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# Incoming Government Brief

## Climate Change – Administrative Brief

**2013**

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## The Climate Change Policy Group

The climate change policy group leads the development and coordination of Australia's climate change policy. It is responsible for policy advice, policy implementation, regulation and program delivery in three areas: reducing Australia's greenhouse gas emissions; adapting to unavoidable climate change; and helping to shape a global climate change solution.

The climate change policy group was operating as part of the former Department of Climate Change and Energy Efficiency between 2010 and 2013; and has been located in the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education following Machinery of Government changes on 25 March 2013.

The climate change policy group has oversight of two statutory agencies: the Clean Energy Regulator and the Climate Change Authority. There are also four advisory bodies that contribute to policy and administrative processes within the climate change policy group. These are:

1. The Climate Adaptation Outlook Independent Expert Group;
2. The Climate Commission;
3. The Domestic Offsets Integrity Committee; and
4. The Expert Advisory Committee on Emissions-Intensive Trade-Exposed Activities.

### Executive Management

The climate change policy group is led by Deputy Secretary Dr Steven Kennedy, who is supported by four First Assistant Secretaries.

#### Dr Steven Kennedy – Deputy Secretary

In addition to oversight of climate change policy at the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, Dr Kennedy also has responsibility for the Chief Economist's unit, policy evaluation, Enterprise Connect and manufacturing functions.

Dr Kennedy was previously a Deputy Secretary at the former Department of Climate Change and Energy Efficiency and prior to that was Head of Secretariat of the Garnaut Climate Change Review – Update 2011.

Dr Kennedy has held a number of positions at the Australian Treasury. He was the General Manager of the Infrastructure, Competition and Consumer Division advising the Government on microeconomic reform, competition policy and consumer affairs, housing



and infrastructure policy. He was the General Manager of the Domestic Economy Division and responsible for preparing the Government's macroeconomic forecasts, and was Australia's representative at the Organisation for Economic Co-operation and Development's Economic Policy Committee. Prior to joining the Treasury, Dr Kennedy worked at the Australian Bureau of Statistics as the Director of the Australian Bureau of Statistics Economic Research and Analysis unit.

Dr Kennedy holds a Doctorate and Masters Degrees in economics from the Australian National University and a Bachelors Degree in Economics from the University of Sydney (First Class Honours).

### Organisational Structure

The climate change policy group organisational structure has been altered to align with the incoming Government's priorities. It will now be comprised of three divisions and two taskforces, as shown in the organisational structure depicted in Figure 1 (next page).





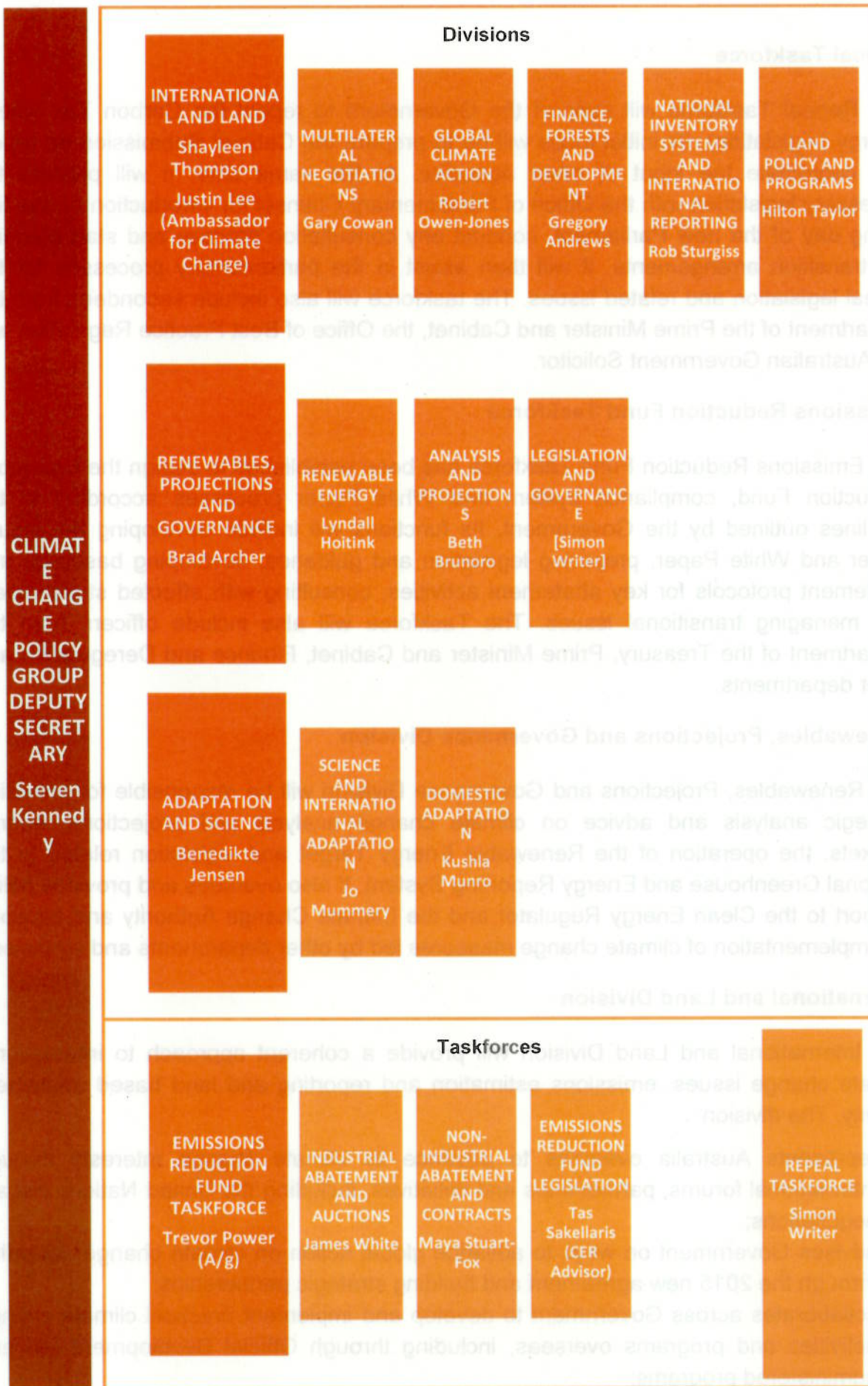


Figure 1 Organizational structure of the climate change group



### **Repeal Taskforce**

The Repeal Taskforce will support the Government to repeal the Carbon Tax (Clean Energy Legislation). Its initial focus will be to prepare the Cabinet Submission on repeal and coordinate the input of other agencies. At the same time, it will prepare the necessary legislation with the Office of Parliamentary Counsel for introduction on the first sitting day of the new Parliament, conduct any consultation process and start planning the transition arrangements. It will then assist in the parliamentary processes for the repeal legislation and related issues. The taskforce will also include secondees from the Department of the Prime Minister and Cabinet, the Office of Best Practice Regulation and the Australian Government Solicitor.

### **Emissions Reduction Fund Taskforce**

The Emissions Reduction Fund Taskforce has been established to design the Emissions Reduction Fund, compliance system and White Paper processes according to the timelines outlined by the Government. Its functions will include developing the Issues Paper and White Paper, preparing legislation and guidance, developing baselines and abatement protocols for key abatement activities, consulting with affected stakeholders and managing transitional issues. The Taskforce will also include officers from the Department of the Treasury, Prime Minister and Cabinet, Finance and Deregulation and other departments.

### **Renewables, Projections and Governance Division**

The Renewables, Projections and Governance Division will be responsible for providing strategic analysis and advice on climate change analysis and projections, energy markets, the operation of the Renewable Energy Target and legislation related to the National Greenhouse and Energy Reporting System. It also oversees and provides policy support to the Clean Energy Regulator and the Climate Change Authority and supports the implementation of climate change measures led by other departments and agencies.

### **International and Land Division**

The International and Land Division will provide a coherent approach to international climate change issues, emissions estimation and reporting and land based abatement activity. The division:

- represents Australia overseas to advance its climate change interests through international forums, partnerships and initiatives, including the United Nations climate negotiations;
- advises Government on ways to advance global action on climate change, including through the 2015 new agreement and building strategic partnerships;
- collaborates across Government to develop and implement practical climate change activities and programs overseas, including through Official Development Aid and administered programs;



- leads the preparation of Australia's national greenhouse accounts, which are reported to the United Nations as part of Australia's obligations under the United Nations Framework Convention on Climate Change and the Kyoto Protocol; and
- provides technical input to the National Greenhouse and Energy Reporting System;
- works with stakeholders to develop abatement methodologies for the land sector; and
- provides secretariat support to the Domestic Offsets Integrity Committee, which assesses the robustness of methodologies for the Carbon Farming Initiative.

### Adaptation and Science Division

The Adaptation and Science Division will be responsible for leading national efforts to adapt to the impacts of climate change, and driving a national climate science capability. It leverages these capabilities to support Australia's international climate change adaptation aid efforts. The division is the Australian Focal Point for engagement with the Intergovernmental Panel on Climate Change.

The division leads strategic policy and analysis on climate change adaptation, and coordinates Australia's climate change science investment. It also supports Council of Australian Governments work on climate change adaptation and climate change science, and leads on including climate change adaptation considerations in Commonwealth government policy and operations.

The division is responsible for informing the public on climate change science through funding authoritative climate risk information, supporting public education on climate science, developing tools and guidance to manage risks; and leveraging Australia's science to inform the Pacific's regional understanding of climate risks and responses.

### Staffing

**Table 1** Staff in climate change policy group as of 3 September 2013

Classification	Ongoing	Non-ongoing	Total headcount
GRAD	14	0	14
APS 1	0	0	0
APS 2	0	0	0
APS 3	0	0	0
APS 4	15	0	15
APS 5	44	1	45
APS 6	55	1	56
EL 1	87	2	89
EL 2	52	1	53
SES 1	17	0	17
SES 2	4	0	4
SES 3	1	0	1
<b>TOTALS</b>	<b>289</b>	<b>5</b>	<b>294</b>

GRAD = Graduate; APS = Australian Public Service; EL = Executive Level; SES = Senior Executive

Note: All levels under the relevant enterprise agreement are categorised under their standard APS equivalency. This table includes officers on leave and secondment.



## Financial Statements

**Table 2 Total Administered Resourcing (as at Pre-Election Financial and Economic Outlook 2013-14)**

	2012-13 Revised budget (\$'000)	2013-14 Budget (\$'000)	2014-15 Forward year 1 (\$'000)	2015-16 Forward year 2 (\$'000)	2016-17 Forward year 3 (\$'000)	Terminating
<b>Program Resourcing 4.1 - Reducing Australia's Greenhouse Gas Emissions Administered Funding<sup>1</sup></b>						
Clean Energy Future - Extending the benefits of the Carbon Farming Initiative	1,373	3,245	2,561	2,432	2,499	2021-22
Carbon Farming Skills	264	150	250	229	229	2017-18
Voluntary Action Pledge Fund and GreenPower purchases	-	-	901	676	504	Ongoing
Public Information Campaign	104	-	-	-	-	2012-13
<b>Total Program Resourcing 4.1</b>	<b>1,741</b>	<b>3,395</b>	<b>3,712</b>	<b>3,337</b>	<b>3,232</b>	
<b>Program Resourcing 4.2 - Adapting to Climate Change Administered Funding<sup>1</sup></b>						
Climate Change Science Program	3,801	8,150	7,800	7,800	7,800	Ongoing
National Climate Change Adaption Centre	2,944	-	-	-	-	2012-13
Clean Energy Future - Natural resource management for climate change	3,253	5,575	1,250	1,248	-	2015-16
<b>Total Program Resourcing 4.2</b>	<b>9,998</b>	<b>13,725</b>	<b>9,050</b>	<b>9,048</b>	<b>7,800</b>	
<b>Program Resourcing 4.3 - Helping to Shape a Global Climate Change Solution Administered Funding<sup>1</sup></b>						
Influencing International Climate Change	1,583	3,000	3,000	3,000	3,000	Ongoing
<b>Total Program Resourcing 4.3</b>	<b>1,583</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	
<b>Total Administered Resourcing (Outcome 4)<sup>1</sup></b>	<b>13,322</b>	<b>20,120</b>	<b>15,762</b>	<b>15,385</b>	<b>14,032</b>	

<sup>1</sup>Appropriation Bill No.1 & 3, 2013-14.

It should be noted that the funding outlined above relates to a different set of policy outcomes to those earmarked under a new government. Budget discussions will need to take place regarding appropriate resourcing for both departmental transition and new policy issues.

### Administered Legislation

For the purposes of the Administrative Arrangements Orders, the climate change policy group has responsibility for a range of legislation. The Minister has not delegated any powers or functions under this legislation, such as making statutory appointments and legislative instruments. The Clean Energy Regulator and the Climate Change Authority have responsibility for administering various pieces of legislation, and have a large degree of independence in carrying out their functions.



***Australian National Registry of Emissions Units Act 2011***

This Act provides the legislative support for the administration of the Australian National Registry of Emissions Units. This Registry is a secure electronic system designed to accurately track the issuance ownership and surrender of:

- emission units issued under the Kyoto Protocol
- Australian carbon credit units issued under the Carbon Farming Initiative, and
- carbon units issued under the carbon pricing mechanism.

Subordinate legislation:

- *Australian National Registry of Emissions Units Regulations 2011; and*
- *Australian National Registry of Emissions Units (Commonwealth foreign registry account in the Union Registry) Direction 2013*

***Clean Energy Act 2011***

***Clean Energy (Charges-Customs) Act 2011***

***Clean Energy (Charges-Excise) Act 2011***

***Clean Energy (International Unit Surrender Charge) Act 2011***

***Clean Energy (Unit Issue Charge-Auctions) Act 2011***

***Clean Energy (Unit Issue Charge-Fixed Charge) Act 2011***

***Clean Energy (Unit Shortfall Charge-General) Act 2011***

These Acts establish the carbon pricing mechanism, which puts a price on greenhouse gas emissions. The carbon price applies to facilities that produce more than 25,000 tonnes of carbon emissions per year, as well as natural gas suppliers and large users of liquid fuels who opt into the mechanism. Assistance in the form of free carbon units is offered to entities undertaking emissions-intensive trade-exposed activities and the most emissions-intensive coal-fired electricity generators.

Subordinate legislation made under the Clean Energy Act:

- *Clean Energy Regulations 2011*
- *Clean Energy (Auction of Carbon Units) Determination 2013*
- *Clean Energy (Reference Price Method) Determination 2013*

***Clean Energy Regulator Act 2011***

This Act establishes the Clean Energy Regulator as an independent regulatory body and sets out its objectives and functions.

***Climate Change Authority Act 2011***

This Act establishes the Climate Change Authority as an independent advisory and review body and sets out its objectives and functions.



### ***National Greenhouse and Energy Reporting Act 2007***

This Act establishes a single, national framework for reporting greenhouse gas emissions, abatement actions and energy consumption and production by corporations from 1 July 2008. Corporations that meet a National Greenhouse and Energy Reporting threshold must register and then report each year.

The NGER Act includes the following elements:

- mandatory registration of controlling corporations with the national system;
- requirements for registered corporations to keep records and provide reports;
- facilitate the streamlining of requirements for emission and energy reporting nationally to reduce the regulatory burden on industry;
- requirements concerning the security and disclosure of information under the scheme; and
- compliance and enforcement arrangements, including an audit framework.

The data reported under the scheme is a key input to Australia's National Greenhouse Gas Inventory, projections and reporting under the United Nations Framework Convention on Climate Change and Kyoto Protocol, and Australia's reporting to the International Energy Agency. Domestically, it is a critical input to policy development by the Commonwealth and increasingly the states and territories, relating to greenhouse gas emissions and energy production and consumption.

Subordinate legislation:

- *National Greenhouse and Energy Reporting Regulations 2008*
- *National Greenhouse and Energy Reporting (Measurement) Determination 2008*
- *National Greenhouse and Energy Reporting (Audit) Determination 2009*
- *National Greenhouse and Energy Reporting (Auditor Registration) Instrument 2012*

### ***Carbon Credits (Carbon Farming Initiative) Act 2011***

This Act established the Carbon Farming Initiative, which allows land managers to earn Australian carbon credit units from sources that are not covered by the carbon pricing mechanism. Activities count towards Australia's national target under the Kyoto Protocol including reforestation, avoided deforestation, and reducing emissions from livestock, manure, fertiliser and waste deposited in landfills. Credits can be sold to people and organisations wishing to offset their emissions in the voluntary market.

Subordinate legislation:

- *Carbon Credits (Carbon Farming Initiative) Regulations 2011*
- *Carbon Credits (Carbon Farming Initiative) – Kyoto Australia Carbon Credit Unit Specification 2011*
- *Carbon Credits (Carbon Farming Initiative) – Landfill Legacy emissions Avoidance Project Specification 2011*
- *Carbon Credits (Carbon Farming Initiative) (Conservative Estimates, Projections or Assumptions: Greenhouse Friendly Initiative Transitional Crediting Calculation (Alternative Waste Treatment)) Determination 2012*

Eligible offsets projects under the *Carbon Credits (Carbon Farming Initiative) Act 2011* must be covered by a methodology determination made under this Act. Existing determinations are:



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- Carbon Credits (Carbon Farming Initiative) (Avoided Emissions from Diverting Legacy Waste from Landfill for Process Engineered Fuel Manufacture) Methodology Determination 2012
- Carbon Credits (Carbon Farming Initiative) (Avoided Emissions from Diverting Legacy Waste through a Composting Alternative Waste Technology) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Capture and Combustion of Methane in Landfill Gas from Legacy Waste: Upgrade projects) Methodology Determination 2012
- Carbon Credits (Carbon Farming Initiative) (Reduction of Greenhouse Gas Emissions through Early Dry Season Savanna Burning) Methodology Determination 2012
- Carbon Credits (Carbon Farming Initiative) (Conservation Estimates, Projections or Assumptions: Greenhouse Friendly Initiative Transitional Crediting Calculation (Alternative Waste Treatment)) Methodology Determination 2012
- Carbon Credits (Carbon Farming Initiative) (Destruction of Methane from Piggeries using Engineered Bioreactors) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Destruction of Methane Generated from Dairy manure in Covered Anaerobic Ponds) Methodology Determination 2012
- Carbon Credits (Carbon Farming Initiative) (Diversion of Legacy Waste to an Alternative Waste Treatment Facility) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Human Induced Regeneration of a Permanent Even-Aged Native Forest) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Reforestation and Afforestation) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Capture and Combustion of Methane in Landfill Gas from Legacy Waste) Methodology Determination 2012
- Carbon Credits (Carbon Farming Initiative) (Destruction of Methane Generated from Manure in Piggeries) Methodology Determination 2012
- Carbon Farming (Quantifying Carbon Sequestration by Permanent environmental Plantings of native Species using the CFI Reforestation Modelling Tool) Methodology Determination 2012
- Carbon Credits (Carbon Farming Initiative) (Avoided Deforestation) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Destruction of Methane Generated from Manure in Piggeries-1.1) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Enclosed Mechanical Processing and Composting Alternative Waste Treatment) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Human Induced Regeneration of a Permanent Even-Aged Native Forest—1.1) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Quantifying Carbon Sequestration by Permanent Mallee Plantings using the Reforestation Modelling Tool) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Reducing Greenhouse Gas Emissions by Feeding Dietary Additives to Milking Cows) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Reduction of Greenhouse Gas Emissions through Early Dry Season Savanna Burning—1.1) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Reforestation and Afforestation-1.1) Methodology Determination 2013
- Carbon Credits (Carbon Farming Initiative) (Reforestation and Afforestation—1.2) Methodology Determination 2013



**Renewable Energy (Electricity) Act 2000****Renewable Energy (Electricity) (Charge) Act 2000****Renewable Energy (Electricity) (Large-scale Generation Shortfall Charge) Act 2000****Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Act 2010**

These Acts implement the Renewable Energy Target (RET), which provides financial incentive for additional generation of electricity from renewable sources. The RET scheme is designed to ensure that at least 20 per cent of Australia's electricity comes from renewable sources by 2020 and contributes towards the reduction of Australia's greenhouse gas emissions. The RET Acts establish:

- a requirement for wholesale purchasers and notional wholesale purchasers of electricity (liable entities) to support generation of additional renewable source electricity, substantiated through surrender of renewable energy certificates;
- a regulatory framework for parties able to create renewable energy certificates for their electricity generation which may be traded;
- reporting requirements to record and report, to the Clean Energy Regulator, liabilities incurred under the legislation and the surrendering of certificates to meet those liabilities; and
- compliance and enforcement arrangements.

## Subordinate legislation:

- *Renewable Energy (Electricity) Regulations 2001*
- *Renewable Energy (Electricity) Amendment (Transitional Provisions) Regulations 2009*
- *Renewable Energy (Electricity) Amendment (Transitional Provision) Regulations 2010*
- *Renewable Energy (Electricity) Regulations 2001 - STC Calculation Methodology for Solar Water Heaters and Air Source Heat Pump Water Heaters - Determination March 2012*
- *Renewable Energy (Electricity) Regulations 2001 - STC Calculation Methodology for Solar Water Heaters and Air Source Heat Pump Water Heaters - Determination March 2011*



## International Instruments

The climate change group represents Australia as signatory to the following international instruments:

### ***The United Nations Framework Convention on Climate Change (UNFCCC)***

The UNFCCC is an international treaty adopted in 1992 and entered into force in 1994, with the objective of achieving the stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.

### ***The Kyoto Protocol***

The Kyoto Protocol is a protocol under the UNFCCC adopted in 1997 and entered into force in 2005. It sets binding targets for the reduction of greenhouse gas emissions by developed countries. A set of targets was established for the 'first commitment period' between 2008 to 2012. In December 2012, a 'second commitment period' for 2013 to 2020 was adopted.

## Programs

Under current legislation, the climate change policy group has responsibility for the following programs:

- The **Carbon Farming Skills Program** is funding the development of an accreditation scheme for carbon service providers and a national qualification in carbon farming. This program promotes the integrity of the Carbon Farming Initiative and ensures that landholders have access to high quality carbon services.
- The **Carbon Neutral Program** is a voluntary scheme which certifies products, business operations or events as carbon neutral against the Australian Government's National Carbon Offset Standard.
- The **Clean Energy Future – Natural Resource Management for Climate Change (Stream 2)** program provides coordination of research to produce regional-level climate change impacts and adaptation information to support regional natural resource management planning. This program provides funding to research teams from around the country to work with planners in regional Natural Resource Management (NRM) organisations to deliver relevant information on climate change, its impacts and potential adaptation responses, and provide guidance on how to use that information in NRM planning.
- The **Climate Change Science Program** funds research to improve knowledge of the causes, nature, timing and consequences of climate change. This program provides Australia's core research capacity to underpin the delivery of *A Plan for Implementing Climate Change Science in Australia*. The program is delivered in partnership with the Commonwealth Scientific and Industrial Research Organisation and the Bureau of



Meteorology, and supports activities under the Antarctic Climate and Ecosystems Cooperative Research Centre, the Centre of Excellence for Climate System Science and the Australian Academy of Science.

- The **Energy Security Fund** is a legislated program that provides transitional assistance to highly emissions intensive generators to assist them to adjust to a carbon price. An associated Energy Security Council has also been established to advise the Treasurer on offering refinancing loans to emissions-intensive coal-fired electricity generators and related energy security issues.
- The **Indigenous Carbon Farming Fund** supports Indigenous participation in the Carbon Farming Initiative through the development of methodologies and tools that will enable crediting of abatement activities likely to have high indigenous participation.
- The **Influencing International Climate Change** program is working to influence the development of international policies and measures on climate change through the pursuit of broad based international climate action and agreement. In contributing to this, the climate change policy group is working to engage strategically with key international partners to support international climate action.
- The **Jobs and Competitiveness Program** provides assistance to entities that face high carbon costs and are constrained in their capacity to pass through costs in global markets. Assistance is provided in the form of free carbon units to entities that undertake emissions-intensive trade-exposed activities, and is designed to reduce the risk of 'carbon leakage' as these activities transition under the carbon price. Entities that undertake these activities are also eligible for partial exemption from liability under the Large-scale Renewable Energy Target and the Small-scale Renewable Energy Scheme.
- The **Methodology Development Program** supports the development of estimation methodologies for new abatement activities under the Carbon Farming Initiative.
- The **Renewable Energy Target** is a legislated scheme that creates a guaranteed market for the deployment of additional zero-emissions renewable energy (both large and small scale) in the electricity sector. It is designed to ensure at least 20 per cent of Australia's electricity comes from renewable energy sources in 2020.
- The **Voluntary Action Pledge Fund and GreenPower purchases** is a tax deductible pledge fund that will allow households and individuals to access the carbon market to voluntarily cancel permits. Delivery of the fund has been deferred to 1 July 2015.



## Climate Change Agencies and Other Governance Mechanisms

The climate change policy architecture includes two statutory agencies, one Commonwealth company and four independent committees.

### Portfolio Agencies

#### The Clean Energy Regulator

Established on 2 April 2012 by the *Clean Energy Regulator Act 2011*, the Clean Energy Regulator is an independent statutory authority responsible for administering legislation that will reduce greenhouse gas emissions and increase the use of renewable energy.

The Clean Energy Regulator's objectives and its policies and strategies for achieving them are articulated in its corporate plan that must be prepared and given to the Minister at least once every three years. The Clean Energy Regulator 2012-15 corporate plan states the following:

#### Vision

To support Australia's transition to a low carbon economy through an informed and efficient market for carbon and investment in renewable energy.

#### Objectives

- Ensure regulated entities are meeting their obligations, reporting correct information and receiving entitlements.
- Protect the integrity of instruments (units).
- Administer schemes effectively.
- Build confidence in the market and the Clean Energy Regulator.
- Provide data and information to assist decision makers.

The Clean Energy Regulator delivers the following outcome for Government:

*Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of a carbon price on liable emissions intensive businesses and other entities; promoting additional renewable electricity generation; and land-based initiatives that support carbon abatement.*

#### Executive Management

The Clean Energy Regulator comprises a Chair and between two and four other Members, who are appointed by the Minister on the basis of their experience and standing in relevant fields. Members are responsible for the performance of the functions of the Clean Energy Regulator as determined by the provisions of a range of climate change laws.



The current Regulator members are:

- Ms Chloe Munro (Chair and Chief Executive Officer)
- Ms Anne T Brown
- Mr Michael D'Ascenzo AO
- Ms Virginia Malley
- Dr Michael Sargent AM

The operations of the Regulator are carried out under delegation by staff of the Agency, led by a small executive team. In addition to her regulatory accountabilities, the Chair and Chief Executive Officer of the Clean Energy Regulator is accountable as the agency head under both the *Financial Management and Accountability Act 1997* and the *Public Service Act 1999*.

#### Ms Chloe Munro – Chair and CEO

Ms Chloe Munro commenced as Chair and Chief Executive Officer of the Clean Energy Regulator in 2012 under a five year appointment. Prior to this, Ms Munro was the Chair of the National Water Commission, the Independent Non-executive Chairman of AquaSure (the consortium building Victoria's desalination plant) and a non-executive director of Hydro Tasmania.

From February 2004 until July 2009, Ms Munro was an executive director of Telstra. She held leadership positions in human resources, business operations, information technology, public policy, and communications and customer service.



Ms Munro served in the Victorian public sector from 1996 to 2004 in the positions of Secretary of the Department of Primary Industries, Secretary of the Department of Natural Resources and Environment, and Deputy Secretary of the Department of Treasury and Finance. In the Department of Treasury and Finance, she headed the division implementing Victoria's energy reform and privatisation program. Earlier in her career she worked in the public, private and not-for-profit sectors in Kenya, New Zealand and the United Kingdom.

Ms Munro holds master's degrees in mathematics and philosophy from Cambridge University and in business administration from the University of Westminster. She is a Fellow of the Australian Academy of Technological Sciences and Engineering and of the Institute of Public Administration Australia and was awarded a Centenary Medal for outstanding contribution to public administration in 2001.



## Organisational Structure

The Clean Energy Regulator's organisational structure is depicted in Figure 2.

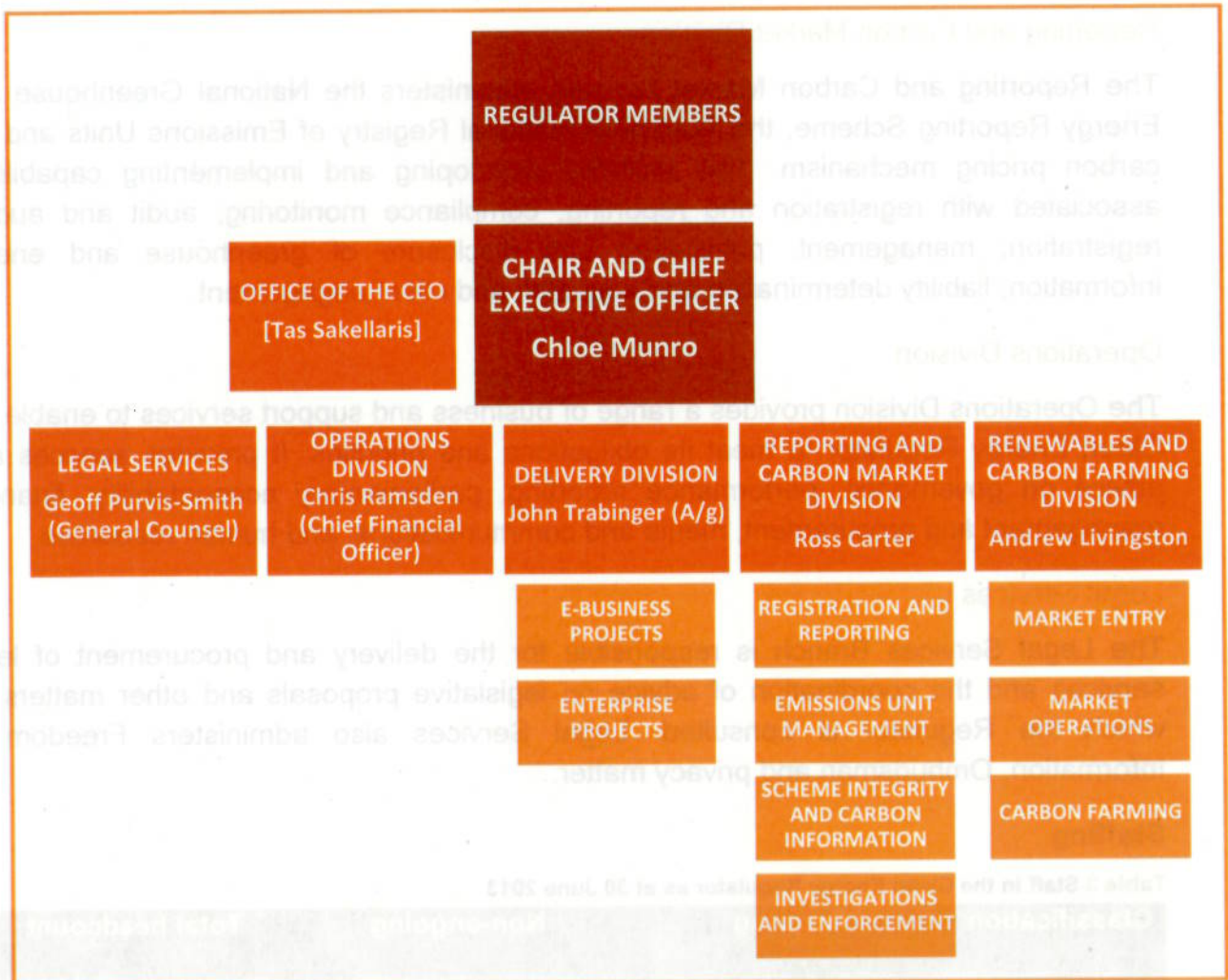


Figure 2 Clean Energy Regulator organisational structure (as at 18 July 2013)

### Renewables and Carbon Farming Division

The Renewables and Carbon Farming Division administers the Carbon Farming Initiative, the small and large-scale renewable energy schemes as part of the *Renewable Energy (Electricity) Act 2000* and the industry assistance measures under the carbon pricing mechanism. This includes educating clients, accrediting eligible power stations, monitoring compliance, managing scheme liability, maintaining registries, assessing applications for offsets projects and Australian carbon credit units, allocating free carbon units to eligible clients, and issuing partial exemption certificates under the Renewable Energy Target for emissions-intensive trade-exposed industries.

### Delivery Division

The Delivery Division has been responsible for developing new and enhanced capabilities and supporting the information and communication technology systems



necessary to implement the carbon pricing mechanism and other functions of the Clean Energy Regulator. The Division will be wound up and the information and communication technology function transferred to the Operations Division in late 2013.

### Reporting and Carbon Market Division

The Reporting and Carbon Market Division administers the National Greenhouse and Energy Reporting Scheme, the Australian National Registry of Emissions Units and the carbon pricing mechanism. This includes developing and implementing capabilities associated with registration and reporting; compliance monitoring; audit and auditor registration; management, publication and disclosure of greenhouse and energy information; liability determination and acquittal; and client engagement.

### Operations Division

The Operations Division provides a range of business and support services to enable the Clean Energy Regulator to meet its obligations and priorities. It provides services and advice on governance, performance reporting, parliamentary accountability, financial management and procurement, media and communications, and human resources.

### Legal Services

The Legal Services Branch is responsible for the delivery and procurement of legal services and the coordination of advice on legislative proposals and other matters on which the Regulator is consulted. Legal Services also administers Freedom of Information, Ombudsman and privacy matter.

### Staffing

**Table 3** Staff in the Clean Energy Regulator as at 30 June 2013

Classification	Ongoing	Non-ongoing	Total headcount
GRAD	5	0	5
APS 1	0	0	0
APS 2	0	0	0
APS 3	3	0	3
APS 4	26	6	32
APS 5	56	4	60
APS 6	81	9	90
EL 1	92	8	100
EL 2	66	2	68
SES 1	9	0	9
SES 2	3	0	3
SES 3	0	0	0
CEO	0	1	1
<b>TOTALS</b>	<b>341</b>	<b>30</b>	<b>371</b>

GRAD = Graduate; APS = Australian Public Service; EL = Executive Level; SES = Senior Executive CEO = Chief Executive Officer

Note: All levels under the relevant enterprise agreement are categorised under their standard APS equivalency. This table includes officers on leave and inoperative officers, but does not include officers in the Agency on secondment.



## Financial Statements

The table below reflects resources managed by the Clean Energy Regulator on behalf of the Government as recorded in the central budget management system at the Pre-election Economic and Fiscal Outlook 2013-14 update.

**Table 4: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (as at Pre-Election Financial and Economic Outlook 2013-14)**

	2012-13 Estimated actual (\$'000)	2013-14 Budget (\$'000)	2014-15 Forward year 1 (\$'000)	2015-16 Forward year 2 (\$'000)	2016-17 Forward year 3 (\$'000)
<b>Expenses administered on behalf of Government</b>					
Suppliers	6,469	5,350	6,405	6,764	6,434
Other expenses	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>6,469</b>	<b>5,350</b>	<b>6,405</b>	<b>6,764</b>	<b>6,434</b>
<b>LESS: Own Source revenue</b>					
<b>Taxation Revenue</b>					
Carbon price permits <sup>1</sup>	7,080,000	7,980,000	2,020,000	4,230,001	6,220,000
Value of free permits and carbon credits <sup>1</sup>	(2,455,256)	(3,711,278)	(1,193,035)	(1,408,622)	(2,192,376)
Other	8,968	6,088	5,816	5,322	5,631
<b>Total taxation revenue</b>	<b>4,633,712</b>	<b>4,274,810</b>	<b>832,781</b>	<b>2,826,701</b>	<b>4,033,255</b>
<b>Non-taxation revenue</b>					
Fees	16,866	12,332	10,925	10,680	11,142
<b>Total non-taxation revenue</b>	<b>16,866</b>	<b>12,332</b>	<b>10,925</b>	<b>10,680</b>	<b>11,142</b>
<b>Total own-source revenues administered on behalf of Government</b>	<b>4,650,578</b>	<b>4,287,142</b>	<b>843,706</b>	<b>2,837,381</b>	<b>4,044,397</b>
<b>Gains</b>					
Other gains <sup>1</sup>	21,512	33,527	11,410	-	-
<b>Total gains administered on behalf of Government</b>	<b>21,512</b>	<b>33,527</b>	<b>11,410</b>	<b>-</b>	<b>-</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>4,672,090</b>	<b>4,320,669</b>	<b>855,116</b>	<b>2,837,381</b>	<b>4,044,397</b>
<b>Net Cost of (contributed by) services</b>	<b>(4,665,621)</b>	<b>(4,315,319)</b>	<b>(848,711)</b>	<b>(2,830,617)</b>	<b>(4,037,963)</b>
<b>Surplus (Deficit)</b>	<b>4,665,621</b>	<b>4,315,319</b>	<b>848,711</b>	<b>2,830,617</b>	<b>4,037,963</b>
<b>Total comprehensive income (loss)</b>	<b>4,665,621</b>	<b>4,315,319</b>	<b>848,711</b>	<b>2,830,617</b>	<b>4,037,963</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>Appropriation Bill (No.1) 2013-14.

## Administered Legislation

The Clean Energy Regulator has legislative responsibilities under the following legislation:

- *Australian National Registry of Emissions Units Act 2011*
- *Carbon Credits (Carbon Farming Initiative) Act 2011*
- *Clean Energy Act 2011*
- *Clean Energy Regulator Act 2011*
- *National Greenhouse and Energy Reporting Act 2007*
- *Renewable Energy (Electricity) Act 2000*

## The Climate Change Authority

The Climate Change Authority was established under the *Climate Change Authority Act 2011* and commenced operation on 1 July 2012. The Authority's primary objective is to provide independent expert advice on the Australian Government's climate change mitigation initiatives.

The specific functions of the Authority are set out in the *Climate Change Authority Act 2011*. The Authority may also conduct special reviews and research about matters relating to climate change. Under the Act, the Minister and Parliament can request reviews.

### Vision

The Climate Change Authority provides rigorous, independent advice on climate change policies to improve the quality of life for all Australians.

### Mission

The Authority seeks to deliver expert advice by:

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

The Climate Change Authority delivers the following outcome for Government:

*Undertake independent reviews, research and analysis and provide relevant, insightful, practical advice to the Australian Government on climate change policy that is in the best interests of the Australian community.*

### Executive Management

The Authority is an independent statutory authority comprising a chair and eight members, supported by a Chief Executive Officer and secretariat. The Authority members are:

- Mr Bernie Fraser (Chair)
- Professor Ian Chubb AC, Chief Scientist (ex-officio member)
- Professor Clive Hamilton
- Professor David Karoly
- Mr John Marlay
- Professor John Quiggin
- Ms Heather Ridout AO
- Ms Elana Rubin
- Dr Lynne Williams



The Authority's Chief Executive Officer is responsible for the day-to-day administration of the Authority.

### Ms Anthea Harris – CEO

Prior to her appointment as Chief Executive Officer of the Climate Change Authority, Ms Anthea Harris was a Chief Adviser within the Department of Climate Change and Energy Efficiency from 2008 to 2012.



Ms Harris led the National Emissions Trading Taskforce Secretariat from October 2005 to December 2007, which was tasked with designing a national emissions trading scheme to be implemented by all States and Territories.

Until October 2005, Ms Harris was a consultant with an economics consulting firm, where she worked on a range of greenhouse policy issues, including assisting the NSW Government to design and implement its Greenhouse Gas Reduction Scheme. Prior to that Ms Harris held positions with the Victorian Department of Premier and Cabinet and at the Productivity Commission.

### Organisational Structure

The Climate Change Authority's organisational structure is depicted in Figure 3.

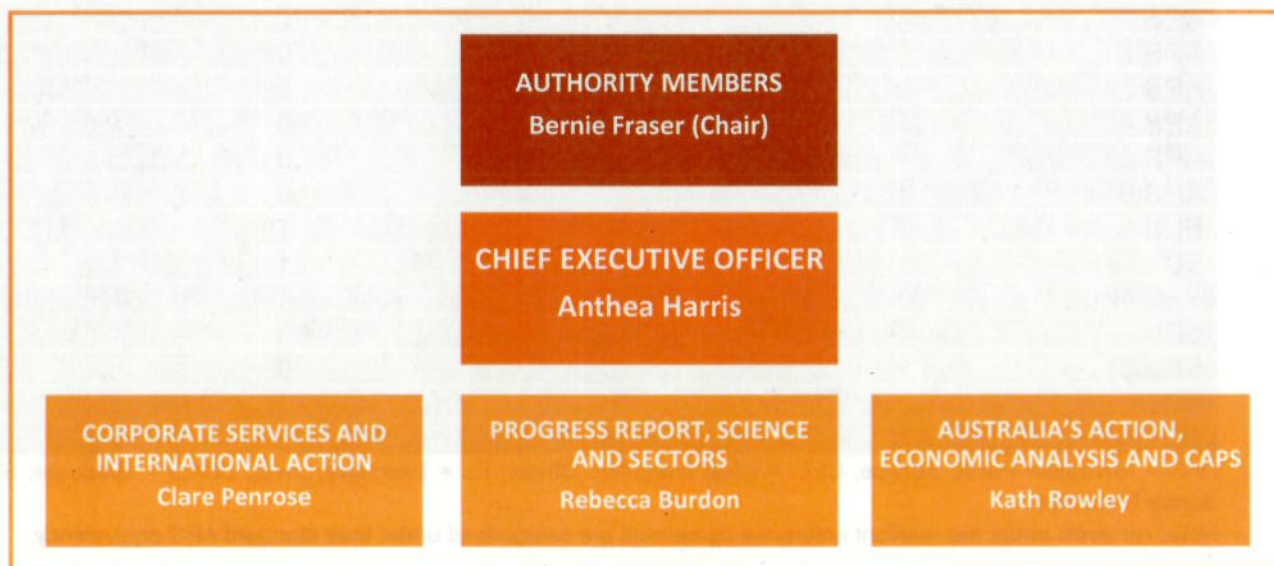


Figure 3 Climate Change Authority's organisational structure

The Climate Change Authority maintains a flexible structure to support Authority members, meet its corporate needs, and accommodate the statutory review schedule.

The Review teams are responsible for analysis and stakeholder consultation to underpin the Authority's policy advice to Government and the Parliament. This includes



undertaking research; engaging with the public, local and international experts, business and environment groups, and government bodies; briefing the Authority; and preparing reports and other materials for publication.

The review schedule is set out in legislation, and includes periodic reviews of Australia's national emissions reduction goals, Australia's progress toward its medium and long term targets for emission reductions, the Renewable Energy Target, the Carbon Farming Initiative and the carbon pricing mechanism. The Authority also conducts special reviews on the request of the Minister and Parliament.

The Review teams are currently undertaking the first review of Australia's national carbon budget, indicative national trajectory and caps for the carbon pricing mechanism, and the first annual review of Australia's progress toward its medium and long term targets.

The Corporate Services team provides the full range of business and support services to ensure the Authority meets its obligations and priorities. It sets policy and provides services and advice on governance, performance reporting, parliamentary accountability, financial management and procurement, media and communications, and human resources management.

## Staffing

**Table 5** Climate Change Authority staff as at 23 August 2013

Classification	Ongoing	Non-ongoing	Total headcount
GRAD	0	0	0
APS 1	0	0	0
APS 2	0	0	0
APS 3	0	0	0
APS 4	0	0	0
APS 5	6	0	6
APS 6	7	0	7
EL 1	10	1	12
EL 2	6	1	7
SES 1	2	1	3
SES 2	0	0	0
SES 3	0	0	0
CEO	1	0	1
<b>TOTALS</b>	<b>32</b>	<b>3</b>	<b>35</b>

APS = Australian Public Service; CEO = Chief Executive Officer; EL = Executive Level; GRAD = Graduate; SES = Senior Executive

Note: All levels under the relevant enterprise agreement are categorised under their standard APS equivalency.



## Financial Statements

**Table 6** Climate Change Authority Financial Statement (as of Portfolio Budget Statement 2013-14)

	2013-14 Budget (\$'000)	2014-15 Forward year 1	2015-16 Forward year 2	2016-17 Forward year 3
Program support	8,707	8,776	8,854	9,009
<b>Total program resourcing</b>	<b>8,707</b>	<b>8,776</b>	<b>8,854</b>	<b>9,009</b>

## Administered Legislation

The *Climate Change Authority Act 2011* establishes the Climate Change Authority as an independent advisory and review body and sets out its principles and functions.

The Climate Change Authority also has legislative responsibilities under the following:

- *Clean Energy Act 2011*;
- *Renewable Energy (Electricity) Act 2000*;
- *National Greenhouse and Energy Reporting System Act 2007*; and
- *Carbon Credits (Carbon Farming Initiative) Act 2011*.

## Commonwealth Companies

### Low Carbon Australia Limited

Low Carbon Australia Limited was created in 2010 to administer the Energy Efficiency Program and the National Carbon Offset Standard Carbon Neutral Program.

Current board members:

- Mr Martijn Wilder AM (Chair)
- Mr Anthony Coleman
- Mr Don Matthews
- Ms Tanya Cox
- Mrs Linda Nicholls AO

Low Carbon Australia Limited is in the process of completing its merge with the Clean Energy Finance Corporation. A number of administrative matters are yet to be finalised, including completion of an audit by the Australian National Audit Office and reporting requirements.

Low Carbon Australia Limited will continue to exist as a shell entity until further notice or until action is taken by the Minister for Climate Change as its sole member.

## Advisory Committees

### The Climate Adaptation Outlook Independent Expert Group

The Climate Adaptation Outlook Independent Expert Group provides advice to the Minister on the preparation of the *Climate Adaptation Outlook* report, which monitors Australia's progress in preparing for the impacts of unavoidable climate change. Their terms extend until December 2014. Members receive sitting fees, which are paid through contractual arrangements with the Commonwealth.

Current members are:

- Ms Sam Mostyn (Chair)
- Dr Andrew Ash
- Professor Sue Richardson
- Cr Paddi Creevey OAM
- Ms Romilly Madew
- Mr David Singleton

### The Climate Commission

The Climate Commission provides Australians with an independent and reliable source of information about the science of climate change and action being taken internationally and in Australia to reduce greenhouse gas emissions. Commissioners are engaged through consultancy contracts with the Commonwealth, which also provides secretariat support. Six members of a Science Advisory Panel providing advice to the Climate Commission are also engaged through consultancy contracts with the Commonwealth.

Current climate commissioners:

- Professor Tim Flannery
- Mr Roger Beale AO
- Mr Gerry Hueston
- Professor Lesley Hughes
- Professor Veena Sahajwalla
- Professor Will Steffen

### The Domestic Offsets Integrity Committee

The Domestic Offsets Integrity Committee assesses methodology proposals for use under the Carbon Farming Initiative under the *Carbon Credits (Carbon Farming Initiative) Act 2011*.

Current committee members:

- Dr Tony Press (Chair)
- Mr Noel Peters



- Professor Lynette Abbott
- Dr Brian Keating
- Ms Rebecca Burdon
- Ms Shayleen Thompson (ex-officio)

**The Emissions Intensive and Trade Exposed Expert Advisory Committee**

The Emissions-Intensive Trade-Exposed Expert Advisory Committee provides advice to the Minister on the process undertaken to assess emissions-intensive trade exposed activities under the Jobs and Competitiveness Program. It also advises whether the Department has made reasonable judgments on matters of substance during the assessment process.

Current committee members:

- Professor David Boymal (chair)
- Dr Lorraine Stephenson

There are no plans to fill one vacant committee position at this stage.

## Your Office

For more information on this matter, please see the section relating to the Minister's Office in briefing by the Department of Environment, Water, Population and Communities (DSEWPaC).