



Australian Government
Climate Change Authority

CLIMATE CHANGE AUTHORITY

ANNUAL REPORT

2014–15



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About this report

The Climate Change Authority's annual report has been prepared in accordance with the *Requirements for Annual Reports*, approved by the Joint Committee of Public Accounts and Audit on 25 June 2015.

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

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ISBN: 978-0-9925422-5-2

Published by the Climate Change Authority

www.climatechangeauthority.gov.au

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Australian Government
Climate Change Authority

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


Dear Minister

I am pleased to provide you with the Climate Change Authority's annual report for the financial year 2014–15.

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 the July 2015 annual report requirements published by the Department of the Prime Minister and Cabinet. 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



Shayleen Thompson
A/g Chief Executive Officer

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1. MEMBERS OF THE CLIMATE CHANGE AUTHORITY

Chair: Mr Bernie Fraser

On 10 July 2011, the Prime Minister announced that Mr Bernie Fraser was to be the first Chair of the Authority. Mr Fraser has decades of experience in public economic policy and business, having served as Governor of the Reserve Bank of Australia (RBA) from 1989 to 1996 and Secretary of the Treasury from 1984 to 1989. Mr Fraser was a director of two of Australia's largest superannuation funds, AustralianSuper and Cbus, for 15 years before retiring recently. He has been Chair of ME Bank since its inception. Mr Fraser resigned as Authority Chair on 8 September 2015.

Ex officio member and Chief Scientist: Professor Ian Chubb, AC

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

Professor Clive Hamilton

Professor Hamilton holds the Vice-Chancellor's Chair and is Professor of Public Ethics at the Centre for Applied Philosophy and Public Ethics, Charles Sturt University. He holds an Arts degree from 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. For 14 years, he was the Executive Director of The Australia Institute, a progressive think tank. Before establishing The Australia Institute, Professor Hamilton taught in the Graduate Program in the Economics of Development at ANU. He then joined the Australian Public Service, first with the Bureau of Industry Economics and subsequently the Resource Assessment Commission. He also worked as a resource economist in Indonesia. Professor Hamilton has held visiting academic positions at Yale University, the University of Sydney, ANU, the University of Cambridge and the University of Oxford. He is a member of the Royal Society's Solar Radiation Management Governance Initiative.

Professor David Karoly

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

Professor John Quiggin

Professor Quiggin is an Australian Laureate Fellow at the University of Queensland. He has Bachelor degrees in Arts and Economics and a Masters of Economics, and was awarded his PhD from the University of New England in 1988. He has held academic positions at 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. 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. He 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.

2. CHIEF EXECUTIVE OFFICER'S REVIEW

I am pleased to present the Climate Change Authority's third annual report, for the financial year 2014–15.

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

- publishing the first report of the special review on climate action, which recommended future emissions reduction targets for Australia (July 2015)
- undertaking reviews of the Renewable Energy Target (RET) and Carbon Farming Initiative (CFI) (December 2014).

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 continues to change.

The Authority is funded until the end of the 2016 calendar year. Government policy is to wind up the Authority at the end of the current parliament. This would require changes to the Authority's enabling legislation and it is unclear when this could 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 has met its legislative obligations and continued to produce high-quality review reports and other products to inform climate change policy over the last year.

In this context, I would like to acknowledge the excellent leadership and work of Ms Anthea Harris, who led the Authority as Chief Executive Officer (CEO) until April 2015.

I would also like to extend my grateful thanks to the Authority members and the Chair, Mr Bernie Fraser, who resigned from the Authority in September 2015. The Authority members' engagement, guidance and expertise have added great value to our work.

I also thank the Authority secretariat staff, who continue to demonstrate high levels of resilience, expertise, good humour and the pursuit of excellence in meeting our legislative obligations and 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* 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, including Australia's emissions reduction goals.

The Authority had a number of functions as set out under the Act. These included 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 and projects to avoid emissions of greenhouse gases
- sections 76A and 76B of the *National Greenhouse and Energy Reporting Act 2007* (Cth), relating to greenhouse gas and energy reporting
- section 289 of the *Clean Energy Act 2011* (Cth) (since repealed), relating to reviewing the level of carbon pollution caps, and any indicative national emissions trajectory and national carbon budget
- section 291 of the *Clean Energy Act* (since repealed), relating to Australia's progress in achieving its medium- and long-term targets for the reduction of greenhouse gas emissions and any national carbon budget
- the Renewable Energy Target (since repealed by the *Renewable Energy (Electricity) Amendment Act 2015*), under section 162 of the *Renewable Energy (Electricity) Act 2000* (Cth).

Under section 59 of the Act, the Minister for the Environment or both Houses of Parliament may request the Authority to conduct special reviews. On 15 December 2014, the Minister requested that the Authority undertake a special review, the terms of reference for which include whether Australia should have an emissions trading scheme and any conditions for introducing such a scheme. It requires the Authority to consider whether the climate policies of other countries, including the USA, China, Japan, the Republic of Korea and the European Union are equivalent to an emissions trading scheme. The Authority must also consider what future emissions targets Australia should commit to as part of an effective and equitable global response to climate change.

In addition to the functions listed above, the Authority can conduct 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.

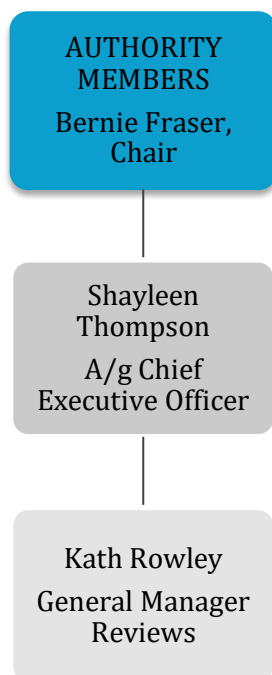
3.2. ORGANISATIONAL STRUCTURE

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 under section 18 of the *Climate Change Authority Act 2011*. For the majority of 2014–15, the Authority had a Chair plus four members, with four member vacancies.

Authority members are supported by the Chief Executive Officer (CEO) and Authority staff. The CEO is responsible for the day-to-day administration of the Authority. The Authority has an Acting CEO, Ms Shayleen Thompson, who has been appointed until 30 June 2016. Ms Thompson is supported by the General Manager Reviews, Ms Kath Rowley.

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 2015



3.3. OUTCOME AND PROGRAM STRUCTURE

The Commonwealth Government requires agencies to measure their performance in terms of outcomes. In 2014–15, the government introduced legislation into parliament to wind up the Authority and cease its operation. In line with this intention, the Authority did not receive appropriation funding in 2014–15 and there were no published outcomes for the Authority in the Portfolio Budget Statements.

However, the Authority retained some legislative obligations under the Climate Change Authority Act 2011 for the 2014–15 financial year, including statutory reviews of the RET (the Authority’s review requirement for the RET was subsequently repealed) and the CFI. These reviews were completed on time, in line with the requirements of the legislation.

In December 2014, the government agreed to retain the Authority for the life of the current parliament and provided funding until December 2016. On 15 December 2014, the Minister for the Environment requested the Authority undertake a special review under Part 3 of the Climate Change Authority Act 2011.

Box 1 OUTCOMES AND PERFORMANCE INFORMATION

OUTCOME DESCRIPTION

Provide expert advice to the Australian Government on climate change mitigation initiatives, including the level of carbon pollution caps, the Carbon Farming Initiative, the Renewable Energy Target and progress in achieving Australia's emissions reduction targets, through conducting periodic reviews and undertaking climate change research.

Conduct 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.

OUTCOME STRATEGY

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

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

In performing its work, the Authority will be guided by the following principles—economic efficiency; environmental effectiveness; equity; public interest; accounting for the impact on households, business, workers and communities; supporting the development of an effective global response to climate change; and consistency with Australia's foreign policy and trade objectives.

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

4. PERFORMANCE

Chapter 4 describes the Climate Change Authority's performance in achieving the deliverables against the key performance indicators for Program 1.1: Reviewing Climate Change Mitigation Policies

Box 2 Program 1.1 Reviewing Climate Change Mitigation Policies

Program objective: The Authority's primary objective is to provide expert independent advice on the government's climate change mitigation initiatives.

Deliverables

- Complete a review of the Renewable Energy Target by 31 December 2014.
- Complete a review of the Carbon Farming Initiative by 31 December 2014.
- Complete a draft report on emissions reduction targets for Australia for public consultation by 30 June 2015.

Key performance indicators

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

4.1. Renewable Energy Target review

4.1.1. Legislative requirements

The Renewable Energy (Electricity) Act 2000 and Climate Change Authority Act 2011 required that the Authority review the RET every two years. The Acts provided the Authority considerable discretion in the scope and conduct of the review. Since completion of the 2014 review, Parliament has amended the Acts; the Authority is no longer obliged to review the RET.

4.1.2. Conduct of the review

Uncertainty about the future of the Authority and staffing constraints meant that the RET review was conducted over a short time frame, but the Authority met the legislated deadline of 31 December 2014.

The Authority conducted a tightly focused review exploring the key issues of:

- the feasibility and desirability of retaining the Large-scale Renewable Energy Target (LRET) at its then-legislated level
- the future of the RET after 2020
- exemptions for emissions-intensive, trade-exposed industries
- the level of assistance for solar photovoltaic systems under the Small-scale Renewable Energy Scheme (SRES).

The Authority drew on the analysis and public consultations conducted for its 2012 RET review, as well as the 2014 review commissioned by the government and led by Mr Dick Warburton, AO, LVO (the Warburton Review). The Authority also invited interested stakeholders to provide additional input.

4.1.3. Key findings

The review, which was published on 22 December 2014, made two recommendations:

- retain the level but defer the timing of the 2020 LRET target
- consider increasing and expanding the RET beyond 2020, to sustain emissions reductions in the electricity sector over the longer term.

The Authority reviewed the changes in policy, investment levels and electricity demand outlook since its 2012 RET review, and found no compelling case to reduce the target. Nevertheless, the Authority considered that those developments warranted extending the time frame to achieve the target by up to three years. Reducing electricity sector emissions must remain a key focus for Australia over the coming decades if it is to play its part in global action on climate change. In the absence of effective alternatives, the Authority recommended the Government consider increasing and extending the RET targets, and expanding arrangements to cover a wider set of technologies.

The Authority also concluded that the RET's overall impact on electricity consumers was quite modest and that no changes to the SRES were warranted as it was to phase out shortly after the completion of the review. The Authority concluded further that the frequency of reviews should be changed from every two to every four years to reduce investment uncertainty, given the possibility of policy changes resulting from review recommendations.

4.1.4. Performance against key performance indicators

Following is an assessment of the Authority's performance in conducting the RET review:

- *The quality of reviews, including their reception by stakeholders and use in public policy forums and discussions.*
 - The RET review was generally well received and attracted a reasonable level of discussion by stakeholders.
 - The government noted the Authority's recommendations in its formal response to the review.
 - The Authority is currently examining post-2020 mitigation policies for the electricity sector, building on the conclusions and recommendations of the RET review. This work is generating strong interest among stakeholders, and will inform the final report of the Authority's Special Review.
- *The delivery of reviews within legislated time frames.*
 - The 2014 RET review was delivered on 22 December 2014, ahead of its statutory deadline of 31 December 2014.
- *The transparency and accessibility of the public consultation processes for reviews, including that they are highly regarded by stakeholders.*
 - Consultation processes built on other public consultation on the RET held in 2014, including submissions to the Warburton Review. This minimised demands on stakeholders while ensuring they had opportunities to provide any additional views and input.
 - The Authority issued an open call for comment on its website, and an email alert to stakeholders that subscribe to its emailed newsletter. All submissions were published on the Authority's website. The Authority secretariat met with more than 20 stakeholders representing industry, environment and other interests.

- Despite the tight time frames, no stakeholders raised concerns about consultation processes and some expressed thanks at the level of engagement.
- The report and related analysis is available on the Authority’s website.
- *The independence of the Authority’s decision-making in conducting and completing reviews, including the perception of independence by stakeholders.*
 - The Authority made its recommendations in accordance with its statutory principles after reviewing a large amount of evidence.
 - No stakeholders raised concerns about the independence of the Authority or its review.

4.2. Carbon Farming Initiative review

4.2.1. Legislative requirements

The Authority is required by the Carbon Credits (Carbon Farming Initiative) Act 2011 to review the CFI every three years. The first CFI review was completed in December 2014, which meant that the statutory deadline for the review was met.

4.2.2. Conduct of the review

Uncertainty about the future of the Authority and staffing constraints meant the CFI review was conducted over a short time frame. In addition, the CFI was being expanded to form the Emissions Reduction Fund (ERF) at the time. The Authority therefore focused on evaluating the performance of the CFI to date, and prospects for improvement under the ERF.

The Authority engaged with a range of stakeholders, including CFI participants and administrators, industry and environment groups. An issues paper was released in October 2014—17 formal submissions were received and the Authority met with 20 stakeholders individually. The Authority tested its preliminary conclusions with stakeholders at a roundtable meeting in late November 2014.

4.2.3. Key findings

The CFI review report was provided to the Minister for the Environment on 22 December 2014. The Authority’s key findings included that:

- the CFI achieved about 10 million tonnes of genuine emissions reductions, but participation was lower than it might have been, mainly due to policy uncertainty
- the ERF makes some important improvements on the CFI; these should reduce costs and increase participation
- the expansion and streamlining of the ERF introduces some new or expanded risks, particularly the possible crediting of emissions reductions that would have occurred without the scheme (known as ‘non-additional’ emissions reductions)
- by itself and as (then) currently funded, the ERF is unlikely to deliver sufficient emissions reductions to achieve Australia’s 2020 target of a 5 per cent reduction on 2000 levels.

The Authority made two recommendations:

- consider introducing enhanced additionality tests for individual projects that generate a large volume of credits under the ERF

- that the ongoing appropriateness of the ERF for achieving emissions reductions in particular situations be monitored and subject to independent and periodic review.

4.2.4. Performance against key performance indicators

The Authority's performance against key internal performance indicators:

- *The quality of reviews, including their reception by stakeholders and use in public policy forums and discussions.*
 - The report benefitted from input from a range of stakeholders and from information provided by the Clean Energy Regulator and the Department of the Environment.
 - The CFI review was generally well received and was fairly widely discussed by stakeholders.
 - The government rejected the Authority's recommendation to consider enhanced additionality tests, and noted the recommendation to monitor and review the appropriateness of the ERF for achieving emissions reductions.
- *The delivery of reviews within legislated time frames.*
 - The 2014 CFI review was delivered on 22 December 2014, ahead of its statutory deadline of 31 December 2014.
- *The transparency and accessibility of the public consultation processes for reviews, including that they are highly regarded by stakeholders.*
 - The Authority consulted widely in the time available. Public submissions were published on the Authority's website. Given the competitive nature of the CFI market, some of the Authority's discussions with stakeholders were held on a confidential basis.
 - Several stakeholders expressed their appreciation for the opportunity to provide input and participate in the November roundtable.
 - The report and related analysis is available on the Authority's website.
- *The independence of the Authority's decision-making in conducting and completing reviews, including the perception of independence by stakeholders.*
 - The Authority made its recommendations in accordance with its statutory principles after reviewing a large amount of evidence.

4.3. Special Review

4.3.1. Legislative requirements

On 10 December 2014, the Minister for the Environment requested that the Climate Change Authority conduct a review under section 59 of the Climate Change Authority Act 2011. The terms of reference for the Special Review require the Authority to assess whether Australia should have an emissions trading scheme and consider whether several key countries have trading schemes or similar policies, Australia's international climate commitments and Australian businesses' international competitiveness.

In the course of its Special Review, the Authority is required to publish three reports:

1. A draft report on Australia's future emissions reduction targets—by 30 June 2015.
2. A draft report on an emissions trading scheme—by 30 November 2015.
3. A final report recommending what action Australia should take to implement the outcomes flowing from the Paris climate conference—by 30 June 2016.

In conducting the Special Review, the Authority is required to have regard to the terms of reference and the principles set out in section 12 of the Climate Change Authority Act 2011.

4.3.2. Conduct of the review

The Authority has completed the first stage and first report of the Special Review. On 17 February 2015, the Authority made a public call for comments on Australia's emissions reduction targets. It published a draft report with preliminary recommendations on 22 April and a final report on 2 July. The Authority also released a complementary publication, *Comparing countries' emissions targets: a practical guide*, on 27 March 2015.

The Authority consulted with a wide range of stakeholders in developing its recommendations on targets. It received 28 submissions, including from electricity retailers, industry associations, academics and non-government organisations. After publishing its draft report, the Authority tested its preliminary recommendations with key experts and stakeholders at three roundtable meetings in Canberra, Sydney and Melbourne. These submissions and discussions informed the Authority's final recommendations.

The draft and final reports received widespread coverage in the print and online media. The Authority's then-Chair Bernie Fraser held press briefings on the release of the draft and final reports. Acting CEO Shayleen Thompson presented the Authority's findings on Australia's emissions reduction targets at a Grattan Institute event on 29 April 2015.

4.3.3. Key findings

The Authority provided its final report on Australia's future emissions reduction targets to the Minister for the Environment on 2 July 2015. It recommended that at the upcoming Paris climate conference Australia commits to:

- a 2025 target of 30 per cent below 2000 levels
- further reductions by 2030 of between 40 and 60 per cent below 2000 levels.

The Authority confirmed its view that the determination of targets should give most weight to climate science, what comparable countries are doing, and what is in the best interests of current and future generations of Australians.

4.3.4. Performance against key performance indicators

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

- *The quality of reviews, including their reception by stakeholders and use in public policy forums and discussions.*
 - The Authority undertook rigorous research and analysis to ensure it developed well-informed and evidence-based recommendations on Australia's future emissions reduction targets.
 - The practical guide to comparing countries' emissions targets set out the wide range of considerations and metrics used in public and policy discussions in a clear and accessible way. Stakeholders and media commentators used the guide to help explain and examine national targets as they were announced.
 - The Authority's recommendations have been widely acknowledged and understood by stakeholders. The recommendations have received extensive media coverage, and are routinely quoted in media articles and discussions about Australia's targets.

- *The delivery of reviews within legislated time frames.*
 - The draft report on targets was released for public consultation on 22 April 2015, ahead of the 30 June deadline set out in the terms of reference. The Authority released a final report on targets on 2 July 2015.
- *The transparency and accessibility of the public consultation processes for reviews, including that they are highly regarded by stakeholders.*
 - The Authority issued a public call for comments on Australia's future emissions reduction targets in March 2015.
 - Following release of the draft report, the Authority held meetings with a wide range of experts and key stakeholders to test its views.
 - The Authority received positive feedback on its consultation processes, which included targeted stakeholder meetings, roundtable discussions and public presentations.
- *The independence of the Authority's decision-making in conducting and completing reviews, including the perception of independence by stakeholders.*
 - In conducting the Special Review, the Authority has acted independently. Its final recommendations were supported by extensive and rigorous research and analysis.
 - Regular public consultation and stakeholder engagement enhanced the transparency of the review.

5. MANAGEMENT AND ACCOUNTABILITY

5.1. CORPORATE GOVERNANCE

The Climate Change Authority is an independent statutory authority comprising a Chair and eight board members (four positions were vacant at 30 June). It was supported by a secretariat of 17 staff at 30 June.

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. The current acting CEO is supported by one General Manager 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 *Public Governance, Performance and Accountability Act 2013* and the *Public Service Act 1999*.

The Authority was required to present its first corporate plan within 12 months of its commencement; this was published in June 2013 for the period 2013–15. The Authority's second corporate plan covers the periods 2015–16 to 2018–19 and has been prepared in accordance with the requirements of the Public Governance, Performance and Accountability Act 2013. This plan, along with the governance, direction and compliance requirements of the Public Governance, Performance and Accountability Act 2013 and the Public Service Act 1999, provides the Authority with a strong corporate governance environment.

5.1.1. RISK MANAGEMENT

The Authority recognises that effective risk management is a key element in effective governance. In 2014–15, the Authority consolidated the foundation work on risk management that was undertaken in its first two years of operation. A major focus for 2014–15 was to ensure that risk management was maintained as an organisation-wide priority and to further embed Authority risk management practices.

In 2014–15, 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 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 Public Governance, Performance and Accountability Act 2013.

5.1.2. FRAUD CONTROL

In 2014–15, the Authority approved a new Fraud Control Plan to cover the years 2015–17. The plan was developed to specifically comply with the requirements of the Commonwealth Fraud Control Policy and the Public Governance, Performance and Accountability Act 2013. 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 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 2014–15.

5.1.3. ASSETS AND ASSET MANAGEMENT

In 2014–15, 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 a minor asset purchase of some software and minor disposals of IT equipment in 2014–15.

The Authority undertook a full stocktake of its assets in June 2015—see the Authority's 2014–15 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 maintains three separate Memoranda of Understanding (MoUs). In 2014–15, it was decided that because the Authority was slated for abolition and still had an uncertain future it was a more efficient use of Commonwealth resources to maintain current systems than incur potentially significant costs to acquire more streamlined shared services arrangements. This decision will be revisited in 2015–16, given that the Authority has received funding until December 2016 and nothing that, in line with government policy, Commonwealth agencies are currently rationalising their arrangements with a view to finding increased efficiencies.

The Authority has a MoU with the Department of Industry 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 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 on three occasions during the year—7 August 2014, 12 February 2015 and 1 June 2015.

Table 5.1: Audit Committee Membership

Audit Committee Meetings 2014-15		
7 August 2014	12 February 2015	1 June 2015
Dr Helen Mignot (Chair)	Mr Chris Pattas (A/g Chair)	Mr Scott Hooper (Chair)
Mr John Blanch	Ms Lily Viertmann	Ms Vicki Middleton
Mr Chris Pattas	Ms Vicki Middleton	Mr Chris Pattas
Ms Vicki Middleton		Ms Lily Viertmann

In 2014–15, the major business of the committee included reviewing and/or approving the Authority’s governance arrangements including:

- the Authority’s changing status between a corporate and non-corporate body due to amendments of the Public Governance, Performance and Accountability Act 2013
- the Fraud Control Plan
- the Strategic Risk Profile and assessment
- budget processes
- the audit plan
- Accountable Authority Instructions
- the Governance Compliance Checklist
- the Certificate of Compliance
- the Abolition Transition Plan.

5.1.6. EXTERNAL SCRUTINY

During 2014–15:

- no judicial or administrative tribunal 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.

ETHICAL STANDARDS

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

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

During 2014–15, 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.

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.

In 2014–15, the Authority implemented 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 2014–15.

5.2.2. RESOURCE STATEMENT 2014–15

Table 5.2: Resource Statement 2014–15

Agency Resource Statement 2014–15			
	<i>Actual available appropriation 2014–15³</i>	<i>Payments made 2014–15</i>	<i>Balance remaining</i>
	\$'000	\$'000	\$'000
Ordinary annual services			
Departmental appropriation 2012–13 ¹	931		
Departmental appropriation 2013–14 ¹	2,470		
Carry forward 2013–14	3,401	931	2,470
Departmental appropriation 2014–15 ³	0	0	0
S.74 relevant agency receipts ²	3,564	3,564	0
Total ordinary annual services	3,564	3,564	0
TOTAL RESOURCING AND PAYMENTS	6,965	4,495	2,470

¹Appropriation Act (No. 1) 2012–13 and Appropriation Act (No. 1) 2013–14.

²Receipts received under s. 74 of the Public Governance, Performance and Accountability Act 2013. Remaining balance will be applied to meeting the future settlement of current period expenses and provisions.

³No direct appropriation funding was provided for the Authority in the 2014–15 Portfolio Budget Statements. Funding to support the functions of the Authority during the year ended 30 June 2015 was received from the Department of Environment and is reported as s.74 Other Revenue.

5.2.3. PURCHASING

In 2014–15, 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 2014–15 were listed on AusTender.

5.2.4. CONSULTANCIES

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

Any decision to engage a consultant is made in accordance with the Public Governance, Performance and Accountability Act 2013 and related regulations, including the Commonwealth Procurement Rules 2014, and with relevant internal policies.

During 2014–15, the Authority entered into one new consultancy contract but there was no actual expenditure incurred in this year. 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 2014–15, the Authority made no payments that were over the reportable threshold for these services and conducted no advertising campaigns.

5.2.6. GRANT PROGRAMS

The Authority did not administer any grant programs in 2014–15.

5.3. MANAGEMENT OF HUMAN RESOURCES

At 30 June 2015, the Authority had 17 employees, of whom 12 were ongoing and five were non-ongoing. All Authority staff were located in Melbourne and 12 out of 17 employees were female.

The staffing profile reflects the Authority's required skills and capabilities. During 2014–15, the Authority utilised a range of employees temporarily transferred from other agencies, with specialist knowledge relevant to the review work programs. This assisted the Authority to manage its statutory obligations in an environment of uncertainty.

The Authority's staff numbers fell up until October 2014, at which time the government decided to extend the Authority for the life of the current parliament. Staff turnover remained high in 2014–15 due to the continued ongoing uncertainty about the Authority's future.

The CEO, Ms Anthea Harris, and the Director Corporate Services and CFO, Mr Michael Everett, both resigned in April 2015. The CEO position was filled on an interim basis by Ms Shayleen Thompson from 3 April 2015 to 30 June 2015. Ms Thompson has subsequently been appointed as acting CEO until 30 June 2016. Mr Hamish Millikan acted as CFO from April to June 2015.

In 2014–15, the Authority had no non-ongoing or ongoing employees that identified themselves as Indigenous. The Authority has not had any employees that 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 full-time or part-time status, 30 June 2015

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	2	1	1	0	4
Executive Level 1	2	1	2	0	5
APS 6	1	1	1	0	3
APS 5	2	0	1	0	3
APS 1–4	0	0	0	0	0

Table 5.4: Climate Change Authority salary structures, 30 June 2015

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 1999, 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**.

5.3.3. REMUNERATION FOR AUTHORITY CHAIR AND MEMBERS

The remuneration of the Authority Chair and members is governed by section 25 of the Climate Change Authority Act 2011. Authority members' remuneration is determined by the Remuneration Tribunal on a yearly basis. Authority members receive an annual base fee plus meeting fees for attendance at official Authority meetings. The Authority met 13 times in 2014–15, while five meetings occurred out of session and did not give rise to sitting fees. Professor Ian Chubb is an ex officio member of the Authority and as such is not remunerated for his role.

Table 5.5: Remuneration of Climate Change Authority members, 30 June 2015

Member status	Base salary—annual	Meeting fees
Chair	\$56,320	\$1,076
Members	\$28,160	\$861

Table 5.6: Climate Change Authority member attendance sitting fees

Member	No. of meetings attended
Mr Bernie Fraser (Chair)	7
Professor Clive Hamilton	8
Professor David Karoly	7
Professor John Quiggin	7

5.3.4. EMPLOYMENT ARRANGEMENTS

Upon establishment, the CEO of the Authority made a determination under subsection 24(1) of the Public Service Act 1999. The determination stated that all non-SES Authority staff are to be employed under the conditions of the *DCCEE Enterprise Agreement 2011–2014*.

Senior Executive Service Authority staff were employed under the Public Service Act 1999 and their conditions of service outlined in the DCCEE SES Employment Conditions handbook. In 2014–15, one non-SES staff member was employed on an individual flexibility arrangement under clause 10 of the *DCCEE Enterprise Agreement 2011–2014*.

No employee of the Authority was employed under performance-based remuneration conditions in 2014–15.

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 2014–15, including through the CEO's all-staff meetings and regular team meetings.

5.3.6. PERFORMANCE MANAGEMENT

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

- clarify 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 Program.

The Authority also provides one-on-one coaching to address particular development needs and extensive on-the-job training within the Authority. Internal seminars on written communication skills also contributed to staff development during 2014–15 and helped with the Authority's review program.

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 2014–15.

During 2014–15, 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 2014–15 and no return-to-work programs conducted.

5.3.9. EMPLOYEE ASSISTANCE PROGRAM

The Authority offers its employees independent, confidential and professional counselling, consultation and training assistance for work-related or personal issues. 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, departments and agencies are no longer required to report on these functions.

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

APPENDIX A AUDITED FINANCIAL STATEMENTS

Financial statements

Contents

Independent audit report

Statement by officers

Statement of comprehensive income

Statement of financial position

Statement of changes in equity

Cash flow statement

Schedule of commitments

Notes to the financial statements

APPENDIX B LIST OF REQUIREMENTS

REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
8(3) & A.4		Letter of transmittal	Mandatory	Y
A.5		Table of contents	Mandatory	Y
A.5		Index	Mandatory	Y
A.5		Glossary	Mandatory	Y
A.5		Contact officer(s)	Mandatory	Y
A.5		Internet home page address and internet address for report	Mandatory	Y
9	Review by CEO			
9(1)		Review by CEO	Mandatory	Y
9(2)		Summary of significant issues and developments	Suggested	Y
9(2)		Overview of department's performance and financial results	Suggested	N
9(2)		Outlook for following year	Suggested	N
9(3)		Significant issues and developments—portfolio	Portfolio departments—suggested	N/A
10	Agency overview			
10(1)		Role and functions	Mandatory	Y
10(1)		Organisational structure	Mandatory	Y
10(1)		Outcome and program structure	Mandatory	Y
10(2)		Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	Y
10(3)		Portfolio structure	Portfolio departments—mandatory	N/A
11	Report on performance			
11(1)		Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	Y
11(2)		Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	Y
11(2)		Where performance targets differ from the PBS/PAES, details of both former and new targets and reasons for the change	Mandatory	Y

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REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
11(2)		Narrative discussion and analysis of performance	Mandatory	Y
11(2)		Trend information	Mandatory	N/A
11(3)		Significant changes in nature of principal functions/services	Suggested	Y
11(3)		Performance of purchaser/provider arrangements	If applicable, suggested	N/A
11(3)		Factors, events or trends influencing agency performance	Suggested	N
11(3)		Contribution of risk management in achieving objectives	Suggested	N
11(4)		Performance against service charter customer service standards, complaints data and the agency's response to complaints	If applicable, mandatory	N/A
11(5)		Discussion and analysis of the agency's financial performance	Mandatory	Y
11(6)		Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations	Mandatory	Y
11(7)		Agency resource statement and summary resource tables by outcomes	Mandatory	Y
12	Management and accountability			
	Corporate governance			
12(1)		Agency heads are required to certify their agency's actions in dealing with fraud	Mandatory	Y
12(2)		Statement of the main corporate governance practices in place	Mandatory	Y
12(3)		Names of the senior executive and their responsibilities	Suggested	Y
12(3)		Senior management committees and their roles	Suggested	N
12(3)		Corporate and operational planning and associated performance reporting and review	Suggested	N
12(3)		Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested	Y
12(3)		Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	Y
12(3)		How nature and amount of remuneration for SES officers is determined	Suggested	Y
	External scrutiny			
12(4)		Significant developments in external scrutiny	Mandatory	Y
12(4)		Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory	Y

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REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
12(4)		Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	Mandatory	Y
	Management of human resources			
12(5)		Assessment of effectiveness in managing and developing human resources to achieve agency objectives	Mandatory	Y
12(6)		Workforce planning, staff turnover and retention	Suggested	N
12(6)		Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs)	Suggested	N
12(6)		Training and development undertaken and its impact	Suggested	N
12(6)		Work health and safety performance	Suggested	Y
12(6)		Productivity gains	Suggested	N
12(7)		Statistics on staffing	Mandatory	Y
12(8)		Statistics on employees who identify as Indigenous	Mandatory	Y
12(9)		Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	Y
12(10) & B		Performance pay	Mandatory	Y
12(11)–(12)	Assets management	Assessment of effectiveness of assets management	If applicable, mandatory	N/A
12(13)	Purchasing	Assessment of purchasing against core policies and principles	Mandatory	Y
12(14)–(23)	Consultants	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year, the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST), the number of ongoing consultancy contracts that were active in the reporting year and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website	Mandatory	Y
12(24)	Australian National Audit Office Access Clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	Y
12(25)	Exempt contracts	Contracts exempt from publication in AusTender	Mandatory	Y
12(26)–(28)	Small business	Procurement initiatives to support small business	Mandatory	Y
13	Financial statements	Financial statements	Mandatory	Y
	Other mandatory information			
14(1) & C.1		Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory	Y

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REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
14(1) & C.2		Advertising and Market Research (section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	Y
14(1) & C.3		Ecologically sustainable development and environmental performance (section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	Y
14(1)		Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	N/A
14(2) & D.1		Grant programs	Mandatory	Y
14(3) & D.2		Disability reporting—explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory	Y
14(4) & D.3		Information Publication Scheme statement	Mandatory	Y
14(5)		Correction of material errors in previous annual report	If applicable, mandatory	N/A
E		Agency Resource Statements and Resources for Outcomes	Mandatory	Y
F		List of requirements	Mandatory	Y

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 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 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	Designs and implements the Commonwealth Government's policies and programs to protect and conserve the environment, water and heritage, and promote climate action.
<i>Department of Climate Change and Energy Efficiency Enterprise Agreement 2011–2014</i>	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.
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
DoE	Department of the Environment
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