



CLIMATE  
CHANGE  
AUTHORITY

# Corporate Plan 2020-21

AUGUST 2020



Australian Government  
Climate Change Authority

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*The Climate Change Authority acknowledges the traditional owners of country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures and to their elders both past and present.*

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[www.climatechangeauthority.gov.au](http://www.climatechangeauthority.gov.au)

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# Introduction

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

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

The Climate Change Authority *Corporate Plan 2020-21* has been prepared to meet the requirements of paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* and Division 8 of the *Climate Change Authority Act 2011*.

The plan covers the four years from 2020-21 to 2023-24.

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

- In July 2019, the Authority released a background research paper presenting a 'stocktake' of industry action on climate change mitigation in Australia. This report and two earlier stocktakes of current Australian and international climate change policies were inputs to updated advice to the Australian Government on Australia's climate policy toolkit.
- In March 2020, the Authority released *Prospering in a low-emissions world: An updated climate policy toolkit for Australia*. This research report updates the Authority's 2016 report on policies for meeting Australia's emissions reduction commitments under the Paris Agreement.
- In July 2020, the Authority released a further research report, *Economic recovery, resilience and prosperity after the coronavirus*, identifying measures that could contribute to a 'triple-win' economic stimulus package in response to the economic impacts of COVID-19.

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

In line with its functions, the Authority will focus on the following activities over the four years from 2020-21 to 2023-24:

- complete the statutory review of the Carbon Credits legislation by December 2020
- undertake self-initiated research on trade and investment opportunities for Australia in a world transitioning to net zero emissions
- complete the statutory review of the Carbon Credits legislation and the National Greenhouse and Energy reporting legislation by December 2023
- complete Special Reviews as requested by the Minister or the Parliament
- identify and undertake further self-initiated research on climate change matters.

The Authority recognises the significant contribution Aboriginal and Torres Strait Islander peoples make to Australia's culture and heritage, and in 2021 we intend to release the Authority's first Reconciliation Action Plan. We



value the unique relationship Aboriginal and Torres Strait Islander peoples have with the environment and their cultural obligation to care for country, the sea and waterways.

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

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

**Brad Archer**  
Chief Executive Officer

# Purpose

## Objective and role

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

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

## Functions

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

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

The Authority is a non-corporate statutory body located in the Industry, Science, Energy and Resources portfolio.

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

## The Authority's core principles and values

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

### Independence

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

### Broad and positive stakeholder engagement

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

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

### Excellence in research and analysis

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

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

#### Transparency

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

#### Good governance and accountability

We maintain the highest standards of accountability and governance.

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

#### Build staff capacity

The Authority's professional, capable and committed workforce is its most valuable resource. Continued investment in our staff, in an inclusive way that respects and reflects the diversity of our skills, knowledge and backgrounds, is vital for maintaining and enhancing the Authority's performance.

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

## Authority members

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

The members of the Authority are:

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

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

Two Authority member positions are currently vacant. On 11 October 2020, the terms of appointment of four

members will expire; Dr Wendy Craik AM, Mr Stuart Allinson, Ms Kate Carnell AO and The Hon John Sharp AM.

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

# Activities, environment, capability and risk

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

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

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

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

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

## Activities

This corporate plan covers the four years from July 2020 to June 2024.

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

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

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

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

- In 2020–21 and for the remaining three work periods, the Authority may be asked to perform other Special Reviews by the Minister or the Parliament.
- For example, in 2017–18, the (then) Minister requested the Authority undertake a review of the Office of the National Wind Farm Commissioner.

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

- By December 2021, the Authority intends to undertake self-initiated research and analysis into the trade and investment opportunities for Australia in a world transitioning to net zero emissions.
- During the life of this corporate plan, the Authority will identify and undertake further research on climate change matters if opportunities arise between statutory and special reviews.

## Operating environment

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

Prior to the 2019-20 financial year, Government policy was to wind up the Authority, thus creating uncertainty in the Authority's operating environment. As announced in the 2019-20 Federal Budget, this policy has been reversed. Through the 2019-20 Portfolio Additional Estimates Statements process, further funding was allocated to the Authority to support ongoing operations at current levels and to ensure the Authority is financially sustainable.

Considering the Authority's current operating environment, Table 1 summarises the Authority's ability to control factors that will influence its activities and performance over the four years to June 2024.

**TABLE 1: CLIMATE CHANGE AUTHORITY STRATEGIC RISKS**

FACTORS – GREATER INFLUENCE	FACTORS - PARTIAL INFLUENCE	FACTORS - LITTLE INFLUENCE
<ul style="list-style-type: none"> <li>• Providing Authority members with sound advice on which to make decisions</li> <li>• Preparing research reports that are clear, evidence based and well-constructed</li> <li>• Conduct of research</li> <li>• Meeting deadlines for legislative reviews</li> <li>• Consulting effectively with stakeholders</li> <li>• Working with other Commonwealth agencies</li> <li>• Recruiting and managing staff</li> <li>• Effective governance</li> <li>• Effective measures to address risk and fraud</li> <li>• Authority business operations including shared services arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Budget allocations</li> <li>• Influence of reviews and research on governments and other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Requests from Minister or the Parliament to undertake Special Reviews</li> <li>• Appointments of members to the Authority</li> <li>• COVID-19 pandemic</li> </ul>

## Capability

### Staffing

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

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

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

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

In November 2019, we launched an initiative to build capacity in our staff and other agencies. The first seminar, 'The CCA Presents... Ross Garnaut' was well attended and widely appreciated. In June 2020, we made our weekly media digest, 'On Good Authority' available to subscribers.

In 2020 we began developing our first Reconciliation Action Plan. We intend to launch the plan in 2021.

#### Shared services arrangements

The Authority maintains agreements for the provision of corporate services with the Industry portfolio. These cover the provision of finance, payroll and human resources systems and support. This arrangement is similar to the one that was in place when the Authority was part of the Industry portfolio.

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

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

## Risk oversight and management

### Good governance

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

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

### Risks

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

Table 2 sets out the Authority's high-level strategic risks for the reporting period, along with risk ratings and mitigation strategies. Risk treatments and treatment owners are outlined in the Authority's risk register, which is updated regularly.

The Authority has also prepared a separate COVID-19 Risk Assessment and Treatment Plan in response to the challenges raised by the pandemic. The Authority has continued to operate effectively during the pandemic and the restrictions imposed by governments to limit harm.

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

Along with several other Commonwealth agencies, the Authority is working to build consideration of climate risk into its risk management processes. In 2019-20, the Authority focussed on strengthening staff capacity, and two staff members were trained in the Government's Climate Compass framework to identify and manage climate risk. This will position us to scan the Authority's exposure and progressively embed climate risk considerations into our planning and reporting processes.

TABLE 2: CLIMATE CHANGE AUTHORITY STRATEGIC RISKS

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

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**Performance**

- The Authority's reviews and research reports contain significant factual errors or fail to meet delivery deadlines
- Stakeholders consider that the Authority does not have the expertise or independence to advise the Government effectively

**Unlikely; moderate;  
medium**

- The Authority maintains quality assurance processes to minimise the chance of factual error
- The Authority scopes its work carefully and monitors review time frames
- The Authority consults with a wide range of stakeholders to be informed by a broad spectrum of views and evidence
- Conduct stakeholder surveys to solicit feedback and tailor engagement approaches accordingly
- Develop a stakeholder engagement charter
- The Authority explicitly considers stakeholder views and other relevant information sources when taking decisions on its reports and other products
- Member handbook kept up to date and induction sessions able to be rolled out quickly

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**COVID -19  
Pandemic**

- Harm to staff as a result of contracting COVID-19 in the workplace
- Effective operations of the Authority are compromised by one or more of:
  - COVID-19 transmission in the workplace
  - Reduced staff availability
  - Remote working arrangements increasing OH&S risks
  - ICT capability hinders remote working productivity

**Possible, moderate,  
high**

- Monitor and act on government health advice and Government/ASPC guidance, including in relation to adoption of physical distancing and remote working
- Re-prioritise work program and resource allocation as required
- Frequent communication with all staff, including provision of relevant information and guides for how to respond in relevant circumstances
- Regular liaison/consultation with shared services provider

# Performance

## Outcomes

The Authority's outcome is to:

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

### Outcome strategy

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

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

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

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

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

### Delivery strategies

To support the Authority's work, the secretariat will deliver timely, high-quality reviews for the Authority by:

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

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

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

**Performance criteria**

The Authority will assess its performance against the following criteria:

- The Authority’s advice is timely, of high quality, and used in public policy forums and discussions.
- The Authority’s public consultation processes are transparent, accessible and highly regarded by stakeholders.

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

**FIGURE 1: OUR PERFORMANCE FRAMEWORK**

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

## PERFORMANCE MEASUREMENT AND ASSESSMENT

TABLE 3: PERFORMANCE INFORMATION

YEAR	ACTIVITY	KEY PERFORMANCE INDICATORS	TARGET	ASSESSMENT
2020-21 - 2023-24	<ul style="list-style-type: none"> <li>Complete review of the Carbon Credits legislation by December 2020</li> <li>Complete two research reports on Australia's trade and investment opportunities in a global economy transitioning to net zero emissions by December 2021.</li> <li>Complete reviews of the Carbon Credits legislation and the National Greenhouse and Energy reporting legislation by December 2023</li> <li>Complete other Special Reviews as requested by the Government or the Parliament</li> <li>Identify and undertake other self-generated research on climate change matters.</li> </ul>	<ul style="list-style-type: none"> <li>The Authority's reviews and research reports are timely, of high quality and used in public policy forums and discussions.</li> <li>The Authority's public consultation processes are transparent, accessible and highly regarded by stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Reviews and research reports are provided by the due date</li> <li>Reviews and research reports draw on the best available knowledge and are informed by a broad range of perspectives</li> <li>Public consultation is comprehensive, representative and transparent</li> <li>Government considers the Authority's findings and recommendations in developing and implementing policy</li> <li>The Authority's reviews, research and analysis influences the public policy debate on climate change issues</li> </ul>	<ul style="list-style-type: none"> <li>Date of delivery to the Minister responsible for climate change or the Parliament and date of publication on the Authority's website</li> <li>Academic, scientific, scholarly and other external sources referenced in research and analysis informing the Authority's advice.</li> <li>Stakeholder participation in consultation processes and references to stakeholder views in the Authority's reports</li> <li>Analysis of feedback by the Government and other stakeholders on the Authority's research and analysis</li> <li>Analysis of the use and discussion of the Authority's reports in public policy forums and discussions.</li> </ul>