 2019-20 were listed on AusTender.

5.2.4 CONSULTANCIES

The Authority engages consultants when specialist expertise is required.

Any decision to engage a consultant is made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules.

During 2019-20, there were three new consultancy contracts entered into by the Authority (nil in 2018-19), involving total actual expenditure of \$35,290. There were no other ongoing consultancy contracts, however, consultancy expenditure for the financial year totaled \$71,632. The three new consultancy contracts were in relation to graphic design work, media advisory services and enterprise agreement simplification work.

Procurement for the above consultancies was performed in accordance with the Commonwealth Procurement Rules. A government panel arrangement was utilised for the graphic design work, media advisory services were procured through a limited tender, with an open tender being used to source the supplier for the enterprise agreement simplification work.

Information on the value of the Authority's contracts and consultancies is available on the AusTender website, www.tenders.gov.au.

The Authority did not enter into any contracts or standing offers that were exempt from being published on AusTender. All Authority contracts contain provisions that allow for the Auditor-General to have access to the contractor's premises if required.

5.2.5 ADVERTISING AND MARKETING

Under section 311A of the *Commonwealth Electoral Act 1918*, the Authority is required to report annually on payments made for the services of:

- advertising agencies
- market research organisations
- polling organisations
- direct mail organisations
- media advertising organisations.

During 2019-20, the Authority made no payments that were over the reportable threshold for these services and conducted no advertising campaigns.

5.2.6 GRANT PROGRAMMES

The Authority did not administer any grant programmes in 2019-20.

5.3 MANAGEMENT OF HUMAN RESOURCES

At 30 June 2020, the Authority had nine employees, six ongoing and three non-ongoing. All Authority staff are located in Canberra.

In 2019-20, the Authority had no non-ongoing or ongoing employees who identified as Indigenous.

5.3.1 STAFFING STATISTICS

The distribution of staff by classification and employment status is shown in Table 4. Authority staff remuneration bands are shown in Table 5.

Table 4: Climate Change Authority staff numbers by classification, gender and employment status, 30 June 2020

CLASSIFICATION	Female		Male		Total
	Full-time	Part-time	Full-time	Part-time	
CEO	0	0	1	0	1
SES Band 1	1	0	0	0	1
Executive Level 2	2	0	0	0	2
Executive Level 1	0	1	1	0	2
APS 6	2	0	1	0	3
Total	5	1	3	0	9

Table 5: Climate Change Authority salary structures, 30 June 2020

CLASSIFICATION	SALARY RANGE
Executive Level 2	\$113,950-150,343
Executive Level 1	\$95,456-121,611
APS 6	\$77,558-91,877
APS 5	\$70,995-76,067
APS 4	\$65,029-69,802
APS 3	\$57,870-63,836
APS 2	\$51,997-56,677
APS 1	\$43,658-50,757

5.3.2 REMUNERATION FOR CEO AND SENIOR EXECUTIVE SERVICE

The CEO is a principal executive office-holder, as defined in the *Remuneration Tribunal Act 1973*. The position's remuneration is set by the Remuneration Tribunal.

Detail of CEO remuneration is at **Note 10, Appendix A**.

There are no substantive Senior Executive Service officers employed at the Authority at 30 June 2020. Senior Executive Service officers, when employed, are employed under the *Public Service Act 1999*.

There is one acting Senior Executive Officer at the Authority at 30 June 2020, whose conditions were determined in accordance with the former Department of Climate Change and Energy Efficiency SES Employment Conditions handbook.

The Authority does not offer performance pay to its employees or CEO.

5.3.3 REMUNERATION FOR AUTHORITY CHAIR AND MEMBERS

The remuneration of the Authority Chair and members is governed by section 25 of the *Climate Change Authority Act 2011* and the Remuneration Tribunal. Authority members receive an annual salary, and members appointed prior to 12 February 2018 receive meeting fees for attendance at official Authority meetings. Dr Alan Finkel is an ex officio member of the Authority and is not remunerated for his role.

Ms Kate Carnell was a statutory office-holder in the Commonwealth during the reporting period and did not receive remuneration from the Authority. Table 6 shows remuneration levels of the Authority Chair and members as at 30 June 2020.

Table 6: Remuneration of Climate Change Authority Members, 30 June 2020

MEMBER STATUS	BASE SALARY – ANNUAL	MEETING FEES
Chair	\$60,980	\$1,143
Members	\$30,490	\$915

5.3.4 EMPLOYMENT ARRANGEMENTS

Upon establishment, the then CEO of the Authority made a determination under subsection 24(1) of the *Public Service Act 1999* stating that all non-SES Authority staff were to be employed under the conditions of the Department of Climate Change and Energy Efficiency Enterprise Agreement 2011–2014. This arrangement continued throughout 2019-20.

In 2019-20, no non-SES staff members were employed on individual flexibility arrangements.

No employee of the Authority was employed under performance-based remuneration conditions in 2019-20.

5.3.5 CONSULTATIVE ARRANGEMENTS

An advantage of a small agency is that frequent, direct consultation between management and employees is possible. This occurred on a regular basis in 2019-20, including through the CEO's weekly all-staff meetings, executive team management meetings and regular team meetings.

5.3.6 PERFORMANCE MANAGEMENT

All employees participate in the Authority's performance development framework. The framework seeks to:

- clarify individual employees' understanding of their work tasks, their responsibilities and the performance standards expected (through individual performance agreements)
- provide feedback on performance and improve communication between supervisors and their staff (through individual performance appraisals and regular ongoing feedback)
- provide a basis for determining salary advancement
- identify learning and development needs
- identify and manage instances of underperformance.

5.3.7 LEARNING AND DEVELOPMENT

The Authority encourages employees to undertake learning and development to build up competencies relevant to their roles.

The Authority's study assistance 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 organisation's Performance Development Programme.

The Authority also provides one-on-one coaching to address particular development needs and extensive on-the-job training within the Authority. Staff are able to access training through the Department of the Environment and Energy's Learning and Development program.

In 2019-20, two employees received study assistance in the form of paid leave and assistance with fees.

5.3.8 WORK HEALTH AND SAFETY

Under section 35 of the *Work Health and Safety Act 2011*, the Authority is required to notify Comcare of any incidents arising out of the conduct of the Authority's operations that result in death, serious injury or serious illness of a person, or involve a dangerous incident. No formal work health and safety investigations were conducted during the year and there were no notifiable incidents. No notices under Part 10 of the *Work Health Safety Act 2011* were given to the Authority during 2019-20.

During 2019-20, work health and safety initiatives included:

- Authority-funded flu vaccinations
- a flexible work policy to manage and avoid staff working excessive hours
- provision of ergonomic equipment as required
- COVID-19 pastoral care check-ins
- the Employee Assistance Program.

There were no claims for injury in 2019-20 and no return-to-work programs conducted.

5.3.9 EMPLOYEE ASSISTANCE PROGRAM

The Authority was able to provide, through its shared service arrangements, its employees with independent, confidential and professional counselling, consultation and training assistance for work-related or personal issues. Prior to 1 February 2020 this arrangement was through the Department of the Environment and Energy. Post 1 February 2020 this arrangement has been through the Department of Industry, Science, Energy and Resources with PeopleSense as the service provider.

5.3.10 WORKPLACE DIVERSITY

The Authority continues to foster a culture that supports employees achieving their potential and values employee diversity. This was facilitated through the Authority's enterprise agreement and related policies.

The Authority's employees also participate in the Portfolio's employee networks, including the Disability and Wellness Network and the Culturally and Linguistically Diverse Network. Each network is championed by a member of the Authority's Senior Executive Service.

We recognise the significant contribution Aboriginal and Torres Strait Islander peoples make to Australia's culture and heritage, and in 2019-20 initiated development of the Authority's first Reconciliation Action Plan. The Authority values the unique relationship Aboriginal and Torres Strait Islander peoples have with the environment and their cultural obligation to care for country, the sea and waterways.

5.3.11 DISABILITY REPORTING

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the Australian Public Service Commission's *State of the Service Report* and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au. Entities are no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010-2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these progress reports was published in 2014, and can be found at www.dss.gov.au.



APPENDIX A AUDITED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Minister for Energy and Emissions Reduction

Opinion

In my opinion, the financial statements of the Climate Change Authority (the Entity) for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

- Statement by the Accountable Authority and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Mark Vial
Senior Director
Delegate of the Auditor-General

Canberra

18 September 2020



Australian Government
Climate Change Authority

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND THE CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Climate Change Authority will be able to pay its debts as and when they fall due.

A handwritten signature in black ink, appearing to read 'Brad Archer', written in a cursive style.

Brad Archer
Chief Executive Officer

18 September 2020

A handwritten signature in black ink, appearing to read 'Tracey Vassallo', written in a cursive style.

Tracey Vassallo
Chief Finance Officer

18 September 2020

Statement of Comprehensive Income
for the period ended 30 June 2020

		2020	2019	Original Budget
	Notes	\$'000	S'000	2020 \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	3A	1,779	1,449	1,314
Suppliers	3B	592	420	239
Total Expenses		2,371	1,869	1,553
Own-source revenue				
Payments from Portfolio Department	4	1,408	1,555	1,553
Resources received free of charge	5	168	168	-
Total own-source revenue		1,576	1,723	1,553
Net cost of services		(795)	(146)	-
Revenue from Government (Departmental Appropriation)	6	903	-	-
Surplus/(Deficit) attributable to the Australian Government		108	(146)	-
Total comprehensive income/(loss) attributable to the Australian Government		108	(146)	-

Budget Variances Commentary

This commentary is based on the original 2019-2020 budget in the Portfolio Budget Statements.

The Portfolio Budget Statements reflect the available funding at the time of budget preparation, they did not reflect the Revenue from Government received later through the Additional Estimates processes. Expenses in the Portfolio Budget Statements reflect the planned expenditure based on the available funding at the time. Refer to Note 1.1 for further details.

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2020

		2020	2019	Original Budget
		\$'000	\$'000	2020
	Notes			\$'000
ASSETS				
Financial Assets				
Cash and cash equivalents		81	695	19
Trade and other receivables	7	923	59	78
Total financial assets		1,004	754	97
Non-Financial assets				
Prepayments		7	-	-
Total non-financial assets		7	-	-
Total Assets		1,011	754	97
LIABILITIES				
Payables				
Suppliers		247	342	-
Other payables		95	10	-
Total payables		342	352	-
Provisions				
Employee provisions	8	416	257	97
Total provisions		416	257	97
Total liabilities		758	609	97
Net Assets		253	145	-
EQUITY				
Contributed equity		1,087	1,087	-
Retained earnings		(834)	(942)	-
Total Equity		253	145	-

Budget Variances Commentary

This commentary is based on the original 2019-2020 budget in the Portfolio Budget Statements.

The Portfolio Budget Statements reflect the available funding at the time of budget preparation, and the balance sheet figures therefore reflect the effects of this limited funding. The additional funding received has led to appropriation receivables at year end, balance will be utilised to fund continuing operations.

The Authority continues to maintain a positive net asset position.

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the period ended 30 June 2020

	Retained Earnings		Original Budget		Contributed Equity		Original Budget		Total Equity		Original Budget	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance												
Balance carried forward from previous period	(942)	(796)	-	-	1,087	1,087	-	-	145	291	-	-
Adjusted opening balance	(942)	(796)	-	-	1,087	1,087	-	-	145	291	-	-
Comprehensive Income/(Deficit)												
Surplus/(Deficit) for the period	108	(146)	-	-	-	-	-	-	108	(146)	-	-
Total comprehensive income/(deficit)	108	(146)	-	-	-	-	-	-	108	(146)	-	-
Closing balance as at 30 June	(834)	(942)	-	-	1,087	1,087	-	-	253	145	-	-
Closing balance attributable to the Australian Government	(834)	(942)	-	-	1,087	1,087	-	-	253	145	-	-

Budget Variances Commentary

This commentary is based on the original 2019-20 budget in the Portfolio Budget Statements. The budget has been prepared based on available funding at the time of budget preparation, and the Statement of Changes in Equity original budget displays the flow through consequences of this limited funding at the time. This budget showed no opening or closing Equity balances.

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement

for the period ended 30 June 2020

	2020	2019	Original Budget 2020
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	302	-	-
Receipts for services rendered	1,151	1,571	1,553
Total cash received	1,453	1,571	1,553
Cash used			
Employees	1,825	1,411	1,314
Net GST Paid	11	2	-
Suppliers	231	264	239
Total cash used	2,067	1,677	1,553
Net cash from (used by) operating activities	(614)	(106)	-
Net Increase (decrease) in cash held	(614)	(106)	-
Cash and cash equivalents at the beginning of the reporting period	695	801	19
Cash and cash equivalents at the end of the reporting period	81	695	19

Budget Variances Commentary

This commentary is based on the original 2019-2020 budget in the Portfolio Budget Statements.

The Portfolio Budget Statements reflect the available funding at the time of budget preparation, they did not reflect the Revenue from Government received through the Additional Estimates processes. Expenses in the Portfolio Budget Statements reflect the planned expenditure based on the available funding at the time.

The above statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note	Description
1	Overview
2	Events after the Reporting Period
3	Expenses
4	Payments from Portfolio Department
5	Resources Received Free of Charge
6	Revenue from Government
7	Trade and Other Receivables
8	Employee Provisions
9	Managing Uncertainties
10	Key Management Personnel Remuneration
11	Aggregate Assets and Liabilities
12	Appropriations

Notes to the financial statements.

Note 1: Overview

1.1 Objectives of the Climate Change Authority

The Climate Change Authority (the Authority) was established under the *Climate Change Authority Act 2011* and commenced operation on 1 July 2012.

The Authority is an Australian Government controlled entity and a not-for-profit entity. It is a non-corporate Commonwealth entity. The Authority's objective is to provide rigorous, independent and balanced advice to the Minister for Environment and Energy and the Australian Parliament on climate change policy, in order to improve the quality of life for all Australians.

The Authority is structured to meet a single outcome:

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

Activities contributing toward this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Authority in its own right.

Prior to the 2019-20 Federal Budget it was Government policy to wind up the Authority during the term of the then current Parliament. In the 2019-20 Federal Budget, the Government made a decision to retain the Authority. Through the subsequent 2019-20 Additional Estimates process, the Authority received additional funding to secure its ability to continue operations at current operating levels. The Authority had been receiving its funding through its Portfolio Department. The additional funding for 2019-20 was received via direct appropriation. Through the forward estimates, the Authority's funding is now via direct appropriations.

The Portfolio Budget Statements for the Authority were prepared based on the Authority only receiving in 2019-20 the amount to be provided via the Portfolio Department. The additional funding subsequently made available in the Additional Estimates process had not been determined at the time of the 2019-20 Budget. This explains a number of variances to the original budget, specifically in relation to the Statement of Financial Position, Statement of Changes in Equity and the Cash Flow Statement whereby the original budget is lower than reported actuals, and there is no direct appropriation present.

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) made under the PGPA Act; and
- Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

1.3 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 New Australian Accounting Standards

New and modified Australian Accounting Standard Requirements

All new and modified standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the Authority's financial statements.

All new and modified standards and interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the Authority's financial statements.

1.5 Taxation

The Authority is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Note 2: Events after the Reporting Period

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the Authority.

Note 3: Expenses

Note 3A: Employee Benefits

	2020	2019
	\$'000	\$'000
Wages and salaries	1,246	1,259
Superannuation:		
Defined contribution plans	116	98
Defined benefits plans	93	123
Leave and other entitlements	305	(45)
Other expenses	19	14
Total employee benefits	1,779	1,449

Accounting Policy

Accounting Policies for employee related expenses are contained at Note 8.

Note 3B: Suppliers

Goods and services supplied or rendered

Consultants	72	50
Contractors	82	-
Audit services (received free of charge]	62	62
Travel	51	69
Administrative services under MoU	115	78
Staffing & recruitment expenses	13	17
Property and related expenses	174	108
Sitting fees	2	11
Subscriptions	4	1
Other	9	16
Total goods and services supplied or rendered	584	412
Goods supplied	9	5
Services rendered	575	407
Total goods and services supplied or rendered	584	412
Other supplier expenses		
Workers compensation premiums	8	8
Total other suppliers expenses	8	8
Total suppliers	592	420

Notes to the financial statements.

Note 4: Payments from Portfolio Department

	2020	2019
	\$'000	\$'000
Payments from Portfolio Department	1,408	1,555
Total Payments from Portfolio Department	1,408	1,555

Accounting Policy

Prior to April 2020, the Authority did not receive direct appropriations and the Authority's revenue was received through the Department of the Environment and Energy. This revenue is recorded on the income statement as Payments from Portfolio Department. For information on appropriations, refer to note 6 and 12.

Note 5: Resources Received Free of Charge

	2020	2019
	\$'000	\$'000
ANAO financial statements audit services	62	62
Accommodation from the Department of Industry Science and Resources	62	-
Accommodation from the Department of the Environment and Energy	44	106
Total resources received free of charge	168	168

Accounting Policy

Resources received free of charge are recognized when, and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

The Authority does not have a contract for accommodation.

Note 6: Revenue from Government

	2020	2019
	\$'000	\$'000
Appropriations		
Departmental appropriations	903	-
Total revenue from Government	903	-

Accounting Policy

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Authority gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Note 7: Trade and Other Receivables

	2020	2019
	\$'000	\$'000
Appropriations receivable:		
Appropriations receivable for existing programs (refer to note 12B)	601	-
Total appropriations receivable	601	-
Other receivables:		
Other receivables	307	55
GST receivable from the Australian Taxation Office	15	4
Total other receivables	322	59
Total receivables	923	59
The Authority's credit terms	30 days	30 days

Accounting Policy

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amount due less any impairment allowance amount. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Note 8. Employee Provisions

	2020	2019
	\$'000	\$'000
Leave	416	257
Total employee provisions	416	257

Accounting Policy

Employee Benefits

Liabilities for 'short term employee benefits' and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non vesting and the average sick leave taken in future years by employees of the Authority is estimated to be less than the annual entitlement for sick leave.

Leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Authority's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by use of the Australian Government Actuary's shorthand method using the Standard Commonwealth sector probability profile.

Separation and Redundancy

The Authority recognises a provision for separation and redundancy when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. There were no redundancy payments in 2019-20.

Superannuation

The majority of staff at the Authority are members of the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

PSS is a defined benefit scheme for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Authority makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Authority accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Note 9 Managing uncertainties

The Authority had no quantifiable contingencies at either 30 June 2020 or 2019.

The Authority had no unquantifiable contingencies at either 30 June 2020 or 2019.

Accounting Policy

Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but when they exist are reported in the notes. They may arise from uncertainty as to the existence of a liability or an asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Note 10: Key Management Personnel Remuneration

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The Authority has determined the KMP to be the CEO of the Authority.

	2020	2019
	\$'000	\$'000
Short-term employee benefits:		
Salary	393	306
Allowances	-	-
Total short-term employee benefits	393	306
Post-employment benefits		
Superannuation	50	47
Total post-employment benefits	50	47
Other long-term employee benefits:		
Long service leave accrued	18	4
Total other long-term employee benefits	18	4
Termination benefits	-	-
Total termination benefits	-	-
Total senior executive remuneration expenses	461	357

The total number of KMP that are included in the above table is 1. (2019:2, two people occupied the position of CEO (at different times) during the 2018-2019 financial year).

The above KMP remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Authority.

Related Party Disclosures

Related party relationships:

The Authority is an Australian Government controlled entity. Related parties to the Authority are Key Management Personnel including the Portfolio Minister and Executive.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the Authority in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note. There were no significant transactions with related parties during the year. All related party transactions were in the ordinary course of business and do not require separate disclosure.

Note 11: Aggregate Assets and Liabilities

	2020	2019
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months after the reporting period	1,011	754
More than 12 months after the reporting period	-	-
Total assets	1,011	754
Liabilities expected to be settled in:		
No more than 12 months after the reporting period	424	403
More than 12 months after the reporting period	334	205
Total Liabilities	758	608

Note 12: Appropriations

Note 12A: Annual Appropriations (Recoverable GST exclusive) for 2020

	2020 Appropriations					Appropriation applied in 2020 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		PGPA Act		Total Appropriation \$'000		
	Annual Appropriation \$'000	Appropriation Reduced \$'000	Section 74 \$'000	Section 75 \$'000			
Departmental Ordinary annual services	903	-	1,151	-	2,054	2,067	(13)
Total departmental	903	-	1,151	-	2,054	2,067	(13)

There were no amounts quarantined or Section 51 adjustments in the current financial year. There were no departmental capital budget amounts in current financial year.

Note 12A: Annual Appropriations (Recoverable GST exclusive) for 2019

	2019 Appropriations					Appropriation applied in 2019 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		PGPA Act		Total Appropriation \$'000		
	Annual Appropriation \$'000	Appropriation Reduced \$'000	Section 74 \$'000	Section 75 \$'000			
Departmental Ordinary annual services	-	-	1,571	-	1,571	1,677	(106)
Total departmental	-	-	1,571	-	1,571	1,677	(106)

From 2017-18 to 26 March 2020 The Authority had been funded through payments from its Portfolio Department, a funding model which is not common for Non-corporate entities as payments can only be made from the Consolidated Revenue Fund where a valid appropriation exists. The 2019 appropriation figures in the table above have been restated to reflect payments made from, and the amounts received by the Authority being applied under s74 of the *Public Governance, Performance and Accountability Act 2013*. These payments would have been credited to appropriations from the 2017-18 financial year, which remained in force until 30 June 2020. These items were not previously disclosed.

Note 12B: Unspent Departmental Annual Appropriation (Recoverable GST exclusive)

	2020
	\$'000
Cash at bank	81
Appropriation Act (no.3) 2019-20	601
Total balance carried to the next period	682

APPENDIX B EXECUTIVE REMUNERATION

KEY MANAGEMENT PERSONNEL

NAME	POSITION	TERM AS KMP
Mr Brad Archer	Chief Executive Officer	From 26 November 2018 onwards

KEY MANAGEMENT PERSONNEL REMUNERATION:

NAME	POSITION	SALARY (\$)	SHORT TERM BENEFITS		POST EMPLOYMENT BENEFITS	OTHER LONG TERM BENEFITS			TOTAL REMUNERATION (\$)
			BONUSES (\$)	OTHER BENEFITS & ALLOWANCES (\$)		LONG SERVICE LEAVE (\$)	OTHER LONG TERM BENEFITS	TERMINATION BENEFITS	
Mr Brad Archer	CEO	392,699	-	-	49,632	17,554	-	-	459,885

SENIOR EXECUTIVE REMUNERATION:

TOTAL REMUNERATION BANDS	NUMBER OF SENIOR EXECUTIVES	SALARY (\$)	SHORT TERM BENEFITS		POST EMPLOYMENT BENEFITS	OTHER LONG TERM BENEFITS			TOTAL REMUNERATION
			BONUSES (\$)	OTHER BENEFITS & ALLOWANCES (\$)		LONG SERVICE LEAVE (\$)	OTHER LONG TERM BENEFITS	TERMINATION BENEFITS	
\$0 - \$220,000	1	160,218	-	-	24,674	22,787	-	-	207,679

OTHER HIGHLY PAID STAFF REMUNERATION:

There are no staff members who meet the reporting threshold for Other Highly Paid Staff in 2019-20.

APPENDIX C

LIST OF REQUIREMENTS

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT
17AD(g)	Letter of transmittal		
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	Aids to access		
17AJ(a)		Table of contents	Mandatory
17AJ(b)		Alphabetical index	Mandatory
17AJ(c)		Glossary of abbreviations and acronyms	Mandatory
17AJ(d)		List of requirements	Mandatory
17AJ(e)		Details of contact officer	Mandatory
17AJ(f)		Entity's website address	Mandatory
17AJ(g)		Electronic address of report	Mandatory
17AD(a)	Review by accountable authority		
17AD(a)		A review of the accountable authority of the entity	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)		A description of the role and functions of the entity	Mandatory
17AE(1)(a)(ii)		A description of the organizational structure of the entity	Mandatory
17AE(1)(a)(iii)		A description of the outcomes and programmes administered by the entity	Mandatory
17AE(1)(a)(iv)		A description of the purposes of the entity as included in corporate plan	Mandatory
17AE(1)(aa)(i)		Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)		Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)		Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)		An outline of the structure of the portfolio of the entity	Portfolio departments – mandatory
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include detail of variation and reasons for change	If applicable, mandatory

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT
17AD(c)	Report on the Performance of the entity		
	Annual Performance Statements		
17AD(c)(i); 16F		Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)		A discussion and analysis of the entity's financial performance	Mandatory
17AF(1)(b)		A table summarizing the total resources and total payments of the entity	Mandatory
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity, how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial result	If applicable, mandatory
17AD(d)	Management and Accountability		
	Corporate Governance		
17AG(2)(a)		Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessment and fraud control plans have been prepared	Mandatory
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory
17AG(2)(d)-(e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that related to non-compliance with Finance law and action taken to remedy non-compliance	If applicable, mandatory
	Audit Committee		
17AG(2A)(a)		A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory
17AG(2A)(b)		The name of each member of the entity's audit committee	Mandatory
17AG(2A)(c)		The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT
17AG(2A)(d)		Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory
17AG(2A)(e)		The remuneration of each member of the entity's audit committee	Mandatory
	External Scrutiny		
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and the Australian Information Commissioner that may have a significant effect on the operating of the entity	If applicable, mandatory
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee or the Commonwealth Ombudsman	If applicable, mandatory
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period	If applicable, mandatory
	Management of Human Resources		
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve any objectives	Mandatory
17AG(4)(aa)		Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: Statistics on full-time employees Statistics on part-time employees Statistics on gender Statistics on staff location	Mandatory
17AG(4)(b)		Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: Statistics on staffing classification level Statistics on full-time employees Statistics on part-time employees Statistics on gender Statistics on staff location Statistics on employees who identify as Indigenous	Mandatory
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c)	Mandatory
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level	Mandatory
17G(4)(c)(iii)		A description of non-salary benefits provided to employees	Mandatory
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay	If applicable, mandatory

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level	In applicable, mandatory
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory
17AG(4)(d)(iv)		Information on aggregate amount of performance payments	If applicable, mandatory
Assets Management			
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory
Purchasing			
17AG(6)		An assessment of entity performance against the <i>Commonwealth Procurement Rules</i>	Mandatory
Consultants			
17AG(7)(a)		A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST)	Mandatory
17AG(7)(b)		A statement that <i>"During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i>	Mandatory
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory
17AG(7)(d)		A statement that <i>"Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."</i>	Mandatory
Australian National Audit Office Access Clauses			
17AG(8)		If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT
	Exempt contracts		
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory
	Small business		
17AG(10)(a)		A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory
	Financial Statements		
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory
	Executive Remuneration		
17AD(da)		Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule	Mandatory
17AD(f)	Other Mandatory Information		
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, mandatory
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory
17AH(1)(b)		A statement that “Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, mandatory

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory
17AH(1)(d)		Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)		Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)		Information required by other legislation	Mandatory

GLOSSARY

TERM	MEANING
AusTender	Provides centralised publication of Commonwealth Government business opportunities, annual procurement plans, multi-use lists and contracts awarded by government agencies.
Authority members	The Authority comprises eight part-time members (including the Chair) and the Chief Scientist (ex officio). Members are appointed by the Minister responsible for climate change under s. 18 of the <i>Climate Change Authority Act 2011</i> .
Carbon Farming Initiative	An Australian carbon offset scheme that credits emissions reductions from certain sources.
Climate Change Authority	Established on 1 July 2012 to provide independent advice to the Minister responsible for climate change and the parliament on climate change policies.
Clean Energy Regulator	An independent statutory authority that administers regulatory schemes relating to clean energy, including the Renewable Energy Target, the Carbon Pricing Mechanism (now repealed), the National Greenhouse and Energy Reporting scheme, the Carbon Farming Initiative and the Emissions Reduction Fund.
Department of the Environment and Energy	Designs and implements the Commonwealth Government's policies and programmes to protect and conserve the environment, water and heritage, and promote climate action.
Department of Climate Change and Energy Efficiency Enterprise Agreement 2011–2014	The collective agreement of the former Department of Climate Change and Energy Efficiency; sets the terms and conditions of employment for all non-SES Authority staff.
Department of Industry, Science, Energy and Resources	Helps to drive economic growth, productivity and competitiveness by bringing together industry, energy, resources, science, skills and business.
Emissions Reduction Fund	A scheme resulting from the expansion of, streamlining and other changes to the CFI in December 2014. The ERF involves purchases of ACCUs by the Government.
Emissions Reduction Target	Australia's goal for national emissions in a specific year.
mitigation	A reduction in the source of greenhouse gases or enhancement of the sequestration (removals) for greenhouse gases.
National Greenhouse and Energy Reporting Scheme	Introduced in 2007, the scheme provides a single national framework for corporations to report on greenhouse gas emissions, energy use and energy production. Corporations that meet a National Greenhouse and Energy Reporting threshold must register and then report each year.
Remuneration Tribunal	An independent statutory authority established under the <i>Remuneration Tribunal Act 1973</i> that sets the remuneration for key Commonwealth offices.
Renewable Energy Target	Operates in two parts—the Small-scale Renewable Energy Scheme and the Large-scale Renewable Energy Target.
Targets and Progress Review	Recommended emissions reduction targets for Australia and reported on progress towards these targets. The Authority presented the final report to the government on 27 February 2014. The Authority's role in advising the minister on emissions reduction targets has been repealed.

ABBREVIATIONS

Authority	Climate Change Authority
ACCUs	Australian Carbon Credit Units
APS	Australian Public Service
CEO	Chief Executive Officer of the Climate Change Authority
CER	Clean Energy Regulator
CFI	Carbon Farming Initiative
CTH	Commonwealth
DoEE	Department of the Environment and Energy
ERF	Emissions Reduction Fund
FOI Act	<i>Freedom of Information Act 1982</i>
GST	Goods and Services Tax
IPS	Information Publication Scheme
NGER	National Greenhouse and Energy Reporting system
RET	Renewable Energy Target
SES	Senior Executive Service
WHS	Work Health Safety

