



Australian Government



CLIMATE
CHANGE
AUTHORITY

Climate Change Authority
Annual Report 2012-13

ABOUT THIS REPORT

The Climate Change Authority's annual report has been prepared in accordance with the Requirements for Annual Reports, approved by the Joint Committee of Public Accounts and Audit on 24 June 2013.

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

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Australian Government
Climate Change Authority

The Hon Greg Hunt MP
Minister for the Environment
Parliament House
Canberra ACT 2600

15 October 2013

Dear Minister,

I am pleased to present the inaugural annual report for the Climate Change Authority for the year 2012-13.

This document has been prepared in accordance with sub-sections 56(1), 56(2) and 56(3) of the *Climate Change Authority Act 2011*, sections 63 and 70 of the *Public Service Act 1999*, section 5 of the *Financial Management and Accountability Act 1997* and the July 2013 annual report requirements published by the Department of the Prime Minister and Cabinet. I certify that all of the requirements have been addressed.

I certify that the Climate Change Authority has prepared fraud risk assessments and fraud control plans and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the agency and has complied with the requirements of the Commonwealth Fraud Control Guidelines.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anthea Harris'.

Anthea Harris
Chief Executive Officer

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1. MESSAGE FROM THE CHAIR



Climate change is an ongoing global problem that poses serious threats to all countries, including Australia. Effective policies on climate change are in our national - as well as global - interests: they will assist Australia to make its contribution to global action, in ways that deliver an acceptable balance of domestic environmental, economic and social considerations.

It is a complex policy area, with many competing interests, including between current and future generations. In such circumstances, policy makers will be best served by having access to a range of policy advisers.

The Climate Change Authority was established on 1 July 2012 to provide independent and balanced advice to the Government (and the Parliament) on a legislated work program of climate change issues. It is serviced and assisted by a small but very professional and experienced secretariat.

The Authority comprises nine members, including the Australian Government Chief Scientist. Consistent with its charter, its

members have considerable expertise and experience in a number of fields, including climate science, economics, business and public policy.

The Authority met 11 times during 2012-13 and considered various operational and policy matters. Its first major review - of the Renewable Energy Target (RET) - was submitted to the Government in December 2012.

The key recommendation of that review was to retain the large-scale RET target of 41 000 gigawatt hours, as currently legislated. Underpinning its recommendation was the Authority's firm belief in maintaining a framework of policy stability: private investors (and their financiers) are the main drivers of new renewable energy projects, and maximum policy stability is critical for investor confidence in this area of mostly large and long lasting investments.

During the second half of the year, the Authority commenced work on its Targets and Progress Review, which under current legislation, is required to be submitted to the Government before the end of February 2014. An Issues Paper was released in April 2013 and a draft report is planned for release in October 2013, to be followed by extensive consultations with interested stakeholders. The new Government's plans to abolish carbon pricing and related emissions trading arrangements mean that the 'Caps' part of this report will not be of immediate practical relevance, but the appropriate emissions targets for Australia and its international commitments in regard to Australian emissions, as well as the policies of other countries, are all integral to a proper consideration of alternative policy approaches.

In its work to date, the Authority has made a point of consulting widely on its work, and is grateful to all the industry and community groups, governments and other participants who have provided submissions and feedback, and participated in roundtable discussions and public forums.

Finally, and on behalf of all Authority members, I want to acknowledge the sterling contributions which Anthea Harris and her dedicated and professional team have made to the efforts of the Authority from its beginning. That team really is a resource to be treasured and used in ongoing work on climate change policies in this country.

Bernie Fraser
Chair





AUTHORITY MEMBERS (L-R): MR JOHN MARLAY, MS ELANA RUBIN, PROF IAN CHUBB, MR BERNIE FRASER, PROF DAVID KAROLY, MS HEATHER RIDOUT, DR LYNNE WILLIAMS, PROF CLIVE HAMILTON (ABSENT: PROF JOHN QUIGGIN)

MEMBERS OF THE CLIMATE CHANGE AUTHORITY

CHAIR: MR BERNIE FRASER

On 10 July 2011, the Prime Minister announced that Mr Bernie Fraser was to be the first Chair of the Authority. Mr Fraser has decades of experience in public economic policy and business. Mr Fraser was Governor of the Reserve Bank of Australia (RBA) from 1989 to 1996, having previously been Secretary of the Treasury from 1984 to 1989. Mr Fraser was more recently Chairman of Members Equity Bank, as well as a director of two of Australia's largest superannuation funds, AustralianSuper and Cbus, positions he held for 15 years.

EX OFFICIO MEMBER: CHIEF SCIENTIST PROFESSOR IAN CHUBB AC

The *Climate Change Authority Act 2011* appoints the Chief Scientist as an ex officio

member of the Authority. The current Chief Scientist, Professor Ian Chubb AC, began his four year term on 23 May 2011. Professor Chubb has had a distinguished career in higher education and research and recently retired after a decade as Vice-Chancellor of the Australian National University (ANU). A neuroscientist by training, he has co-authored some 70 full papers and co-edited one book all related to his research. He later took on leadership roles in university administration and sector advocacy bodies. Professor Chubb has previously been named the Australian Capital Territory's Australian of the Year for his contribution to higher education.

PROFESSOR CLIVE HAMILTON

Professor Hamilton holds the Vice-Chancellor's Chair and is Professor of Public Ethics at the Centre for Applied Philosophy and Public Ethics, Charles Sturt University. For 14 years, he was the Executive Director of The Australia

Institute, a progressive think tank. He holds an arts degree from the ANU and an economics degree from the University of Sydney and completed his doctorate at the Institute of Development Studies at the University of Sussex. Before establishing The Australia Institute, Professor Hamilton taught in the Graduate Program in the Economics of Development at ANU. Professor Hamilton then joined the Australian Public Service, first with the Bureau of Industry Economics and subsequently the Resource Assessment Commission. He also worked as a resource economist in Indonesia. Professor Hamilton has held visiting academic positions at Yale University, the University of Sydney, ANU, University of Cambridge and the University of Oxford. He is a member of the Royal Society's Solar Radiation Management Governance Initiative.

PROFESSOR DAVID KAROLY

Professor Karoly is Professor of Atmospheric Science in the University of Melbourne's School of Earth Sciences. His research expertise is in climate variability and climate change, including greenhouse climate change, stratospheric ozone depletion and interannual climate variations due to El Niño-Southern Oscillation. Professor Karoly was Chair of the Premier of Victoria's Climate Change Reference Group during 2008-09 and a member of the Australian Government's High Level Coordinating Group on Climate Change Science during 2009-11. Since 2011 he has been a member of the Science Advisory Panel of the Australian Climate Commission. Professor Karoly is also a member of the Wentworth Group of Concerned Scientists and the Australian Academy of Sciences' National Committee on Earth System Science.

MR JOHN MARLAY

Mr Marlay is a non-executive director of Incitec Pivot Limited, Boral Limited and Cardno Limited. Mr Marlay is also the independent Chairman of Tomago Aluminium Company. Mr Marlay was Chief Executive Officer and Managing Director of Alumina Limited from December 2002 until his retirement from this position in 2008. Previously, he held senior executive positions and directorships with Esso Australia Limited, James Hardie Industries Limited, Pioneer International Group Holdings and Hanson plc. Mr Marlay has a Bachelor of Science degree from the University of Queensland and a Graduate Diploma from the Australian Institute of Company Directors. He is a Fellow of the Australian Institute of Company Directors.

PROFESSOR JOHN QUIGGIN

Professor Quiggin is an Australian Laureate Fellow at the University of Queensland. He studied at the ANU, obtaining bachelor's degrees in Arts and Economics and a master's degree in Economics, and was awarded his PhD from the University of New England in 1988. He has held academic positions at the ANU, James Cook University, the University of Maryland, the University of Sydney, John Hopkins University and the University of Queensland, and was a board member of the Queensland Competition Authority. Professor Quiggin is among the top 500 economists in the world according to IDEAS/Respect and is best known for his work on utility theory. Professor Quiggin has frequently been recognised for his research, including twice receiving Federation Fellowships from the Australian Research Council. His most recent book, *Zombie Economics: How Dead Ideas Still Walk Among Us*, was published in October 2010 by Princeton University Press. Professor Quiggin is a Fellow of the

Econometric Society and in 2011 received the Distinguished Fellow Award of the Economic Society of Australia.

MS HEATHER RIDOUT AO

Ms Ridout is the Chair of AustralianSuper, a board member of the RBA, the Australian Securities Exchange and SIMS Metal Management. Her other appointments include being a member of the boards of the Australian Chamber Orchestra, Asialink and the Advance Australia Advisory Board. She is also co-Chair of the Australia-Canada Economic Leadership Dialogue and a longstanding member of the Australian American Leadership Dialogue. She has been a member of several policy-setting and advisory groups including the Prime Minister's Manufacturing Taskforce, the Business Roundtable on Climate Change, the National Workplace Relations Consultative Committee, Infrastructure Australia Advisory Council, Skills Australia and the Prime Minister's Business Taskforce on Flood Recovery. She was also a member of the Henry Tax Review and chaired the Productivity and Prosperity Advisory Panel of the Population Strategy Task Force. She holds an economics degree from the University of Sydney.

MS ELANA RUBIN

Ms Rubin is a Director of Mirvac Group, NAB Wealth/MLC and PPB Advisory, and a member of Infrastructure Australia Council, Qualitas Advisory Board and Evans & Partners Advisory Board. She is also a Director of SecondBite, a not-for-profit organisation providing excess fresh food to homeless and other agencies. Ms Rubin recently retired as Chair of AustralianSuper and as a Director of TAL. Recent prior non-executive directorships included Chair of Victorian WorkCover Authority and Director of the Transport Accident Commission (Victoria).

Her previous executive role was Executive Director-Investments of the Australian Retirement Fund. Ms Rubin holds a Bachelor of Arts (Hons) and a Master of Arts from the University of Melbourne, as well as a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.

DR LYNNE WILLIAMS

Dr Williams has worked as an economist in the public sector for over 30 years. She was Under Secretary for the Victorian Department of Treasury and Finance (DTF) and prior to this appointment was Deputy Secretary, Economic and Financial Policy in DTF. Dr Williams is now working as an economic consultant and board member, having left full-time employment in May 2011. She has held senior positions in both the Victorian and federal governments, including at the (Victorian) Departments of Premier and Cabinet and Industry, and the (federal) Productivity Commission, the Bureau of Labour Market Research and the Bureau of Immigration, Multicultural and Population Research.

Dr Williams holds a Master of Arts from the University of Melbourne and a Master of Science (Econometrics and Mathematical Economics) from the London School of Economics. She completed a PhD at Monash University. She is Chair of the Victorian Government Purchasing Board, a member of the Board of the University of Melbourne's Faculty of Business and Economics and Melbourne University Sport, a Fellow of the Institute of Public Administration Australia and of St Hilda's College, and Vice President of Athletics International (Australia).



2. CHIEF EXECUTIVE OFFICER'S REVIEW



I am pleased to present the Climate Change Authority's first annual report.

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

The Authority's role is to provide advice to the Australian Parliament, through the Climate Change Minister, on climate change policy that is in the best interests of the Australian community. Its advice aims to be robust, practical and insightful.

The Authority has enjoyed a highly productive first year. The agency achieved a number of important milestones, most significantly completing the first review of the Renewable Energy Target (RET) within only six months of establishment.

Under the *Renewable Energy (Electricity) Act 2000* the Authority is required to conduct a review of the RET every two years.

The Authority released an issues paper in August 2012 and received almost 8 700 submissions in response. The Authority released a discussion paper in October 2012 and held targeted stakeholder roundtables.

The final report was submitted to the Climate Change Minister on 19 December 2012.

The Minister responded to the report on 21 March 2013 and accepted the majority of the Authority's 34 recommendations.

Reducing Australia's Greenhouse Gas Emissions: Targets and Progress Review

The Authority commenced work on the Targets and Progress Review in 2012-13. The Targets and Progress Review will recommend emissions reduction targets for Australia and report on how we are tracking towards these targets.

In its final report to the Australian Parliament, the Authority will:

- review Australia's progress towards its medium and long term emissions reduction targets;
- recommend a 2020 emissions reduction target;
- recommend a national emissions budget and indicative national emissions trajectory;
- discuss how Australia might meet its emissions reductions goals, including how different sectors might contribute, and the role of access to international carbon markets; and
- recommend caps (or 'limits' on emissions) for the first five trading years of the carbon pricing mechanism.

The Authority released an issues paper on 23 April 2013, which outlined its proposed approach to the Review and invited submissions from interested parties. Over 60 submissions were received.

The Authority intends to release a draft report for public consultation in October 2013 and will provide opportunities for public comment before finalising its views.

The Authority is required to publish its final report and provide it to the Climate Change Minister by 28 February 2014.

Statements of Expectations and Intent

In March, the Authority received the Statement of Expectations from the Climate Change Minister which sets out the Government's expectations for the Authority with regard to its role and responsibilities, its relationships with the Government and portfolio department and issues of corporate governance, communication and financial management. The Authority responded with a Statement of Intent. Both statements are published on the Authority's website.

Climate Change Authority Corporate Plan 2013-2015

This year also saw the release of the Authority's first corporate plan. The corporate plan is an important document for the Authority as it sets our missions and values and confirms the outputs for the coming year. It also provides stakeholders with an explanation of our role.

The key elements for success identified in the corporate plan include a commitment to broad stakeholder engagement, operational independence and transparency and ensuring our outputs are accessible and practical.

Acknowledgements

I would like to acknowledge the active and informed engagement by stakeholders with the Authority over the course of the year. The feedback received through written submissions, participating in roundtable discussions, individual meetings, and public forums has greatly assisted the Authority.

The staff of the former Department of Climate Change and Energy Efficiency played an important role in the smooth establishment of the Authority. Their preparation, particularly developing the corporate systems and processes, enabled the Authority to commence work from day one.

I would like to thank the Chair and members of the Authority for their commitment and guidance in setting the course for the Authority.

Finally, I would like to thank the staff of the Authority for their enthusiasm, professionalism and hard work during our first year of operation.

The first twelve months of operation of the Authority have been busy and productive. I look forward to continuing to work with our members, stakeholders and staff to deliver rigorous and independent advice on climate change policies to improve the quality of life for all Australians.

Anthea Harris

Chief Executive Officer

3. ABOUT THE CLIMATE CHANGE AUTHORITY

3.1 FUNCTION AND ROLE

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

The Authority's primary role is to provide independent expert advice on Australia's goals and policies for reducing greenhouse gas emissions.

The specific functions of the Authority are set out in the Act. These include conducting reviews of:

- the operation of the Renewable Energy Target scheme (as per section 162 of the *Renewable Energy (Electricity) Act 2000* (Cth));
- the Carbon Farming Initiative (as per section 306 of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth));
- the National Greenhouse and Energy Reporting System (as per sections 76A and 76B of the *National Greenhouse and Energy Reporting Act 2007* (Cth));

- the progress in achieving Australia's emissions reduction targets and national carbon budget; and
- *the Clean Energy Act 2011* (Cth) and associated provisions, carbon pollution caps, national emissions trajectory and national carbon budget (as per Part 22 of the *Clean Energy Act 2011*).

The Authority may also conduct special reviews, as provided for in Part 3 of the Act, and research about matters relating to climate change or for purposes in connection with the performance of any of the Authority's functions.

Under section 59 of the Act, the Climate Change Minister or the Parliament may request reviews of matters relating to climate change.

The Climate Change Authority is a prescribed agency under the *Financial Management Act 1997* (Cth). It is also subject to the *Auditor-General Act 1997* (Cth) and Authority staff are employees of the Australian Public Service under the *Public Service Act 1999* (Cth).

The Authority reports to the Australian Parliament through the Climate Change Minister.

CLIMATE CHANGE AUTHORITY'S LEGISLATED REPORTING OBLIGATIONS	
2012-13	31 December 2012: First Renewable Energy Target review
2013-14	28 February 2014: First review of progress towards national targets and budget 28 February 2014: Recommendations of pollution caps for 2015-16 to 2019-20, national trajectory and carbon budgets
2014-15	31 December 2014: Second Renewable Energy Target review 28 February 2015: Annual review - progress towards targets and budget
2015-16	28 February 2016: Annual review - progress towards targets and budget 28 February 2016: First annual recommendations on pollution caps

3.2 ORGANISATIONAL STRUCTURE

The Authority comprises eight part-time members, and an ex-officio member, the Chief Scientist. Members are appointed by the Climate Change Minister under section 18 of the Act.

Authority members are assisted by the Chief Executive Officer (CEO) and Authority staff. The CEO is responsible for the day-to-day administration of the Authority.

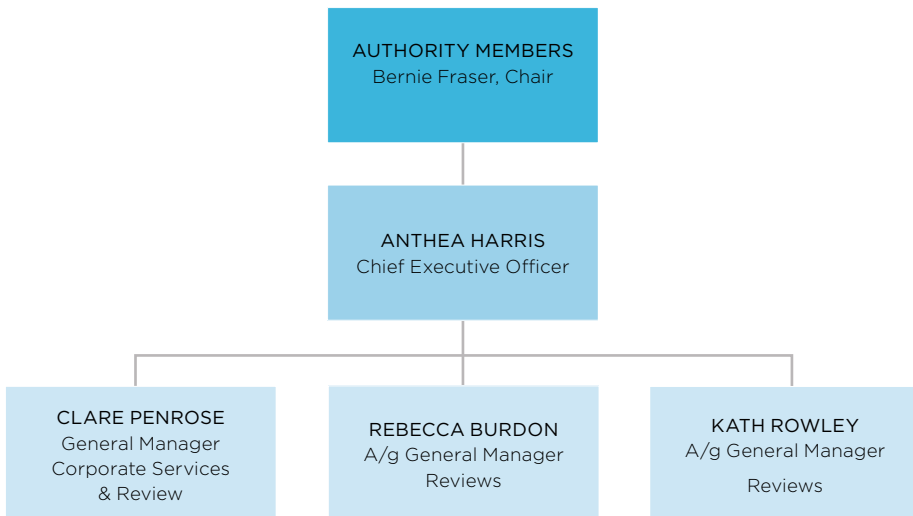
The Authority's organisational structure is outlined in Figure 1. The agency is led by the CEO, Ms Anthea Harris. Ms Harris is supported by the General Managers Review, Ms Kath Rowley and Ms Rebecca Burdon, and the General Manager Corporate Services and Review, Ms Clare Penrose.

In carrying out its day-to-day work, the Authority has structures, systems and processes in place to ensure that its governance, compliance and accountability responsibilities are met (see Part 5 of this report).

Under a Memorandum of Understanding, the Authority had a shared services arrangement with the then portfolio department, the Department of Climate Change and Energy Efficiency. A new agreement was established with then new portfolio department, the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE), following the 25 March 2013 machinery of government change.

Under the agreement, the DIICCSRTE provided the Authority with a range of corporate services, including financial management, legal, information, and communications technology and human resources management services.

FIGURE 1: CLIMATE CHANGE AUTHORITY ORGANISATIONAL STRUCTURE



3.3 OUTCOME AND PROGRAM STRUCTURE

The Australian Government requires agencies to measure their performance in terms of outcomes. The outcome expected from the Authority's work in 2012-13 is set out in the table below:

OUTCOME 1
<p>OUTCOME DESCRIPTION</p> <p>Provide expert advice to the Australian Government on climate change mitigation initiatives, including the level of carbon pollution caps, the carbon price mechanism, the Renewable Energy Target and progress in achieving Australia's emissions reduction targets, through conducting periodic reviews and undertaking climate change research.</p>
<p>OUTCOME STRATEGY</p> <p>The Authority will regularly review and make recommendations to the Australian Government on climate change mitigation policies. This will include biennial reviews of the Renewable Energy Target, triennial reviews of the Carbon Farming Initiative, five-yearly reviews of the Carbon Pricing Mechanism (excluding industry and household assistance) and the National Greenhouse and Energy Reporting System, and annual reviews of the level of pollution caps and carbon budgets (or any national indicative trajectories) and progress towards achieving Australia's emissions reduction targets. The Authority will also conduct any other research that it considers necessary or other reviews as tasked by the Minister or Parliament.</p> <p>In performing these reviews and its work, the Authority will be guided by the following principles: economic efficiency; environmental effectiveness; equity; public interest; accounting for the impact on households, business, workers and communities; supporting the development of an effective global response to climate change; and consistency with Australia's foreign policy and trade objectives.</p>

The program attached to this outcome was Program 1.1: Reviewing Climate Change Mitigation Policies. Performance against this program is assessed in the next part of this report.

4. PERFORMANCE

This section of the report describes the Authority's performance in achieving the deliverables against the key performance indicators for Program 1.1: Reviewing Climate Change Mitigation Policies, as published in the Climate Change and Energy Efficiency Portfolio Budget Statement 2012-13 and set out in the table below:

PROGRAM 1.1 Reviewing Climate Change Mitigation Policies

PROGRAM OBJECTIVE

The Authority's objective is to contribute to the sound governance of climate change mitigation initiatives by ensuring these are efficient and effective through recommending improvements to their design and operation.

DELIVERABLES

- Complete review of the Renewable Energy Target.
- Complete other reviews as requested by the Minister or Parliament.

KEY PERFORMANCE INDICATORS

- The quality of reviews, including their reception by stakeholders and use in public policy forums and discussions.
- The delivery of reviews within legislated timeframes.
- The transparency and accessibility of the public consultation processes for reviews, including that they are highly regarded by stakeholders.
- The independence of the Authority's decision-making in conducting and completing reviews, including the perception of independence by stakeholders.

4.1 REVIEW OF THE RENEWABLE ENERGY TARGET

4.1.1 LEGISLATIVE REQUIREMENTS OF THE REVIEW

The first review of the Authority was of the Renewable Energy Target scheme (RET review).

The *Renewable Energy (Electricity) Act 2000* (REE Act) and the *Climate Change Authority Act 2011* set out the legislative requirements for the RET review in respect of timing, scope, conduct, recommendations and publication.

The Authority is required to conduct reviews of the RET every two years and must examine:

- the operation of the REE Act and the scheme constituted by the REE Act;
- the operation of the regulations;
- the operation of the *Renewable Energy (Electricity) (Large-scale Generation Shortfall Charge) Act 2000*;
- the operation of the *Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Act 2010*; and
- the diversity of renewable energy access to the scheme constituted by the REE Act, to be considered with reference to a cost benefit analysis of the environmental and economic impact of that access.

In conducting a review, the Authority must make provisions for public consultation.

The first review of the RET had to be completed by 31 December 2012. The Authority was required to submit a copy of its report to the Climate Change Minister and publish the report on the Authority's website as soon as practicable after giving the report to the Minister.

The Minister was required to table the report in the Parliament within 15 sitting days of receiving it and respond to any recommendations within six months.

4.1.2 CONDUCT OF THE REVIEW

In line with the legislative requirements, the Authority interpreted the scope of its review as covering:

- the capacity of the RET arrangements to support additional generation of electricity from renewable sources to contribute reductions in greenhouse gas emissions at reasonable cost;
- the role of the RET and its relationship to other policy measures;
- the Large-scale Renewable Energy Target (LRET), including the level and trajectory of the target;
- the Small-scale Renewable Energy Scheme (SRES), including its design, architecture, and administration;
- the liability and exemptions framework, and the shortfall charge of both the large-scale and small scale schemes;
- the eligibility framework for both schemes and the diversity of renewable energy; and
- the frequency and scope of future reviews under the REE Act.

As required, the Authority consulted widely with interested parties throughout the review, including energy retailers and consumers, environmental and welfare groups, and the renewable energy industry.

To assist the consultation process, the Authority released an issues paper and a discussion paper.

The issues paper (released 20 August 2012) described the RET scheme and requested feedback from stakeholders on particular questions. Almost 8 700 submissions were received.

The discussion paper (released 26 October 2012) set out the Authority's preliminary views on key issues. The discussion paper formed the basis for further consultation, including four stakeholder consultation roundtables held on 2 and 5 November 2012 in Melbourne and Sydney respectively. A summary of these discussions has been published on the Authority's website along with a list of the participating stakeholders. The Authority received 54 written responses to the discussion paper and held more than 60 one-on-one meetings with participants over the course of the review.

4.1.3 PUBLICATION AND RESPONSE

The Authority provided the final report to the Climate Change Minister and published it on the Authority's website on 19 December 2012.

The Authority made 34 recommendations to the Australian Parliament.

The key recommendation was that the Authority recommended the legislated large-scale target remain fixed at 41 000 gigawatt hours, as currently legislated. It was the Authority's view that adjusting the target up or down would entail significant risks. It would likely reduce investor confidence and increase risk premiums for renewable energy projects.

The Authority also found the costs of the RET scheme to households and small and medium sized businesses are modest.

The full list of the Authority's recommendations can be found in the final report on the Authority's website.

The Climate Change Minister tabled the Authority's report in the House of Representatives and responded to the Authority's recommendations on 21 March 2013.

The Minister accepted the majority of the Authority's recommendations, including keeping the legislated large-scale target fixed at 41 000 gigawatt hours.

The Minister indicated the Australian Government would not pursue three recommendations. Three recommendations were agreed-in-principle and subject to further consultation in the first half of 2013:

- permitting large energy users to opt-in to assume direct liability for RET obligations;
- making Partial Exemption Certificates tradeable; and
- allowing for incidental electricity offtakes under the self-generators exemption that provide community benefits in remote locations.

The Minister indicated that recommendations requiring legislative change, including moving to full reviews of the RET every four years, would be introduced in 2013.

4.1.4 PERFORMANCE AGAINST KEY PERFORMANCE INDICATORS

The following is an assessment of the Climate Change Authority's performance in conducting the RET review against the key performance indicators from the Climate Change and Energy Efficiency Portfolio Budget Statement 2012-13.

1. The quality of reviews, including their reception by stakeholders and use in public policy forums and discussions.

- In conducting the RET review, the Authority undertook rigorous research and analysis, including commissioning electricity sector modelling, and extensive stakeholder consultation to ensure it developed well informed and evidence based recommendations.
- The Government accepted 28 of the Authority's recommendations and agreed in principle to three recommendations, which reflects acceptance of the conduct and conclusions of the Authority's review.
- The Authority's recommendations have been widely acknowledged and understood by stakeholders. The recommendations have received extensive reporting in the media and are quoted in media articles and discussions on the future of the RET scheme.

2. The delivery of reviews within legislated timeframes.

- The Authority delivered the final report on the RET review to the Minister on 19 December 2012, ahead of the date required under legislation.

3. The transparency and accessibility of the public consultation processes for reviews, including that they are highly regarded by stakeholders.

- The Authority conducted extensive public consultation during the course of the review. An issues paper and discussion paper were released which called for submissions from the public. The Authority also held a number of roundtable consultation events and one-on-one meetings with stakeholders. The Authority considered the number of submissions, over 8 700 written responses, to be a validation of the transparency and accessibility of the process. The Authority received positive feedback on its efforts to consult, especially given the tight timeframes involved.

4. The independence of the Authority's decision-making in conducting and completing reviews, including the perception of independence by stakeholders.

- In conducting the RET review, the Authority acted independently, ensuring its final recommendations were supported by extensive and rigorous research and analysis. The transparency of the review process, through regular public consultations and engagement, further illustrated the independent conduct of the Authority.

4.2 OTHER REVIEWS AS REQUESTED BY THE MINISTER OR PARLIAMENT.

Under section 59 of the *Climate Change Authority Act 2011*, the Climate Change Minister or the Parliament may request reviews of matters relating to climate change. The Authority did not receive any requests from the Minister or Parliament in 2012-13.

5. MANAGEMENT AND ACCOUNTABILITY

5.1 CORPORATE GOVERNANCE

The Climate Change Authority (the Authority) is an independent statutory agency comprising a chair and eight board members and is supported by a secretariat.

The Authority was established as a body corporate to highlight the independence of its activities, although it is able to use government resources as appropriate. 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 has a Chief Executive Officer (CEO) who is responsible for the day-to-day administration of the Authority. The CEO is supported by three General Managers. This group comprises the executive management team for the Authority.

The Authority is bound by the *Financial Management and Accountability Act 1997* and the *Public Services Act 1999*.

The Authority was required to present its first corporate plan within 12 months of its commencement; this was published in June 2013 for the period 2013-15.

In the absence of a published corporate plan in 2012-13, the Authority drew on the specific requirements of the *Climate Change Authority Act 2011* and the Climate Change Authority section of the Climate Change and Energy Efficiency Portfolio Budget Statement 2012-13 for guidance on the operations of the Authority, its outputs and timetable for delivering those outputs.

These documents, along with the governance, direction and compliance requirements of the *Financial Management and Accountability Act 1997* and the *Public Service Act 1999*, provided the Authority with a strong corporate governance environment in the first year of its operation.

5.1.1 RISK MANAGEMENT

During 2012-13 the Authority engaged internal auditors (KPMG) to facilitate the development of a Strategic Risk Profile to identify the risks that may impact delivery of the Authority's strategic priorities.

The Authority defined a risk as the chance of something happening that would impact on the organisation's ability to meet its objectives.

To develop the Strategic Risk Profile the Authority held a facilitated workshop with the executive management team and the Chief Financial Officer (CFO). The Strategic Risk Profile included the probability and consequences of each risk. It also identified the acceptable level of risk the Authority was prepared to accept.

The CFO had responsibility for maintaining the Strategic Risk Profile. Individual risk action plans were developed which identified the current risk profile, current controls and agreed management actions. The Strategic Risk Profile and risk action plans were updated and reported to the Executive Management Team and the Audit Committee on a regular basis.

5.1.2 FRAUD CONTROL

During 2012-13 KPMG was engaged to undertake a fraud risk assessment of the Authority.

The objectives of the assessment were for the Authority to: identify the inherent fraud risks within the Authority, outline the internal controls currently in place to mitigate the fraud risks identified, assess the overall effectiveness of those controls, and to specifically develop fraud mitigation strategies to address those risks with an unacceptably high rating or where it is identified that control enhancements are possible.

The risk assessment was conducted in accordance with the Australian and New Zealand Risk Management Standard (AS/NZ ISP 31000:2009) and the Fraud and Corruption Control Australian Standard (AS 8001-2008).

The Authority also redrafted its Fraud Control Plan. The fraud risk assessment included a review of the draft Fraud Control Plan to ensure its compliance with the requirements of the Commonwealth Government Fraud Control Guidelines.

The Fraud Control Plan sets the standard and process for the management, control and reporting of actual fraud, suspected fraud and the risk of fraud. All matters were required to be reported to the CEO and the Audit Committee.

There were no incidents of suspected or actual fraud in the 2012-13 period.

5.1.3 ASSETS & ASSET MANAGEMENT

The Authority managed its assets in accordance with the Chief Executive Instructions and relevant accounting standards. All of the Authority 'start-up' assets were procured by the then Department of Climate Change and Energy Efficiency (DCCEE). On establishment of the Authority, these assets were transferred to the Authority and represented as an equity injection in the 2012-13 annual financial statements. The assets transferred included the desktops, office equipment, furniture and fittings.

The Authority undertook a full stocktake of its assets during the year, the results of which are represented in the Authority's 2012-13 annual financial statements at **Appendix A**.

5.1.4 SHARED SERVICES

As a small agency, the Authority entered into an arrangement for the provision of corporate shared services with the DCCEE.

This arrangement provided corporate systems and support including finance, human resources, payroll, and information technology.

This arrangement was managed under a Memorandum of Understanding (MOU) and was performed on a fee for service basis. This original MOU ceased on 25 March 2013 with the machinery of government change that resulted in the Authority moving to the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education portfolio (DIICCSRTE). At that time, the DIICCSRTE assumed the responsibility under the previous MOU.

5.1.5 INTERNAL AUDIT

The Authority's Audit Committee was established during the first year of operation. The Committee's role was to provide independent advice to the CEO on risk management and to ensure the Authority had a strong compliance framework.

The Committee comprised four members:

- Ms Elana Rubin (Chair)
- Dr Helen Mignot (Deputy Chair)
- Mr Chris Pattas
- Mr Brett Hinkly (internal member).

The Audit Committee held its first meeting in May 2013 and was scheduled to meet at least twice a year. The Committee approved the Internal Audit Charter, the Annual Internal Audit Plan and Strategic Risk Profile and commended them to the CEO for endorsement.

In 2012-13, two internal audits were commissioned to provide a Financial and Resources Health Check as well as a Fraud Risk Assessment.

The Authority's internal audit services are provided by KPMG.

5.1.6 EXTERNAL SCRUTINY

No judicial or administrative tribunal decisions relating to the Climate Change Authority were handed down during 2012-13.

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 in 2012-13.

The Authority appeared before the Senate Standing Committee on Environment and Communications for Senate Budget Estimates in 2012-13.

5.1.7 ETHICAL STANDARDS

The Authority is bound by the *Public Service Act 1999* and the guidelines of the Australian Public Services Commission for the management and development of its people.

Values and behaviours were a key element in the Authority's first corporate plan and the Authority's values and behaviours align to the new Australian Public Service (APS) Values and Code of Conduct.

The Authority adopted a range of measures to promote ethical standards and all employees were provided with a copy of the new APS Values and Code of Conduct.

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 (IPS). 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.

In accordance with the IPS requirements, the Authority publishes on its website all mandatory information regarding activities under the FOI Act.

5.1.9 ENVIRONMENTAL PERFORMANCE

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1991* requires Australian Government organisations to detail their environmental performance and contribution to ecologically sustainable development in their annual reports.

In 2012-13 the Authority implemented a range of measures that contributed to ecologically sustainable measures including:

- purchasing 100 per cent Green Power;
- providing publications for download from the Authority's website to reduce the need to print and distribute hard copy material;
- purchasing paper with a minimum 50 per cent recycled content; and
- applying sustainable practices in the office aimed at reducing energy and resource consumption including default two sided printing, ensuring equipment such as desktop computers, photocopiers and printers incorporate energy efficiency features; and recycling paper, cardboard, printer cartridges and organic waste.

5.2 FINANCIAL OVERVIEW

5.2.1 FINANCIAL PERFORMANCE

The Authority met all of its financial obligations in 2012-13.

The 2012-13 annual financial statements represent a retained surplus arising from the Statement of Comprehensive Income. The Authority has also maintained a balance of unallocated appropriation to meet commitments made in the 2012-13 year that is required for future obligations. This includes future obligations for creditor and salary accruals (settling in July 2013) and the balance of employee entitlements.

Based on the Climate Change Authority Portfolio Budget Statement 2012-13 information and the Authority's budget planning for 2013-14, the Authority fully expects to meet all financial commitments again in 2013-14.

The Authority has a monthly reporting and variance analysis process in place to monitor progress against budget. As a result of the above, the Authority has no known or expected risks to its financial sustainability.

Further information on the Authority's financial performance is available in the 2012-13 annual financial statements and accompanying notes at **Appendix A**.

5.2.2 RESOURCE STATEMENT

TABLE 1: AGENCY RESOURCE STATEMENT 2012-13

	Actual Available Appropriation 2012-13	Payments Made 2012-13	Balance Remaining
	\$'000	\$'000	\$'000
Ordinary Annual Services			
Departmental appropriation ¹			
Departmental appropriation 2012-13	6 206	5 275	
S.31 Relevant agency receipts ²	105	105	
Total ordinary annual services	6 311	5 380	931
Total Resourcing and Payments	6 311	5 380	931

¹ Appropriation Act (No.1) 2012-13.

² Receipts received under section 31 of the *Financial Management and Accountability Act 1997*. Remaining balance will be applied to meeting the future settlement of current period expenses and provisions.

Note: During 2012-13 the Authority entered into a MOU with the then Department of Business and Innovation (Victorian State Government) for grant funding to meet part of the establishment of the Authority. This funding (\$316 350 ex GST) will be received in 2013-14.

5.2.3 PURCHASING

In 2012-13 the Authority sourced all goods and services in accordance with the principles set out in the Commonwealth Procurement Guidelines 2012.

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 process;
- promoting the use of resources in an efficient, effective, economical and ethical manner; and
- making decisions in an accountable and transparent manner.

All competitive tenders and contracts over \$10 000 let by the Authority during 2012-13 have been listed on AusTender.

5.2.4 CONSULTANCIES

The Authority engages consultants only if it is considered that specific specialist expertise is required and the particular skillset is not available from within existing staffing resources, or if there is a need for independent research, review or assessment.

Any decision to engage a consultant is made in accordance with the *Financial Management and Accountability Act 1997*, related regulations, including Commonwealth Procurement Guidelines, and with relevant internal policies.

During 2012-13 the Authority let three new consultancy contracts. The total value of these contracts was \$723 780. The total value and actual spend against these contracts in 2012-13 was as follows:

- ***Energy sector modelling to inform the Review of the Renewable Energy Target.*** The contract with Sinclair Knight Mertz commenced on 27 August 2012. The value of the contract was \$131 780 and it was fully expended in 2012-13.
- ***Decomposition of Australia's electricity demand.*** The total value of the contract was \$161 000. The contract with Vivid Economics commenced on 28 June 2013 and was due to complete in August 2013. As at 30 June 2013 no payments were made against this contract.
- ***Tracking Australia's progress on transition to a low carbon economy.*** The Authority, DCCEE and Department of Resources, Energy and Tourism (DRET) jointly funded this project. The total value of the contract was \$440 000. The contract with Monash University, acting through ClimateWorks Australia, commenced on 12 February 2013 and was due to complete in September 2013. As at 30 June 2013 \$275 000 had been billed by Monash University, with \$27 500 paid prior to year end with a further \$247 500 accrued into 2012-13 and was to be paid in July 2013. Of the total contract payments, \$213 000 has been recouped via the other Commonwealth Government parties to the contract (DCCEE and DRET) as at 30 June 2013.¹

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 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 MARKET RESEARCH

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; and
- media advertising organisations.

The Authority made no payments for these services in 2012-13. The Authority conducted no advertising campaigns in 2012-13.

5.2.6 GRANT PROGRAMS

The Authority did not administer any grant programs in 2012-13.

1. It should be noted that Authority member Ms Heather Ridout is a board member of ClimateWorks Australia. Ms Ridout declared her interest and excluded herself from any part in the selection, negotiation or administration of this contract.

5.3 MANAGEMENT OF HUMAN RESOURCES

At 30 June 2013 the Authority had 32 employees, of whom 30 were ongoing and 2 were non-ongoing. All Authority staff were located in Melbourne. The workforce had a balanced gender profile, with 56 per cent of staff female and 44 per cent male.

The staffing profile reflects the required skills and capabilities of the Authority. The Authority utilised a range of employees seconded from other Departments, with specialist knowledge relevant to the review work program.

The Authority maintained a committed workforce with very low staff turnover rates in its first year of operation. One ongoing employee left the Authority in 2012-13.

5.3.1 STAFFING STATISTICS

The distribution of staff by classification and employment status is shown in Table 5.1. Authority staff remuneration bands are shown at Table 5.2.

TABLE 2: CLIMATE CHANGE AUTHORITY STAFF NUMBERS BY CLASSIFICATION, GENDER AND FULL-TIME OR PART-TIME STATUS (AT 30 JUNE 2013)

CLASSIFICATION	FEMALE		MALE		TOTAL
	Full Time	Part Time	Full Time	Part Time	
CEO	1	-	-	-	1
SES Band 1	1	-	-	-	1
Executive Level 2	4	2	2	-	8
Executive Level 1	4	-	7	-	11
APS 6	3	-	3	-	6
APS 5	3	-	2	-	5

TABLE 3: SALARY STRUCTURES AT THE CLIMATE CHANGE AUTHORITY (AT 30 JUNE 2013)

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 was set by the then Minister for Climate Change within the salary determination set by the Remuneration Tribunal each year.

Senior Executive Service (SES) officers were employed under the *Public Service Act 1999* and their conditions of service are set out under the then DCCEE SES Employment Conditions handbook. Remuneration is determined by the CEO, in accordance with remuneration guidelines promulgated by the then DCCEE. Further details on SES officer and CEO remuneration are at Note 11 **Appendix A**.

5.3.3 REMUNERATION FOR THE AUTHORITY CHAIR AND MEMBERS

The remuneration of the Authority chair and members is governed by section 25 of the *Climate Change Authority Act 2011*. Authority members' remuneration is determined by the Remuneration Tribunal on a yearly basis. Authority members receive an annual base fee plus meeting fees for attendance at official Authority meetings. The Authority met 11 times in 2012-13.

5.3.4 EMPLOYMENT ARRANGEMENTS

Upon establishment, the CEO of the Authority made a determination under section 24(1) of the *Public Service Act 1999*. The determination stated that all Authority staff at Executive Level 2 and below were to be employed under the conditions of the *DCCEE Enterprise Agreement 2011-2014*.

TABLE 4: REMUNERATION OF CLIMATE CHANGE AUTHORITY MEMBERS (AT 30 JUNE 2013)

MEMBER STATUS	BASE SALARY - ANNUAL	MEETING FEES
Chair	\$51 500	\$1000
Members	\$25 750	\$800

TABLE 5: CLIMATE CHANGE AUTHORITY MEMBER MEETING ATTENDANCE

MEMBER	NO. OF MEETINGS ATTENDED
Mr Bernie Fraser (Chair)	11
Professor Clive Hamilton	10
Professor David Karoly	11
Mr John Marlay	9
Professor John Quiggin	11
Ms Heather Ridout	8
Ms Elana Rubin	10
Dr Lynne Williams	10

SES level Authority staff are employed under the *Public Service Act 1999* and their conditions of service outlined in the DCCEE SES Employment Conditions handbook.

In 2012-13, two staff were employed on individual flexibility arrangements under clause 10 of the *DCCEE Enterprise Agreement 2011-2014*.

No employee of the Authority was employed under performance-based remuneration conditions in 2012-13.

5.3.5 CONSULTATIVE ARRANGEMENTS

An advantage of a small agency is that direct consultation between management and employees is possible. This occurred on a regular basis, including through the CEO's 'all staff' 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 the understanding by individual employees 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);
- provide a basis for determining salary advancement;
- identify learning and development needs; and
- assist in identifying and managing 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 has a study assistance policy (the Policy) which sets out the assistance provided to staff to undertake learning and development opportunities. The Policy provides financial and leave assistance to its staff enrolled in study or training that is relevant to the operational needs of the agency. Each staff member has the opportunity to identify and access appropriate training through the organisation's Performance Development Program.

The Authority also provides one-on-one coaching to address particular development needs and extensive on-the-job training within the Authority. Internal seminars on written communication skills also contributed to staff development.

5.3.8 WORK HEALTH AND SAFETY

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 2012-13.

During 2012-13, initiatives taken in relation to work health and safety included:

- Authority-funded flu vaccinations (take up rate in 2012-13 was around 50 per cent);
- ergonomic workstation assessments (completed for all staff);
- flexible work policy to manage and avoid staff working excessive hours; and
- provision of ergonomic equipment.

There were no claims for injury in 2012-13.



5.3.9 EMPLOYEE ASSISTANCE PROGRAM

The Authority offers its employees independent, confidential and professional counselling, consultation and training assistance for work-related or personal issues. PPC Worldwide was contracted by the Authority to provide this service.

5.3.10 WORKPLACE DIVERSITY

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

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. From 2010–11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a 10-year national policy framework for improving life for Australians with disability, their families and carers. A high level report to track progress for people with disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at www.fahcsia.gov.au.

The Social Inclusion Measurement and Reporting Strategy agreed by the Australian Government in December 2009 also includes some reporting on disability matters in its regular How Australia is Faring report and, if appropriate, in strategic change indicators in agency Annual Reports. More detail on social inclusion matters can be found at www.socialinclusion.gov.au.






APPENDIX A

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Climate Change

I have audited the accompanying financial statements of the Climate Change Authority for the year ended 30 June 2013, which comprise: a Statement by the Chief Executive Officer and the Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes to and forming part of the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive Officer of the Climate Change Authority is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Climate Change Authority's preparation of the financial statements that give a true and fair view 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 Climate Change Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer of the Climate Change Authority, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Climate Change Authority:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Climate Change Authority's financial position as at 30 June 2013 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Peter Kerr

Engagement Executive

Delegate of the Auditor-General

Canberra

9 September 2013



Australian Government
Climate Change Authority

STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2013 are based on properly maintained financial records and give a true and fair view of the matters required by the Financial Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

A handwritten signature in black ink, appearing to read 'A. Harris'.

Anthea Harris
Chief Executive Officer

9 September 2013

A handwritten signature in black ink, appearing to read 'M. Everett'.

Michael Everett
Chief Financial Officer

9 September 2013

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2013

		2013
		\$'000
	Notes	
EXPENSES		
Employee Benefits	3A	3,835
Supplier Expenses	3B	2,338
Depreciation and amortisation	3C	230
Total Expenses		6,403
LESS		
OWN-SOURCE INCOME		
<i>Own-source revenue</i>		
Sale of goods and rendering of services	4A	316
<i>Total own-source revenue</i>		<i>316</i>
<i>Gains</i>		
Other gains	4B	50
<i>Total gains</i>		<i>50</i>
<i>Total own-source income</i>		<i>366</i>
Net cost of services		6,037
Revenue from government	4C	6,170
Surplus		133
OTHER COMPREHENSIVE INCOME		
Total other comprehensive income		-
Total Comprehensive Income		133

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

BALANCE SHEET

as at 30 June 2013

		2013
		\$'000
	Notes	
ASSETS		
Financial Assets		
Cash and cash equivalents	5A	96
Trade and other receivables	5B	1,465
<i>Total financial assets</i>		<u>1,561</u>
Non-Financial Assets		
Leasehold improvements	6A,D	1,009
Property, plant and equipment	6B,D	48
Intangibles	6C,D	103
<i>Total non-financial assets</i>		<u>1,160</u>
Total Assets		<u>2,721</u>
LIABILITIES		
Payables		
Suppliers	7A	500
Other payables	7B	194
<i>Total payables</i>		<u>694</u>
Provisions		
Employee provisions	8A	584
<i>Total provisions</i>		<u>584</u>
Total Liabilities		<u>1,278</u>
Net Assets		<u>1,443</u>
EQUITY		
Contributed equity		1,310
Retained surplus		133
Total Equity		<u>1,443</u>

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

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2013

ITEM	RETAINED EARNINGS	CONTRIBUTED EQUITY	TOTAL EQUITY
	2013 \$'000	2013 \$'000	2013 \$'000
Opening balance			
Balance carried forward from previous period	-	-	-
Adjustment for changes in accounting policies	-	-	-
Adjusted opening balance	-	-	-
Comprehensive Income			
Other comprehensive income	-	-	-
Surplus for the period	133	-	133
Total comprehensive income	133	-	133
Transactions with owners			
Distributions to Owners			
Other - net cash appropriations	-	-	-
Contribution by Owners			
Equity Contribution - fit out	-	1,310	1,310
Sub-total transactions with owners	-	1,310	1,310
Closing balance as at 30 June	133	1,310	1,443

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

CASH FLOW STATEMENT

for the period ended 30 June 2013

	2013
	Notes \$'000
OPERATING ACTIVITIES	
Cash Received	
Appropriations	5,203
Sales of goods and rendering of services	133
Net GST received	3
Total cash received	5,339
Cash used	
Employees	3,314
Suppliers	1,849
Other	-
Total cash used	5,163
Net cash from operating activities	9 176
INVESTING ACTIVITIES	
Cash received	
Proceeds from sales of property, plant and equipment	-
<i>Total cash received</i>	-
Cash used	
Purchase of property, plant and equipment	80
<i>Total cash used</i>	80
Net cash from investing activities	(80)
FINANCING ACTIVITIES	
Cash Received	
Contributed equity	-
Cash received	-
Total cash received	-
Net cash from financing activities	-
Net increase in cash held	96
Cash and cash equivalents at the beginning of the reporting period	-
Cash and cash equivalents at the end of the reporting period	5A 96

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

SCHEDULE OF COMMITMENTS

as at 30 June 2013

	2013
	\$'000
BY TYPE	
Commitments receivable	
GST recoverable on commitments	249
<i>Total commitments receivable</i>	249
Commitments payable	
Other commitments	
Operating Leases	(2,744)
Other commitments	-
<i>Total other commitments</i>	(2,744)
Net commitments by type	(2,495)
BY MATURITY	
Commitments receivable	
Other commitments receivable	
One year or less	57
From one to five years	192
Over five years	-
<i>Total other commitments receivable</i>	249
Commitments payable	249
Operating lease commitments	
One year or less	(632)
From one to five years	(2,112)
Over five years	-
<i>Total operating lease commitments</i>	(2,744)
Net commitments by maturity	(2,495)

Note:

Commitments are GST inclusive where relevant.

The Authority has entered into a lease arrangement for office accommodation at 90 Collins St, Melbourne for a period of five years from 15 August 2012.

**NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS**

NOTES	DESCRIPTION
1	Summary of Significant Accounting Policies
2	Events after the Reporting Period
3	Supplier Expenses
4	Income
5	Financial Assets
6	Non-Financial Assets
7	Payables
8	Provisions
9	Cash Flow Reconciliation
10	Contingent Assets and Liabilities
11	Senior Executive Remuneration
12	Authority Member Remuneration
13	Remuneration of Auditors
14	Financial Instruments
15	Financial Assets Reconciliation
16	Appropriations
17	Compensation and Debt Relief
18	Reporting of Outcomes
19	Net Cash Appropriation Arrangements

Note 1: Summary of Significant Accounting Policies

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. It is a not-for-profit entity. The Authority's role is to undertake independent reviews, research and analysis and provide relevant, insightful, practical advice to the Australian Government on climate change policy that is in the best interests of the Australian community.

The Authority is structured to meet one outcome:

Outcome 1: Provide expert advice to the Australian Government on climate change mitigation initiatives, including the level of carbon pollution caps, the carbon price mechanism, the Renewable Energy Target and progress achieving Australia's emissions reduction targets, through conducting periodic 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.

The continued existence of the Authority in its present form and with its present program is dependent on Government policy and on continuing funding by Parliament for the Authority's administration and program.

1.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations 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.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the Authority or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts

are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the accounting policies listed in this note, the Authority has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of leasehold improvements has been taken to be the incurred cost of the fitout to the former Department of Climate Change and Energy Efficiency. This amount has been brought to account as an equity contribution in the creation of the Climate Change Authority.

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

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the Authority.

Future Australian Accounting Standard Requirements

New standards, amendments to standards or interpretations that were issued by the Australian Accounting Standards Board prior to the sign-off date and are applicable for future reporting periods are not currently expected to have a material future financial impact on the Authority.

Consideration has been given to following standards:

AASB 9	Financial Instruments
AASB 13	Fair Value Measurement
AASB 119	Employee Benefits
AASB 1055	Budgetary Reporting

1.5 Revenue

Revenue from Government

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.

Other Types of Revenue

Revenue from other sources are recognised when:

- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Authority.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the Authority.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Revenue for the Victorian Government grant (note 4A) was recognised when the Authority was able to establish it had met the criteria under the terms of the agreement.

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

1.6 GAINS

Other Resources Received Free of Charge

Resources received free of charge are recognised as gains 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.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 TRANSACTIONS WITH THE GOVERNMENT AS OWNER

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

1.8 EMPLOYEE BENEFITS

Liabilities for 'short term employee benefits' (as defined in AASB 119 *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.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

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.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that 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. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Authority recognises a provision for termination 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 is no current plan for terminations and therefore the current provision is nil.

Superannuation

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

The CSS and PSS are defined benefit schemes 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 and Deregulation'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 for the final fortnight of the year.

1.9 LEASES

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property, or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis, which is representative of the pattern of benefits derived from the leased assets.

1.10 CASH

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, cash with outsiders, and demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.11 FINANCIAL ASSETS

The Authority classifies its financial assets in the following categories:

- financial assets as at fair value through profit or loss;
- held-to-maturity investments; and
- receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Authority currently only holds financial assets of receivables.

Financial assets are recognised and derecognised upon 'trade date'.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost – if there is objective evidence that an impairment loss has been incurred for receivables held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

1.12 FINANCIAL LIABILITIES

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. The Authority only holds other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities

Other financial liabilities, including supplier and other payables, are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant 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.

Details of each class of contingent liabilities and contingent assets are disclosed in Note 10: Contingent Assets and Liabilities.

1.14 ACQUISITION OF ASSETS

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.15 PROPERTY, PLANT AND EQUIPMENT

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2 000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make-good' provisions in property leases taken up by the Authority where there exists an obligation to 'make-good' premises. These costs are included in the value of the Authority's leasehold improvements with a corresponding provision for the 'make-good' recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at
Leasehold improvements	Depreciated replacement cost
Property, plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Authority using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Impairment

All assets were assessed for impairment at 30 June 2013. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

2013	
Leasehold improvements and make-good	Lease term
Plant and equipment	3 to 20 years

The recoverable amount of an asset is the higher of its *fair value less costs to sell* and its *value in use*. *Value in use* is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Authority were deprived of the asset, its *value in use* is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.16 INTANGIBLES

The Authority's intangibles comprise commercially purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

2013	
Intangibles (computer software)	5 years

1.17 TAXATION

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

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

Note 2: Events after the Reporting Period

There are no events occurring after balance sheet date that materially affect the financial statements for the year ended 30 June 2013.

Note 3: Supplier Expenses

NOTE 3A: EMPLOYEE BENEFITS

	2013
	\$'000
Wages and salaries	2,808
Superannuation	
Defined contribution plans	266
Defined benefits plans	191
Leave and other entitlements	564
Other Expenses	6
Total employee benefits	3,835

NOTE 3B: SUPPLIER EXPENSES

	2013
	\$'000
Goods and services	
Consultants	22
Contractors	336
Travel	204
IT Services	52
Subscriptions	101
Administrative Services under MOU	359
Comcover	29
Minor office equipment, furniture and fittings	54
Telephone Services (PABX)	51
Protective Security	50
Staffing & recruitment expenses	187
Buildings outgoings & related	261
Other	176
Total goods and services	1,882
Goods and services are made up of:	
Provision of goods – related entities	-
Provision of goods – external entities	97
Rendering of services – related entities	1,450
Rendering of services – external entities	335
Total goods and services	1,882
Other supplier expenses	
Operating lease rentals - externals:	
Minimum lease payments	412
Workers compensation premiums	44
Total other supplier expenses	456
Total supplier expenses	2,338

NOTE 3C: DEPRECIATION AND AMORTISATION

	2013
	\$'000
Depreciation	
Buildings - leasehold improvements	215
Property, plant and equipment	8
Total depreciation	<u>223</u>
Amortisation	
Intangibles	7
Total amortisation	<u>7</u>
Total depreciation and amortisation	<u>230</u>

Note 4: Income

OWN-SOURCE REVENUE

NOTE 4A: SALE OF GOODS AND RENDERING OF SERVICES

	2013
	\$'000
Victorian Government Grant	316
Total sale of goods and rendering services	<u>316</u>

GAINS

NOTE 4B: OTHER GAINS

Resources received free of charge

ANAO Audit Services (note 13)

Total other gains

50

50

REVENUE FROM GOVERNMENT

NOTE 4C: REVENUE FROM GOVERNMENT

Departmental appropriations

Total revenue from Government

6,170

6,170

Note 5: Financial Assets

NOTE 5A: CASH AND CASH EQUIVALENTS

	2013
	\$'000
Cash on hand or on deposit	96
Total cash and cash equivalents	96

NOTE 5B: TRADE AND OTHER RECEIVABLES

Goods and Services:

Goods and services – related entities	150
Goods and services – external entities	333

Total receivables for goods and services	483
-------------------------------------------------	------------

Appropriations receivable

For existing programs	967
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Total appropriations receivable	967
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Other receivables:

GST receivable from the Australian Taxation Office	15
----------------------------------------------------	----

Total other receivables	15
--------------------------------	-----------

Total trade and other receivables (net)	1,465
------------------------------------------------	--------------

Receivables are expected to be recovered in

No more than 12 months	1,465
------------------------	-------

More than 12 months	-
---------------------	---

Total trade and other receivables (net)	1,465
------------------------------------------------	--------------

Receivables are aged as follows: 1,455

Not overdue

Overdue by:

0 to 30 days	-
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31 to 60 days	-
---------------	---

61 to 90 days	10
---------------	----

More than 90 days	-
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Total receivables	1,465
--------------------------	--------------

The Authority's credit terms are 30 days.

Note 6: Non-Financial Assets

NOTE 6A: LAND AND BUILDINGS

	2013
	\$'000
Leasehold improvements	
Fair value	1,224
Accumulated depreciation	(215)
Total leasehold improvements	1,009
Total land and buildings	1,009

No indicators of impairment were found for leasehold improvements.

No leasehold improvements are expected to be sold or disposed within the next 12 months.

NOTE 6B: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	
Fair value	56
Accumulated depreciation	(8)
Total other property, plant and equipment	48

No indicators of impairment were found for leasehold improvements.

No leasehold improvements are expected to be sold or disposed within the next 12 months.

NOTE 6C: INTANGIBLES

Computer software	
Purchased	110
Accumulated amortisation	(7)
Total intangibles	103

No indicators of impairment were found for leasehold improvements.

No leasehold improvements are expected to be sold or disposed within the next 12 months.

NOTE 6D: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, AND INTANGIBLES

Reconciliation of the opening and closing balances of property, plant and equipment, and intangibles 2013

	Leasehold improvements	Property, plant & equipment	Computer software purchased	Total
	\$'000	\$'000	\$'000	\$'000
As at July 1 2012	-	-	-	-
Net book value	-	-	-	-
Additions				
By Purchase	-	20	59	79
From acquisition of entities or operations (including restructuring)	1,224	36	51	1,311
Depreciation/Amortisation expense	(215)	(8)	(7)	(230)
Disposals	-	-	-	-
Net Book value 30 June 2013	1,009	48	103	1,160
Net book value as of 30 June 2013 represented by				
Gross book value	1,224	56	110	1,389
Accumulated depreciation/amortisation	(215)	(8)	(7)	(229)
Net Book value 30 June 2013	1,009	48	103	1,160

Note 7: Payables

NOTE 7A: SUPPLIERS

	2013
	\$'000
Trade creditors and accruals	500
Total supplier payables	500
Supplier payables expected to be settled with 12 months:	
Related entities	228
External entities	272
Total suppliers payable	500

Settlement is usually made within 30 days.

NOTE 7B: OTHER PAYABLES

Salaries and wages	107
Superannuation	16
Efficiency dividend payable	36
Lease liability	32
Net GST payable to ATO	3
Total other payables	194
Total other payables are expected to be settled in	
No more than 12 months	194
More than 12 months	-
Total other payables	194

Note 8: Provisions

NOTE 8: EMPLOYEE PROVISIONS

	2013
	\$'000
Leave	584
Total employee provisions	<u>584</u>
Employee provisions are expected to be settled in	
No more than 12 months	277
More than 12 months	307
Total employee provisions	<u>584</u>

Note 9: Cash Flow Reconciliation

NOTE 9: CASH FLOW RECONCILIATION

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement

Cash and Cash Equivalents as per:

Cash Flow Statement	96
Balance Sheet	96
Difference	<u>(0)</u>

Reconciliation of net cost of services to net cash from operating activities:

Net cost of services	(6,037)
Add revenue from Government	6,170
Adjustments for non-cash items	
Depreciation / amortisation	230
Change in assets / liabilities:	
(Increase) in net receivables	(1,465)
Increase in employee provisions	584
Increase in supplier payables	500
Increase in other payables	194
Net cash from operating activities	<u>176</u>

Note 10: Contingent Assets and Liabilities

SIGNIFICANT REMOTE CONTINGENCIES

The Authority entered into an agreement that resulted in an accommodation and set-up subsidy that has been provided via a Memorandum of Understanding (MOU) with the Victorian Department of Business and Innovation. The MOU requires the Authority to continue to meet certain conditions through to 31 December 2015. The conditions are considered to be business as usual requirements and place no added impost on the Authority. The amount of liability connected to a refund event cannot be evaluated accurately. The possibility of a refund event occurring is considered highly unlikely.

Note 11: Senior Executive Remuneration

NOTE 11A: SENIOR EXECUTIVE REMUNERATION EXPENSES FOR THE REPORTING PERIOD

	2013
	\$'000
Short-term employee benefits:	
Salary	483
Annual leave accrued	62
Performance bonus	0
Total short-term employee benefits	545
Post-employment benefits	
Superannuation	68
Total post-employment benefits	68
Other long-term benefits:	
Long service leave	58
Total other long-term benefits	613

1. Note 11A includes SES and Members
2. Note 11A is prepared on an accrual basis
3. Note 11A excludes acting arrangements and part-year service where the total remuneration expensed as a senior executive was less than \$180 000.

NOTE 11B: AVERAGE ANNUAL REPORTABLE REMUNERATION PAID

TO SUBSTANTIVE SENIOR EXECUTIVES DURING THE REPORTING PERIOD

2013					
Average annual reportable remuneration	Senior Executives	Reportable Salary	Contributed Super-annuation	Reportable Allowances	Total reportable remuneration
	No.	\$	\$	\$	\$
Total remuneration					
(Including part-time arrangements)					
less than \$180,000	1	127,421	18,826	-	146,247
\$180,000 to \$209,999	1	176,440	23,343	300	200,083
\$320,000 to \$359,999	1	291,754	44,500	50	336,304
Total	3				

First year of operation and so no comparable figures available.

1. This table reports substantive senior executives who received remuneration during the reporting period.
2. Reportable salary includes the following:
 - a) gross payments (no bonuses have been paid)
 - b) reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes)
 - c) exempt foreign employment income; and
 - d) salary sacrifice benefits

3. The contributed superannuation amount is the cost to the entity for the provision of superannuation benefits to substantive senior executives in the reporting period.
4. Reportable allowances are the actual allowances paid as per the total allowances line in individuals' payment summaries.

NOTE 11C: AVERAGE ANNUAL REPORTABLE REMUNERATION PAID TO OTHER HIGHLY PAID STAFF DURING THE REPORTING PERIOD

The Authority has no other highly paid staff with total reportable remuneration in excess of \$180 000.

Note 12: Authority Member Remuneration

NOTE 12: AUTHORITY MEMBER REMUNERATION

					2013
Average annual reportable remuneration	Authority members	Reportable Salary	Contributed Super-annuation	Reportable Allowances	Total reportable remuneration
	No.	\$	\$	\$	\$
Total remuneration					
(Including part-time arrangements)					
Chair	1	58,953	5,306	-	64,259
Members	7	31,834	3,020	-	34,855
Total	8				

Note: this is an additional disclosure and not required by Finance Minister's Orders

First year of operation and so no comparable figures are available

Authority Members remuneration and sitting fees are set by Remuneration Tribunal Determinations

1. This table reports Authority members who received remuneration during the reporting period.
2. Each row is an averaged figure based on the headcount for individuals in that category.
3. Reportable salary includes the following:

a) gross payments (no bonuses have been paid);

b) reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes);

c) exempt foreign employment income; and

d) salary sacrifice benefits.

4. The contributed superannuation amount is the cost to the entity for the provision of superannuation benefits to members in the reporting period.

5. Reportable allowances are the actual allowances paid as per the total allowances line in individuals' payment summaries.

Note 13: Remuneration of Auditors

NOTE 13: REMUNERATION OF AUDITORS

Financial statement audit services were provided free of charge to the Authority by the Australian National Audit Office (ANAO).	\$'000
The fair value of the services provided was:	50
	<u>50</u>

Note 14: Financial Instruments

NOTE 14A: CATEGORIES OF FINANCIAL INSTRUMENTS

	2013
	\$'000
Financial Assets	
Receivables:	
Cash and cash equivalents	96
Trade receivables	467
Total carrying amount of financial assets	<u>563</u>
Financial liabilities	
At amortised cost:	
Other liabilities	
Payables - suppliers	327
Carrying amount of financial liabilities	<u>327</u>

NOTE 14B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS

There is no income or expense from financial assets in the period ended 30 June 2013.

NOTE 14C: NET INCOME AND EXPENSE FROM FINANCIAL LIABILITIES

There is no income or expense from other financial liabilities in the period ended 30 June 2013.

NOTE 14D: FAIR VALUE OF FINANCIAL INSTRUMENTS

There are no financial instruments held at 30 June 2013 where the carrying amount is not a reasonable approximation of fair value.

NOTE 14E: CREDIT RISK

The Authority is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total of trade receivables (2013: \$466 658). The Authority has assessed that there is no risk of default on payment.

The Authority’s credit risk is reduced as it mainly deals with other government agencies.

The Authority holds no collateral to mitigate against credit risk.

No financial instruments were impaired in 2013.

AGEING OF FINANCIAL ASSETS THAT WERE PAST DUE BUT NOT IMPAIRED FOR 2013

	2013				
	0 to 30 days	31 to 60 days	60 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables for goods and services	-	-	10	-	10
Total	-	-	10	-	10

NOTE 14F: LIQUIDITY RISK

The Authority's financial liabilities are payables. The exposure to liquidity risk is based on the notion that the Authority will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Authority (eg. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The Authority is appropriated funding from the Australian Government. The Authority manages its budgeted funds to ensure it has adequate funds to meet payments as

they fall due. In addition, the Authority has policies in place to ensure timely payments are made when due and has no past record of default.

All financial liabilities mature within one year.

The Authority has no derivative financial liabilities in either the current or prior year.

NOTE 14G: MARKET RISK

The Authority holds basic financial instruments that do not expose the Authority to certain market risks.

The Authority is not exposed to currency risk, other price risk or interest rate risk.

Note 15: Financial Assets Reconciliation

	2013
	\$'000
Financial Assets	
Total financial assets per balance sheet	1,561
Less: non-financial instrument components:	
Appropriations receivable	967
GST Receivable form the Australian Taxation Office	15
Total non-financial instruments components	982
Total financial assets as per financial instrument note	579

Note 16: Appropriations

TABLE A: ANNUAL APPROPRIATIONS ('RECOVERABLE GST' EXCLUSIVE)

2013 Appropriations	Appropriation Act		FMA Act		Total Appropriation	Appropriation applied in 2013 (current and prior years)	Variance
	Annual Appropriation	Appropriation Reduced	Section 30	Section 31			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Ordinary annual services	6,206	-	-	105	6,311	5,380	931
Other Services Equity	-	-	-	-	-	-	-
Total departmental	6,206	-	-	105	6,311	5,380	931

(a) Appropriations reduced under *Appropriation Acts (No.1,3,5) 2012-13*: sections 10, 11, 12 and 15 and under *Appropriation Acts (No.2,4,6) 2012-13*: sections 12,13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

(b) Unapplied 2012-13 appropriations will be applied to meeting the future settlement of current period expenses and provisions. As at 30 June 2013 these included employee provisions, salary accrual and net creditor accruals.

**TABLE B: UNSPENT DEPARTMENTAL ANNUAL APPROPRIATIONS
(RECOVERABLE GST EXCLUSIVE)**

	2013
	\$'000
Appropriation Act (No.1) 2012-13	967
Total as at 30 June	967

During 2012-13 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The Authority will review its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. The Authority has determined that there is a low risk of the certain circumstances mentioned in the legal advice applying to the department. The Authority is not aware of any specific breaches of Section 83 in respect of these items.

The Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* (2012) 288 ALR 410, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

Note 17: Compensation and Debt Relief

Departmental

No 'Act of Grace' payments were expensed during the reporting period.	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> .	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period.	
No ex gratia payments were provided for during the reporting period.	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period.	-

Note 18: Reporting of Outcomes

NOTE 18A: NET COST OF OUTCOME DELIVERY

	2013
	\$'000
OUTCOME 1	
Departmental	
Expenses	6,403
Other own-source income	366
Net cost of outcome delivery	6,037

Note 19: Net Cash Appropriation Arrangements

NOTE 19: NET CASH APPROPRIATION ARRANGEMENTS

Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations ¹	363
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	230
<i>Total comprehensive income – as per the Statement of Comprehensive Income</i>	<hr/> 133 <hr/>

¹ From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expense ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.



APPENDIX B

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APPENDIX B LIST OF REQUIREMENTS

REFERENCE	DESCRIPTION	REQUIREMENT	PAGE
8(3) & A.4	Letter of transmittal	Mandatory	
A.5	Table of contents	Mandatory	
A.5	Index	Mandatory	
A.5	Glossary	Mandatory	
A.5	Contact officer(s)	Mandatory	
A.5	Internet home page address and internet address for report	Mandatory	
9	Review by CEO		
9(1)	Review by CEO	Mandatory	
9(2)	Summary of significant issues and developments	Suggested	
9(2)	Overview of department's performance and financial results	Suggested	
9(2)	Outlook for following year	Suggested	Not applicable
9(3)	Significant issues and developments - portfolio	Portfolio departments - suggested	Not applicable
10	Agency Overview		
10(1)	Role and functions	Mandatory	
10(1)	Organisational structure	Mandatory	
10(1)	Outcome and program structure	Mandatory	
10(2)	Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	Not applicable
10(3)	Portfolio structure	Portfolio departments - mandatory	Not applicable
11	Report on Performance		
11(1)	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	
11(2)	Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	
11(2)	Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory	Not applicable
11(2)	Narrative discussion and analysis of performance	Mandatory	
11(2)	Trend information	Mandatory	Not applicable

11(3)	Significant changes in nature of principal functions/ services	Suggested	Not applicable
11(3)	Performance of purchaser/ provider arrangements	If applicable, suggested	Not applicable
11(3)	Factors, events or trends influencing departmental performance	Suggested	Not applicable
11(3)	Contribution of risk management in achieving objectives	Suggested	Not applicable
11(4)	Social inclusion outcomes	If applicable, mandatory	Not applicable
11(5)	Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	Not applicable
11(6)	Discussion and analysis of the department's financial performance	Mandatory	
11(7)	Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations	Mandatory	Not applicable
11(8)	Agency resource statement and summary resource tables by outcomes	Mandatory	
12	Management and Accountability		
	Corporate Governance		
12(1)	Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines	Mandatory	
12(2)	Statement of the main corporate governance practices in place	Mandatory	
12(3)	Names of the senior executive and their responsibilities	Suggested	
12(3)	Senior management committees and their roles	Suggested	
12(3)	Corporate and operational planning and associated performance reporting and review	Suggested	
12(3)	Approach adopted to identifying areas of significant financial or operational risk	Suggested	
12(3)	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	
12(3)	How nature and amount of remuneration for SES officers is determined	Suggested	
	External Scrutiny		
12(4)	Significant developments in external scrutiny	Mandatory	
12(4)	Judicial decisions and decisions of administrative tribunals	Mandatory	
12(4)	Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	

	Management of Human Resources		
12(5)	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	
12(6)	Workforce planning, staff turnover and retention	Suggested	
12(6)	Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	
12(6)	Training and development undertaken and its impact	Suggested	
12(6)	Work health and safety performance	Suggested	
12(6)	Productivity gains	Suggested	Not applicable
12(7)	Statistics on staffing	Mandatory	
12(8)	Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	
12(9) & B	Performance pay	Mandatory	
12(10)-(11)	Assessment of effectiveness of assets management	If applicable, mandatory	
12(12)	Assessment of purchasing against core policies and principles	Mandatory	
12(13)-(24)	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	
12(25)	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	
12(26)	Contracts exempt from the AusTender	Mandatory	
13	Financial Statements	Mandatory	
	Other Mandatory Information		
14(1) & C.1	Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory	
14(1) & C.2	Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	

14(1) & C.3	Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	
14(1)	Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	Not applicable
14(2) & D.1	Grant programs	Mandatory	
14(3) & D.2	Disability reporting – explicit and transparent reference to agency level information available through other reporting mechanisms	Mandatory	
14(4) & D.3	Information Publication Scheme statement	Mandatory	
14(5) & D.4	Spatial reporting – expenditure by program between regional and non-regional Australia	If applicable, mandatory	Not applicable
14(6)	Correction of material errors in previous annual report	If applicable, mandatory	Not applicable
E	Agency Resource Statements and Resources for Outcomes	Mandatory	
F	List of Requirements	Mandatory	

GLOSSARY

TERM	MEANING
AusTender	AusTender provides centralised publication of Australian Government business opportunities, annual procurement plans, multi-use lists and contracts awarded by government agencies.
Authority Members	The Authority comprises eight part-time members, and an ex-officio member, the Chief Scientist. Members are appointed by the Climate Change Minister under s18 of the <i>Climate Change Authority Act 2011</i> .
Caps	Can refer to emissions caps or carbon pollution caps. The year-by-year limit on emissions from sources covered by the carbon pricing mechanism ('covered emissions').
Targets and Progress Review	The Climate Change Authority is conducting the Targets and Progress Review. The Review will recommend emissions reduction targets for Australia and report on how we are tracking towards these targets. The Authority is required to report to the Government by 28 February 2014.
Carbon Farming Initiative	An Australian carbon offset scheme that credits emissions reductions from certain sources that are not covered by the carbon pricing mechanism, such as forestry and agriculture.
Carbon pricing mechanism	The carbon pricing mechanism creates a price on emissions by requiring large emitters to report on, and surrender emissions units for, their covered emissions. The mechanism is put in place by the <i>Clean Energy Act 2011</i> and related legislation, and commenced operation on 1 July 2012.
Climate Change Authority	Established on 1 July 2012, the Climate Change Authority provides independent advice on the operation of Australia's carbon price, emissions reduction targets, caps and trajectories, and other Australian Government climate change initiatives.
Clean Energy Regulator	The Clean Energy Regulator is an independent statutory authority that administers regulatory schemes relating to clean energy, including the Renewable Energy Target, the Carbon Pricing Mechanism, the National Greenhouse and Energy Reporting scheme and the Carbon Farming Initiative.
Department of Climate Change and Energy Efficiency	The former Department of Climate Change and Energy Efficiency led the development and coordination of Australia's climate change and energy efficiency policy.
Department of Climate Change and Energy Efficiency Enterprise Agreement 2010-2013	The former Department of Climate Change and Energy Efficiency's collective agreement which sets the terms and conditions of employment for all non-SES Authority staff.
Department of Innovation, Industry, Climate Change, Science, Research and Tertiary Education	The former Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education.
Emissions Reduction Target	Australia's goal for national emissions in a specific year.

Emissions Trading Scheme	A market-based approach to reducing emissions that places a limit on emissions allowed from all sectors covered by the scheme. Emissions trading allows entities to trade emissions units with other entities. In general, trading can occur at the domestic, international and intra-company levels.
Gigawatt hours	A measure of electricity generation / use over a period of time (or energy).
Large-scale Renewable Energy Target	The Large-scale Renewable Energy Target encourages the deployment of large-scale renewable electricity projects such as wind farms.
Mitigation	A reduction in the source of, or enhancement of the sinks for, greenhouse gases.
National emissions budget	Australia's cumulative emission allowance over a period of time, referred to in the <i>Clean Energy Act 2011</i> .
National Greenhouse and Energy Reporting Scheme	The National Greenhouse and Energy Reporting Scheme introduced in 2007 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.
National emissions trajectory	Australia's year-by-year pathway to its target. The trajectory provides the starting point for calculating annual caps.
Partial Exemption Certificates	The <i>Renewable Energy (Electricity) Act 2000</i> (Cth) and the <i>Renewable Energy (Electricity) Regulations 2001</i> include provisions to provide partial exemption from Renewable Energy Target liability for electricity used in defined emissions-intensive trade-exposed activities. To obtain an exemption, prescribed persons may apply to the Clean Energy Regulator for a partial exemption certificate.
Remuneration Tribunal	The Remuneration Tribunal is an independent statutory authority established under the <i>Remuneration Tribunal Act 1973</i> (the Act). It sets the remuneration for key commonwealth Offices.
Renewable Energy Target	The Renewable Energy Target operates in two parts - the Small-scale Renewable Energy Scheme and the Large-scale Renewable Energy Target.
Renewable Energy Target review	The Climate Change Authority's review of the Renewable Energy Target. The review is defined in Section 162 of the <i>Renewable Energy (Electricity) Act 2000</i> (Cth).
Small-scale Renewable Energy Scheme	The Small-scale Renewable Energy Scheme supports the installation of small-scale systems, including solar photovoltaic systems and solar water heaters and small generation units.

ABBREVIATIONS

ABBREVIATION	
Act	The <i>Climate Change Authority Act 2011</i>
Authority	Climate Change Authority
ANU	Australian National University
APS	Australian Public Service
CEO	Chief Executive Officer of the Climate Change Authority
CER	The Clean Energy Regulator
CO ₂	Carbon dioxide
CO ₂ -e	Carbon dioxide equivalent
Cth	The Commonwealth
DCCEE	The Department of Climate Change and Energy Efficiency
DIICSRTE	The Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education
EEGO	The Commonwealth's Energy Efficiency in Government Operations
FOI Act	<i>Freedom of Information Act 1982</i> (Cth)
GST	Goods and Services Tax
IPS	Information Publication Scheme
KPMG	KPMG International
LRET	Large-scale Renewable Energy Target
MRET	Mandatory Renewable Energy Target
NGER	National Greenhouse and Energy Reporting system
GWh	Gigawatt hours
RBA	Reserve Bank of Australia
REE Act	<i>Renewable Energy (Electricity) Act 2000</i> (Cth)
REE Regulations	<i>Renewable Energy (electricity) Regulations 2000</i> (Cth)
RET	Renewable Energy Target
SES	Senior Executive Service
SRES	Small-scale Renewable Energy Scheme
WHS	Work Health Safety

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