Australian Government
Clean Energy Regulator

ACCU Scheme overlap assessment program data matching protocol

Australian Carbon Credit Unit Scheme

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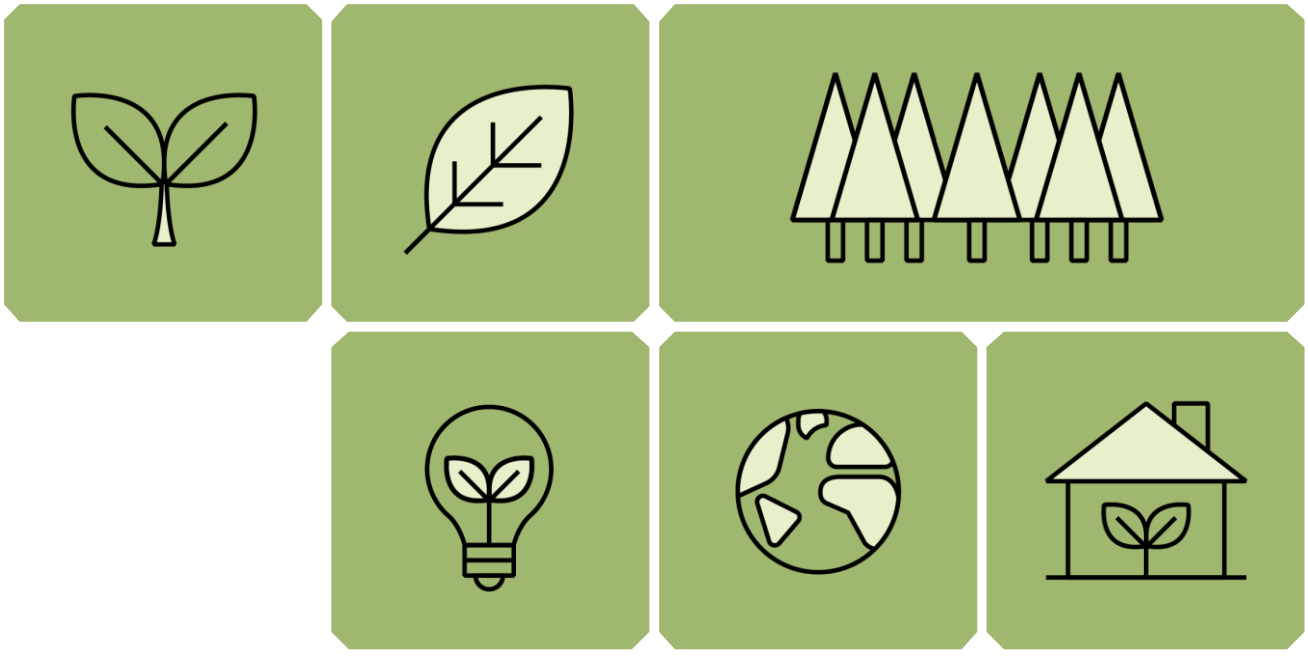

Australian Carbon Credit Unit Scheme

Contents

Data matching guidelines

We voluntarily comply with the *Guidelines on Data Matching in Australian Government Administration* (2014) published by the Office of the Australian Information Commissioner (OAIC).

This Australian Carbon Credit Unit (ACCU) Scheme Overlap Assessment Program Data Matching Protocol is prepared and published in accordance with the guidelines.

Overview

The ACCU overlap assessment program has been developed to enable the agency to meet its legislative functions under the *Carbon Credits (Carbon Farming Initiative) Act 2011* (the CFI Act) and the *Carbon Credits (Carbon Farming Initiative) Rule 2015* (the CFI Rule) with respect to:

- helping promote voluntary compliance with the ACCU Scheme
- protecting scheme participants doing the right thing from unfair competition by scheme participants seeking credit for abatement to which they are not entitled
- identifying and correcting honest errors
- ensuring that contract variations, potentially up to 100 years from the commencement, are processed correctly
- identifying non-compliance with ACCU Scheme rules
- maintaining community confidence in the integrity of the ACCU Scheme, which is the centerpiece of the Australian Government approach to meet its international carbon reduction targets.

The program will allow us to:

- administer the additionality requirement designated as the 'government program requirement' outlined in sections 27(4)(d) and 27(4A)(c)(ii) of the CFI Act and further detailed in section 21 of the CFI Rule, which requires that the agency must not declare a project as an eligible offsets project if it includes activities under the state or territory and Australian Government schemes listed in section 21 of the CFI Rule in respect of which support has been or will be claimed under those schemes
- administer the requirement in section 15(2)(h) of the CFI Act read together with section 9(4) and section 21 of the CFI Rule, which requires that the same activities in respect of which support has been or will be claimed under state or territory and Australian Government schemes listed in section 21 of the CFI Rule should not receive ACCUs under the ACCU Scheme.

Necessary information will be collected via memoranda of understanding, inter-agency agreements and legislative instruments from various state and territory-based energy efficiency scheme operators.

We will match the data provided by these agencies against our own records to identify businesses that could be claiming support under 2 schemes for the same activity, therefore not satisfying the requirements of the CFI Act and the CFI Rule. This will be an enduring function, as an activity may not apply for ACCU Scheme assistance at the same time it receives support from a state or territory scheme and as future ACCU contract variations and/or extensions will also need to be compared to state and territory data.

Purpose and objectives

Purpose

The purpose of the ACCU Scheme overlap assessment program is to enable us to meet our legislative functions under the CFI Act. This will allow us to:

- ensure that abatement achieved under the ACCU Scheme is credible
- ensure that the integrity of the ACCU Scheme is not undermined by participants seeking ACCUs for activities that have already received or will receive support for the same activity under another government scheme.

This helps to establish a level playing field within the ACCU Scheme and gives confidence to compliant proponents to participate in this competitive scheme.

In pursuance of this purpose, we obtain external data and matches it with our internal data to identify relevant cases for administrative action, including compliance and educational strategies.

Objectives

The objectives of the ACCU Scheme overlap assessment program are to:

- promote voluntary compliance and increase community confidence in the integrity of the ACCU Scheme
- identify project participants seeking to make claims for project activities, including through contract extensions and variations, that have already occurred and received or will receive support under other government schemes
- gain insights from the data that may help to develop and implement treatment strategies to improve voluntary compliance, which may include educational or compliance activities as appropriate
- obtain intelligence to increase our understanding of the behavior and compliance profiles of individuals and businesses participating in the ACCU Scheme.

Agencies and entities involved

Matching and primary user agency

We are the matching agency and will generally be the sole user. In very limited and specific circumstances, as contained in Part 3 of the *Clean Energy Regulator Act 2011* we may provide individual records to other agencies, including law enforcement agencies.

The data matching program will be run on secure agency computer systems and in accordance with approved policies and procedures.

Source entities

We have established memoranda of understandings with the administrators of 2 state-based energy efficiency certificate schemes, whose functions include the crediting of energy efficiency and fuel switching activities equivalent or similar to activities under the ACCU Scheme. These are:

- the Independent Pricing and Regulatory Tribunal, as the administrator of the NSW Energy Saving Scheme
- the Essential Services Commission, as the administrator of the Victorian Energy Efficiency Target.

We have established a section 185 disclosure from the Essential Services Commission as the administrator of the South Australian Retailer Energy Efficiency Scheme, whose functions include the crediting of energy efficiency and fuel switching activities equivalent or similar to activities under the ACCU Scheme.

We have also established a section 185 disclosure from the ACT Environment, Planning and Sustainable Development Directorate, as administrator of the Energy Efficiency Improvement Scheme, whose functions include the crediting of energy efficiency activities equivalent or similar to activities under the ACCU Scheme.

This protocol applies to data sourced from these entities.

Data issues

Data elements

We are working collaboratively with its state and territory partner agencies to ensure that data being exchanged is comparable and compatible.

We are seeking to collect details about individual and non-individual participants in the schemes administered by partner agencies, as well as details of the energy efficiency and fuel switching activities undertaken by those participants at household or commercial premises. Both data elements are required to determine whether the requirements of the CFI Act and the CFI Rule are being met.

The following types of data are being sought by us. However, each partner agency will have their own data management policies and priorities, and as such some data elements may not be available or may be available in a different format.

Scheme participant:

- last name (if applicable)
- given names (If applicable)
- scheme identifier
- business name
- business ABN
- business ACN
- business ARBN
- ANZSIC code
- address (including postcode)
- registration date.

Scheme Recipient's details:

- last name
- given name
- business name (if applicable)
- business ABN (if applicable)
- business ACN (if applicable)

- recipient's business ARBN (if applicable)
- address/location of activity (including postcode)
- latitude/longitude of location
- ANZSIC code
- activity details
- number of activities at the location
- installation company name
- ABN of installation company
- ACN of installation company (if applicable)
- ARBN of installation company (if applicable)
- date of installation
- brand of product installed
- model number of product installed
- date of claim
- activity/method type
- units claimed
- description of activity.

Number of records

The total number of scheme participant details to be received is estimated to be 400 to 500 from the state and territory schemes. The number of affected individuals and business linked to those accounts is expected to exceed 3 million locations. This is expected to expand over time as the Australian Government, state and territory schemes expand their reach.

Data quality

We expect the data acquired will be of high quality, based on the assessment of small data samples and the data model used by partner agencies. Partner agencies hold sufficient information about scheme participants and their activities to assess and credit a claim under their scheme and communicate with participants.

The data will be put through quality assurance processes to ensure it conforms to requirements before matching is undertaken.

Data integrity

Double crediting between the ACCU Scheme and state and territory-based schemes are premised on the same or equivalent activities being claimed at the same location at the same point in time. Additionally double crediting could occur though counting the same activity but at different points in time. For these reasons, address fields are used as the initial identifier to determine a match between schemes. Address fields from both systems are passed through a sophisticated geocoding system to produce a reference address location, with a matching score, from both systems.

In addition, secondary checks based on ancillary information will be used to confirm a match between schemes. The full list of ancillary information is provided in the data elements section above. The amount of ancillary information provided for secondary checks will vary substantially between state and territory schemes.

Where administrative action is proposed, additional checks will take place to ensure the correct entity has been identified. The entities will be provided with the opportunity to verify the accuracy of the information before any action is taken in accordance with our compliance, education and enforcement policy.

Data security

Our staff are subject to the strict use and disclosure provisions contained in Part 3 of the *Clean Energy Regulator Act 2011*. Terms of imprisonment and/or pecuniary penalties apply in cases of serious contravention of these provisions.

Our computer systems are strictly controlled, with features including:

- system access controls and security groupings
- login identification codes and password protection
- full audit trails of data files and system accesses.

A secure database system has been developed to support data matching conducted as part of the ACCU Scheme overlap assessment program, with unique system access controls. Having a compartmentalised database will prevent the use of information received from partner agencies for any other purpose.

We will use a secure data transfer facility to obtain the data from source agencies.

Discrepancy matching

Matching process

The information matching process begins with establishing a match on address fields, following a process to standardise the address from each data source using a reference Australian address database. A range of business rules will then be applied to identify any address matches which suggest that the same activity has been sought to be credited at the same premises under different schemes.

Records with an address match and activity match will be loaded onto our secure computer systems where our regulatory officers will use various techniques to verify potential matches, using a range of additional ancillary information. Cases selected for administrative action will be loaded to our case management systems for allocation to our compliance staff.

Unmatched data, and matched data that proves to be invalid, will be further analysed to refine business rules to increase precision in the matching process and cases selected for verification and case management.

Quality assurance

Quality assurance processes are integrated into our processes and computer systems and are applied throughout the data matching cycle.

These assurance processes include:

- establishing a project under our project governance framework for the ACCU Scheme overlap assessment project
- obtaining regular assurance from key business groups, ongoing approval from a Project Board (a senior executive forum) and final approval from the Portfolio Project Board (a senior executive forum, including the Chief Executive Officer) in relation to the project.
- notifying the OAIC Commissioner of our intention to undertake the data matching program
- maintaining access management logs recording details of who has access to the data and how it is used
- standard operating procedures and work instructions to support regulatory officers and compliance staff in relation to identifying and verifying matches and escalating cases for administrative action
- review of case selection processes and case plans by senior officers prior to client contact
- on-going reviews of cases by subject matter technical experts at key points during the lifecycle of a case.

These processes ensure data is collected and used in accordance with our information management policies and principles and complies with the OAIC's data matching guidelines.

Previous programs

We have not undertaken a data matching program in this area previously.

Action resulting from the program

The program will be used to identify ACCU Scheme applicants (which could include both individuals and businesses) who may have applied to register, as a project, abatement activities that are not eligible under the *government program additionality* requirement. It will also be used to identify ACCU Scheme participants who may have received, or applied to receive, ACCUs for such abatement activities.

Before any compliance action is undertaken, the ACCU Scheme applicants and participants who have been identified as a result of data matching will be given at least 14 days to clarify and respond to the information that has been derived from the data matching program. This time is the standard period allowed for all requests for further information in the ACCU Scheme and is adequate as applicants and participants are required to maintain relevant records.

It is important to note that ACCU Scheme applicants and participants, and not householders or commercial entities for whom they may be undertaking an activity, are responsible for declarations made to us about compliance with scheme legislative requirements. To this end, compliance requirements rest with the relevant scheme applicant or participant and in general administrative actions will be taken up with them. Personal information obtained from third parties, such as details of a householder involved in third party scheme, will not be provided to the scheme participant when making a notification.

Where an application to register a project as an ACCU Scheme project is found to fail to meet the government program additionality requirement, that project will be refused registration as an ACCU Scheme project.

The above steps will also apply where an existing ACCU Scheme project proponent seeks to alter, extend or otherwise amend a contact in the future. ACCU contracts may be up to 10 years in duration.

Scheme participants identified as being non-compliant with the requirements under the CFI Act and the CFI Rule will be referred to our relevant compliance area for action.

Action resulting from the program for the period reviewed will ensure that scheme participants are:

- seeking correct entitlement under the ACCU Scheme
- compliant with the requirements of the ACCU Scheme
- being credited for abatement that is genuine, compliant and additional.

In cases where scheme participants have failed to meet requirements under the CFI Act and the CFI Rule, after being reminded of them, we will take action as appropriate, and this may include consideration for prosecution. Our approach to compliance and enforcement is outlined in its compliance, education and enforcement policy, and our current compliance priorities are outlined in its Compliance Plan 2016-17.

We may also use the outcomes of this program to build an understanding of the compliance profile of the scheme participants under the ACCU Scheme, and this may inform new and appropriate education and compliance strategies for certain sectors.

Time limits applying to the conduct of the program

It's anticipated that this data matching program will need to continue for the life of the relevant methods under the CFI Act and the life of the relevant state and territory-based energy efficiency schemes, to enable us to identify non-genuine abatement claimed or attempted to be claimed under the ACCU Scheme. Therefore, we will need to retain data obtained from state and territory-based energy efficiency schemes administrators, including updates from these scheme administrators with any new data collected, on an ongoing basis.

When data is no longer required (for example, following the revocation of the relevant methods and after the end of the crediting period for the last registered product under the method, the removal of legislated requirements or termination of the relevant state and territory-based energy efficiency schemes), it will be destroyed in accordance with General Disposal Authority 24 and/or the Records Disposal Authority 1194 as applicable. All data to be destroyed will be handled securely under the supervision of our IT security advisor.

Data matching will occur on receipt of project location data from a scheme applicant or participant, against records currently held by us from state or territory-based agencies. On a 6 monthly basis, we will also run all agency project location data records against the entire state or territory-based data holdings, to identify any new matches resulting from latency in the receipt of data from state or territory-based energy efficiency administrators.

The data matching program will be reviewed every 2 years following commencement or following relevant legislative changes to the CFI Act or the CFI Rule.

Public notice of the program

We will publish a public notice in the Australian Government Gazette Notices. We will provide a copy of the notice to each of the source agencies. A copy of the notice will be provided to the OAIC.

A copy of the proposed notice is at Appendix A.

We will publish a copy of this protocol on our website once the gazette notice has been published. It can be accessed from www.cleanenergyregulator.gov.au.

Each of the source agencies has been advised that they may also notify their scheme participants of their participation in this data matching program.

Privacy complaints

If you're not satisfied with how we have collected, held, used or disclosed your personal information, you can make a formal complaint.

A complaint can be lodged by:

- calling our general enquiries line on 1300 553 542 within Australia
- contacting us through the National Relay Service if you're deaf, have a hearing impairment or speech impairment
  - » call 133 677 TTY Service [TTY/Voice]
  - » call: 1300 555 727 [Speak and Listen (SSR)].
- writing to our privacy contact officer privacy@cer.gov.au
- Writing to us by post:

  Clean Energy Regulator Privacy Contact Officer
  GPO Box 621
  Canberra ACT 2601

Relationship to lawful functions

The CFI Act is administered by the agency which has functions and powers conferred on it by or under sections 12 and 13 of the *Clean Energy Regulator Act 2011* and, amongst others, the CFI Act.

Paragraph 27(4)(d) of the Act requires that, for a project to be registered as an ACCU Scheme project, it must meet the additionality requirements set out in the CFI Act and the CFI Rule. One of the additionality requirements under section 27(4A)(c) of the CFI Act is that the project would be unlikely to be carried out under another state or territory government program or scheme in the absence of registration of the project as an ACCU Scheme project. This requirement has been elaborated and particularised by section 21 of the CFI Rule.

Further, section 15(2)(h) of the CFI Act read together with section 9(4) and section 21 of the CFI Rule, requires that the same activities in respect of which support has been or will be claimed under state or territory and Australian Government schemes listed in section 21 of the CFI Rule should not receive ACCUs under the ACCU Scheme.

Compliance with these requirements is critical for Australia to maintain the integrity of ACCUs under the ACCU Scheme. Failure to detect non-compliance and address non-compliant behaviour has the potential to undermine community confidence in the integrity of the ACCU Scheme and the Australian Government's ability to meet its international carbon reduction targets.

This data matching program is one of the strategies used to identity and deal with non-compliant behaviour. The data matching program also provides a degree of assurance that the ACCU Scheme participants are meeting their obligations.

Legal authority

Clean Energy Regulator legislation

The data will be provided to us under legislation administered by the:

- Independent Pricing and Regulatory Tribunal, as the administrator of the New South Wales Energy Saving Scheme
- Essential Services Commission, as the administrator of the Victorian Energy Efficiency Target
- Essential Services Commission, as the administrator of the South Australian Retailer Energy Efficiency Scheme
- ACT Environment, Planning and Sustainable Development Directorate, as administrator of the ACT Energy Efficiency Improvement Scheme.

We will use the sourced data to administer the CFI Act. The sourced data meets the definition of 'protected information' as defined under section 4 of the *Clean Energy Regulator Act 2011*. Part 3 of the *Clean Energy Regulator Act 2011* governs the disclosure and use of protected information. Part 3 also applies penalties for unauthorised disclosure and use of protected information, while providing exceptions disclosure and use in certain circumstances. This includes the disclosure and use for the purposes of a climate change law (which includes the administration of the CFI Act) under section 44(a) of the *Clean Energy Regulator Act 2011*. Disclosure for the purposes of law enforcement (section 55 of the *Clean Energy Regulator Act 2011)* provides an exception to facilitate the disclosure of protected information where reasonably necessary for the enforcement of the criminal law, a law enforcing a pecuniary penalty or the protection of the public revenue.

Privacy Act

Data will only be used within the limits on the use of personal information imposed by Australian Privacy Principle 6 (APP6) contained in Schedule 1 of the *Privacy Act 1988* and in particular:

- APP6.2(b) – the use of the information is permitted by an Australian Law
- APP6.2(e) – the use is necessary for the agency enforcement related activities.

Alternative methods

We are limited in alternative methods that could be used to identify activities that don't meet the government program requirement. By definition, this data is retained by state/territory-based energy-efficiency agencies through the conduct of their scheme. It is not practical to verify whether an activity has been undertaken under a state/territory-based energy-efficiency scheme by contacting each householder or business, nor would this be an effective means of determining non-compliance. In cases of accidental non-compliance, they are unlikely to know, which would lead to non-compliance. And in other cases, including deliberate non-compliance, there are significant incentives to disguise malfeasance and therefore it is considered unlikely the responses will be factual.

This data matching program will allow the agency to identify scheme participants that may be operating outside the requirements of the CFI Act and the CFI Rule.

Data matching is an effective and efficient method of examining records of millions of scheme participants when compared with the resource intensive exercise of examining records individually.

We considered the establishment of a secure portal into state/territory-based energy efficiency scheme administrators. However, this approach is more complex and costly to set up and maintain. If the number of

cases of non-compliance increases with time, this may justify investment in a secure portal approach with some or all the state and territory jurisdictions.

Costs and benefits

Costs

The costs of the ACCU Scheme overlap assessment data matching program are expected to be minimal in relation to the resulting benefits. The costs include resources to:

- manage the delivery of the function, including information and communication technology capabilities
- provide data analyst resources to identify instances of non-compliance
- provide compliance resources to manage casework and educational activities
- provide governance resources to ensure that the data matching guidelines and Privacy Act are in compliance with government policy
- undertake quality assurance work to ensure the rigor of the work undertaken by analysts and compliance staff
- arrange for storage of the data.

Benefits

Benefits from conducting this data matching program include:

- enabling enforcement activity and to prevent crediting of false claims – without undertaking this data matching program and subsequent compliance activity there are no means for us to meet our legislative obligations or identify risks
- maintaining community confidence in the integrity of the ACCU Scheme, which is a key mechanism for the Australian Government to meet its carbon reduction targets
- promoting voluntary compliance with the scheme, through the creation of a level playing field, and maintaining community confidence in our capacity to fairly administer the scheme and deal with non-compliant operators.

Monetary Values

A fully monetised cost benefit analysis has not been included with this protocol. This is because there are limitations in estimating the benefits associated with compliance with each scheme in monetary terms. The ACCU Scheme is in its infancy and measures of the cost of non-compliance abatement cannot be estimated at this time.

There are also intangible benefits associated with the data matching protocol which cannot be easily monetised, including:

- introduction of deterrence measures against non-compliance
- ensuring compliance with our legislation
- meeting Australian Government expectations and international commitments to reduce carbon emissions.

Table 1 – consistency with the guidelines

This section outlines how we are consistent with the requirements of the OAIC's Guidelines on Data Matching in Australian Government Administration (2014).

Paragraph/guideline	Action taken/to be taken
Paragraph 6 – status of the guidelines	We are committed to complying with the OAIC's Guidelines on Data Matching in Australian Government Administration.
Guideline 1 – application of the guide	We apply the guidelines to all data matching programs where it is anticipated the program will include records of 5,000 or more individuals or entities. We recognise that programs with multiple data sources, but common objectives and algorithms will be treated as a single data matching program.
Guideline 2 – considerations before conducting a data matching program	We conduct a cost-benefit analysis and considers alternate methods prior to proposing to conduct a data matching program. Further, we have rigorous governance arrangements, processes and system controls in place to protect the privacy of individuals.
Guideline 3 – prepare a program protocol	Prior to conducting a data matching program, we prepare a data matching program protocol, submit it to the OAIC and make a copy publicly available on our website. When elements of a data matching program change, the program is amended and a copy of the amended protocol provided to the OAIC and republished on its website.
Guideline 4 – technical standards report	Documentation is prepared and maintained so as to satisfy the requirements of a technical standards report.
Guideline 5 – notify the public	We publish a notification of our intention to undertake a data matching program in the Australian government gazette notices prior to the commencement of the program. This notice includes all the requirements outlined in the guidelines. Notification of the program is also published on our website and data providers are advised they can advertise their participation in the data matching program.

Guideline 6 – notify individuals of proposed administrative action	Before taking any administrative action as a result of the data matching programs, scheme participants are given at least 14 days to respond to any anomalies identified as a result of the matching process. Personal information obtained from third parties, such as details of a householder involved in third party scheme, will not be provided to the scheme participant when making a notification.
Guideline 7 – destroy information that is no longer required	We will destroy records received from source agencies in accordance with relevant procedures when the data is no longer required.
Guideline 8 – do not create new registers, datasets or databases	We do not create new permanent registers or databases using data obtained in the course of a data matching program.
Guideline 9 – data matching program evaluations	Programs are regularly evaluated and always within 3 years after the start of the data matching program. These evaluations are provided to the OAIC.
Guideline 10 – variations to guideline requirements	When we intend to vary from the requirements of the guidelines it seeks the approval of the OAIC and provide documentation to support the variance.
Guideline 11 – data matching with entities other than agencies	We undertake our own data matching programs. If we contracted with an entity other than an agency, we will seek to have the entity adopt these guidelines.
Guideline 12 – data matching with exempt agencies	This data matching program does not involve agencies that are exempt from the operations of the Privacy Act 1988 under section 7 of that Act.
Guideline 13 – enable review by the OAIC	We will enable the OAIC to review our data matching activities and processes.

Appendix A - Gazette Notice

Chair of the Clean Energy Regulator

Notice of the Clean Energy Regulator Emissions Reduction Fund overlap assessment program

The Clean Energy Regulator has signed Memoranda of Understanding with the administrators of two state-based energy efficiency schemes. These are:

- The Independent Pricing and Regulatory Tribunal, as the administrator of the New South Wales Energy Saving Scheme
- The Essential Services Commission, as the administrator of the Victorian Energy Efficiency Target
- The Clean Energy Regulator has also established disclosures under section 185 of the *Carbon Credits (Carbon Farming Initiative) Act 2011 (CFI Act)* from the Essential Services Commission as the administrator of the South Australian Retailer Energy Efficiency Scheme and the ACT Environment, Planning and Sustainable Development Directorate, as administrator of the ACT Energy Efficiency Improvement Scheme.

The Clean Energy Regulator will request and collect the following data sets from the above four state and territory energy efficiency agencies. These four state and territory agencies functions include the crediting of energy efficiency and fuel switching activities equivalent or similar to those under the Emissions Reduction Fund.

The Clean Energy Regulator is seeking to collect details about participants in the schemes administered by the above mentioned partner agencies, as well as details of the energy efficiency and fuel switching activities undertaken by these participants at household or commercial premises. Both data elements are required to determine whether compliance obligations under the *Carbon Credits (Carbon Farming Initiative) Act 2011* (CFI Act) and the *Carbon Credits (Carbon Farming Initiative) Rule 2015* (CFI Rule) are being met.

The Clean Energy Regulator will institute a program to electronically match data acquired from the partner agencies with activity data obtained by the Clean Energy Regulator under the CFI Act and the CFI Rule.

This program will be called the Emissions Reduction Fund overlap assessment program and it will enable the Clean Energy Regulator to:

- administer the 'government program requirement' imposed by the CFI Act and further described by the CFI Rule
- identify ERF scheme participants that may not be meeting their obligations under the CFI Act.

A document describing this program has been prepared and lodged with the Office of the Australian Information Commissioner. A copy of this document is available on the Clean Energy Regulator's website or by emailing CER-Privacy@cleanenergyregulator.gov.au

The Clean Energy Regulator complies with the Office of the Australian Information Commissioner's *Guidelines on Data Matching in Australian Government Administration (2014)* which includes standards for data matching to protect the privacy of individuals. A full copy of the Clean Energy Regulator's privacy policy can be accessed at http://www.cleanenergyregulator.gov.au/About/Policies-and-publications/Condensed-privacy-policy.