



Australian Government
Climate Change Authority

CLIMATE CHANGE AUTHORITY ANNUAL REPORT 2015-16



ABOUT THIS REPORT

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

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

Contact us

If you have any queries about this report, please contact:

Business Manager
Climate Change Authority
GPO Box 787
CANBERRA ACT 2600

Internet: www.climatechangeauthority.gov.au

Email: enquiries@climatechangeauthority.gov.au

Telephone: +61 2 6274 2400

ABN: 60 585 018 782

ISBN: 978-0-9925422-76

Published by the Climate Change Authority

www.climatechangeauthority.gov.au

©Commonwealth of Australia 2016

This work is licensed under the Creative Commons Attribution 3.0 Australia Licence. To view a copy of this license, visit <http://creativecommons.org/licenses/by/3.0/au>.

The Climate Change Authority asserts the right to be recognised as author of the original material in the following manner:



©Commonwealth of Australia (Climate Change Authority) 2016.

IMPORTANT NOTICE—PLEASE READ

This document is produced for general information only and does not represent a statement of the policy of the Commonwealth of Australia. The Commonwealth of Australia and all persons acting for the Commonwealth preparing this report accept no liability for the accuracy of or inferences from the material contained in this publication, or for any action as a result of any person's or group's interpretations, deductions, conclusions or actions in relying on this material.



Australian Government
Climate Change Authority

The Hon Josh Frydenberg, MP
Minister for the Environment and Energy
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to provide you with the Climate Change Authority's annual report for the financial year 2015-16.

This document has been prepared in accordance with subsections 56(1), 56(2) and 56(3) of the *Climate Change Authority Act 2011*; sections 63 and 70 of the *Public Service Act 1999* and section 46 of the *Public Governance, Performance and Accountability Act 2013*. I certify that all of the requirements have been addressed.

In accordance with section 10 of the Public Governance, Performance and Accountability Rule 2014, 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 and reporting mechanisms that meet the specific needs of the agency.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Shayleen Thompson', with a long horizontal flourish extending to the right.

Shayleen Thompson
A/g Chief Executive Officer

14 October 2016

CONTENTS

1.	Members of the Climate Change Authority	5
2.	Chief Executive Officer's review	10
3.	About the Climate Change Authority	13
3.1	Functions of the Authority	13
3.2	Organisational structure	13
3.3	Role and purpose	14
3.4	Outcome and programme structure	14
4.	Annual performance statement	17
4.1	Introductory statement	17
4.2	Purpose	17
4.3	Programme 1.1 Deliverables	17
4.4	Programme 1.1 Delivery strategy—special review	18
4.5	Report on performance	18
4.6	Result against performance criteria	20
4.6.1	Criterion one:	20
4.6.2	Criterion two:	20
4.7	Analysis of performance against purpose	21
5.	Management and accountability	23
5.1	Corporate governance	23
5.1.1	Risk management	23
5.1.2	Fraud control	24
5.1.3	Assets and asset management	24
5.1.4	Shared services	24
5.1.5	Internal audit	25
5.1.6	External scrutiny	25
5.1.7	Freedom of information	25
5.1.8	Ecologically sustainable development and environmental performance	25
5.2	Financial overview	26
5.2.1	Financial performance	26
5.2.2	Resource statement 2015-16	26
5.2.3	Purchasing	27
5.2.4	Consultancies	27
5.2.5	Advertising and market research	28
5.2.6	Grant programmes	28

5.3	Management of human resources	28
5.3.1	Staffing statistics	28
5.3.2	Remuneration for CEO and senior executive service	29
5.3.3	Remuneration for Authority chair and members	29
5.3.4	Employment arrangements	30
5.3.5	Consultative arrangements	30
5.3.6	Performance management	30
5.3.7	Learning and development	30
5.3.8	Work health and safety	31
5.3.9	Employee assistance programme	31
5.3.10	Workplace diversity	31
5.3.11	Disability reporting	31
Appendix A Audited financial statements		33
Appendix B List of requirements		63
Glossary		69
Abbreviations		71
Index		73
Figures		
Figure 1:	Authority organisational structure	14
Tables		
Table 5.1:	Audit Committee membership	25
Table 5.2:	Resource statement 2015-16	26
Table 5.3:	Climate Change Authority staff numbers by classification, gender and employment status, 30 June 2016	29
Table 5.4:	Climate Change Authority salary structures, 30 June 2016	29
Table 5.5:	Remuneration of Climate Change Authority members, 30 June 2016	30



1

MEMBERS OF THE CLIMATE CHANGE AUTHORITY



CHAIR: DR WENDY CRAIK

Dr Wendy Craik commenced as Chair of the Authority on 1 May 2016 for a term of five years. Dr Craik was a member of the Authority from 12 October 2015 to 30 April 2016.

Dr Craik has over 25 years experience in senior roles in public policy, including as Commissioner at the Productivity Commission, Chief Executive of the Murray-Darling Basin Commission (MDBC), President of the National Competition Council (NCC), Chair of the Australian Fisheries Management Authority (AFMA), Executive Director of the National Farmers' Federation (NFF) and Executive Officer of the Great Barrier Reef Marine Park Authority (GBRMPA). She has been a director on a number of boards. She is currently Chair of the Australian Rural Leadership Foundation, Deputy Chancellor at the University of South Australia, Chair of the NSW Marine Estate Management Authority, and Chair of the NESP Climate Science and Earth Systems Hub Steering Committee.

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



EX OFFICIO MEMBER AND CHIEF SCIENTIST: DR ALAN FINKEL

The Chief Scientist is an ex officio member of the Climate Change Authority.

Dr Alan Finkel began his three-year term as Chief Scientist on 1 January 2016.

Dr Finkel is a prominent engineer, respected neuroscientist, successful entrepreneur and philanthropist with a personal commitment to innovation and commercialisation. He has held positions as the Chancellor of Monash University and President of the Australian Academy of Technological Sciences and Engineering.



MR STUART ALLINSON

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

Mr Allinson's career has predominantly focused on the energy sector, as a manager, consultant and company director in Australasia and Europe. He was appointed Chief Executive Officer of BidEnergy Pty Ltd when it was established in 2012 and continues in that role. With headquarters in Melbourne, BidEnergy is a cloud-based platform helping multi-site organisations control their energy spend locally and globally.

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

Mr Allinson's early career was in oil and gas exploration and production. He later specialised in energy and environmental market deregulation. In 1997, he immigrated to Australia to work with Ernst & Young as an energy market specialist, consulting to governments, regulators and businesses involved with market reform. Subsequently, he co-founded Exigency Management Pty Ltd, a specialist energy and environmental advisory firm.



MS KATE CARNELL

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

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

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

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

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

Ms Carnell served as Chief Minister of the ACT from 1995 to 2000. She was appointed as an Officer of the Order of Australia in 2006 for her services to community through contributions to economic development and support for the business sector, knowledge industries, the medical sector and medical technology advances.



PROFESSOR CLIVE HAMILTON

Professor Clive Hamilton was appointed as a member of the Authority on 1 July 2012 for a term of five years. He 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 Australian National University (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 Programme in the Economics of Development at ANU, and then joined the Australian Public Service, first with the Bureau of Industry Economics and then at 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 Cambridge and the University of Oxford. In 2009, he was made a Member of the Order of Australia.



PROFESSOR DAVID KAROLY

Professor David Karoly was appointed as a member of the Authority on 1 July 2012 for a term of five years. He 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 DANNY PRICE

Mr Danny Price was appointed as a member of the Authority on 12 October 2015 for a period of five years.

Mr Price is a founder and Managing Director of economics consulting firm Frontier Economics. He is a leading expert in energy and greenhouse economics, with over 25 years experience advising governments, regulators, private utility companies and investment firms.

Mr Price specialises in power-sector modelling, power trading and hedging, industry reform, regulation, asset sales and acquisitions, and greenhouse policy. He has also led a number of major projects on energy industry regulation and reform implementation in Australia.



PROFESSOR JOHN QUIGGIN

Professor John Quiggin was appointed as a member of the Authority on 1 July 2012 for a term of five years. He is an Australian Laureate Fellow at the University of Queensland, and has held academic positions at the Australian National University (ANU), James Cook University, the University of Maryland, the University of Sydney, Johns Hopkins University and the University of Queensland, and was a board member of the Queensland Competition Authority. He obtained bachelor degrees in arts and economics and a master's degree in economics from ANU, and was awarded his PhD from the University of New England in 1988.

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.



THE HON JOHN SHARP

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

Mr Sharp has a farming and business background. His political career commenced in 1980 at the age of 25 when he was elected to the Young Shire Council. In 1984, he was elected to the federal parliament as the National Party member for Gilmore. Following redistribution in 1993, he represented the seat of Hume. Mr Sharp served 14 years in the federal parliament, and from 1987 to the end of 1997 was a member of the Coalition's front bench as Shadow Minister and then Minister for Transport and Regional Development. During his parliamentary career, he became well known and respected for his role in promoting aviation safety and was responsible for numerous reforms, including a complete rewrite of the aviation regulations. He was also responsible for the reform of Australia's railways, creating the Australian Rail Track Corporation (ARTC).

Mr Sharp is founder and director of Thenford Consulting, a high-level aviation and transport consulting company; Deputy Chairman of Australia's largest independent regional airline, Regional Express (Rex); and Chairman of Pel Air, an airfreight business and charter operator. He recently retired as a director of Airbus Group Australia Pacific, where he served from 2001-15. He was also a director of Skytraders, operating aircraft for the Australian Antarctic Division from 2005-13. He served as Federal Treasurer of the National Party from 2000-15 and was also a Director of the French/Australian Chamber of Commerce and Industry.



MR ANDREW MACINTOSH

Mr Andrew Macintosh was appointed on 1 November 2015 as an associate member of the Authority assisting with the Special Review. He served until the conclusion of the Special Review at the end of August 2016.

Mr Macintosh has degrees in law, commerce (majoring in economics, finance and accounting) and environmental management. He has expertise in environmental law and policy, particularly in relation to climate change mitigation and adaptation, property rights regimes, land use, land-use change and forestry, and environmental impact assessment and approval processes.

After graduating from Sydney University in 1997, he worked as a solicitor at Mallesons Stephens Jacques and later at Minter Ellison, where he was a member of the firm's environmental and planning practice. Later, he tutored law at several colleges at the University of Cambridge. Prior to joining the Australian National University (ANU) College of Law, he was Deputy Director of The Australia Institute and has previously worked as an environmental advisor to the Australian Democrats.

Mr Macintosh has been the Associate Director of the ANU Centre for Climate Law & Policy since 2007. He is also a fellow at the Australian Centre for Environmental Law and member of the ANU Centre for Climate Economics & Policy, ANU Climate Change Institute and ANU Energy Change Institute. He teaches postgraduate Australian Climate Law and Commonwealth Environmental Law, and supervises both PhD and Honours students.

CHIEF EXECUTIVE OFFICER'S REVIEW

2



I am pleased to present the Climate Change Authority's fourth annual report, for the financial year 2015-16.

This is the Authority's fourth year of operation and it has achieved a significant amount in that time, including:

- the first report of the Special Review on climate action that recommended future emissions reduction targets for Australia, with a draft report released in April 2015 and final report in July 2015
- a draft report in the form of an options paper for consultation on emissions reduction policies, including emissions trading schemes that could be used to meet the requirements of the Paris Agreement on climate change
- recommendations about Australia's greenhouse gas emissions reduction targets and progress towards achieving them (*Targets and Progress Review Report*, February 2014)
- two reviews of the Renewable Energy Target (December 2012 and December 2014)
- a review of the Carbon Farming Initiative (December 2014).

In addition, in 2014 the Authority conducted independent research and released papers on vehicle emissions standards, international climate action, international carbon markets and a guide to comparing countries' emissions reduction efforts.

In 2015-16, the Authority progressed its Special Review on Australia's climate policy as requested by the then Minister for the Environment. This review included reports on Australia's future emissions targets and the policies that Australia could adopt to reduce emissions, including an assessment of the various forms of emissions trading schemes. The Authority delivered its final report of this Special Review in August 2016, as well as a separate research paper that contains analysis of policies that could be used to reduce emissions in the electricity generation sector.

In its work on the Special Review, the Authority conducted independent research, including into the policies that other key countries have adopted to reduce their emissions. The secretariat consulted extensively with organisations and individuals with an interest in climate change policy. It also fulfilled its key role of supporting the Authority members and Chair, through provision of meeting papers and preparation of the Special Review reports.

In 2015-16, the Authority also progressed its modelling and analytic work on emissions policies that could be used to reduce emissions from the electricity sector. This was a substantial task, with two different economic modelling exercises and a separate peer review study conducted to assess the robustness of the modelling of the electricity sector. The Authority has been pleased with the feedback from stakeholders on this work, with many expressing the view that the modelling has been a valuable input to climate change policy development.

In all of its work, the Authority seeks to embody its core principles and values of independence, broad stakeholder engagement, excellence in research and analysis, transparency, good governance and accountability, and high-quality staff development.

The environment in which the Authority is operating has shifted significantly since its establishment in 2012 and it continues to change. During the reporting period, the Government decided to move the Authority from Melbourne to Canberra from mid-September 2016 in order to improve its operating efficiency.

During the latter half of the reporting period, the Melbourne-based secretariat staff were deciding whether or not to relocate to Canberra with the Authority. Despite this uncertainty, morale in the organisation remained high and the secretariat continued to perform strongly, developing three high-quality reports over this period.

In the 2015-16 Budget, the Authority received funding until the end of the 2016 calendar year. Government policy is to wind up the Authority after this time. This would require changes to the Authority's enabling legislation and it is unclear when this would occur.

The Authority is therefore operating in an environment of some uncertainty. It is a testament to the commitment of its members and staff that the Authority continues to produce high-quality work.

In this context, I would like to extend my grateful thanks to the Authority members, particularly the Chair, Dr Wendy Craik, and the previous acting Chair, Mr Stuart Allinson. Their engagement, guidance and expertise have added great value to our work throughout the year.

I also thank the Authority secretariat staff, all of whom demonstrated high levels of resilience, expertise and good humour in providing advice on climate change policy.



Shayleen Thompson
A/g Chief Executive Officer



3

ABOUT THE CLIMATE CHANGE AUTHORITY

3.1 FUNCTIONS OF THE AUTHORITY

The Authority was established under the *Climate Change Authority Act 2011* (the Act) and commenced operation on 1 July 2012. The Authority is an independent statutory body established to provide expert and balanced advice on climate change policy issues.

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

- the operation of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth), relating to projects to remove carbon dioxide from the atmosphere or avoid emissions of greenhouse gases; and
- the *National Greenhouse and Energy Reporting Act 2007* (Cth), relating to greenhouse gas and energy reporting.

Under section 59 of the Act, the Minister for the Environment and Energy, or either House of Parliament, may request the Authority to conduct special reviews. On 15 December 2014, the then Minister for the Environment, the Hon. Greg Hunt, MP, requested that the Authority undertake a Special Review into Australia's policies and future targets for reducing greenhouse gas emissions in the context of its international commitments and the action of other countries.

In addition to the functions listed above, the Authority can conduct independent research about matters relating to climate change (under section 11 of the Act).

The Authority reports to the Commonwealth Parliament through the Minister for the Environment and Energy.

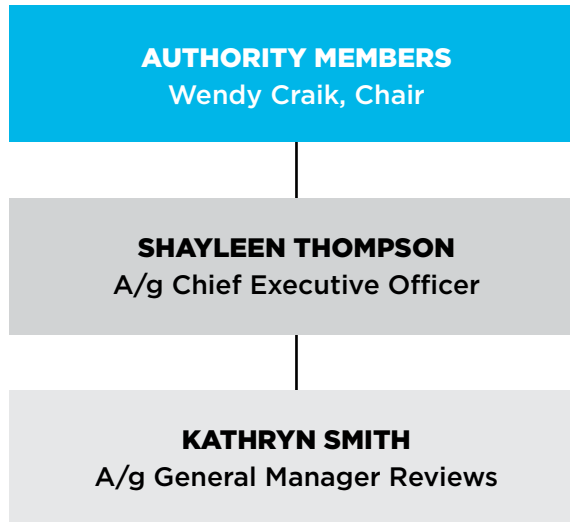
3.2 ORGANISATIONAL STRUCTURE

The Authority's organisational structure is outlined in Figure 1. A fully constituted Authority comprises a Chair and seven part-time members, plus an ex officio member—Australia's Chief Scientist. Members are appointed by the Minister for the Environment and Energy under section 18 of the Act. In 2015-16, five new members were appointed to the Authority including a new Chair, Dr Wendy Craik. The Minister also appointed an Associate Member, Mr Andrew Macintosh, for the duration of the Special Review.

Authority members are supported by the Chief Executive Officer (CEO) and Authority staff, known as the Authority's secretariat. The CEO is responsible for the day-to-day administration of the Authority. The Authority has an acting CEO, Ms Shayleen Thompson, who is appointed until 30 June 2017. In 2015-16, Ms Thompson was supported by an acting General Manager Reviews, Ms Kathryn Smith.

The Authority has established structures, systems and processes in place to ensure that its governance, compliance and accountability responsibilities are met (see Chapter 5).

.....
FIGURE 1: CLIMATE CHANGE AUTHORITY ORGANISATION CHART AS AT 30 JUNE 2016



3.3 ROLE AND PURPOSE

The Authority's role is to provide independent, relevant, insightful and practical advice to the Minister for the Environment and Energy and the Australian Parliament on climate change policy by undertaking reviews based on research and analysis.

The Authority will do this by conducting regular and specifically commissioned reviews, and by undertaking climate change research.

3.4 OUTCOME AND PROGRAMME STRUCTURE

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

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

BOX 1: OUTCOMES AND PERFORMANCE INFORMATION**Outcome description**

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

Outcome strategy

The Authority is delivering independent expert advice on climate change mitigation initiatives, with a focus on undertaking the Special Review requested by the then Minister for the Environment under Part 3 of the Act.

In 2015-16, the Authority will undertake stakeholder engagement, research and analysis to inform its Review reports, including a draft report on emissions trading schemes (to be released by 30 November 2015) and a final Review report on implementing Australia's international climate change obligations (to be released by 30 June 2016).

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



ANNUAL PERFORMANCE STATEMENT

4

4.1 INTRODUCTORY STATEMENT

This report outlines the 2015-16 annual performance statements for the Climate Change Authority, as required under section 39(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 16F of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). These annual performance statements are based on properly maintained records, accurately reflect the performance of the entity and comply with section 39(2) of the PGPA Act.

4.2 PURPOSE

The Authority's purpose is to provide expert advice to the Commonwealth Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research (Portfolio Budget Statement Outcome 1).

4.3 PROGRAMME 1.1 DELIVERABLES

Undertake a Special Review into Australia's policies and future targets for reducing greenhouse gas emissions in the context of its international commitments and the action of other countries, including:

- a draft report on an emissions trading scheme for public consultation by 30 November 2015 (Report Two)
- a final report, by 30 June 2016, recommending the action Australia should take to implement the outcomes of the United Nations climate change conference in Paris in December 2015 (Report Three).

The first report of the Special Review that recommended emissions reduction targets for Australia was released in April 2015.

No other reviews were requested of the Authority during 2015-16.

Source: Programme 1.1, 2015-16 Portfolio Budget Statement, p. 169; *Corporate Plan 2013-15*, p. 10

4.4 PROGRAMME 1.1 DELIVERY STRATEGY—SPECIAL REVIEW

The Authority will deliver on the terms of reference for the Special Review by preparing high-quality reports on time by:

- Undertaking thorough policy development and analysis, including
 - Desktop research and analysis into the advantages and disadvantages of emissions trading schemes, the emissions reductions targets and policies of other countries and other emission reduction policies.
 - In-depth analysis into emissions reductions opportunities into the electricity sector—this research includes modelling a range of policies for reducing electricity sector emissions, commissioning other analytical work (for example, economic modelling) to assess emissions reduction potential, costs and opportunities.
 - Conducting meaningful and transparent consultation with experts and stakeholders, including business, industry, environment and other community groups.
 - Monitoring developments in climate change policy by reviewing publicly available resources and building networks with expert, local and international organisations.

The Authority secretariat will facilitate the Authority's decision-making by:

- Arranging regular (monthly) meetings of the Authority.
- Providing briefing and other supporting documentation that are fit-for-purpose and high-quality.

Source: *Corporate Plan 2015-16*, p. 10.

4.5 REPORT ON PERFORMANCE

The Authority worked on the Special Review during the reporting period. It released a draft report on Australia's climate policy options, including various types of emissions trading schemes for consultation, on 30 November 2015, as required by the terms of reference for the Special Review.

The *Special Review Second Draft Report: Australia's climate policy options* (Report Two) took the form of an options paper for consultation, and focused on Australia's policy options to meet its emissions reduction target for the Paris Agreement on climate change. As required by the Special Review's terms of reference, the report considered the experiences of other key countries (including the USA, China, the Republic of Korea and the European Union) with emissions trading schemes or similar policies. The options paper also provided a framework for evaluating policies as a basis for consultation with business, community organisations and other stakeholders. The evaluation framework was based on three key principles—cost-effectiveness, environmental effectiveness and equity. As also required by the terms of reference, the report examined how climate policy can affect international competitiveness.

The Authority sought feedback on the framework and policy options canvassed in the options paper to inform its third and final report of the Special Review.

The Authority invited submissions from stakeholders on the policies Australia should use to meet its emissions reduction targets and received 71 submissions from a range of stakeholders, including environment organisations, business organisations, corporations and individuals.

Early in 2016, the Authority held a range of meetings with many of these stakeholders to consult on Report Two. As part of this consultation activity, the Authority conducted a webinar in February 2016, and about 70 individuals and representatives of stakeholder organisations participated. In the same month, the acting CEO Shayleen Thompson presented on Report Two at an event organised by the Grattan Institute.

During the reporting period, economic modelling and analytic work to inform the Authority's research on policies that could be used to reduce emissions in the electricity generation sector continued, and a research paper was planned for release in late April 2016. The modelling included partial equilibrium modelling of the electricity generation sector to test the performance of various emissions reduction policies in achieving ambitious emissions reductions in that sector. Computational general equilibrium (CGE) modelling was also undertaken to examine the flow-on impacts of a subset of emissions reduction policies on the broader economy.

In its work on the electricity sector, the Authority consulted with and sought advice on the economic modelling and analysis from a number of organisations that were represented on its technical, industry and government advisory groups. These organisations included energy market regulators, electricity generators and retailers, business organisations, environment NGOs and government departments. The work on the economic modelling also included a separate peer review to test the robustness of the modelled approach (see also section 5.2.4 *Consultancies*).

As the federal election took place in early July 2016, at the request of the Authority the then Minister for the Environment, the Hon Greg Hunt, MP agreed to extend the time frame for the completion of the third and final report of the Special Review, to avoid releasing the reports in an election period. The third report of the Special Review, *Towards a Policy Toolkit: Special Review on Australia's Climate Goals and Policies*, was released at the end of August 2016, at the same time as the separate research paper *Policy Options for Australia's Electricity Supply Sector*. Given the release of these reports took place after the end of the reporting period, their effectiveness will be evaluated in the Authority's annual report for 2016-17.

During the reporting period, the secretariat arranged for 13 meetings of the Authority. Papers were prepared for these meetings. Authority members formally expressed their appreciation for the high calibre of work performed by the secretariat over this period.

4.6 RESULT AGAINST PERFORMANCE CRITERIA

Following is an assessment of the Authority's performance in conducting the Special Review.

4.6.1 CRITERION ONE:

- *The reviews conducted by the Authority are of high quality, well-received by stakeholders and used in public policy forums and discussions.*

Source: PBS, p 170.

- Report Two of the Special Review was finalised on time and released during the reporting period.
 - In general, stakeholder reaction was positive with a number of groups and individuals supporting the Authority's call for 'a fresh conversation' on climate policy.
 - A number of stakeholders supported the analytic framework the Authority used to evaluate climate policies in Report Two.
 - Some media reported that a small number of stakeholders expressed concern that the Authority had not recommended that a particular type of emissions trading scheme be implemented in Australia.
 - Authority members expressed a high degree of satisfaction with the work of the secretariat on the Special Review.
- The third and final report of the Special Review was released after the end of the reporting period, in line with the extended timeline requested by the Authority and agreed by the Minister. An evaluation of Report Three will be included in the Authority's annual report for 2016-17.

4.6.2 CRITERION TWO:

- *The public consultation processes for reviews are transparent, accessible and are highly regarded by stakeholders. The Authority's decision-making in conducting and completing reviews is independent and is perceived as independent by stakeholders.*
 - The Authority received a range of positive feedback from stakeholders on its public consultation and stakeholder engagement processes.
 - Three expert stakeholder groups (technical experts, industry and government) were set up to provide advice on the development of modelling and analysis on policies that could be used to reduce emissions from the electricity sector. A number of representatives from these groups congratulated the Authority on its approach to consultation and engagement.
 - 71 submissions on Report Two were received and the non-confidential submissions placed on the Authority's website.
 - All reports and related analysis in relation to the Special Review are available on the Authority's website.
 - Advice of the Authority's independent request to the Minister for a decision to delay the release of Report Three (and the research paper on policies to reduce emissions from electricity generation) was placed on its website before the original due date for the release of the report.
 - The Third and Final report of the Special Review contained an analysis of how the terms of reference for the review were met.

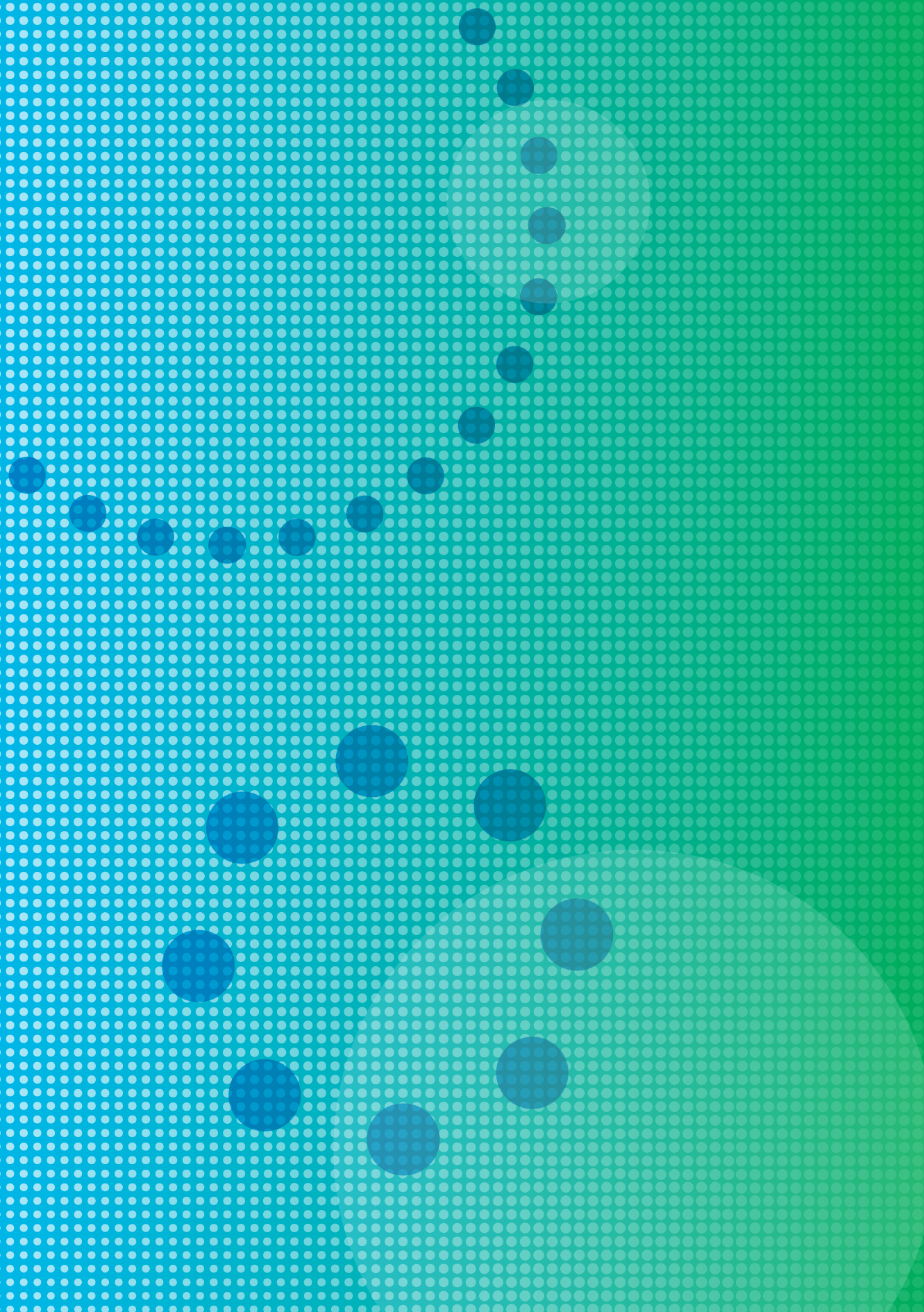
Source: PBS, p 170.

4.7 ANALYSIS OF PERFORMANCE AGAINST PURPOSE

The Authority's purpose is to provide expert advice to the Commonwealth Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research (Portfolio Budget Statement Outcome 1).

The Authority delivered on its work plan and met the terms of reference for the Special Review, noting that the third and final report was delayed to avoid the Federal election period.

Based on the analysis in 4.6 above, the Authority is considered to have performed well against its purpose, as assessed against its performance criteria.



5

MANAGEMENT AND ACCOUNTABILITY

5.1 CORPORATE GOVERNANCE

The Climate Change Authority is an independent statutory authority comprising a Chair and eight board members. For this reporting period, one associate member was appointed for the term of the Special Review. The Authority was supported by a secretariat of 16 staff at 30 June 2016.

The Authority was established as a body corporate to facilitate the independence of its activities. As with other Commonwealth bodies where a significant degree of independence is required, the Authority is subject to ministerial direction on general matters only, not on the conduct or content of its reviews.

The Authority's CEO is responsible for its day-to-day administration. During 2015-16, the acting CEO was supported by the acting General Manager Reviews and a Corporate Services Director who also serves as the Authority's Chief Financial Officer. This group comprises the Authority's executive management team.

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

The Authority's recently published third corporate plan covers the periods 2016-17 to 2019-20 and was prepared in accordance with the requirements of the PGPA Act. This plan, along with the governance, direction and compliance requirements of the PGPA Act and the Public Service Act, provides the Authority with a strong corporate governance environment.

5.1.1 RISK MANAGEMENT

The Authority recognises that effective risk management is a key element in effective governance. In 2015-16, the Authority further refined the foundation work on risk management that was undertaken in its first three years of operation. A major focus for 2015-16 was to ensure that risk management was maintained as an organisation-wide priority and to further embed Authority risk management practices.

For 2015-16, a new strategic risk management profile, policy and framework was reviewed by senior management and endorsed by the Authority's Audit Committee. The Chief Financial Officer is responsible for maintaining the Strategic Risk Profile. Individual risk action plans are maintained that identify the current risk profile, current controls and agreed management actions. The Strategic Risk Profile and risk action plans are updated and any changes in the risk profile or key risks are reported to the executive management team and Audit Committee on a regular basis.

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

5.1.2 FRAUD CONTROL

In 2015–16, the Authority continued to embed its Fraud Control Plan, covering the years 2015–17. The plan was developed to specifically comply with the requirements of the Commonwealth Fraud Control Policy and PGPA Act. 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 suspected fraud matters are required to be reported to the acting CEO and Audit Committee.

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

There were no incidents of suspected or actual fraud in 2015–16.

5.1.3 ASSETS AND ASSET MANAGEMENT

In 2015–16, the Authority managed its assets in accordance with the Accountable Authority Instructions and relevant accounting standards. All of the Authority's 'start-up' assets were procured by the then Department of Climate Change and Energy Efficiency (DCCEE). On its establishment, these assets were transferred to the Authority and represented as an equity injection in the 2012–13 annual financial statements. The assets transferred included computer desktops, office equipment, furniture and fittings. The Authority made some minor disposals of IT equipment in 2015–16.

The Authority undertook a full stocktake of its assets in June 2016—see the Authority's 2015–16 annual financial statements at

Appendix A for these results.

5.1.4 SHARED SERVICES

As a small agency, the Authority maintains agreements for the provision of corporate shared services.

As a result of machinery-of-government changes in 2013–14, the Authority updated its arrangements for the provision of these services and currently has three separate Memoranda of Understanding (MoUs). The Authority is funded until the end of the 2016 calendar year. Government policy is to wind up the Authority after this time. This would require changes to the Authority's enabling legislation and it is unclear when this would occur. The Authority is therefore operating in an environment of some uncertainty.

In 2015–16, it was decided that because of this continued uncertainty, the Authority would maintain its current systems rather than incur potentially significant costs to acquire more streamlined shared services arrangements. This decision will be revisited in 2016–17 in conjunction with the relocation to Canberra from Melbourne.

The Authority has an MoU with the Department of Industry, Innovation and Science for the provision of finance, payroll and human resources systems and support. This arrangement was put in place when the Authority was part of the Industry portfolio and has since been maintained, giving the Authority continuity for its core finance and payroll systems. The Authority has a second MoU with the Department of the Environment and Energy for corporate services support, including legal, freedom of information, media and travel services. The Authority has a third corporate service MoU with the Department of Prime Minister and Cabinet for its information technology systems and support. Each of the MoUs is performed on a fee-for-service basis.

5.1.5 INTERNAL AUDIT

The Authority's Audit Committee provides independent advice to the CEO on risk and fraud management and ensures the Authority has a strong compliance framework.

The Audit Committee met twice during the year—on 21 September 2015 and 12 February 2016.

TABLE 5.1: AUDIT COMMITTEE MEMBERSHIP

21 SEPTEMBER 2015	12 FEBRUARY 2016
Mr John Hurst (Chair)	Mr John Hurst
Ms Vicki Middleton	Ms Vicki Middleton
Ms Lily Viertmann	Ms Lily Viertmann
Mr Chris Pattas	Mr Chris Pattas
Mr Peter Kerr	Mr Peter Kerr

For 2015-16, the major business of the committee included reviewing and/or approving the Authority's governance arrangements including:

- the Strategic Risk Profile and assessment
- budget processes
- the audit plan
- the Governance Compliance Checklist
- the Certificate of Compliance.

5.1.6 EXTERNAL SCRUTINY

During 2015-16:

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

ETHICAL STANDARDS

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

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

During 2015-16, the Authority adopted a range of measures to promote ethical standards and all employees were provided with a copy of the APS Values and Code of Conduct.

5.1.7 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.

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

5.1.8 ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

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

In 2015–16, the Authority continued a range of measures contributing to ecologically sustainable measures including:

- purchasing 100 per cent green power
- providing downloadable publications on 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
- applying sustainable practices in the office aimed at reducing energy and resource consumption including:
 - mandating default two-sided printing
 - ensuring equipment such as desktop computers, photocopiers, dishwashers and printers incorporate energy efficiency features
 - recycling paper, cardboard and printer cartridges.

5.2 FINANCIAL OVERVIEW

5.2.1 FINANCIAL PERFORMANCE

The Authority met all of its financial obligations in 2015–16.

5.2.2 RESOURCE STATEMENT 2015–16

TABLE 5.2: RESOURCE STATEMENT 2015–16

AGENCY RESOURCE STATEMENT 2015–16			
	ACTUAL AVAILABLE APPROPRIATION 2015–16 ²	PAYMENTS MADE 2015–16	BALANCE REMAINING ⁴
	\$'000	\$'000	\$'000
Ordinary annual services			
Departmental appropriation 2013–14 ¹	2,470		
Carry forward 2013–14	2,470	2,470	0
Departmental appropriation 2015–16 ²	3,561	2,561	1,000
Revenue from related parties ³	53	53	0
Total ordinary annual services	3,614	2,614	1,000
TOTAL RESOURCING AND PAYMENTS	6,084	5,084	1,000

¹Appropriation Act (No. 1) 2013–14.

²Appropriation Act (No. 1) 2015–16.

³Rent received.

⁴Remaining balance will be applied to meeting the future settlement of current period expenses and provisions.

5.2.3 PURCHASING

In 2015-16, the Authority sourced all goods and services in accordance with the principles set out in the Commonwealth Procurement Rules 2014.

The Authority supports small-business participation in the Commonwealth Government procurement market. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance website: www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/. The Authority encourages greater participation by small and medium enterprises in its procurement activities by:

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

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

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

All competitive tenders and contracts over \$10,000 let by the Authority during 2015-16 were listed on AusTender.

5.2.4 CONSULTANCIES

The Authority engages consultants when specific specialist expertise is required or if there is a need for independent research, review or assessment.

Any decision to engage a consultant is made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules 2014.

During 2015-16, the Authority entered into two new consultancy contracts—one for new economic modelling and the other for a peer review of its economic modelling to support the Special Review into climate policy. The actual expenditure during the period on these two contracts was \$150,064.

In addition, the Authority had one ongoing consultancy contract for economic modelling that was entered into during a previous reporting period. During 2015-16, \$282,828 was expended on this consultancy contract.

Procurement for the above consultancies was done in accordance with the Department of Finance procurement guidelines. The economic modelling consultancy commissioned in the previous reporting period was procured through an open tender; the new economic modelling sourced in 2015-16 was procured using an open tender on a government panel and the peer review consultancy was procured using a select tender and a government panel.

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
- media advertising organisations.

During 2015–16, the Authority made no payments that were over the reportable threshold for these services and conducted no advertising campaigns.

5.2.6 GRANT PROGRAMMES

The Authority did not administer any grant programmes in 2015–16.

5.3 MANAGEMENT OF HUMAN RESOURCES

At 30 June 2016, the Authority had 16 employees, of whom 10 were ongoing and six were non-ongoing. 11 out of 16 employees were female.

The staffing profile reflects the Authority's required skills and capabilities. During 2015–16, the Authority utilised a range of employees temporarily transferred from other agencies, with specialist knowledge relevant to the review work. This assisted the Authority to deliver on its work programme in an environment of continued uncertainty.

The Authority's staff numbers declined throughout 2015–16 due to the uncertainty about the Authority's future and the planned relocation to Canberra. Staff turnover remained high in 2015–16 due to these factors, and because a number of short-term appointments drew to a close.

Ms Shayleen Thompson has acted in the position of CEO since 3 April 2015. Ms Thompson's acting position has been extended until 30 June 2017. Ms Lorena Arpke fulfilled the responsibilities of CFO throughout 2015–16.

With the planned relocation, the senior management team put a high priority on assisting staff in their decision-making about whether to move with the Authority from Melbourne to Canberra. The CEO held frequent all-staff meetings, meetings with directors and weekly meetings with the senior management team to keep staff informed about the relocation. Staff were supported through access to the employee assistance programme (see 5.3.9) and some staff were offered one-on-one coaching to help them find alternative employment. In addition, senior managers used their professional contacts to assist staff who decided to stay in Melbourne to find alternative employment. As the move to Canberra occurred after the end of the reporting period, a management analysis of the impact of the relocation will be included in the annual report for 2016–17.

In 2015–16, the Authority had no non-ongoing or ongoing employees who identified as Indigenous. The Authority has not had any employees who identify as Indigenous since its establishment in July 2012.

5.3.1 STAFFING STATISTICS

The distribution of staff by classification and employment status is shown in Table 5.3. Authority staff remuneration bands are shown in Table 5.4.

TABLE 5.3: CLIMATE CHANGE AUTHORITY STAFF NUMBERS BY CLASSIFICATION, GENDER AND EMPLOYMENT STATUS, 30 JUNE 2016

CLASSIFICATION	FEMALE		MALE		TOTAL
	Full-time	Part-time	Full-time	Part-time	
CEO	1	0	0	0	1
SES Band 1	1	0	0	0	1
Executive Level 2	1	0	2	0	3
Executive Level 1	2	0	2	0	4
APS 6	4	1	1	0	6
APS 5	1	0	0	0	1
Total	10	1	5	0	16

TABLE 5.4: CLIMATE CHANGE AUTHORITY SALARY STRUCTURES, 30 JUNE 2016

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.

One Senior Executive Service officer was employed under the Public Service Act, with the conditions of service set out under the then DCCEE SES Employment Conditions handbook. The CEO determines SES remuneration in accordance with remuneration guidelines promulgated by the then DCCEE. Further details on SES officer and CEO remuneration are at

Note 11, Appendix A.

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

5.3.3 REMUNERATION FOR AUTHORITY CHAIR AND MEMBERS

The remuneration of the Authority Chair and members is governed by section 25 of the Climate Change Authority Act. 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. Mr Andrew Macintosh is an associate member and did not receive a base fee. Dr Alan Finkel is an ex officio member of the Authority and is not remunerated for his role. Ms Kate Carnell was also appointed as a statutory office-holder in the Commonwealth during the reporting period and did not receive remuneration from the Authority after March 2016.

TABLE 5.5: REMUNERATION OF CLIMATE CHANGE AUTHORITY MEMBERS, 30 JUNE 2016

MEMBER STATUS	BASE SALARY—ANNUAL	MEETING FEES
Chair	\$56,320	\$1,076
Members	\$28,160	\$861

5.3.4 EMPLOYMENT ARRANGEMENTS

Upon establishment, the then CEO of the Authority made a determination under subsection 24(1) of the Public Service Act stating that all non-SES Authority staff were to be employed under the conditions of the *DCCEE Enterprise Agreement 2011–2014*.

SES Authority staff were employed under the Public Service Act and their conditions of service outlined in the DCCEE SES Employment Conditions handbook. In 2015–16, no non-SES staff members were employed on individual flexibility arrangements.

No employee of the Authority was employed under performance-based remuneration conditions in 2015–16.

5.3.5 CONSULTATIVE ARRANGEMENTS

An advantage of a small agency is that frequent direct consultation between management and employees is possible. This occurred on a regular basis in 2015–16, including through the CEO's all-staff meetings, weekly executive team management meetings and regular team meetings.

5.3.6 PERFORMANCE MANAGEMENT

All employees participate in the Authority's performance development framework.

The framework seeks to:

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

5.3.7 LEARNING AND DEVELOPMENT

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

The Authority has a study assistance policy that 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 Programme.

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 during 2015-16 and helped with the Authority's review programme.

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 2015-16.

During 2015-16, work health and safety initiatives included:

- Authority-funded flu vaccinations
- a flexible work policy to manage and avoid staff working excessive hours
- provision of ergonomic equipment as required.

There were no claims for injury in 2015-16 and no return-to-work programmes conducted.

5.3.9 EMPLOYEE ASSISTANCE PROGRAMME

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

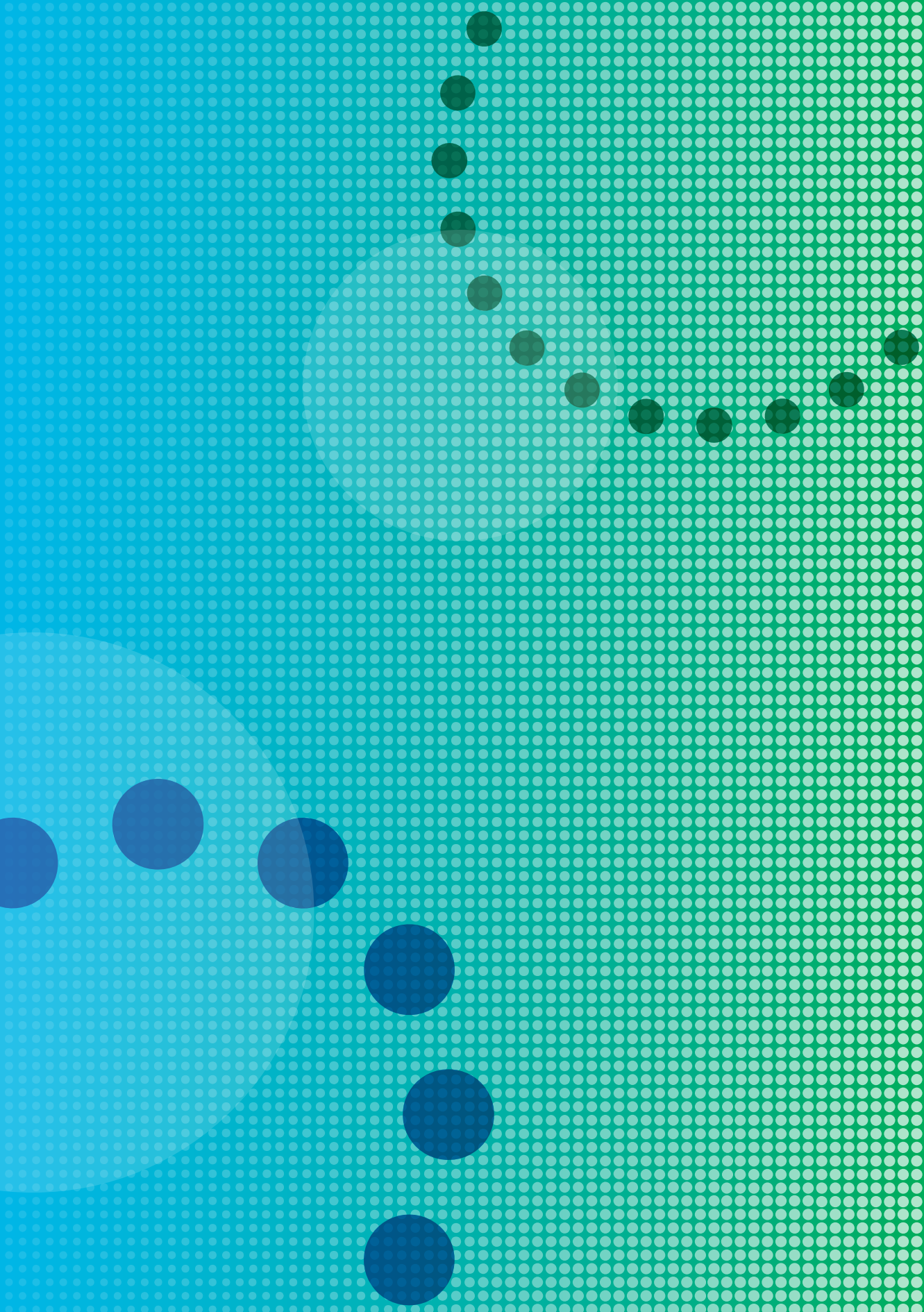
5.3.10 WORKPLACE DIVERSITY

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

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, entities have no longer been required to report on these functions.

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



APPENDIX A AUDITED FINANCIAL STATEMENTS



CONTENTS

Independent audit report	34
Statement by the Accountable Authority and Chief Financial Officer	36
Statement of comprehensive income	37
Statement of financial position	38
Statement of changes in equity	39
Cash flow statement	40
Notes to the financial statements	41



INDEPENDENT AUDITOR'S REPORT

To the Minister for the Environment and Energy

I have audited the accompanying annual financial statements of the Climate Change Authority for the year ended 30 June 2016, which comprise:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the Financial Statements.

Opinion

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

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Climate Change Authority as at 30 June 2016 and its financial performance and cash flows for the year then ended.

Accountable Authority's Responsibility for the Financial Statements

The Chief Executive Officer of the Climate Change Authority of the Climate Change Authority is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act and is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of financial statements that 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 entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, 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.

Australian National Audit Office



Peter Kerr
Executive Director
Delegate of the Auditor-General
Canberra
5 August 2016



STATEMENT BY THE ACCOUNTABLE AUTHORITY AND THE CHIEF FINANCIAL OFFICER

In our opinion, the attached Financial statements for the year ended 30 June 2016 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

Yours sincerely

A stylized, dark ink signature of Shayleen Thompson, consisting of several horizontal strokes.

A/g Chief Executive Officer
Shayleen Thompson
5 August 2016

A handwritten signature in dark ink, appearing to read "Lorena Arpke".

Chief Financial Officer
Lorena Arpke
5 August 2016

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2016

		2016	2015	ORIGINAL BUDGET
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	3A	3,265	2,589	3,125
Depreciation and amortisation	3B	280	285	280
Suppliers	3C	2,166	1,538	436
Total Expenses		5,711	4,412	3,841
Own-source revenue				
Other Revenue—Audit Services (received free of charge)		58	50	0
Revenue from Related Parties		53	3,564	0
Total own-source revenue		111	3,614	0
Net cost of services		5,600	798	3,841
Revenue from Government (Departmental Appropriation)	1.5	3,561	0	3,561
Surplus/(Deficit) attributable to the Australian Government		(2,039)	(798)	(280)
Total comprehensive income/(loss) attributable to the Australian Government		(2,039)	(798)	(280)

Budget Variances Commentary

The variance (actual being higher than budget) in supplier costs was mainly driven by an increase in contractor costs for economic modelling and higher cost than budgeted for accommodation and the inclusion of a provision for make good.

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

		2016	2015	ORIGINAL BUDGET
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial Assets				
Cash		271	378	16
Receivables	4	1,023	2,563	2,614
Total financial assets		1,294	2,941	2,630
Non-Financial assets				
Leasehold improvements	5	275	520	262
Property, plant and equipment	5	0	3	0
Intangibles	5	38	69	45
Prepayments		0	49	49
Total non-financial assets		313	641	356
Total Assets		1,607	3,582	2,986
LIABILITIES				
Payables				
Trade Creditors and accruals		125	112	46
Other payables	7	114	105	162
Total payables		239	217	208
Provisions				
Make Good Provision		120	0	0
Employee provisions	8	407	485	494
Total provisions		527	485	494
Total liabilities		766	702	702
Net Assets		841	2,880	2,284
EQUITY				
Contributed equity		1,310	1,310	1,309
Retained surplus		(469)	1,570	975
Total Equity		841	2,880	2,284

Budget Variances Commentary

The receivables variance (actual being lower than budget) relates to greater utilisation of appropriation receivable to fund higher than budgeted supplier expenses in 2015-16. The make good variance (actual being higher than budgeted) relates to the inclusion of a make good provision (refer Note 1.3) in 2015-16.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2016

	RETAINED EARNINGS		BUDGET	CONTRIBUTED EQUITY		BUDGET		TOTAL EQUITY	
	2016	2015		2016	2015	2016	2015	2016	2015
	\$'000	\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
Opening balance									
Balance carried forward from previous period	1,570	2,368	1,255	1,310	1,310	1,309	2,880	3,678	2,564
Adjusted opening balance	1,570	2,368	1,255	1,310	1,310	1,309	2,880	3,678	2,564
Comprehensive Income/(Deficit)									
Surplus/(Deficit) for the period	(2,039)	(798)	(280)	0	0	0	(2,039)	(798)	(280)
Total comprehensive income/(deficit)	(2,039)	(798)	(280)	0	0	0	(2,039)	(798)	(280)
Closing balance as at 30 June	(469)	1,570	975	1,310	1,310	1,309	841	2,880	2,284
Closing balance attributable to the Australian Government	(469)	1,570	975	1,310	1,310	1,309	841	2,880	2,284

Accounting Policy

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.

Budget Variances Commentary

The variance relates primarily to a higher than budgeted for deficit for the 2015/16 year.

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

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2016

		2016	2015	ORIGINAL BUDGET
	Notes	\$'000	\$'000	\$'000
OPERATING ACTIVITIES				
Cash Received				
Appropriations		5,031	931	3,551
Sales of goods and rendering of services		130	3,486	0
Total cash received		5,161	4,417	3,551
Cash used				
Employees		3,067	2,574	3,115
Net GST Paid		7	41	0
Suppliers		2,194	1,437	436
Total cash used		5,268	4,052	3,551
Net cash from (used by) operating activities	9	(107)	365	0
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		0	3	0
Total cash used		0	3	0
Net cash from (used by) investing activities		0	3	0
Net increase (decrease) in cash held		(107)	362	0
Cash and cash equivalents at the beginning of the reporting period		378	16	16
Cash and cash equivalents at the end of the reporting period		271	378	16

Budget Variances Commentary

The receivables variance (actual being lower than budget) relates to greater utilisation of appropriation receivable to fund higher than budgeted supplier expenses in 2016.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE DESCRIPTION

1	Overview	42
2	Events after the Reporting Period	47
3	Expenses	48
4	Receivables	50
5	Non-Financial Assets	51
6	Fair Value Measurements	52
7	Other Payables	53
8	Employee Provisions	53
9	Cash Flow Reconciliation	54
10	Contingent Assets and Liabilities	55
11	Senior Management Personnel Remuneration	56
12	Financial Instruments	57
13	Appropriations	58

NOTE 1: OVERVIEW

1.1 OBJECTIVES OF THE CLIMATE CHANGE AUTHORITY

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

The Authority is an Australian Government controlled entity and a not-for-profit entity. It is a non-corporate Commonwealth entity. The Authority's 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 a single outcome:

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

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 Authority understands that it is Government policy to wind up the entity and the 2016-17 appropriation only includes funds for operating expenses for the six months to December 2016. Consequently all liabilities in the financial statements are considered current. However the Authority's financial statements have been prepared on a going concern basis as legislation to wind up the entity was not passed by the previous Parliament and has lapsed. In addition, the Department of the Environment and Energy has provided written assurance that it will provide assistance to ensure the Authority is able to pay its debts as and when they fall due until September 2017.

The continued existence of the Authority in its present form and with its present program is dependent on Government policy (which will require the passage of legislation) and on continuing funding by Parliament for the Authority's administration and program.

The Authority has made a decision to relocate to Canberra on 16 September 2016. As a result of the relocation of the Authority to Canberra staff will relocate with the Authority, transfer to another Commonwealth Agency or elect to take a redundancy package. As a consequence of this all employee provisions are classified as current.

1.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are general purpose financial statements and are required by section 42 (2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

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

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

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

1.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the accounting policies listed in this note, the Authority has made the following judgement which has 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 fit-out 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 in 2012-13.

In 2015-16, the Authority has considered the impact of new information and new developments which influence the assessment of the Authority's lease make-good liability. In the previous year, the make-good provision was estimated as nil as it was not considered probable that there would be an outflow of resources associated with the make-good liability (AASB 137 (14)). However the new development of the Authority relocating to Canberra and continuing funding arrangements for the Authority, have caused the Authority to re-estimate the make good liability. A make-good allowance of \$120,000 has been provided based on the Authority's estimate of costs to remove all lease fit-out assets (except floor coverings) on the vacation of its premises as required by the lease. The Authority estimated the cost of the make-good by making enquiries of other entities in similar circumstances and then applying the appropriate rate per square metre to the Authority's leasehold. In accordance with AASB 108 (5), this make good allowance is not considered as a correction of a prior period error as the decision to include the make good allowance has arisen from new information and new developments.

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.

No other new standards, amendments to standards or interpretations that were issued prior to the sign-off date, and are applicable to the current reporting period, had a material financial impact, nor are they expected to have a future material 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.

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.

Appropriations receivable are recognised at their nominal amounts.

No direct appropriation funding was provided for the Authority in the 2014-15 Portfolio Budget Statements as the Authority at the time was being wound up. However, funding to support the functions of the Authority during the year ended 30 June 2015 was provided by the Department of the Environment after the Government decided that the Authority should continue for the life of the current Parliament. Funding which has been transferred from the Department of Environment has been recognised as Other Revenue.

OTHER REVENUE

Revenue from other sources is 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.

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

OTHER RESOURCES RECEIVED FREE OF CHARGE

Resources received free of charge are recognised as other revenue 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.

1.6 EMPLOYEE BENEFITS

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

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

Other long-term employee benefits are measured as the 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.

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

The Authority recognises a provision for separation and redundancy when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A contingent liability in respect to potential redundancies is identified in Note 10.

SUPERANNUATION

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

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

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

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

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.7 LEASES

The Authority only has operating leases where the lessor effectively retains substantially all risks and benefits.

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

1.8 CASH

Cash is recognised at its nominal amount. Cash includes cash on hand and demand deposits in bank accounts.

1.9 FAIR VALUE MEASUREMENT

The Authority deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period. No change in valuation technique or transfers between levels occurred during the period. The highest and best use of all non-financial assets is the same as their current value.

1.10 FINANCIAL ASSETS

RECEIVABLES

Trade receivables and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for impairment at the end of each reporting period. No financial asset was impaired at 30 June 2016 or 30 June 2015.

CREDIT RISK

The Authority is exposed to minimal credit risk as it does not hold any trade receivables. Financial assets comprise either cash or receivables from other Commonwealth entities. There is therefore no current credit risk.

MARKET RISK

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

1.11 FINANCIAL LIABILITIES

Financial liabilities are classified as "Other financial liabilities" (refer to Note 12) Financial liabilities are recognised and derecognised upon 'trade date'. Trade Creditors and accruals are expected to be settled within 12 months. The Authority had no expenses from financial liabilities in either 2015 or 2014.

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).

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 (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

All financial liabilities for 2016 and 2015 mature within one year.

1.12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported at Note 10. 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.

1.13 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.

1.14 PROPERTY, PLANT AND EQUIPMENT

ASSET RECOGNITION THRESHOLD

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, 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).

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	Depreciated replacement cost

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.

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:

	2016	2015
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 10 years	3 to 10 years

IMPAIRMENT

All assets were assessed for impairment at 30 June 2016. 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.

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.

1.15 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.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Authority's software are 5 years (2015: 5 years). All software assets were assessed for indications of impairment as at 30 June 2016.

1.16 TAXATION

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

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

There was no subsequent event that had the potential to significantly affect the financial statements for the year ended 30 June 2016.

NOTE 3: EXPENSES

NOTE 3A: EMPLOYEE BENEFITS

	2016	2015
	\$'000	\$'000
Wages and salaries	2,381	1,963
Superannuation:		
Defined contribution plans	207	154
Defined benefits plans	207	193
Leave and other entitlements	470	265
Other expenses	0	14
Total employee benefits	3,265	2,589

NOTE 3B: DEPRECIATION AND AMORTISATION

	2016	2015
	\$'000	\$'000
Depreciation:		
Leasehold improvements	245	245
Property, plant and equipment	3	22
Total depreciation	248	267
Amortisation	32	18
Total depreciation and amortisation	280	285

NOTE 3C: SUPPLIERS

	2016	2015
	\$'000	\$'000
Goods and services supplied or rendered		
Consultants	426	79
Contractors	76	94
Audit Services (received free of charge)	58	50
Travel	151	94
Administrative Services under MoU	347	350
Staffing & recruitment expenses	89	118
Property and related expenses	47	53
Make Good Allowance	120	0
Subscriptions	118	75
Other	115	84
Total goods and services supplied or rendered	1,547	997
Other supplier expenses		
Operating lease rentals—external parties:		
Minimum lease payments	567	536
Workers compensation premiums	52	5
Total other suppliers expenses	619	541
Total suppliers	2,166	1,538
Commitments payable		
Operating lease commitments		
Within one year	(711)	(684)
Between one year and five years	(59)	(770)
Total operating lease commitments	(770)	(1,454)
Total commitments payable	(770)	(1,454)
Net commitments by maturity	(770)	(1,322)

The Authority has entered into a lease arrangement for office accommodations at 90 Collins St. Melbourne for a period of five years from 15 August 2012. The lease is subject to rent reviews at a fixed rate.

NOTE 4: RECEIVABLES

	2016	2015
	\$'000	\$'000
Goods and services—related parties	1	78
Appropriations receivable for existing programs	1,000	2,470
GST/FBT receivable from the Australian Taxation Office	22	15
Total receivables	1,023	2,563

All receivables are current assets

Receivables are aged as follows:

Not overdue	1,023	2,519
Overdue by:		
31 to 60 days	0	44
Total receivables	1,023	2,563
The Authority's credit terms	30 days	30 days

NOTE 5: NON-FINANCIAL ASSETS

RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

	LEASEHOLD IMPROVEMENTS	PROPERTY, PLANT & EQUIPMENT	COMPUTER SOFTWARE PURCHASED	TOTAL
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015	520	3	69	592
Net book value	520	3	69	592
Depreciation/amortisation expense	(245)	(3)	(32)	(280)
Total as at 30 June 2016	275	0	38	313

Total as at 30 June 2016 represented by

Gross book value	1,224	54	113	1,391
Accumulated depreciation/amortisation	(949)	(54)	(75)	(1,078)
Total as at 30 June 2016	275	0	38	313

As at 1 July 2014	765	26	84	875
Net book value	765	26	84	875

Additions:

Purchase	0	0	3	3
Depreciation/amortisation expense	(245)	(22)	(18)	(285)
Disposals	0	(1)	0	(1)
Total as at 30 June 2015	520	3	69	592

Total as at 30 June 2015 represented by

Gross book value	1,224	54	113	1,391
Accumulated depreciation/amortisation	(704)	(51)	(44)	(799)
Total as at 30 June 2015	520	3	69	592

No indicators of impairment were found for leasehold improvements, property, plant and equipment and intangible assets.

NOTE 6: FAIR VALUE MEASUREMENTS

The following tables provide an analysis of assets and liabilities that are measured at fair value. The levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

NOTE 6A: FAIR VALUE MEASUREMENTS, VALUATION TECHNIQUES AND INPUTS USED

FAIR VALUE MEASUREMENTS AT THE END OF THE REPORTING PERIOD BY HIERARCHY FOR ASSETS AND LIABILITIES IN 2016						
	FAIR VALUE MEASUREMENTS AT THE END OF THE REPORTING PERIOD USING			VALUATION TECHNIQUE (S)	INPUTS USED	RANGE (weighted average)
	2016	2015	CAT: (LEVEL 1, 2 OR 3)			
	\$'000	\$'000		\$'000		
Non-financial assets						
Leasehold improvements	275	520	Level 3	Depreciated replacement cost	Cost per m ²	Approx \$829/m ²
Property, plant and equipment	0	3	Level 3	Depreciated replacement cost	Sale price of comparable assets	N/A
Total fair value measurement of assets in the statement of financial position	275	523				

The highest and best use of all non-financial assets are the same as their current use.

Recurring and non-recurring Level 3 fair value measurements—valuation processes.

The Authority intends conducting independent valuations every five years. In years where an independent valuation is not undertaken, an assessment is undertaken by management to ensure the fair value criterion is reasonable.

Recurring Level 3 fair value measurements—sensitivity of inputs.

Use of depreciable replacement costs. Fair value will only fluctuate with cost of replacement of assets, not expected to be significant.

The Authority's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

There has been no change in valuation technique during the period.

NOTE 7: OTHER PAYABLES

	2016	2015
	\$'000	\$'000
Salaries and wages	10	90
Redundancy Payment	101	0
Superannuation	1	14
Net GST and FBT payable to ATO	0	(1)
Lease liability	2	2
Total other payables	114	105

Other payables are expected to be settled in no more than 12 months

NOTE 8: EMPLOYEE PROVISIONS

	2016	2015
	\$'000	\$'000
Employee provisions are expected to be settled in:		
No more than 12 months	407	34
More than 12 months	0	441
Total employee provisions	407	485

NOTE 9: CASH FLOW RECONCILIATION

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Cash and Cash Equivalents as per:		
Cash Flow Statement	271	378
Statement of Financial Position	271	378
Discrepancy	0	0
Reconciliation of net cost of services to net cash from/(used by) operating activities:		
Net cost of services	(5,600)	(798)
Revenue from Government	3,561	0
Adjustments for non-cash items		
Depreciation/amortisation	280	285
Make good provision	120	
Movement in assets/liabilities:		
(Increase)/decrease in net receivables	1,540	855
(Increase)/decrease in prepayments	49	0
Increase/(decrease) in employee provisions	(78)	13
Increase/(decrease) in supplier payables	14	67
Increase/(decrease) in other payables	7	(57)
Net cash from/(used by) operating activities	(107)	365

NOTE 10: CONTINGENT ASSETS AND LIABILITIES

The Authority had no quantifiable contingencies at either 30 June 2016 or 2015.

As at 30 June 2016 and 30 June 2015 the Authority had one unquantifiable contingent asset arising from future entitlement to reimbursement of leave liabilities for staff transferred from other government agencies. Where staff have transferred to the Authority from another Agency an expense and a liability for their accrued leave entitlements is recognised on commencement date. However, a receivable for their accrued entitlements is not raised until the Authority can reliably measure the amount.

At 30 June 2016 the Authority had one unquantifiable contingent liability arising from its planned relocation to Canberra in September 2016. As a result of the relocation of the Authority to Canberra staff will either relocate with the Authority, transfer to another Commonwealth Agency or elect to take a redundancy package. If staff elect to relocate with the Authority or to take a redundancy package, the Authority will incur these expenses in 2016-17. The 2016-17 Appropriation includes amounts payable for redundancy packages.

The Authority had no other unquantifiable contingencies at either 30 June 2016 or 2015.

The Authority had no significant remote contingencies at either 30 June 2016 or 2015.

NOTE 11: SENIOR MANAGEMENT PERSONNEL REMUNERATION

	2016	2015
	\$'000	\$'000
Short-term employee benefits:		
Salary	513	456
Allowances	32	0
Total short-term employee benefits	545	456
Post-employment benefits		
Superannuation	79	81
Total post-employment benefits	79	81
Other long-term employee benefits:		
Annual Leave	43	49
Long service leave	20	1
Total other long-term employee benefits	63	50
Termination benefits	136	0
Total termination benefits	136	0
Total senior executive remuneration expenses	823	587

The total number of senior management personnel that are included in the table above is 2 individuals (2015:3 individuals).

NOTE 12: FINANCIAL INSTRUMENTS

	2016	2015
	\$'000	\$'000
Financial Assets		
Loans and receivables:		
Cash	271	378
Receivables	1	78
Total loans and receivables	272	456
Financial liabilities (at amortised cost)		
Trade Creditors and accruals	125	112
Total financial liabilities measured at amortised cost	125	112

	0 TO 30 DAYS	31 TO 60 DAYS	60+ DAYS	TOTAL
	\$'000	\$'000	\$'000	\$'000
Aging of financial assets that were past due but not impaired				
Receivables	1	0	0	1
Total	1	0	0	1

Refer to Note 1.10 for policy on measurement.

NOTE 13: APPROPRIATIONS

NOTE 13A: ANNUAL APPROPRIATIONS (RECOVERABLE GST EXCLUSIVE) FOR 2016

	2016 APPROPRIATIONS						APPROPRIATION APPLIED IN 2016 (CURRENT AND PRIOR YEARS) \$'000	VARIANCE (A) \$'000	SECTION 51 DETERMINATIONS \$'000
	APPROPRIATION ACT		PGPA ACT		TOTAL APPROPRIATION	APPROPRIATION			
	ANNUAL APPROPRIATION REDUCED	SECTION 74	SECTION 74	SECTION 75					
					\$'000	\$'000			
Departmental									
Ordinary annual services	3,561	0	0	0	3,561	5,031	(1,470)	0	
Total departmental	3,561	0	0	0	3,561	5,031	(1,470)	0	

- (a) Unapplied 2013–14 appropriations were applied to meet the future settlement of 2015–16 period expenses and provisions.
- (b) The balance of unapplied 2013–14 appropriations has resulted from an underspend which is a consequence of a reduced staffing complement in the second half of 2013–14 linked to the announcement of the potential abolition of the Authority. The Authority applied the carry forward funds to meet its operational needs.

NOTE 13A: ANNUAL APPROPRIATIONS (RECOVERABLE GST EXCLUSIVE) FOR 2015

	2015 APPROPRIATIONS						APPROPRIATION APPLIED IN 2015 (CURRENT AND PRIOR YEARS) \$'000	VARIANCE (A) \$'000	SECTION 51 DETERMINATIONS \$'000
	APPROPRIATION ACT		FMA ACT		TOTAL APPROPRIATION \$'000	APPROPRIATION APPLIED IN 2015 (CURRENT AND PRIOR YEARS) \$'000			
	ANNUAL APPROPRIATION REDUCED \$'000	SECTION 74 \$'000	SECTION 75 \$'000	APPROPRIATION \$'000					
Departmental									
Ordinary annual services	0	0	0	0	0	931	(931)	0	
Total departmental	0	0	0	0	0	931	(931)	0	

There were no quarantined appropriations or adjustments which met the recognition criteria of a formal addition or reduction in revenue (in accordance with FRR part 6 Div 3) but at law the appropriations had not been amended before the end of the reporting period. Refer to Note 1.5 Revenue from Government.

- (a) Unapplied 2013-14 appropriations were applied to meet the future settlement of 2014-15 period expenses and provisions and to meet operations in the absence of a 2014-15 appropriation.
- (b) The balance of unapplied 2013-14 appropriations has resulted from an underspend which is a consequence of a reduced staffing complement in the second half of 2013-14 linked to the announcement of the potential abolition of the Authority. The Authority applied the carry forward funds to meet its operational needs.

.....

**NOTE 13B: UNSPENT DEPARTMENTAL ANNUAL APPROPRIATIONS
(RECOVERABLE GST EXCLUSIVE)**

	2016	2015
	\$'000	\$'000
Appropriation Act (No.1) 2013-14	1,000	2,470
Total departmental appropriation as at 30 June	1,000	2,470





APPENDIX B

LIST OF REQUIREMENTS

B

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
17AD(g)	Letter of transmittal			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	1
17AD(h)	Aids to access			
17AJ(a)		Table of contents.	Mandatory	2-3
17AJ(b)		Alphabetical index.	Mandatory	73-77
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	69-71
17AJ(d)		List of requirements.	Mandatory	63-67
17AJ(e)		Details of contact officer.	Mandatory	INSIDE COVER
17AJ(f)		Entity's website address.	Mandatory	INSIDE COVER
17AJ(g)		Electronic address of report.	Mandatory	INSIDE COVER
17AD(a)	Review by accountable authority			
17AD(a)		A review by the accountable authority of the entity.	Mandatory	10-11
17AD(b)	Overview of the entity			
17AE(1)(a)(i)		A description of the role and functions of the entity.	Mandatory	13-14
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	13-14
17AE(1)(a)(iii)		A description of the outcomes and programmes administered by the entity.	Mandatory	14-15
17AE(1)(a)(iv)		A description of the purposes of the entity as included in corporate plan.	Mandatory	17
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments—mandatory	N/A
17AE(2)		Where the outcomes and programmes administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	17

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
17AD(c)	Report on the Performance of the entity			
Annual performance Statements				
17AD(c)(i); 16F		Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	17-21
17AD(c)(ii)	Report on Financial Performance			
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	26-28
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	26
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	N/A
17AD(d)	Management and Accountability			
Corporate Governance				
17AG(2)(a)		Information on compliance with section 10 (fraud systems)	Mandatory	24
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	24
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	24
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	24
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	23-26
17AG(2)(d)-(e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory	N/A
External Scrutiny				
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	25
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	25
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	25
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	25

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
Management of Human Resources				
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	28
17AG(4)(b)		Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as Indigenous. 	Mandatory	28-29
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	30
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AD(4)(c).	Mandatory	29
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	29-30
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	44-45
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	29
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	N/A
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	N/A
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, Mandatory	N/A
Assets Management				
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	24
Purchasing				
17AG(6)		An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	27

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
Consultants				
17AG(7)(a)		A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	27
17AG(7)(b)		A statement that “During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”.	Mandatory	27
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	27
17AG(7)(d)		A statement that “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.”	Mandatory	27
Australian National Audit Office Access Clauses				
17AG(8)		If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	N/A
Exempt contracts				
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	N/A
Small business				
17AG(10)(a)		A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory	27
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	27
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory	N/A

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
Financial Statements				
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	36-60
17AD(f) Other Mandatory Information				
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that <i>"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."</i>	If applicable, Mandatory	N/A
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	28
17AH(1)(b)		A statement that <i>"Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity's website]."</i>	If applicable, Mandatory	N/A
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	31
17AH(1)(d)		Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	25
17AH(1)(e)		Correction of material errors in previous annual report	If applicable, mandatory	N/A
17AH(2)		Information required by other legislation	Mandatory	N/A



GLOSSARY

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

TERM	MEANING
Renewable Energy Target review	The Climate Change Authority's review of the Renewable Energy Target. The review was defined in s. 162 of the <i>Renewable Energy (Electricity) Act 2000</i> . The requirement for the Authority to review the Renewable Energy Target has been repealed.
Targets and Progress Review	Recommended emissions reduction targets for Australia and reported on progress towards these targets. The Authority presented the final report to the government on 27 February 2014. The Authority's role in advising the minister on emissions reduction targets has been repealed.

ABBREVIATIONS

ABBREVIATION	
Authority	Climate Change Authority
ANU	Australian National University
APS	Australian Public Service
CEO	Chief Executive Officer of the Climate Change Authority
CER	Clean Energy Regulator
CFI	Carbon Farming Initiative
CTH	Commonwealth
DoEE	Department of the Environment and Energy
EEGO	Commonwealth's Energy Efficiency in Government Operations
ERF	Emissions Reduction Fund
FOI Act	<i>Freedom of Information Act 1982</i>
GST	Goods and Services Tax
IPS	Information Publication Scheme
LRET	Large-scale Renewable Energy Act
NGER	National Greenhouse and Energy Reporting system
RBA	Reserve Bank of Australia
REE Act	<i>Renewable Energy (Electricity) Act 2000</i>
REE Regulations	Renewable Energy (Electricity) Regulations 2000
RET	Renewable Energy Target
SES	Senior Executive Service
SRES	Small-scale Renewable Energy Scheme
WHS	Work Health Safety



INDEX

A

- abbreviations 71
- administrative tribunal decisions 25
- advertising 28
- Allinson, Stuart 6, 11
- analysis of performance against purpose 21
- Arpke, Lorena 28
- assets and asset management 24
- Audit Committee 23, 24, 25
 - members 25
- Auditor-General 25, 27
- AusTender 27
- Australian Information Commissioner 25
- Australian Public Service (APS), Values and Code of Conduct 25
- Australian Public Service Commission 25
 - APS Statistical Bulletin* 31
 - State of the Service Report* 31

B

- balance sheet 38

C

- Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth) 13
- Carnell, Kate 6, 29
- cash flow statement 40
- Chair 5, 11, 13, 23
 - remuneration 29-30
- Chief Executive Officer (CEO) 13, 19, 23, 24, 25, 28, 30, 36
 - remuneration 29
 - review 10-11
- Chief Financial Officer 23, 36
- Climate Change Authority
 - committees 23, 24, 25
 - corporate governance 23-6
 - functions 13
 - independence 23
 - members 5-9, 11, 13, 23, 29-30
 - objectives 42
 - organisational structure 13-14

- outcome 14-15
- programme structure 14
- purpose 17
- role 14
- Climate Change Authority Act 2011* 13, 15, 29, 42
- Commonwealth Disability Strategy 31
- Commonwealth Electoral Act 1918* 28
- Commonwealth Fraud Control Policy 24
- Commonwealth Ombudsman 25
- Commonwealth Procurement Rules 2014 27
- Commonwealth Risk Management Policy 23
- consultancies 27
- consultative arrangements 30
- corporate governance 23-6
- Craik, Wendy 5, 11, 13

D

- deliverables 17
- Department of Climate Change and Energy Efficiency (DCCEE) 24, 30
 - Enterprise Agreement 2011-2014* 30
 - 'start-up' assets 24
- Department of Finance 27
- Department of Industry, Innovation and Science 24
- Department of Prime Minister and Cabinet 24
- Department of the Environment and Energy 24
- disability reporting 31

E

- ecologically sustainable development and environmental performance 25-6
- electricity 26
- employee assistance program 28, 31
- employee benefits 44-5
- employment arrangements 30
- energy and resource consumption 26
- Enterprise Agreement 2011-2014* 30
- Environment Protection and Biodiversity Conservation Act 1991* 25
- equity statement 39
- ethical standards 25
- executive see senior executive
- external scrutiny 25

F

- feedback 18, 20
- financial overview 26-8
- financial performance 26
- financial statements 36-40
 - notes to 41-60
- Finkel, Alan 5, 29
- flu vaccinations 31
- fraud control 24
- Fraud Control Plan 24

Freedom of Information 25
Freedom of Information Act 1982 25

G

glossary 69-70
grant programmes 28

H

Hamilton, Prof. Clive 7
human resources management 28-31
see also staff

I

income statement 37
independence (of the Authority) 23
independent audit's report 34-5
Information Publication Scheme (IPS) 25
internal audit 25

J

judicial decisions 25

K

Karoly, Prof. David 7

L

learning and development 30-1
letter of transmittal 1
list of requirements 63-7

M

Mackintosh, Andrew 8, 13, 29
management and accountability 23-31
market research 28
members (of the Authority) 5-9, 11, 13, 23
 remuneration 29-30
memoranda of understanding (MoU) 24
Minister for Climate Change 29
Minister for the Environment 10, 15, 19
Minister for the Environment and Energy 13, 14

N

National Disability Strategy 2010-2020 31
National Greenhouse and Energy Reporting Act 2007 (Cth) 13

O

Optum 31
organisational structure 13-14
outcomes 14-15
 description 15
 strategy 15

P

- performance
 - analysis of performance against purpose 21
 - ecologically sustainable development and environmental 25–6
 - financial 26
 - results against performance criteria 20
 - statement 17–21
- Performance Development Programme 30–1
- performance management (staff) 30
- performance pay 29
- Policy Options for Australia's Electricity Supply Sector* 19
- Price, Danny 7
- Programme 1.1: Reviewing Climate Change Mitigation Policies 15
 - deliverables 17
 - delivery strategy 18
 - report on performance 18–19
- programme structure 14
- Public Governance, Performance and Accountability Act 2013* 17, 23, 24, 27, 42
- Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 42
- Public Governance, Performance and Accountability Rule 2014 17
- Public Service Act 1999* 23, 25, 29, 30
- purchasing 27
- purpose 17

Q

- Quiggin, Prof. John 8

R

- recycling 26
- relocation to Canberra 11, 24, 28, 42
- remuneration
 - members 29–30
 - senior executive 29, 56
- Remuneration Tribunal Act 1973* 29
- resource statement 26
- results against performance criteria 20
- risk management 23
- role 14

S

- Senate Standing Committee on Environment and Communications for Senate Budget and Additional Estimates 25
- senior executive 29
 - employment arrangements 30
 - remuneration 29, 56
- shared services 24
- Sharp, John 8
- small-business participation 27
- Smith, Kathryn 13
- Special Review 10
 - conduct of 13, 17

- legislative requirements 15
- performance 18-21
- Special Review Second Draft Report: Australia's climate policy options (Report Two)* 18-19, 20
- staff
 - benefits 44-5
 - consultative arrangements 30
 - disability reporting 31
 - employee assistance program 28, 31
 - employment arrangements 30
 - learning and development 30-1
 - numbers 28
 - performance management 30
 - salary 29
 - statistics 28-9
 - work health and safety 31
 - workplace diversity 31
 - see also* senior executive
- stakeholders 11, 18-19, 20
- statement of changes in equity 39
- statement of comprehensive income 37
- statement of financial position 38
- Strategic Risk Profile 23, 25
- study assistance policy 30
- sustainable practices 26

T

- Thompson, Shayleen 10-11, 13, 19, 28
- Towards a Policy Toolkit: Special Review on Australia's Climate Goals and Policies,* 19, 20
- training 30-1

W

- website 20, 25, 26
- work health and safety 31
- Work Health Safety Act 2011* 31
- workplace diversity 31

NOTES

CLIMATE
CHANGE
AUTHORITY

CLIMATE CHANGE AUTHORITY
GPO BOX 787
CANBERRA ACT 2600

FREECALL
1800 475 869

EMAIL
ENQUIRIES@CLIMATECHANGEAUTHORITY.GOV.AU

