Australian Government
Clean Energy Regulator

ANNUAL REPORT
2022–23

CLEAN ENERGY REGULATOR

Accelerating carbon abatement for Australia

Contents

Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connections to land, waters and culture. We pay our respects to their Elders past, present and emerging.

About this report

ISSN: 2200-937

This report describes our performance from 1 July 2022 to 30 June 2023.

We report on results achieved against our intended purpose, outcome, deliverables and performance criteria, which are detailed in our *Corporate Plan 2022–26* and *Portfolio Budget Statements 2022–23*. We also describe our management and accountability structures, our workforce, and financial performance, including audited financial statements, in accordance with *Resource Management Guide No. 135: Annual reports for non-corporate Commonwealth entities.*

Our annual reports are available on the Australian Government's Transparency Portal – transparency.gov.au.

Contact details

Planning, Performance and Parliamentary Manager

enquiries@cleanenergyregulator.gov.au

1300 553 542

www.cleanenergyregulator.gov.au

Acknowledgements

- Graphic design: **Bassem Mekhael**
- Editing: **Editor Group**
- Indexing: **Libraries Alive**
- Printing: **Elect Printing**
- Front cover image credits: Top left image: **PARF (Powering Australian Renewables Fund)**
  Middle left image: **iStock**
  Bottom left image: **Courtesy of CSIRO**
  Top right image**: Gullen Range Wind Farm: BJCE Australia, powered by Goldwind**
  Bottom right image: **Jacqui Schulz**

Letter of transmittal

Australian Government
Clean Energy Regulator

The Hon Chris Bowen MP
Minister for Climate Change and Energy
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to submit the Clean Energy Regulator Annual Report 2022–23 in accordance with subsection 40(1) of the *Clean Energy Regulator Act 2011* for presentation to Parliament.

The report covers the operations of the Clean Energy Regulator for the financial year ended 30 June 2023. It was prepared for the purposes of section 46 of the *Public Governance, Performance and Accountability Act 2013,* in accordance with the Public Governance, Performance and Accountability Rule 2014 and Resource Management Guide No. 135 – Annual reports for non-corporate Commonwealth entities, published by the Department of Finance.

The report includes the Clean Energy Regulator audited financial statements as required by section 43 of the *Public Governance, Performance and Accountability Act 2013*.

As the Accountable Authority of the Clean Energy Regulator, I can advise that no significant issues have been identified or reported to the Minister under paragraph 19(1)(e) of the *Public Governance, Performance and Accountability Act 2013* in relation to non-compliance with the finance law in relation to the entity.

In addition, as required by section 10 of the Public Governance, Performance and Accountability Rule 2014, I certify that the Clean Energy Regulator has:

- prepared fraud risk assessments and fraud control plans
- mechanisms in place for preventing, detecting incidents of, investigating or dealing with, and recording and reporting fraud, that meet the agency's specific needs
- taken all reasonable measures to appropriately deal with fraud.

Yours sincerely

David Parker AM
Chair, Clean Energy Regulator

25 September 2023

Chair's review

2022–23 was another important year for the Clean Energy Regulator (CER) with actual and prospective legislative changes and funding announcements setting the framework for our role through the rest of this decade and beyond.

These include a funding announcement for the creation of the Guarantee of Origin Scheme, enhancements to the Safeguard Mechanism and recommendations arising from the Independent Review of Australian Carbon Credit Units (ACCU Review). The proposed Nature Repair Market, dependent on legislation being considered by Parliament, is another potential area of new work for the agency.

There were also several important announcements that will likely complement the CER's ongoing work, such as the review of Australia's National Hydrogen Strategy, the Hydrogen Headstart program, and the Australia-United States Climate, Critical Minerals and Clean Energy Transformation Compact.

We worked closely with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) to prepare for the commencement of changes to the Safeguard Mechanism on 1 July 2023. Incorporating declining baselines for the covered facilities and the creation of Safeguard Mechanism credits, this will be a vital part of the agency's work in accelerating carbon abatement in Australia. It builds on our administration of the National Greenhouse Emissions Reporting (NGER) scheme, which provides the infrastructure for emissions reporting and gathers essential data to inform progress against Australia's emissions reduction targets.

The Australian Government has made a significant commitment to developing the Guarantee of Origin (GO) scheme. GO aims to provide a certification framework so low emissions products and renewable energy can be tracked and verified. This will provide information and assurance to support the market for these products and the associated investments being made in hydrogen and other renewable energy generation and storage pathways.

GO development work advanced significantly this year, and we look forward to accelerating this development in 2023–24 with increased support provided by the government. Over the longer term, this can be a framework that will help trace carbon through supply chains both domestically and internationally.

Across all the schemes we administer, integrity is at the heart of our work.

The ACCU Review report – released in early January 2023 – provided important independent assurance of the work we do and of the Australian Carbon Credit Unit (ACCU) Scheme (formerly known as the Emissions Reduction Fund) as a whole. The review made key recommendations to help clarify roles and highlighted the need for greater transparency of scheme data and information. This saw the agency's method development functions move to DCCEEW and legislative changes were made in April 2023 allowing us to publish previously protected information, such as carbon estimation areas. We worked to make sure this was published on our website before the end of the reporting year. We also received funding to deliver an enhanced audit program for the ACCU Scheme's Human Induced Regeneration (HIR) method projects which will further strengthen confidence in the integrity and effectiveness of this method.

The ACCU market responded positively to the Safeguard Mechanism reforms and outcomes of the ACCU Review. ACCU supply increased in 2022–23 with 15.7 million ACCUs issued. A further 1.7 million ACCUs were released in the second pilot window of the exit arrangement to the value of $19.4 million.

Our agency, and the work we do, contributes to well-functioning carbon markets. If we reflect on the evolution of ACCU markets over the last ten years, the government was the main purchaser of abatement in the early years and sellers sold ACCUs to us at the agreed price and volume. Non-government demand for ACCUs for emissions offsetting purposes will now drive the market, with the CER effectively taking an assurance and support role. We expect the carbon market in Australia will continue to grow, with high-integrity ACCUs supporting the increasing ambitions of private sector organisations to abate their emissions and demand from Safeguard facilities requiring ACCUs for compliance under the reformed Safeguard Mechanism. The Australian Carbon Exchange will be ready for the market in 2024, with the aim of reducing transaction costs and increasing price transparency as the carbon market grows.

As Australia moves towards a net zero carbon emissions future, consumers and shareholders are preferencing products and companies that support this transition. It is critical to ensure that claims made in relation to corporate net carbon emissions reduction, or the carbon intensity of products and services, are accurate. Our Corporate Emissions Reduction Transparency (CERT) report offers a vehicle for organisations to transparently show their net emissions position and outlines steps they are taking to meet their stated emissions reduction targets.

Corporate climate-related reporting and transparency will also become increasingly important with the introduction of the Australian Government's mandatory disclosure requirements to be phased in from 2025. The initial proposal is that all NGER reporters, as well as other large businesses and financial institutions above certain size thresholds will be covered.

During 2022–23 we made several enhancements to our compliance programs within the Small-scale Renewable Energy Scheme (SRES) which covers the creation of small-scale technology certificates (STCs). These improvements, along with our ongoing review of accreditation will ensure best-practice compliance around STCs, including action through the courts, when required. Maintaining integrity of this sector remains a focus and priority for us, as Australians continue to install small-scale solar photovoltaic (PV) at world leading pace.

Work is progressing under our ambitious change program, which will improve the efficiency of our schemes, making it easier for participants to do business with us and harder to not comply. There is extra education, lower costs of entry and modern streamlined systems and processes. Continual improvement assists the agency in achieving our mission of accelerating carbon abatement and contributing to Australia's target of 43% reduction in greenhouse gas emissions by 2030 and net zero emissions by 2050.

Both large and small-scale renewable energy delivered rose in 2022–23 following a flatter period in the previous year. During 2022–23, 2.7 gigawatts (GW) of new renewable energy power stations (0.73 GW from wind and 1.98GW from solar) were approved and 3 GW of small-scale systems were installed. Consumers also continue to invest in energy efficiency measures at an increased rate, with uptake of air source heat pump hot water systems growing to 100,000 installations, up from 72,000 in the previous year. Notwithstanding recent challenges the industry is facing with grid congestion and supply-chain issues, this is a great outcome for the year.

In 2022–23, carbon abatement associated with the schemes we administer continued the record of new highs, achieving an estimated 62.7 million tonnes of carbon dioxide equivalent (CO_2-e), up from 59.1 million tonnes in 2021–22.

Our workforce continued to go above and beyond in 2022–23 to improve our processes across all schemes and to prepare for new responsibilities. Workforce development plans are in place across most of the agency and the foundation is set to develop our people and acquire the expertise we need in an extremely constrained skills market.

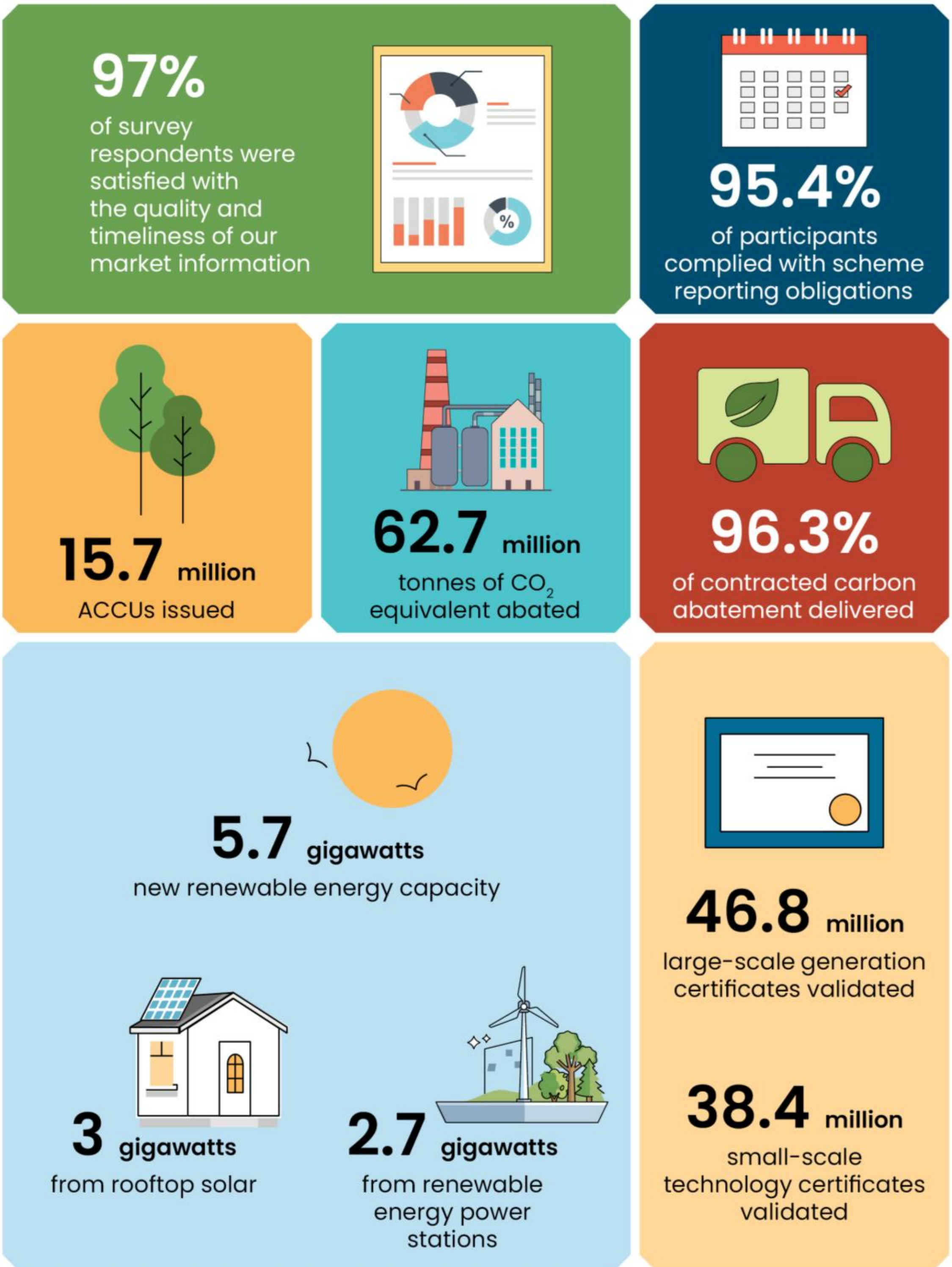
It would be hard to overstate the importance of 2022–23 in building a stronger foundation for us to achieve our purpose. I know our team is more than ready to continue our vital work for Australia as we accelerate carbon abatement.

David Parker AM
Chair, Clean Energy Regulator

2022–23 highlights

Scheme and carbon market data is regularly updated and included on the Clean Energy Regulator website (cer.gov.au) and in the Quarterly Carbon Market Report (see: cer.gov.au/Infohub/Markets/quarterly-carbon-market-reports).

Figure 1: 2022–23 highlights



Agency overview

Our role and functions

Established on 2 April 2012 by the *Clean Energy Regulator Act 2011*, the Clean Energy Regulator (CER) is a non-corporate Commonwealth entity and statutory authority. We are responsible for administering legislation that reduces greenhouse gas emissions and increases the use of renewable energy.

Our purpose is to accelerate carbon abatement for Australia. This purpose is distilled from the stated objectives of the legislation we administer and is achieved by administering schemes that:

- measure, manage, reduce or offset Australia's carbon emissions
- encourage investment in renewable energy.

National Greenhouse and Energy Reporting scheme

Established under the National Greenhouse and Energy Reporting Act 2007 (NGER Act), the NGER scheme is a single, national framework for reporting and disseminating company information about greenhouse gas emissions, energy production and energy consumption.

Together with the reporting obligations under the NGER Act, the Safeguard Mechanism provides a framework for Australia's largest emitters to measure, report and manage their emissions by requiring facilities whose emissions exceed the safeguard threshold to keep their net emissions below the emissions limit (or baseline).

The Safeguard Mechanism (Crediting) Amendment Bill 2023 was passed on 30 March 2023. It amends the NGER Act and other legislation to incorporate declining baselines for the covered facilities and introduce Safeguard Mechanism credits to the scheme to provide an incentive to facilities to go beyond their baselines. We have been preparing our systems and process to start administering the reformed scheme from 1 July 2023.

Australian Carbon Credit Unit Scheme (formerly known as the Emissions Reduction Fund)

Established under the *Carbon Credits (Carbon Farming Initiative) Act 2011*, the Australian Carbon Credit Unit (ACCU) Scheme provides incentives for organisations and individuals to adopt new practices and technologies to reduce their emissions or store carbon.

Following the Independent Review of Australian Carbon Credit Units report in January 2023, the Department of Climate Change, Energy, the Environment and Water is now responsible for developing ACCU methodology determinations.

Renewable Energy Target

Established under the *Renewable Energy (Electricity) Act 2000*, the Renewable Energy Target (RET) consists of two certificate schemes that encourage additional electricity generation from renewable sources. The objectives of the schemes are to reduce emissions in the electricity sector and ensure that renewable energy sources are ecologically sustainable.

- The Large-scale Renewable Energy Target (LRET) incentivises the development of renewable energy power stations in Australia through a renewable energy certificate market for the creation and sale of certificates called large-scale generation certificates (LGCs).
- The Small-scale Renewable Energy Scheme (SRES) supports the installation of small-scale renewables, such as household solar rooftop panels and efficient hot water systems.

Other functions

We are committed to supporting market integrity by ensuring all units and certificates are validly created, generated and issued. The systems we use under each scheme form an integral part of this process, including how we register and track units and certificates. These systems are:

- Australian National Registry of Emissions Units (ANREU)
- the Renewable Energy Certificate (REC) Registry
- the Emissions and Energy Reporting System (EERS).

We are also developing some new initiatives that promote integrity for emissions claims and actively leverages our existing schemes to build a vibrant voluntary carbon market:

- A Guarantee of Origin or certification scheme will enable Australian businesses to sell verified low emissions hydrogen from renewable sources, and fossil fuels with substantial carbon capture and storage, domestically and to the world.
- An Australian Carbon Exchange will accelerate the emergence of an online exchange trade market for emissions offsets.
- The Corporate Emissions Reduction Transparency (CERT) report is a voluntary initiative for eligible companies to present a snapshot of their climate-related commitments, progress and net emissions position using a standardised framework.

Outcomes and programs

In 2022–23, we were responsible for delivering one outcome to the Australian Government – contribute to a reduction in Australia's net greenhouse gas emissions. Table 1 describes the outcome and program structure as set out in the *Climate Change, Energy, the Environment and Water Portfolio Budget Statements 2022–23*.

Table 1: Outcome and program structure, 2022–23

Outcome	Program
Outcome 1: Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market-based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.	Program 1.1: Effective and efficient regulation of greenhouse and energy reporting and market-based schemes that contribute to a reduction in Australia's net greenhouse gas emissions and promote investment in renewable energy.
Outcome 2*: Contribute to the sustainable management of Australia's biodiversity through the administration of market-based mechanisms that incentivise the preservation and improvement of diverse ecosystems.	Program 2.1: Effective and efficient regulation of the voluntary biodiversity market-based scheme that contributes to improving Australia's biodiversity.

* As at 30 June 2023, the biodiversity market mechanism was not legislated to be administered by us.

We delivered Program 1.1 by:

- collecting, analysing, assessing, providing and publishing emissions and energy data to inform government policy and the Australian public, meet international reporting obligations and support Australia's emissions and energy data needs
- monitoring, facilitating and enforcing compliance in the schemes we administer
- educating current and potential scheme participants on how the schemes we administer work
- issuing ACCUs to organisations and individuals for approved projects that reduce greenhouse gas emissions
- providing the facilities for registering and trading renewable energy certificates incorporating STCs & LGCs
- operating the ANREU and REC Registry for market participants
- conducting auctions and managing contracts
- crediting greenhouse and energy auditors to undertake audit activities under our schemes
- working with other Commonwealth, state and territory law enforcement and regulatory bodies.

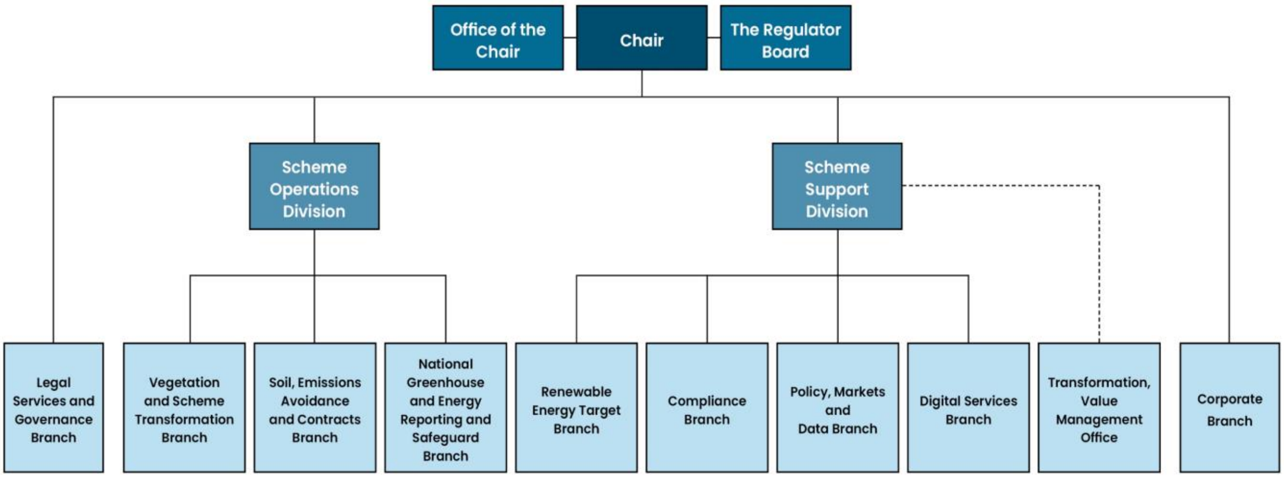
Our structure

The Clean Energy Regulator refers to the:

- government-appointed Regulator Board – comprising the Chair and up to four members – which sets the strategic direction for the agency and is accountable for regulatory decisions
- agency that carries out day-to-day operations and supports the Regulator Board in performing its duties. The agency is led by the Chair and is a non-corporate Commonwealth entity for the purpose of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Organisational structure

Figure 2: Organisational structure as at 30 June 2023



The Strategic Leadership Team

The Chair, David Parker, was the agency's Accountable Authority for the 2022–23 reporting period. As at 30 June 2023, the Strategic Leadership Team comprised:

- David Parker, Chair
- Shayleen Thompson, Executive General Manager, Scheme Operations
- Mark Williamson, Executive General Manager, Scheme Support
- Bronwen Shelley, General Counsel
- Karen Najjar, Chief Operations Officer.

Portfolio and Minister

The Clean Energy Regulator operated within the Climate Change, Energy, the Environment and Water portfolio, reporting to the Honourable Chris Bowen MP as Minister for Climate Change and Energy during the 2022–23 reporting year.

Annual performance statement

Introductory statement

I, David Parker, as the Accountable Authority of the Clean Energy Regulator, present the agency's 2022–23 annual performance statement, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

This statement reports our performance in 2022–23, including results against the performance measures in our *Corporate Plan 2022–26* and the *Climate Change, Energy, the Environment and Water Portfolio Budget Statements 2022–23*, and analysis against our purpose.

In my opinion, this performance statement is based on properly maintained records that accurately reflect the performance of the Clean Energy Regulator and comply with subsection 39(2) of the PGPA Act.

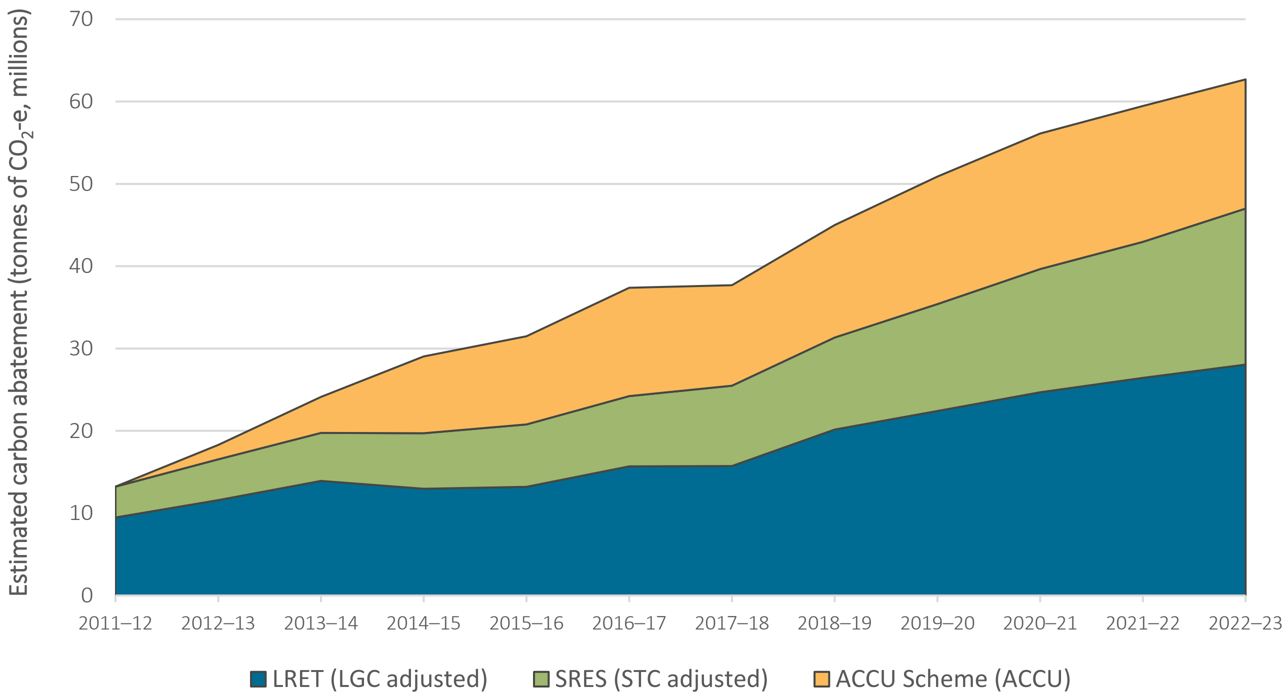
David Parker AM
Chair, Clean Energy Regulator
25 September 2023

Analysis of our performance

Our purpose is to accelerate carbon abatement for Australia. In 2022–23, we delivered on our purpose through the administration of schemes to measure, manage, reduce and offset Australia's carbon emissions.

Carbon abatement from the schemes we administer has continued to rise, reaching an estimated 62.7 million tonnes of carbon dioxide equivalent (CO_2-e) in 2022–23, up from 59.1 million tonnes in 2021–22 (see Figure 3).

Figure 3: Total carbon abatement from schemes we administer, 2022–23



Note: Carbon abatement is estimated based on the time of issuance for ACCUs, LGCs and an estimate of generation from rooftop solar, regardless of the source of demand for the units and certificates. To convert the renewable generation into a carbon abatement equivalent value, each megawatt hour (MWh) is multiplied by the emissions intensity factor of the Australian electricity network. This is considered a conservative estimate. An alternative approach would use the weighted average emissions intensity of the coal and gas generation displaced by renewables, including self-generation of rooftop solar, which would be higher. Details on the calculation methodology for abatement estimation are set out in the Quarterly Carbon Market Report March Quarter 2022 workbook.

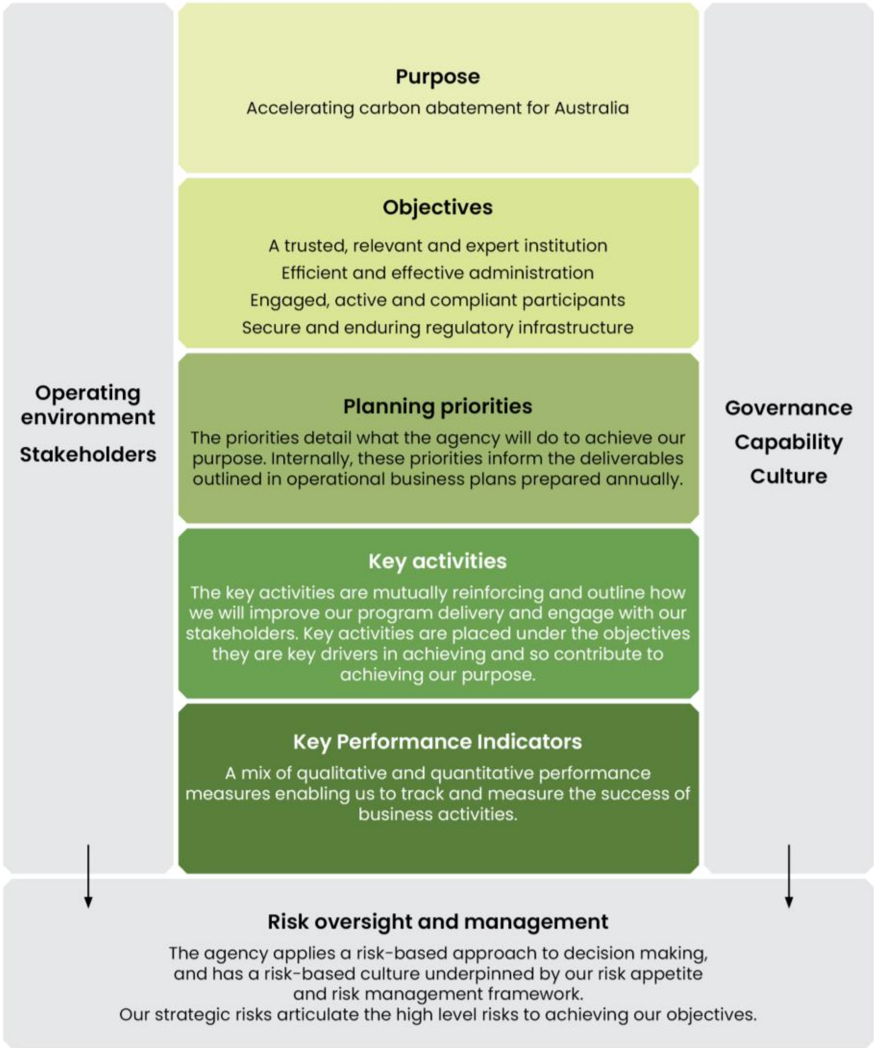
The 2022–23 annual performance statement is an assessment of the agency's actual performance against the purpose, objectives, priorities, performance measures and activities in the *Corporate Plan 2022–26* (see: cer.gov.au/Corporate-plan) and the *Portfolio Budget Statements 2022–23*.

Programs set out in the Portfolio Budget Statements
Program 1.1: Effective and efficient regulation of greenhouse and energy reporting and market-based schemes that contribute to a reduction in Australia's net greenhouse gas emissions and promote investment in renewable energy.
Program 2.1*: Effective and efficient regulation of the voluntary biodiversity market-based scheme that contributes to improving Australia's biodiversity.

* As at 30 June 2023, the biodiversity market mechanism was not legislated for us to administer.

Figure 4 displays the elements of our Corporate Plan. The planning priorities and key activities outline our approach to improving program delivery, fostering stakeholder engagement, and ensuring transparency and accountability for the regulatory functions we undertake on behalf of the government. Our Key Performance Indicator (KPI) framework sets out the structure for monitoring, assessing and reporting on our performance in supporting vibrant carbon markets and accelerating carbon abatement for Australia.

Figure 4: Elements of our Corporate Plan



We also measure our performance through an annual stakeholder survey run by an independent research organisation. The survey seeks feedback from scheme participants to evaluate our performance against several key activity areas. The results guide future communication and education strategies and may also inform system enhancements and the streamlining of our processes. For example, a major project this year was to make it easier to find information on our website after 65 per cent of respondents from the 2022 survey indicated that this was an issue.

The 2022–23 year began with an increased focus on the climate change programs the agency administers. Legislative changes and funding announcements drove our agenda, including for the creation of GO Scheme, enhancements to the Safeguard Mechanism and recommendations arising from the ACCU Review.

We continued to progress our ambitious change program which comprises of projects designed to assist us in achieving our mission of accelerating carbon abatement. It will make the interactions of those that do business with us faster, easier and more transparent. Throughout 2022–23, the agency worked towards delivering the change program initiatives and the results are reported under the appropriate planning priority in the ‘Performance results’ section.

Several external factors influenced our overall performance during 2022–23, including:

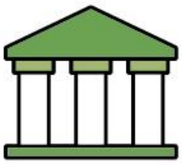
- recommendations from the ACCU Review – two KPIs were affected by the method development functionality being moved to DCCEEW
- changing renewable energy policy and incentives provided by all levels of government
- the electrification movement driving demand for rooftop solar and heat pump hot water systems
- an increasingly tight labour market, which affected our application processing teams and hindered our ability to meet deadlines for some of our change program initiatives.

Summary of results

Overall, we performed well against the 2022–23 KPI targets. The results demonstrate that we are achieving our objectives. Our 2022–23 results against each of the objectives are provided in detail in the 'Performance results' section including additional context and case studies.

Objective: A trusted, relevant and expert institution

The Clean Energy Regulator publishes and shares relevant, accurate and timely data and other information to promote and enhance a well-functioning, vibrant and liquid carbon market and to inform future policy development. In doing so, our agency relies on and supports productive and collaborative relationships across governments, states and territories, and industry and stakeholder bodies.



Planning priority 1

Maintaining high integrity in our administered schemes and associated carbon markets.

Identifying and effectively mitigating emerging risks associated with administering our schemes and facilitating carbon markets.

Performance measures	Result
Improvements to the way we use and share data	Target met
Risk appetite and tolerance statements are considered and updated as conditions require	Target met
Extent to which regulatory performance principles are applied in agency	Target met
No significant breaches of government, administrative, legal and policy requirements	Target met

Objective: Efficient and effective administration

The Clean Energy Regulator administers schemes in an efficient and effective way to encourage participation and compliance, reduce costs and meet the objectives of the legislation to accelerate carbon abatement.

Planning priority 2

Implementing best practice regulatory principles and data-driven, proportionate risk-based compliance approaches.

Evaluating and aligning regulatory practices with the programs we administer, expanding from scheme compliance to supporting private ambition by corporates/governments to reduce net emissions.

Performance measures	Result
Proportion of contracted carbon abatement delivered[1]	Target met
Proportion of investigations completed within timeframes	Target met
Proportion of applications processed within statutory or agreed timeframes	Target not met
Continuous improvement approaches to compliance and outcomes	Target met
Number of renewable energy certificates (LGCs and STCs) validated[2]	Estimate partially met
Our actions are proportionate to the regulatory risk being managed	Target met
Method tracker document on website and updated quarterly[3]	Not applicable

[1] This refers to fixed delivery contracts.
[2] Solar photovoltaic (PV) is a consumer product and installations can materially change over a year.
[3] Method development was moved to DCCEEW following the ACCU Review.

Objective: Engaged, active and compliant participants

The Clean Energy Regulator achieves the best outcomes when the entities we regulate can successfully engage with us to participate in the schemes we administer, meet their obligations, and willingly contribute to our information gathering.

Planning priority 3

Working with institutions, organisations and scheme participants to leverage experience, insights and opportunities to enable productive engagement and innovation.

As we build new functions in the agency, we will share insights, and tailor engagement to optimise government administration and outcomes, and reduce regulatory burden for our new and existing participants.

Performance measures	Result
Compliance levels by regulated and liable entities	Target met
Level of participant satisfaction with the quality and timeliness of market information	Target met
Proportion of participant contacts resolved at first interaction	Target met
Level of participant satisfaction with engagement and guidance provided	Target met
Practical and timely guidance and outreach activities with our participants	Target met
Variation in profile of the institutions engaged	Target met
Development of new methods for the ACCU Scheme[1]	Not applicable

[1] Method development was moved to DCCEEW following the ACCU Review.

Objective: Secure and enduring regulatory infrastructure

The Clean Energy Regulator's processes, systems and infrastructure must be reliable and resilient, and able to respond flexibly to policy and/or operational changes. They must also be supported by capable, expert and adaptable people to ensure our agency can respond quickly to new policy demands, technological changes and participant expectations.

Planning priority 4

Strengthening the capability in people, processes and infrastructure, expanding beyond scheme compliance to include facilitating carbon markets.

Continuously assessing capabilities to meet current and emerging operational requirements and tailoring workforce and infrastructure planning accordingly.

Performance measures	Result
Level of participant satisfaction with agency processes and systems	Target met
System and administration practices compliant with the government's Essential Eight strategies	Target not met
Demonstrated active engagement in workforce planning to meet future needs	Target met
Level of employee engagement score measured through the Australian Public Service (APS) Employee Census	Target met
Flexibility and adaptability in our staff to meet current and future requirements	Target met

Scheme performance

ACCU Scheme

In 2022–23, the government appointed an independent panel to review the integrity of ACCUs under Australia's carbon crediting scheme. The purpose of the review was to ensure ACCUs, and the carbon crediting framework, maintain a strong and credible reputation supported by participants, purchasers and the broader community. The panel concluded that the ACCU Scheme arrangements are essentially sound, incorporating mechanisms for regular review and improvement. Recommendations included changes to clarify governance, improve transparency, facilitate positive project outcomes and co-benefits, and enhance confidence in the integrity and effectiveness of the scheme.

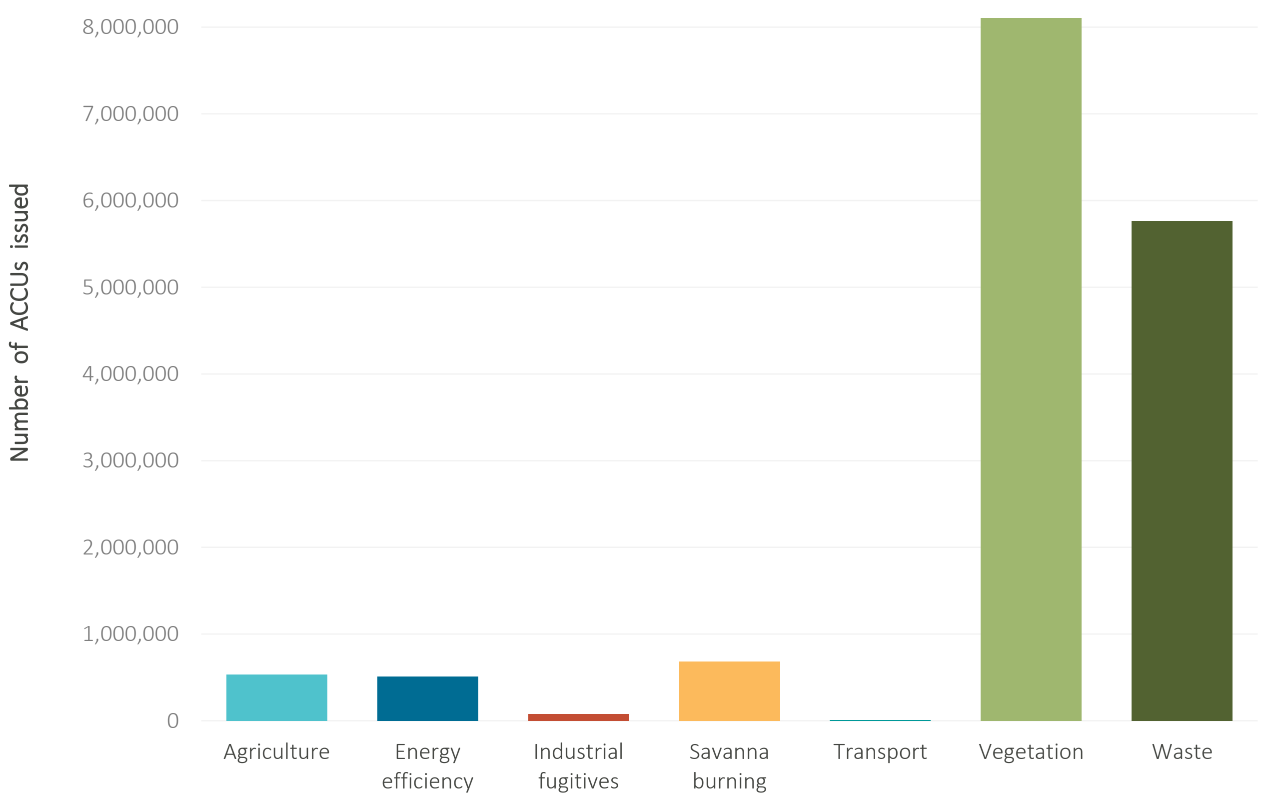
In February, the Minister for Climate Change and Energy revoked the Avoided Deforestation method, meaning that no new projects could be registered under the ACCU Scheme for this method. In May, the Minister issued a direction to the CER to guide the implementation of Recommendation 8, which covers the HIR method. In June, the government released the implementation plan that sets out the timing and approach to implementing the recommendations from the review.

Outcomes of the ACCU Review drove renewed interest in Australia's carbon markets and we saw increased confidence in the ACCU market. During the year 15.7 million ACCUs were issued, of which 52 per cent were from vegetation projects and 37 per cent were from waste projects. Figure 5 shows the ACCUs issued per method type for 2022–23.

A total of 2.6 million tonnes of abatement were delivered under contract, to the value of $36.5 million. A further 1.7 million tonnes of abatement were released in the second pilot window of the exit arrangement to the value of $19.4 million. The outcome of the third pilot window, which applies to 9.1 million tonnes of abatement scheduled for delivery between 1 January 2023 and 30 June 2023, will be announced in September 2023.

In 2022–23, 1.3 million ACCUs were cancelled for voluntary or state and territory compliance purposes.

Figure 5: ACCUs issued by method type, 2022–23



Renewable Energy Target

New renewable energy capacity delivered across Australia totalled 5.7 GW in 2022–23, an increase on the 2021–22 result of 5.2 GW.

- 2.7 GW of approved new renewable energy power stations (0.73 GW from wind and 1.98 GW from solar), up 13 per cent from the 2.4 GW approved in 2021–22.
- 3 GW of rooftop solar capacity – an increase of 9 per cent from 2.8 GW in 2021–22. This is an estimate of what was installed during 2022–23 based on available data.

The CER's pipeline of new large-scale renewable generation projects reached 11.5 GW at 30 June 2023.

Large-scale Renewable Energy Target

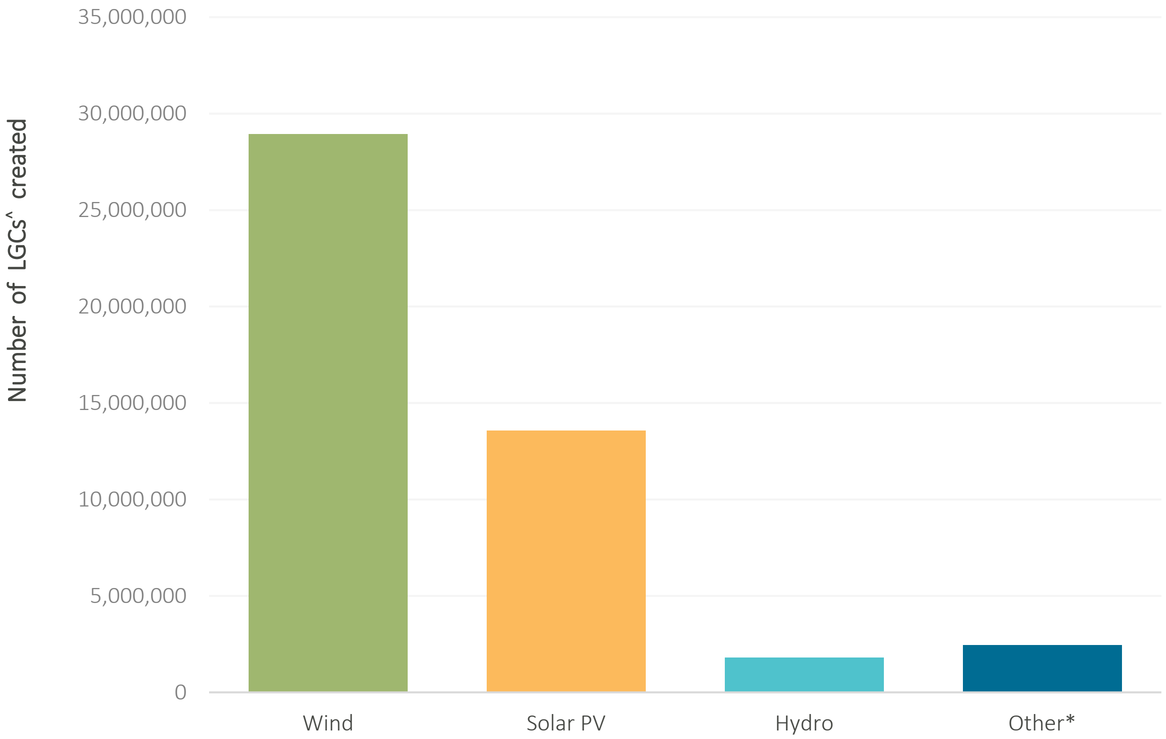
The total eligible generation from large-scale renewable sources in 2022–23 was 47,157 gigawatt hours (GWh), an 11 per cent increase on 42,365 GWh in 2021–22. This is an estimate of what was generated during 2022–23 based on currently available data.

Total LGCs created in 2022–23 was 46.8 million, a 13 per cent increase from 41.5 million in 2021–22. Figure 6 shows the LGCs created by technology type in 2022–23.

Eleven million LGCs were voluntarily cancelled in 2022–23, an almost 150 per cent increase compared to 4.5 million voluntary cancellations in 2021–22.

In 2022–23, 2.9 GW of large-scale capacity reached final investment decision, a slight decrease from 3GW in 2021–22.

Figure 6: LGCs created by technology type 2022–23



^ 1 LGC = 1 MWh

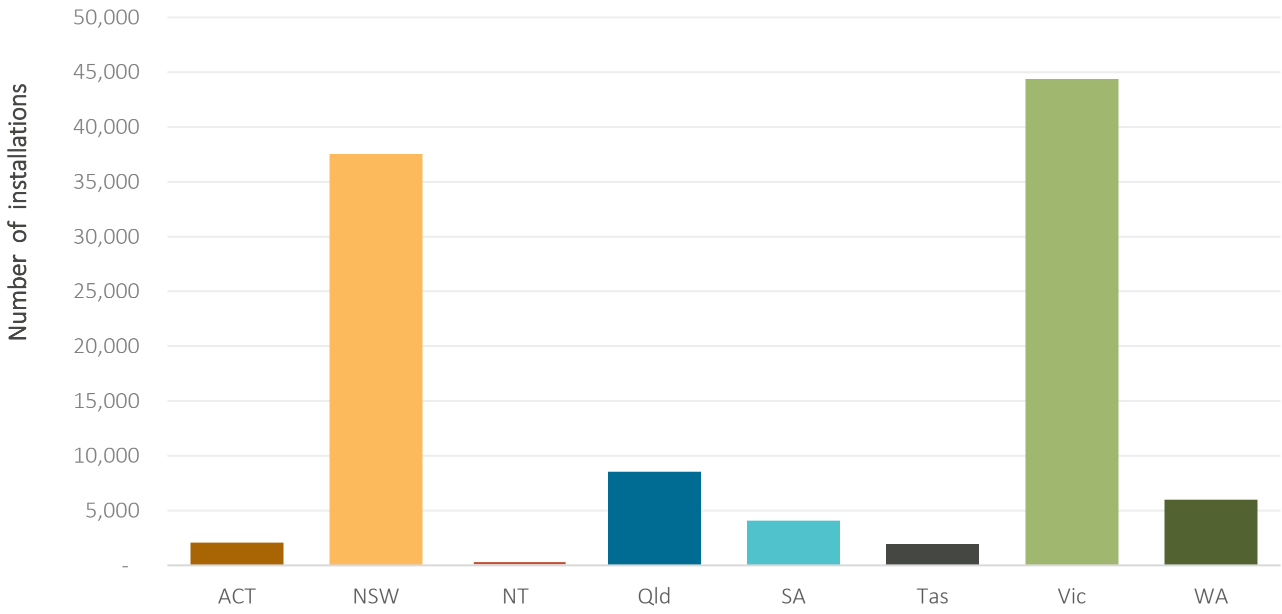
* Other includes agricultural waste, bagasse, biomass-based components of municipal solid waste, black liquor energy crops, food processing waste, food waste, landfill gas, sewage gas and biomass-based components of sewage waste from processing of agricultural products and wood waste.

Small-scale Renewable Energy Scheme

Three GW of small-scale solar PV capacity was installed in 2022–23 and trends across the year suggest consumers are, where possible, taking control of their energy bills:

- There were 3,017 MW of rooftop solar PV installed in 2022–23, continuing the strong trend from the previous year. This is an estimate of what was installed during 2022–23 based on data currently available.
- Installations of air source heat pumps and energy efficient water heaters, continued to grow in 2022–23, with a 29 per cent increase on 2021–22. Of the systems installed to replace existing systems, about 79 per cent of installations replaced less efficient electric systems, 11 per cent replaced gas systems and the remaining 10 per cent replaced solar water heaters. Figure 7 shows the number of air source heat pump installations under the SRES by state and territory for 2022–23.

Figure 7: Air source heat pump installations by state and territory, 2022–23



National Greenhouse and Energy Reporting

By the 31 October 2022 deadline, 97.7 per cent of NGER reporters submitted their 2021–22 reporting period reports.

For the 2021–22 year, corporations reported a total of:

- 310 million tonnes of direct (scope 1) greenhouse gas emissions (carbon dioxide equivalence)
- 84 million tonnes of indirect (scope 2) greenhouse gas emissions (carbon dioxide equivalence)
- 3,699 petajoules net energy consumed.

Information on the greenhouse gas emissions reported under the NGER scheme is available on our website (see: cer.gov.au/NGER-greenhouse-gases-and-energy).

The reforms to the Safeguard Mechanism introduced emissions targets for the scheme of no more than 100 million tonnes of carbon dioxide equivalent net covered emissions in 2029–30, zero net tonnes from June 2049 and no more than 1,233 million tonnes between July 2020 and June 2030. We have been preparing our systems and process to start administering the reformed scheme on 1 July 2023.

For the 2021–22 compliance period, 100 per cent of responsible emitters met their Safeguard Mechanism obligations by the February 2023 deadline. A total of 15 facilities surrendered 738,862 ACCUs.

Performance results

Objective: A trusted, relevant and expert institution

Planning priority 1

Maintaining high integrity in our administered schemes and associated carbon markets.

Identifying and effectively mitigating emerging risks associated with administering our schemes and facilitating carbon markets.

Source: Corporate Plan 2022–26

We are committed to ensuring that there is high confidence in the integrity of the schemes we administer and the associated carbon markets. This is central to achieving our objective of being a trusted, relevant and expert institution.

During 2022–23 the agency effectively worked towards supporting this planning priority across the performance measures which assessed:

- our compliance against Australian Government administrative, legal and policy boundaries
- activities undertaken to adhere to regulatory performance principles
- our consideration of the strategic risk environment and our ability to adapt if required
- improvements to the way we use and share data.

We regularly publish data and other information to promote and enhance well-functioning and liquid carbon markets. Our data is also used to inform development of carbon abatement policies. During 2022–23, we supported DCCEEW in its work to reform the Safeguard Mechanism. This included providing data, analysis and advice in relation to the development of policy options. The reforms came into effect on 1 July 2023, and are intended to reduce emissions at Australia's largest industrial facilities, consistent with achieving Australia's emission reduction targets of 43 per cent below 2005 levels by 2030.

Throughout 2022–23, we continued to produce the Quarterly Carbon Market Report on supply and demand across the carbon markets we administer. This includes LGCs, STCs and ACCUs. It will extend to include Safeguard Mechanism credits, once the first units are created. This year, we expanded our social media engagement for the Quarterly Carbon Market Report and saw a doubling of downloads for the workbook and infographics for Q1 2023 compared to the previous quarter. Regular carbon market reporting provides information on compliance and voluntary carbon market trends and opportunities and helps inform market decisions.

The second CERT report was published in July 2023. The report shows progress towards net zero emissions, 100 per cent renewable electricity use and other climate related commitments of 25 large Australian companies. These companies represent a broad cross-section of the economy and account for 21 per cent of all scope 1 emissions reported to the CER for 2021–22. Six companies achieved net zero scope 1 and scope 2 emissions and five companies reached 100 per cent renewable electricity use. The release attracted some media attention, confirming there is interest in the progress companies are making to reduce emissions.

During the year, we also engaged with the Treasury on the proposal for mandatory climate-related financial disclosures and how CER data and the CERT experience could assist. Key data-sharing arrangements were refreshed to enable us to work with our regulatory partners to address greenwashing, fraud and non-compliance.

During 2022–23, our change program provided opportunities for people to come together to harness data and introduce innovations, big and small, for the benefit of the agency and our participants. We are aiming to improve the availability, transparency and accuracy of our market data for scheme and other market participants and streamline participant experience. Investments made in infrastructure and tools is helping us catalogue, store and analyse our data.

Legislation was also passed this year that allows us to publish previously protected ACCU Scheme information, such as carbon estimation areas (CEAs). CEAs provide important information for assisting with transparency on where carbon activities are taking place. This information is now available on our website.

Our change program has further progressed the development of the Australian Carbon Exchange. This will help facilitate the exchange trading, clearing and settlement of ACCUs and if needed, other types of carbon units and certificates. The Australian Carbon Exchange will increase market transparency, lower transaction costs and reduce red tape. The progress achieved ensures the online carbon exchange will be ready for the market in early 2024.

Our change program is also supporting the commercialisation of clean hydrogen by developing a Guarantee of Origin scheme to enable Australian businesses to sell verified low emissions hydrogen and other low emissions products domestically and around the world. During 2022–23, we conducted trials with stakeholders operating some of Australia's most advanced hydrogen projects, testing design elements such as metering approaches, reporting frameworks and emission intensity calculation methods. Feedback from the trials is being used by DCCEEW in developing the scheme design.

Performance measure	Improvements to the way we use and share data. *Source: Corporate Plan 2022–26*	
Rationale	The agency must build on data quality and accessibility to promote and enhance a well-functioning, vibrant and liquid carbon market.	
Target	Qualitative	
Result	2022–23	2021–22
	Activities undertaken to achieve this performance measure are outlined below.	Qualitative measure detailed in the 2021–22 Annual Performance Statement 'Objective: A trusted, relevant and expert institution'.

We have made an agency-wide commitment, outlined in our CER Data Strategy 2023–26, to build data capabilities to improve data quality, discoverability, automation, assurance, skills and support.

During 2022–23, we continued to build on data quality and improve data accessibility by:

- expanding and updating data-sharing agreements with our regulatory partners to inform policy and support regulatory action against greenwashing
- introducing new tools to improve the way we manage, analyse and report scheme data – saving time and building confidence in the quality of our data
- publishing geospatial data on where ACCUs are generated for registered projects
- streamlining and automating the upload and validation of geospatial datasets
- beginning the development of an external-facing data-sharing platform
- publishing new emissions reduction and renewable energy case studies on our website
- commencing public consultation on the redesign of the agency website.

Performance measure	Risk appetite and tolerance statements are considered and updated as conditions require. *Source: Corporate Plan 2022–26*	
Rationale	The risk appetite of the agency articulates an appropriate and balanced view of our strategic risk environment related to the achievement of our objectives. Regular consideration of this position recognises the need to be willing and able to adapt risk appetite and tolerance statements if required, noting that global events are complex, and matters can change rapidly.	
Target	Qualitative	
Result	2022–23	2021–22
	Achieved	n/a – new measure

The Regulator Board has been provided opportunity every quarter to consider the risk appetite and tolerance statements as part of its regular risk agency posture discussion.

Performance measure	Extent to which regulatory performance principles are applied in agency. *Source: Corporate Plan 2022–26*	
Rationale	The agency is committed to being transparent and accountable for the regulatory functions that we undertake on behalf of the government.	
Target	Qualitative	
Result	2022–23	2021–22
	Activities undertaken to achieve this performance measure are outlined below.	n/a – new measure

We are committed to being transparent and accountable for the regulatory functions we undertake on behalf of the government. This is to ensure we adhere to the Regulator Performance Guidelines, which are:

- continuous improvement and building trust
- risk based and data driven
- collaboration and engagement.

During 2022–23, we undertook various activities that demonstrate this commitment:

- We ensured our regulation approach focused on helping and educating participants to understand their obligations.
- We used targeted guidance and assistance to help participants meet obligations, including hosting workshops, making direct phone calls and site visits and participating at various industry events.
- We ran educational webinars and stakeholder workshops on Australia's carbon markets.
- We were transparent about our compliance focus areas, publishing our annual compliance and enforcement priorities and the quarterly compliance updates on our website to increase awareness of obligations and deter potential non-compliance.
- We continually looked for ways to improve our approach to compliance and outcomes, including through our intelligence-led strategy to stop harm, improve participant behaviour and promote compliance across our schemes.
- Many Solar Panel Validation (SPV) app providers now allow images of on-site attendance to be collected and submitted via their apps to make it easier to meet this installation obligation.
- We consulted with our scheme stakeholders to gain their insights and feedback on key items including the CERT reports, information and communication technology (ICT) modernisation and GO design and methods.
- Stakeholders engaged with changes to our ICT systems through 'private beta' releases. This enables the release of our production systems on a smaller scale with key stakeholders to reduce risks associated with new products, prior to a broader release.
- The initial release of the Geospatial Upload and Validation service pilot which enables the checking and validation of geospatial data supplied by project proponents at registration and reporting. The solution provides upfront feedback to inform applications, leading to fewer requests for further information and resubmissions, and reduced application processing times.
- We conducted our annual survey, which seeks feedback from stakeholders, participants and clients on their experiences engaging with us. Running since 2014, the survey helps us better understand how participants view our agency and staff, as well as their preferred channels of communication.
- We attended conferences and field days to promote our schemes and to increase engagement with current and potential scheme participants.
- Our strategic communication campaigns included publication of news items, guidance materials and other scheme information, targeted messaging on our website and email distributions.
- We regularly monitored media and stakeholder engagement following the release of key products.

Performance measure	No significant breaches of government, administrative, legal and policy requirements. *Source: Corporate Plan 2022–26*	
Rationale	In operating for the public good, we must operate within Australian Government administrative, legal and policy boundaries.	
Target	0 breaches	
Result	2022–23	2021–22
	0	0

Objective: Efficient and effective administration

Planning priority 2

Implementing best practice regulatory principles and data-driven, proportionate risk-based compliance approaches.

Evaluating and aligning regulatory practices with the programs we administer, expanding from scheme compliance to supporting private ambition by corporates/governments to reduce net emissions.

Source: Corporate Plan 2022–26

We administer our schemes in a way that encourages participation and compliance, reduces costs and meets the objectives of the legislation to accelerate carbon abatement.

The agency met most targets that support this planning priority in 2022–23. The performance measures focused on our existing scheme delivery by assessing:

- timely processing of project applications
- volume of RECs issued to compliant participants
- our administration of the ACCU Scheme's fixed delivery contract management function.

The KPIs also focused on improvements to our compliance program and the timely completion of investigations. We continue to use an intelligence-led, risk-based approach to manage compliance across our schemes. Our aim is to educate and help all participants to understand their obligations and to be transparent about our compliance focus areas to deter non-compliance. We respond to potential instances of non-compliance and misconduct with timely investigations and appropriate action to ensure the ongoing integrity of the schemes we administer.

Our program of work during 2022–23 supported this planning priority by working on streamlining, modernising and using digital solutions to improve the administration of our schemes.

The following information technology solutions were designed and progressed throughout 2022–23:

- A consolidated online services platform that will be the single access point for all our schemes and reports.
- A rebuild of the EERS has commenced that will reduce the amount of time it takes to prepare and submit NGER reports and increased the data quality through better data validation and greater transparency.
- A new iteration of SRES functionality has been delivered that will improve the integrity of this scheme.
- Streamlined soil carbon and landfill gas registration and crediting applications are in private beta testing.
- Online identity verification will be rolled out across multiple schemes to reduce assessment wait times and streamline processes.

These changes benefit scheme participants and improve the efficiency of our business by reducing manual data entry, duplication and low complexity assessment work.

We also started a pilot program in 2022–23 testing the new Geospatial Upload and Validation service that provides capability for faster and more accurate assessment of claims for ACCUs. Data from the service is automatically uploaded to our systems to enable automated validation and assessment checks, resulting in in faster processing times.

During 2022–23, we partnered with the Department of Finance to undertake a cost recovery design and review project with the aim to improve the agency's efficiency in cost recovery. The first phase of the project clarified the changes required to understand the costs of regulating and to prepare us to apply the government's better practice cost recovery framework as appropriate and agreed.

Performance measure	Proportion of contracted carbon abatement delivered.* *Source: Corporate Plan 2022–26*	
Rationale	This is an indicator of the effectiveness of our administration of the ACCU Scheme's fixed delivery contract management function.	
Target	90%	
Result	2022–23	2021–22
	96%	96%

* This refers to fixed delivery contracts.

Performance measure	Proportion of investigations completed within timeframes. *Source: Corporate Plan 2022–26*	
Rationale	Timely completion of investigations helps resolve and correct non-compliance.	
Target	80%	
Result	2022–23	2021–22
	92%	88%

This result is for the completion of complex investigations within 365 days and routine investigations within 180 days.

Performance measure	Proportion of applications processed within statutory or agreed timeframes. *Source: Corporate Plan 2022–26*	
Rationale	Effective scheme administration is supported by the efficient processing of applications by the agency to meet statutory or administrative timeframes, streamline participant experience and achieve participant expectation.	
Target	99.5%	
Result	2022–23	2021–22
	92.1%	99.6%

During 2022–23 our application processing teams were impacted by staff shortages due to the constrained labour market. Other circumstances that affected individual scheme application processing:

- We received 81 per cent more NGER applications and processed 77 per cent more applications than in 2021–22.
- The ACCU Review released in January 2023, made recommendations for the administration of the HIR method, including HIR projects that were already registered under the method. To support the implementation of this recommendation, we revisited the extensive record keeping and evidence provided by project proponents under the method, including at project registration and for subsequent reporting to receive ACCUs. This process was comprehensive and affected the processing of ACCU Scheme applications. ACCU issuance recommenced in May following the release of the Clean Energy Regulator's ACCU Review Recommendation 8: HIR Implementation paper.
- We received 20 per cent more ANREU applications than in 2021–21.

Our new ICT platform is improving the efficiency of our application processing and we are introducing smarter forms to streamline the application process.

Performance measure	Continuous improvement approaches to compliance and outcomes. *Source: Corporate Plan 2022–26*	
Rationale	We continually look for ways to improve our approach to compliance and outcomes, including our intelligence-led strategy to stop harm, improve participant behaviour and deter future non-compliance across the schemes we administer.	
Target	Qualitative	
Result	**2022–23**	**2021–22**
	Activities and case study outlining the results of activities undertaken to achieve this performance measure are outlined below.	Qualitative measures detailed in the 2021–22 Annual Performance Statement 'Objective: Engaged, active and compliant participants'.

As part of the SRES reforms, new legislation came into effect in January 2022 that mitigated a significant risk in the SRES of accredited installers not being on-site during installation of solar PV systems. The legislation included authorising the agency to declare installers of solar PV systems ineligible to participate in the SRES.

Throughout 2022–23 we engaged in a comprehensive education campaign to ensure that installers understood their requirements. This included:

- updating educational material for participants, including information provided on our website and targeted email campaigns
- publishing compliance checklists and templates for on-site attendance statements
- providing feedback and guidance on the adequacy of participants' compliance processes.

Education was only the start of our compliance activities. We used an intelligence-led approach to target installers suspected of not meeting their legislative requirements. In addressing non-compliance detected in the SRES in 2022–23, we employed a range of actions, including:

- issuing warning letters to installers
- refusing STC claims
- referring non-compliance to other regulators, including the Clean Energy Council (CEC), which has suspended CEC installer accreditations
- commencing investigations into allegations of serious non-compliance and fraud.

We also used our annual audit program to monitor compliance in the SRES. In 2022–23, three audits were conducted, focusing on assessing the processes and systems of the three REC agents used in making STC claims. This was part of our work to educate participants on our compliance processes. The audits did not focus on the accuracy of the certificates themselves. As at 30 June 2023, these audits were yet to be finalised.

In 2022–23, the agency issued 2 notices of intention to declare installers ineligible to participate in the SRES due to not meeting the requirements to be on-site. This was the first time that we exercised the additional powers to disqualify an installer. The agency also issued the first notice of intended declaration to a solar retailer to declare them as ineligible to participate in the SRES. As at 30 June 2023, these compliance matters were ongoing and if the declarations are made, we must publish them on our website.

Furthermore, we progressed some of the most serious matters through to criminal and civil prosecution. This resulted in 2 criminal convictions and one company being fined. The company's sole director, who was falsely recorded as the responsible installer for 11 solar installations — which led to the conviction, had his CEC accreditation as an installer cancelled for 12 months. In the second case, a solar installer was sentenced to 300 hours of community service, required to repay funds to a REC agent and had his CEC accreditation cancelled.

The additional powers received by the CER, education campaigns and intelligence-led compliance actions have improved compliance levels among our scheme participants. This was shown by a reduction in the overall failure rate of certificate creations which was 3.4 per cent in 2022–23, compared with 3.8 per cent in 2021–21. In addition, compliance for installer on-site attendance in 2022–23 significantly improved. This can be observed from an approximately 40 per cent reduction in the number of installers claiming two installations in a single day.

Our robust compliance approach to solar PV installers assists us to achieve our aim of improving overall participant behaviour and deterring non-compliance.

Performance measure	Number of renewable energy certificates (LGCs and STCs*) validated. *Source: Corporate Plan 2022–26*	
Rationale	This indicates the volume of electricity generated in the year from renewable energy sources (LGCs) and the deemed electricity generated to 2030 (STCs).	
Target	LGCs: 39,500,000 STCs: 40,000,000	
Result	**2022–23**	**2021–22**
	LGCs: 46,796,437 STCs: 38,378,714	LGCs: 41,480,490 STCs: 39,856,604

Our *Corporate Plan 2022–26* incorrectly stated the 2022–23 STC estimate to be 49.4 million. The correct estimate, shown above, is based on independent modelling on our website (see: cer.gov.au/STP).

***** Solar PV is a consumer product and installations can materially change over a year.

Performance measure	Our actions are proportionate to the regulatory risk being managed. *Source: Corporate Plan 2022–26*	
Rationale	As a regulator, we use a risk-based and data-driven approach to manage our regulatory risks appropriately.	
Target	Qualitative	
Result	**2022–23**	**2021–22**
	Activities undertaken to achieve this performance measure are outlined below.	Qualitative measures detailed in the 2021–22 Annual Performance Statement 'Objective: Efficient and effective administration'.

The CER approaches risk management as a systematic, proportionate and scalable process that enables officials across the agency to make informed decisions and take appropriate actions in relation to events, issues or incidents that may affect achievement of our objectives, including delivery of our functions. Our risk management policy (and underpinning framework) applies to all CER functions and activities. The risk management approach outlined in the policy (and underpinning framework) represents the minimum required standard of risk management accepted by the CER. The policy (and underpinning framework) is consistent with the ISO 31000:2018 Risk Management – Guidelines.

We undertake a detailed program of work designed to provide quality assurance over the NGER dataset to maximise its accuracy and quality. This process includes interrogation of the well-established NGER dataset to identify any anomalies such as unexplained variances or trends in reporting. Where possible, reported NGER data is compared with other datasets (such as from energy regulators) to test for accuracy and consistency. This approach has enabled timely rectification of reporting errors and the publication of accurate greenhouse gas emissions and energy summaries.

Safeguard facilities are prioritised for assessment as part of the above quality assurance process, as the NGER framework underpins the Safeguard Mechanism. As an additional level of assurance, applications for baselines under the Safeguard Mechanism are accompanied by an audit report provided by a registered greenhouse and energy auditor.

Performance measure	Method tracker document on website updated quarterly. *Source: Corporate Plan 2022–26*	
Rationale	The agency's method design process is transparent so that industry can track progress and there is accountability for the method development process.	
Target	100%	
Result	**2022–23**	**2021–22**
	Not applicable	100%

Method development was moved to DCCEEW following the ACCU Review.

Objective: Engaged, active and compliant participants

Planning priority 3

Working with institutions, organisations and scheme participants to leverage experience, insights, and opportunities to enable productive engagement and innovation.

As we build new functions in the agency, we will share insights, and tailor engagement to optimise government administration and outcomes, and reduce regulatory burden for our new and existing participants.

Source: Corporate Plan 2022–26

We achieve the best outcomes when the entities we regulate successfully engage with us to participate in the schemes we administer, fulfill obligations, and willingly contribute to our information gathering.

The agency has met all the targets that support this planning priority, with performance measures assessing:

- levels of compliance with scheme requirements
- participant satisfaction with our market information and guidance and outreach activities
- our ability to quickly answer scheme participant queries
- variation in profile of the institutions that we engage with.

Each year, we seek feedback from our participants about their satisfaction with our market information and our guidance and engagement. More than 560 scheme participants shared their feedback in our 2023 Stakeholder Survey. This result supports the growing interest in, and the effective operation of, Australia’s carbon abatement schemes and markets.

We consulted with multinational organisations, industry, relevant government agencies, and scheme participants including First Nations Australians and farmers. This helped ensure our schemes are robust in an ever-changing environment. Confidence in the integrity of the schemes we administer is strengthened when participants are engaged, active and meet their obligations.

Our work program made good progress on improving the efficiency of our schemes and making it easier for participants to do business with us with:

- extra education
- low costs of entry
- modern, streamlined systems and processes.

Continual improvement assists us in achieving our mission of accelerating carbon abatement and contributing to the target of 43 per cent reduction in greenhouse gas emissions by 2030 and net zero emissions by 2050.

Throughout 2022–23, our change program supported this planning priority by focusing on proactive, modern and transparent compliance management and enforcement to support reliable and robust carbon markets. To support compliance, we improved educational information on scheme obligations and published our compliance and enforcement priorities on our website (see cer.gov.au/About/Compliance-and-Enforcement/compliance-priorities). To detect non-compliance, we expanded our use of sophisticated tools and monitoring, and audit and assessment processes, including:

- enhanced data matching
- geospatial imagery
- smart algorithms and large dataset analysis to identify trends.

We influenced participant behaviour during 2022–23 by communicating the regulatory responses and actions we took to address non-compliance, including the use of targeted enforcements to act as a deterrent.

We work closely with other regulators – including the Australian Transaction Reports and Analysis Centre, the Australian Taxation Office, ASIC and ACCC – to monitor carbon emissions claims, share information and data to verify claims and align regulatory priorities around greenwashing concerns. We may refer concerns to the ACCC and ASIC for appropriate regulatory action.

A new initiative to provide Solar Panel Validation (SPV) participants with a point of difference for their business is the SPV trademark. At 30 June 2023, the SPV trademark was ready for rollout.

Performance measure	Compliance levels by regulated and liable entities. *Source: Corporate Plan 2022–26*	
Rationale	Compliance levels are an indicator of participant behaviour and of the reputation of the agency as a regulator, to ensure we are seen as trusted, relevant and expert by government, participants and the community.	
Target	≥ 95%	
Result	2022–23	2021–22
	95.4%	96.3%

This result demonstrates entities complied with reporting obligations for the RET and the NGER* schemes (including NGER reporting and Safeguard obligations), requirements to surrender certificates for the RET, and with requirements for Safeguard Mechanism entities to keep their emissions at or below pre-set baselines.

* NGER scheme reporting refers to the 2021–22 year, reported in October 2022.

Performance measure	Level of participant satisfaction with the quality and timeliness of market information. *Source: Corporate Plan 2022–26*	
Rationale	Providing information increases transparency and confidence in the operation of markets and underpins our role as a trusted, relevant and expert institution.	
Target	80%	
Result	2022–23	2021–22
	97%	95%

Performance measure	Proportion of participant contacts resolved at first interaction. *Source: Corporate Plan 2022–26*	
Rationale	The ability to efficiently resolve participants' queries through our contact centre enables existing and prospective participants to successfully participate in our schemes and meet their obligations.	
Target	70%	
Result	2022–23	2021–22
	73%	85%

A shortage of contact centre staff, combined with the time taken to recruit and appropriately train new staff, led to the lower result compared to 2021–22. We work continuously to identify topics that regularly have lower resolution rates. Targeted resources and extra training are then used to build the capabilities of contact centre operators to resolve those enquires at the first interaction.

Performance measure	Level of participant satisfaction with engagement and guidance provided. *Source: Corporate Plan 2022–26*	
Rationale	Providing accurate, timely and relevant guidance and engagement informs and educates our participants to understand their obligations or entitlements to successfully participate in our schemes.	
Target	80%	
Result	2022–23	2021–22
	88%	84%

Performance measure	Practical and timely guidance and outreach activities with our participants. *Source: Corporate Plan 2022–26*	
Rationale	Our provision of targeted and timely guidance and outreach activities enables our participants to successfully participate in the schemes we administer.	
Target	Qualitative	
Result	**2022–23**	**2021–22**
	Activities undertaken to achieve this performance measure are outlined below.	n/a – new measure

ACCU Scheme

Agency representatives attended conferences and field days to promote the ACCU Scheme and increase engagement with current and potential participants. Several communication campaigns were undertaken to inform stakeholders and scheme participants of key ACCU Scheme updates. These campaigns included news items, targeted messaging on relevant webpages, email distributions, and timely publication of guidance materials and other scheme information. Key achievements included the publication of:

- guidance for ACCU Scheme participants impacted by the expiry or sunsetting of an ACCU Scheme method
- guidance on the implementation of Recommendation 8 of the ACCU Review
- the ACCU Scheme Compliance and Assurance Framework.

A new pilot release of the Geospatial Upload and Validation service enables the checking and validation of geospatial data supplied by project proponents at registration and reporting. The solution provides upfront feedback to inform applications, leading to fewer requests for further information and resubmissions, and reduced application processing times. Extensive stakeholder consultation shaped the design of the solution for crediting applications for projects under certain methods. Work is underway to roll out the solution for all methods.

Small-scale Renewable Energy Scheme

The agency performed several targeted outreach activities for SRES participants, including via emails and website updates, and by presenting information at a range of industry events. Key themes included:

- on-site attendance requirements for installers
- expectations of compliance paperwork requirements for agents
- information for multiple installers completing installations
- general compliance information.

Innovation and outreach proved successful for the on-site attendance requirements, as many SPV app providers are now allowing these images to be collected and submitted via their apps. SRES compliance activities achieved 95 per cent success rate for on-site attendance requirements for installers.

Large-scale Renewable Energy Target

The agency implemented a communications campaign around the submission of Electricity Generation Returns in the LRET, which are due annually in February. This included broadcast emails, targeted messaging to participants of concern and direct calls as the deadline approached. As a result, 98.8 per cent of participants submitted their Electricity Generation Returns on time or they engaged with us to agree on an extension ahead of the deadline.

Renewable Energy Target liability and emissions-intensive trade-exposed applications

We continued ongoing stakeholder engagement through targeted broadcast communications, system reminders, direct phone calls, site visits and industry event participation. Despite an unprecedented electricity market event, our efforts resulted in:

- receiving all emissions-intensive trade-exposed (EITE) applications and energy acquisition statements on time
- timely issuance of EITE benefits
- recovering all outstanding shortfall charge debts or lodging proof of debts with appointed liquidators
- successfully navigating entities through material use of the STC clearing house for the first time in five years
- cooperation from administrators regarding their inherited RET affairs and obligations.

National Greenhouse and Energy Reporting and Safeguard Mechanism

We continued to provide NGER reporters and Safeguard entities with targeted guidance and assistance in meeting legislative obligations. This included hosting 8 workshops – covering information for new reporters through to more advanced and technical sessions – that attracted over 1,000 registrations.

Throughout the year, we carried out targeted engagement campaigns about:

- NGER reporters that could consider applying for deregistration
- the NGER reporting deadline
- Safeguard entities with expiring baselines
- Safeguard entities with excess emissions following the reporting period.

Performance measure	Variation in profile of the institutions engaged. *Source: Corporate Plan 2022–26*	
Rationale	Engaging with a wide variety of stakeholders and relevant organisations ensures we maintain confidence in the integrity of the schemes we administer.	
Target	Qualitative	
Result	**2022–23**	**2021–22**
	Activities undertaken to achieve this performance measure are outlined below.	n/a – new measure

We engage with a range of organisations to ensure our agency is well-informed on the latest clean energy research and industry information. We also actively participate in a variety of events as key speakers and panel members. During 2022–23 we had staff on-site and our Chair and/or Executive General Managers spoke at a range of key events during the year, including:

- Australian Energy Week
- the Industrial Net Zero Conference 2022
- Carbon Market Institute's (CMI) Australasian Emissions Reduction Summit 2022
- CMI's Carbon Farming Industry Forum 2023.

We also actively consulted with interested parties on the schemes we administer:

- We held in-person interviews with land managers from the carbon and agriculture industries (including farmers and First Nations people) to understand how to increase accessibility in the ACCU Scheme.
- When determining whether we should nominate an organisation to publish an SRES product list, we received submissions from solar industry participants including registered agents, manufacturers or importers of solar products, installers and designers, and retailers.
- We held GO trial workshops where we engaged with industry, peak bodies, international hydrogen groups, state government representatives, Australian Government agencies and project developers with an interest in the design of the future GO scheme and practical experience in hydrogen and ammonia production.

Performance measure	Development of new methods for the ACCU Scheme. *Source: Corporate Plan 2022–26*	
Rationale	Commencing new methods for industry, businesses and landholders to access a broader range of abatement opportunities as quickly as possible.	
Target	100%	
Result	**2022–23**	**2021–22**
	Not rated	100%

Method development was moved to DCCEEW following the ACCU Review.

Objective: Secure and enduring regulatory infrastructure

Planning priority 4

Strengthening the capability in people, processes and infrastructure, expanding beyond scheme compliance to include facilitating carbon markets.

Continuously assessing capabilities to meet current and emerging operational requirements and tailoring workforce and infrastructure planning accordingly.

Source: Corporate Plan 2022–26

Our processes, systems and infrastructure are relied upon by scheme participants to understand how the schemes work and how to register and comply with scheme obligations. This dependency warrants that our systems need to be reliable, robust and flexible to respond to changing environments.

Capable, knowledgeable and adaptable people must support our infrastructure to ensure we can respond quickly to new policy demands, technological changes and participant expectations.

During 2022–23, the agency strived to meet the targets that support this planning priority, demonstrating that we continue to ensure our people, systems and processes are resilient and adaptable to meet current and emerging operational requirements. The performance measures under this priority assessed:

- scheme participant satisfaction with our processes and systems
- the maturity level of our cybersecurity
- the extent to which our employees are motivated, inspired and able to improve outcomes
- how we invest in and develop our people to respond quickly.

During 2022–23, our change program delivered some significant milestones to improve the experience for ACCU Scheme participants and reduce assessment processing times for registration and reporting, including the issuance of carbon credits. In February, we released the first of the smarter forms for participants using the Soil Carbon and Landfill Gas method and in April we issued the first ACCUs using the new streamlined forms and assessment process. This will soon be applied to other methods and projects.

These improvements are part of the program to streamline, modernise and use digital solutions to improve the administration of our schemes. This will not only benefit scheme participants but will also improve the efficiency of our business by reducing manual data entry, duplication and less complex assessment work. During 2022–23, we modernised our financial management information system by implementing e-invoicing to accept invoices electronically from suppliers, with further efficiencies to come in the new financial year.

We invested in our systems and technology to ensure adaptability to the changing policy landscape, increased support of participant transactions, and more resilience to emerging cyber threats. During 2022–23, we reviewed our security plans and policies, with a priority on cybersecurity The review showed that our existing plans and policies were effective in preventing or responding to potential security issues. However, the current environment requires continual revisions of these plans.

The Australian Government's Protective Security Policy Framework (PSPF) provides a structure for agencies to manage security risks proportionately and effectively. Throughout 2022–23, we aimed to progress our security maturity under the PSPF to fulfill the framework's criteria. An action plan is in place to address any elements that were not at the full 'managing' maturity level.

During 2022–23, we progressed work on the second phase of changes to the SRES, designed to improve the integrity of the scheme. We invited organisations to apply to manage an approved designer and installer accreditation scheme and consulted publicly on whether to nominate an organisation to publish the product listing for solar panels and inverters under the SRES.

Performance measure	Level of participant satisfaction with agency processes and systems. *Source: Corporate Plan 2022–26*	
Rationale	We provide efficient and effective processes and systems to enable our participants to interact with us more easily.	
Target	80%	
Result	2022–23	2021–22
	2023 stakeholder survey recorded an average result of 84% satisfied for questions related to agency processes and systems.	2022 stakeholder survey recorded an average result of 86% satisfied for questions related to agency processes and systems.

Results from our 2023 stakeholder survey showed that 88 per cent of respondents were satisfied with our systems and 79 per cent were satisfied with our processes.

Performance measure	System and administration practices are compliant with the government's Essential Eight strategies. *Source: Corporate Plan 2022–26*	
Rationale	A measure of the agency's cybersecurity maturity is through the whole-of-government Essential Eight strategies.	
Target	92%	
Result	2022–23	2021–22
	81%	Maturity score: 19/24

The agency's Essential Eight maturity is below the KPI target due to technical limitations associated with the legacy business systems. Mitigating controls are in place to counter these limitations. The risk of non-compliance has been assessed with the technical requirements as 'low' within our agency risk tolerance.

Performance measure	Demonstrated active engagement in workforce planning to meet future needs. *Source: Corporate Plan 2022–26*	
Rationale	We are planning our workforce to meet the future needs of the agency.	
Target	70% of branches have workforce plans year 1, all branches by year 3	
Result	2022–23	2021–22
	9 branches have workforce plans in progress	n/a – new measure

The agency is on track to finalise all branch workforce plans early in the 2023–24 financial year. The indicative findings informed decisions on upcoming staff learning and development and ongoing recruitment actions.

Performance measure	Level of employee engagement score as measured through the annual Australian Public Service (APS) Employee Census. *Source: Corporate Plan 2022–26*	
Rationale	Indicator of the emotional connection and commitment employees have to working for the agency. These elements are critical to the successful functioning of the agency.	
Target	Above or in line with medium sized APS agencies	
Result	2022–23	2021–22
	75%	73%

Seventy-five per cent is in line with medium sized APS agencies.

Performance measure	Flexibility and adaptability in our staff to meet current and future requirements. *Source: Corporate Plan 2022–26*	
Rationale	We continue to invest in our people and develop our workforce to ensure we have the right mix of capabilities and behaviours to meet current and future requirements.	
Target	Qualitative	
Result	**2022–23**	**2021–22**
	Activities undertaken to achieve this performance measure are outlined below.	We continued to invest in developing our people through training delivered virtually or in a hybrid work environment.

This year we continued to support our people with flexible ways of working. Beyond the ongoing support we provide employees to work safely from the office, from home, or to adopt a hybrid approach, we also have increasing numbers of staff working from interstate. New policies have been published and others adapted to govern this approach. In addition, we are providing training to managers and staff to build confidence in working in a virtual or hybrid work environment.

Our capability program ensured the full suite of training could be completed remotely including:

- agency induction
- manager induction
- annual mandatory training
- health and wellbeing initiatives for building resilience
- fostering support through change and challenging times.

Attendance at training courses has increased with an accountability function activated in our online learning and development platform, LearnHub.

The 2022 APS Employee Census results demonstrated a positive response to the management of change, overall culture and values, and work practices within the agency. Compared to the APS, the agency scored well in categories of flexible working practices and remuneration.

Management and accountability

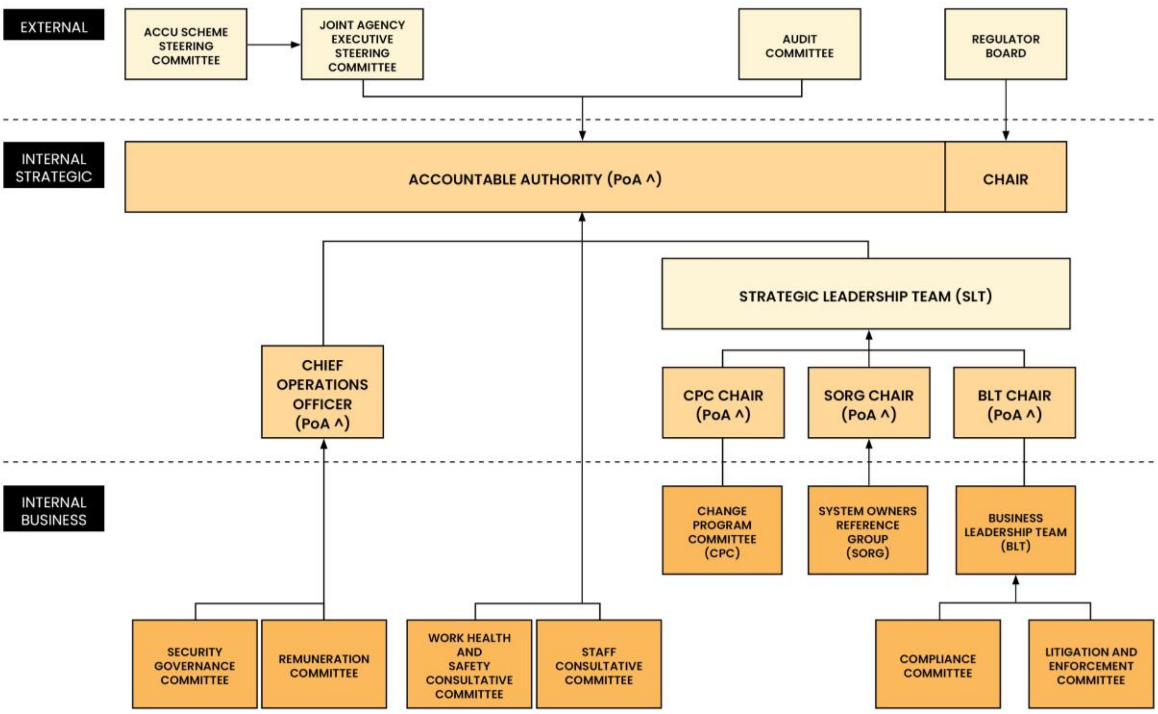
Corporate governance

The agency's governance framework outlines the principles, processes and responsibilities that enable us to reflect the highest standards of integrity in meeting our legislative and policy obligations.

The framework is an essential part of our compliance with the PGPA Act and puts in place effective planning, risk management and accountability mechanisms to ensure we meet our legal requirements and the expectations of government, scheme participants and the public. It sets out leadership roles and responsibilities, our corporate and governance committee structure, plans, policies, assurance processes and important interdependencies and relationships.

The governance committee structure shown in Figure 8 provides a basis for strong leadership and effective, collaborative decision making through good governance and clear lines of accountability.

Figure 8: Our governance committee structure as at 30 June 2023



Note: Positions of Accountability (PoA) have responsibility for ensuring the exercise of good judgement to appropriately escalate matters in a timely manner.

The *Corporate Plan 2022–26* (see cer.gov.au/Corporate-plan) is our primary strategic planning document. It outlines our program objectives and key activities that will enable us to achieve our purpose over the next four years. Each business unit also develops plans to provide a clear line of sight between our purpose and objectives and the contribution of each staff member, section, branch and division within the agency.

The Strategic Leadership Team, Regulator Board and Audit Committee is responsible for monitoring agency performance. The 'Annual performance statement' section of this report details the results achieved against the performance measures published in our Corporate Plan and Portfolio Budget Statements.

Our governance structure and processes comply with statutory requirements and are regularly reviewed to ensure they remain effective.

Regulator Board and executive committees

Regulator Board

The Regulator Board determines the agency's strategic direction, monitors our performance and is accountable for regulatory decisions made under the legislation we administer.

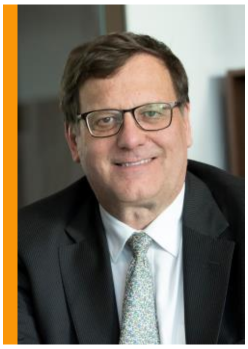
Members of the Regulator Board are appointed under the *Clean Energy Regulator Act 2011* by the responsible minister and are each required to have substantial experience or knowledge and significant standing in a relevant field. The Chair holds office on a full-time basis. All other members hold office on a part-time basis.

The Regulator Board members for 2022–23 were:

- Mr David Parker AM, Chair
- Ms Katherine Vidgen (appointed to a three-year term commencing on 21 May 2021)
- Mr Charles Kiefel AM (appointed to a three-year term commencing on 24 November 2021)
- Mr John Kettle (appointed to a three-year term commencing on 4 April 2022).

The Regulator Board met seven times in 2022–23.

Figure 9: Chair and members of the Regulator Board as at 30 June 2023


Mr David Parker AM
Chair


Ms Katherine Vidgen
Member


Mr Charles Kiefel AM
Member


Mr John Kettle
Member

Audit Committee

The Audit Committee provides independent advice and assurance to the Chair, as the Accountable Authority, on the appropriateness of these agency functions:

- financial reporting
- performance reporting
- system of risk oversight and management
- system of internal control.

The Audit Committee is comprised of three members: an independent Chair and two external members (see Appendix E: Audit Committee membership). Also attending every committee meeting are the Chief Operations Officer, Chief Risk Officer, Chief Financial Officer, Manager Internal Audit and representatives from the Australian National Audit Office. The Audit Committee Charter is available on our website – cer.gov.au/audit-committee-charter. The Audit Committee met six times in 2022–23.

Strategic Leadership Team

The Strategic Leadership Team meets to discuss, consider and advise the Chair on strategic and performance matters in relation to the PGPA Act and the *Public Service Act 1999 (*PS Act). Members comprise the Chair (as the Accountable Authority under the PGPA Act and Head of Agency under the PS Act), Executive General Managers, the Chief Operations Officer and the General Counsel. The Strategic Leadership Team is chaired by the Chair of the Regulator and meets weekly.

Australian Carbon Credit Unit Scheme Steering Committee

The Australian Carbon Credit Unit Scheme Steering Committee provides an inter-agency forum with oversight of ACCU Scheme risks and benefits. It comprises Senior Executive Service (SES) officers from the agency and from the agency's portfolio department. The committee identifies and analyses issues that may have a material effect on the scheme and it serves as a working body to support the Joint Agency Executive Steering Committee on the ACCU Scheme and related matters.

Joint Agency Executive Steering Committee

The Joint Agency Executive Steering Committee provides an inter-agency forum for high-level strategic oversight of the schemes we administer including the management of the risks and benefits. The committee considers:

- implications of significant developments in policy and regulatory functions
- options for managing emerging trends, issues and risks within the policy and regulatory environment.

This committee comprises the Chair, a Regulator Board member, and SES officers from the agency and the agency's portfolio department.

Guarantee of Origin Governance Committee

The Guarantee of Origin Governance Committee provides a strategic forum to oversee, monitor and guide the design and implementation of the GO trials and development of the GO scheme. This committee comprises SES officers from the agency and our portfolio department.

Managing risk

Our Risk Management Framework enables us to engage with risk in a positive and transparent way, consistent with the Commonwealth Risk Management Policy. The framework applies a consistent and effective approach to risk management and aims to:

- support the agency in risk-informed decision making
- encourage innovation
- assist all employees to identify and manage risks that may undermine our ability to achieve our objectives and meet statutory obligations.

During 2022–23, our risk management activities focused on:

- reviewing and updating our Risk Management Policy, Risk Management Framework and Risk Management Plans to align with the revised Commonwealth Risk Management Policy
- embedding streamlined processes and systems for risk reporting
- undertaking regular reviews of our strategic and operational risks and controls
- supporting the delivery of the agency's change initiatives on an ongoing basis.

A risk report is provided to the Regulator Board and Audit Committee each quarter.

The agency recorded an overall risk maturity of 'advanced' in the 2023 Comcover Risk Management Benchmarking Program.

Fraud and corruption control

Our 2022–24 Fraud and Corruption Control Plan documents the strategic and operational approach we take in controlling internal and external fraud and corruption risks in the agency. It provides assurance that we are managing identified fraud risks and complying with the agency's obligations under section 10 of the Public Governance, Performance and Accountability Rule 2014 as well as the Commonwealth Fraud Control Framework.

The plan details our strategies to prevent, detect, respond to, monitor and report fraud and provides information for all staff and contractors on their role in identifying and addressing fraud and corruption risks.

During 2022–23, our fraud and corruption control activities focused on reviewing and updating documentation and processes to align with the revised Australian Government Investigations Standards and to prepare for the implementation of the National Anti-Corruption Commission.

Internal audit

The internal audit function provides independent and objective assurance that the agency is operating in an efficient, effective, economical and ethical manner.

Our Internal Audit Work Program is a key element of the agency's governance framework. It outlines our approach to identifying areas of significant operational or financial risk and the arrangements to manage those risks.

The agency's manager of Internal Audit is responsible for the efficient and effective operation of the internal audit function. They report to the Chair through the manager of Risk, Audit and Fraud, General Counsel (Chief Risk Advisor) and the Audit Committee.

The agency's internal audit service provider is O'Connor Marsden & Associates.

Conflict of interest

All our employees and members of the Regulator Board are required to complete an annual Conflict of interest declaration. This is an obligation under the PS Act and the PGPA Act, which requires our employees and Board members to take reasonable steps to avoid any conflict of interest – real or apparent – in connection with their employment.

New employees are educated on their obligations during mandatory induction sessions, and we use a variety of internal channels to regularly remind employees of the need to disclose details of any material personal interest if their circumstances change.

It is standard practice for members at Regulator Board and governance committee meetings to declare any conflicts of interest before committee proceedings commence.

All conflict declarations are recorded in a conflict-of-interest register and reported to the Audit Committee.

Compliance with finance law

In 2022–23, there were no significant issues of non-compliance with finance law to be reported to the Minister.

External scrutiny

Our operations are subject to examination by tribunals or courts, parliamentary committees, the Commonwealth Ombudsman and the Australian National Audit Office.

In 2022–23, there were no judicial decisions, decisions of administrative tribunals or decisions by the Australian Information Commissioner that impacted the agency's operations. Our operations were not subject to any parliamentary committee or the Commonwealth Ombudsman, and no capability reviews of the agency were released. We appeared before the Senate Environment and Communications Legislation Committee on six occasions during 2022–23.

The government appointed an independent panel to review the integrity of ACCUs under the ACCU Scheme in 2022–23. The purpose of the review was to ensure ACCUs, and the carbon crediting framework maintain a strong and credible reputation, supported by participants, purchasers and the broader community. The panel concluded that the ACCU Scheme arrangements are essentially sound, providing a report that incorporated mechanisms for regular review and improvement. The report also gave recommendations to clarify governance, improve transparency, facilitate positive project outcomes and co-benefits and enhance confidence in the integrity and effectiveness of the scheme.

The final report was released on 9 January 2023 and the government accepted all 16 recommendations in principle from the review. The report is available on DCCEEW's website.

In February, in response to the ACCU Review recommendations, the method development function and support for the ERAC Secretariat moved to DCCEEW and the Minister for Climate Change and Energy revoked the Avoided Deforestation method, meaning that no new projects can be registered under the ACCU Scheme for this method. Legislative changes were made in April allowing us to publish previously protected information including carbon estimation areas on our website. In May, the Minister issued a direction to the Clean Energy Regulator to guide the implementation of Recommendation 8, which covers the HIR method. In June, the government released the ACCU Review implementation plan that sets out the timing and approach for implementing recommendations.

Information Publication Scheme

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report.

Our IPS Agency Plan sets out what information we will publish in accordance with the IPS requirements. The plan is available on our website – cer.gov.au/IPS-agency-plan.

Asset management

We manage assets in accordance with our asset management framework, Accountable Authority Instructions (AAIs) and relevant accounting standards. During 2022–23 we undertook:

- a stocktake of our asset base
- a desktop valuation of the agency's assets (excluding intangibles) through an independent expert. This was in accordance with the requirements of the Australian Accounting Standards Board (AASB) 13 – *Fair Value Measurement*.
- asset impairment testing and a review of the useful life ('re-life' assessment) of our assets, including ICT and non-ICT property, plant and equipment and intangibles, as required by AASB 116 – *Property, Plant and Equipment*, AASB 136 – *Impairment of Assets* and AASB 138 – *Intangible Assets*.

The outcomes of these activities are reported in the financial statements.

Regulator performance principles

The CER administers the regulatory functions of:

- the NGER scheme and the Safeguard Mechanism
- the RET – SRES and LRET
- the ANREU
- the ACCU Scheme
- legislated schemes for measuring, managing, reducing or offsetting Australia's carbon emissions.

In 2022–23, the agency worked to meet the following three principles of regulator best practice as outlined in the government's Regulator Performance Guide:

1. Continuous improvement and building trust – we adopt a whole-of-system perspective, continuously improving our performance, capability and culture to build trust and confidence in Australia's regulatory settings.
2. Risk based and data driven – we manage risks proportionately and maintain essential safeguards while minimising regulatory burden and leveraging data and digital technology to support our clients to comply and grow.
3. Collaboration and engagement – we are transparent and responsive communicators, implementing regulations in a modern and collaborative way.

The work we undertook in meeting these principles is detailed in the 'Annual performance statement' section of this report.

Compliance and enforcement

We know that an overwhelming majority of our scheme participants want to do the right thing. Our approach is to help and educate all participants to understand their obligations and to be transparent about our compliance focus areas to deter potential non-compliance.

We identify cases of possible fraud and non-compliance using sophisticated tools and well-developed monitoring, audit and assessment processes including:

- enhanced data matching
- geospatial imagery
- smart algorithms and large dataset analysis to identify trends
- submission reviews to identify anomalies and known behaviours
- audits, site visits and inspections
- intelligence from other regulators.

We respond to instances of non-compliance and misconduct with appropriate action, ensuring the ongoing integrity of the schemes we administer.

Our compliance priorities and outcomes

We publish our annual compliance and enforcement priorities and quarterly compliance updates on our website (see cer.gov.au/About/Compliance-and-Enforcement/compliance-priorities). These documents increase awareness of obligations and influence a willingness to comply voluntarily with scheme requirements. They provide transparency and accountability of our activities to scheme participants, stakeholders and the public. We have summarised our compliance focus areas, activities and outcomes for 2022–23 in Table 2.

Table 2: Compliance and enforcement priorities and outcomes

CERT reports

Focus area	Activities and outcomes
Unresolved concerns over potential false or misleading claims in the report	
The CERT Report is a new voluntary disclosure initiative that allows eligible companies to publicly report progress towards emissions reduction and renewable electricity commitments. We will not publish a company's CERT Report if we have unresolved concerns over potential false or misleading claims in the report. We may refer concerns to the ACCC and ASIC.	There were no unresolved concerns over false or misleading claims for the 2023 CERT Report.

ACCU Scheme

Focus area	Activities and outcomes
Regeneration projects	
Project participants with regeneration projects are required to undertake regular 'regeneration checks' to assess and demonstrate forest regeneration. Further project participants will be required to provide a regeneration check for the first time during 2022–23.	Maintaining forest potential and achieving forest cover. We continued to work with participants with upcoming 'regeneration checks', ensuring they understand the requirements of the HIR method and the expectations of the agency when submitting regeneration checks. We initiated 6 audits, paid for by the agency, to seek additional assurance of regeneration in a project.
Accuracy of ACCU claims	
We will take compliance action, in the form of administrative sanctions or civil proceedings, against participants who have made claims for ACCUs based on false or misleading information.	To ensure adherence to the rules, we continue to use a range of existing compliance tracking tools, including a robust regulatory assessment framework, supported by a comprehensive set of audit requirements. We have also developed new or improved compliance tracking tools including the Geospatial Upload and Validation service, which will help inform the accuracy of submitted crediting applications. New smart forms for the crediting of projects under Soil Carbon and Landfill Gas methods are collecting structured data to enable efficient data validation and assessment of applications. The forms provide an intuitive interface with easy-to-understand questions, and a 'tell us once' approach with pre-filling and re-using of data project proponents provided. This improved and streamlined digital infrastructure allows more streamlined reporting in a structured format to project registration and claims for ACCUs.
Project proponents who submit inaccurate or late reports to support claims for ACCUs	
Scheme participants who submit late or inaccurate reports will be subject to further action such as having their applications for ACCUs refused, being required to relinquish ACCUs, or having a reassessment of their fit and proper person status to continue to participate in the scheme.	To minimise instances of late reporting, we work proactively with project proponents to advise on requirements for complete and timely applications. If late claims for ACCUs are submitted, the agency works with participants to understand the cause of late reporting and how these will be resolved for future reporting periods. Where deliberate non-compliance has been identified, compliance action will be taken. Where a project fails to report on time, the project proponent may be required to revoke their project. In some cases, we make the decision to revoke the project unilaterally. In 2022–23, there were 17 project revocations following a failure to report.

NGER scheme and Safeguard Mechanism

Focus area	Activities and outcomes
Fugitive emissions reporting for oil and gas industries We ensure that reporters in the oil and gas industry report consistently with legislative amendments applying from the 2021–22 reporting year. Looking forward to continuous improvement for compliance priorities in future years, we will ensure that technology and reporting requirements in further amendments for coal, gas and oil are also adopted seamlessly.	Assessment of NGER reports for the 2021–22 reporting period was completed in line with the compliance priority. Reporters have implemented the new legislative amendments related to reporting of fugitive emissions for oil, coal and gas industries consistent with the legislation. Selection of reports for reasonable assurance audit under Section 74 of the NGER Act was also guided by the compliance priorities, with 16 per cent of oil and gas reporters selected to be part of the audit program to obtain independent assurance over the application of the new requirements.
Reporters with a history of non-compliance We will take action, including the acceptance of enforceable undertakings, against reporters who have a history of submitting inaccurate, incomplete or late reports, particularly where data underpins Safeguard Mechanism obligations. Where warranted, we will pursue civil proceedings. We will also recognise voluntary disclosure and rectification of errors.	Continual improvements to our compliance systems allows us to detect inaccuracies in submitted reports. We recognise voluntary disclosure and rectification of any errors. For the 2021–22 NGER reporting period, 7 per cent of reporters were required to resubmit their data due to non-compliance identified by the agency. Of these, 3 per cent were in relation to improving the quality of historical location data, which was identified as a priority for data users. Two reporters had current Enforceable Undertakings to improve the accuracy and completeness of reporting. Neither reporter was required to resubmit their 2021–22 NGER report.

RET

Focus area	Activities and outcomes
Serial numbers Manufacturers and importers are required to provide serial numbers for all eligible products for inclusion in the solar PV and inverter ledgers.	Compliance monitoring commenced for manufacturers and importers of high frequency installed panels. Industry communication and targeted follow-up reminder emails have resulted in high levels of compliance. Manufacturers or importers that do not provide the serial numbers will have their products deemed ineligible and will not be able to obtain STCs.
Solar retailers Solar retailers that provide false or misleading statements for STC claims will be deemed ineligible to participate in the SRES — they will not be able to sell systems that include STCs as incentives.	Continual improvements to our compliance systems allow us to detect inaccuracies in submitted claims. The agency developed processes to analyse data and identify and monitor high-risk retailers. This analysis, with input from other regulatory authorities including state and territory ombudsmen and the ACCC, has seen investigations commenced and the issuance of a Notice of Intended Declaration to a retailer that provided false or misleading information to the CER. Solar retailers that provide false or misleading statements for STC claims will not be able to sell systems that include STCs as incentives.
Accuracy of the creation of RECs We will take action against retailers, installers, designers, manufacturers, agents and nominated persons who make false or misleading claims for RECs. Action will include the suspension of registered persons from the RET, commencing civil proceedings for civil penalty orders, or seeking the prosecution of persons.	The agency works closely with regulatory partners to continually improve compliance systems and detect false and misleading information. We continued to see STC applications that did not meet obligations, such as having the installer on-site. In 2022–23, we increased the volume of assessments in this area and found 5 per cent non-compliance. As a result, we sent 2 Notices of Intended Declaration and 4 warning letters to installers. Escalated compliance and enforcement action included: – suspension of registered persons from participating in the scheme – prosecution and conviction of a solar installer and retailer for providing false and misleading information resulting in the improper creation of STCs.

Auditors Focus area	Activities and outcomes
Non-compliant auditors We will deregister or suspend auditors that are non-compliant or performing poorly. These will be identified through means such as the review of audit reports and the annual auditor inspection program. Where appropriate, we will publish the fact of the deregistration or suspension.	We review all audit reports and with the annual auditor inspection program, we can identify non-compliant or poorly performing auditors. Where appropriate, we publish the fact of the deregistration or suspension. In 2022–23, we conducted 6 inspections of auditor performance. As at 30 June 2023, 3 of those inspections had been completed resulting in each of the auditor's receiving recommendations for improvement with no significant concerns about performance identified. We may require auditors to report back on how they address recommendations.

Compliance action

We adopt an intelligence-led, risk-based approach that considers the behaviour and motivation of scheme participants to help determine the appropriate response to non-compliance. Our proportionate approach is in line with our published compliance policy for education, monitoring and enforcement activities to support trust and integrity in the schemes we administer (see: cer.gov.au/Compliance-policy).

Where substantive non-compliance is identified, our investigators collect evidence and recommend a compliance and enforcement response that can include the:

- suspension of a person's registration
- acceptance of enforceable undertakings
- commencement of civil proceedings
- referral of a matter to the Commonwealth Director of Public Prosecutions for criminal prosecution.

All investigations are conducted in accordance with the Australian Government Investigation Standard (AGIS) 2022.

In 2022–23, we assessed 111 compliance allegations, commenced 12 new investigations and closed 14 investigations. As at 30 June 2023, 12 investigations remained open. The results of our compliance actions in 2022–23 is summarised in Table 3.

Table 3: Compliance action in 2022–23

Compliance action	2022–23	2021–22
Allegations assessed	111	113
Investigations opened	12	11
Investigations closed	14	21
Criminal convictions	2	1
Disclosures to partner agencies	20	66
'Notices to produce' issued to third parties	34	36
Briefs of evidence referred for litigation	1	5
Suspensions of registered persons	1	3
Enforceable undertakings executed	2	2
Enforceable undertakings finalised	5	1
Inspector appointments revoked	1	0
Search warrants executed	5	4

We continued our campaign to disrupt business models where companies and individuals profit from scheme fraud. We focused extensively on those in SRES benefitting from solar PV installations that were not installed or supervised by accredited installers.

Two investigations into SRES participants have resulted in criminal convictions:

- On 14 July 2022, a Canberra electrical retail company was convicted and fined $9,000 for providing false or misleading documents in the SRES. B and J Finnigan Pty Ltd (trading as A1 Electrical) was found to have submitted compliance paperwork that falsely recorded sole director Bradley Finnigan as the responsible installer of 14 solar systems despite him being overseas at the time. In sentencing, the ACT Magistrate fined the company $9,000, down from $12,000, due to its early guilty plea. Bradley Finnigan also had his CEC accreditation cancelled for a period of 12 months.
- On 1 February 2023, a Victoria-based solar installer, Gavin Brady, appeared in the Melbourne Magistrates' Court after pleading guilty to five charges of providing false documents. These documents were in relation to claims that he had installed 11 solar PV installations. These installations were never installed. In sentencing, the Melbourne Magistrate convicted Mr Brady and placed him on a Community Correction Order requiring Mr Brady to complete 300 hours of unpaid community work within 2 years. In a separate order, the Magistrate made a reparation order requiring Mr Brady to repay funds not already repaid to the agent, totalling $48,528. Mr Brady had his CEC accreditation cancelled.

The agency also commenced civil penalty proceedings in the Federal Court against a Queensland electrical company, a director and former director of that company for providing false statements concerning the identity and accreditations of the actual installers of solar panel systems. The penalty hearing took place on 23 March 2023 and the respondents agreed to the allegations of contraventions. The decision on the pecuniary penalty was pending as of the end of the 2022–23 financial year.

Audit framework

The NGER audit framework helps ensure the integrity of reported data and assists us to prioritise compliance, education and intelligence actions. Audits also provide assurance for NGER data, the issuance of ACCUs under the ACCU Scheme, and issuance of exemption certificates under the RET for emissions-intensive trade-exposed facilities.

There are two auditor categories:

- Category 1 auditors are generally audit team members or team members with technical expertise. They are not eligible to lead an assurance audit, however, they can perform verification audits when a Category 2 auditor is not available. They are able to perform voluntary audits.
- Category 2 auditors are generally audit team leaders and are responsible for providing an audit opinion and report. They are available to scheme participants to perform assurance engagements, verification audits and voluntary audits.

In 2022–23, there were 219 audits completed under the framework, including 14 audits initiated at our cost under our risk-based approach. Of those audits:

  - 95 per cent returned a clean opinion, indicating the participant was compliant with scheme requirements audited
  - 4 per cent returned a qualified opinion, indicating the participant was largely compliant
  - less than 1 per cent returned an adverse finding, where at least one material issue of significant noncompliance was identified.

As at 30 June 2023, the agency had 76 registered greenhouse and energy auditors.

We conducted 6 inspections in 2022–23 to monitor auditor performance and compliance with outcomes that included recommendations for improvement.

Digital services innovation

We are responsible for the systems and registries that enable secure and convenient participation in our schemes and in markets. These digital services authorise participants to register, report and receive carbon credits or RECs, acquit liabilities, and take part in the carbon market.

Our Digital Roadmap outlines our strategic ICT investment priorities. Our aim is to build and deliver digital products and services that are simple and efficient. We have an ambitious and innovative technology improvements plan to meet our objectives, respond quickly to the evolving policy and regulatory environment and to be more resilient to emerging cyber threats.

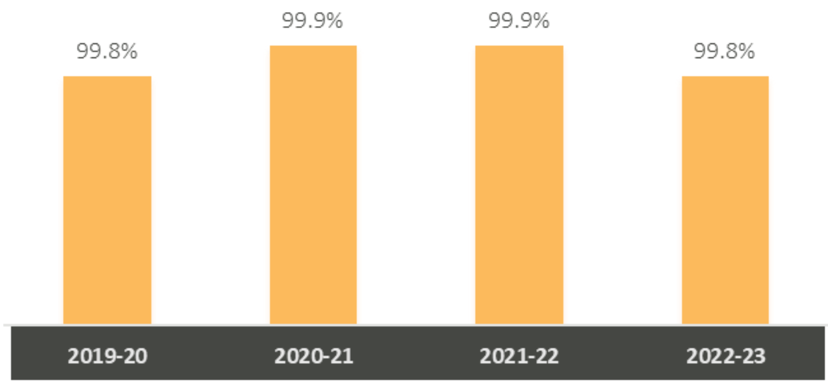
Our service design and delivery processes align with best-practice principles and standards published by the Australian Cyber Security Centre and the Digital Transformation Agency. These include the Information Security Manual, the Digital Service Standard, and the Australian Government's API Design Standards.

During 2022–23, we delivered fit-for-purpose regulatory technology solutions. These were part of our change program to provide an improved client experience, promote enhanced information exchange and reduce transaction costs for scheme participants. Solutions included:

- innovative smart forms and customer relationship management functionality to reduce operating costs and improve data quality while also reducing regulatory burden for our participants through shorter application processing times
- a consolidated online services platform that will provide a single access point for all our schemes, registers and reports
- commencing a rebuild of the EERS that will reduce the amount of time it takes to prepare and submit NGER reports and increase data quality through better data validation and greater transparency
- delivering a new iteration of SRES functionality to improve the scheme's integrity
- preparing to roll out online identity verification across multiple schemes, reducing assessment wait times and streamlining processes.

In 2022–23, our agile delivery approach enabled us to deliver the solutions above, advance future improvements and prepare for legislated changes. We maintained a secure foundation that ensured our online systems and registries were available for 99.8 per cent of the time (excluding planned maintenance).

Figure 10: Availability of online services from 2019–20 to 2022–23



Environmental performance

We support the sustainable management and conservation of Australia's environment. Where it is practical under section 516A of the *Environment Protection and Biodiversity Conservation Act 1991*, we are committed to ecologically sustainable practices in our operations.

Our 'Discovery House' office at 47 Bowes Street in Phillip, Canberra, holds a 5.5-star energy rating and 5-star water rating according to the National Australian Built Environment Rating System (NABERS). This office has energy-efficient lighting and water conservation methods including bathrooms with motion-active hand basins and 4A-rated dual flush toilets.

During the year, we used a range of practical strategies to manage waste and reduce our impact on the environment. We:

- purchased electricity from 100 per cent renewable sources
- used sustainable high-use office supplies, including 100 per cent carbon-neutral and recyclable print paper
- promoted the 'think before you print' campaign and electronic record keeping
- provided one paper and cardboard recycling bin for every 55 staff members
- provided organic waste collection bins in our kitchens to help reduce methane emissions
- provided recycling programs for printer toner, ink cartridges and dry-cell batteries
- used energy-efficient IT and workplace equipment.

Appendix F: Australian Public Service Net Zero 2030 shows our greenhouse gas emissions as part of our reporting requirements under the Australian Public Service Net Zero 2030 policy.

Our people

Our staff are a highly capable, connected and committed workforce. Achieving our purpose and objectives relies on:

- engaging and managing our people effectively
- attracting, developing and supporting our employees.

As at 30 June 2023, the agency had 390 employees, all based in the ACT. Appendix C: Workforce statistics, provides details of our workforce profile.

Culture

Every member of the agency contributes to the values, principles and behaviour elements of our culture. These cultural anchors shape the way we interact and engage with each other. They support the agency in creating a positive and supportive working environment and guide our approach when responding to challenges and opportunities in our environment.

Clean Energy Regulator's cultural anchors	
Delivering outcomes	Our people care about delivering agency objectives because our purpose matters.
Trust and accountability	Our people trust each other because we are all accountable for our actions.
Role clarity	Our people know who does what because role clarity is vital for productive collaboration.
Active development	Our people actively develop themselves and others because lifting capability makes a difference.

Every year, we recognise outstanding efforts made by our employees through the annual Awards of Excellence program. In this program, teams and individuals are recognised for delivering quality outcomes while embodying the agency's culture and APS values. In November 2022, five awards were presented to recognise excellence in leadership, innovation, diversity and collaboration, in addition to the Regulator Board Outstanding Achievement Award.

Building capability

We continue to invest in our people and to build our collective capacity to drive innovation. These are accomplished in part by adapting to policy and workforce requirements now and into the future.

Our People Capability Framework provides the foundations for achievement across all roles in the agency. Under the framework, employees are encouraged to complete an active development plan and to identify their own professional development needs and target solutions.

During 2022–23, our employees were given access to a range of formal and informal professional development opportunities. We also offered learning programs across a range of topics and formats, in online self-paced, virtual and face-to-face formats. These programs include:

- the induction program – delivered to 87 new employees, also covering the 2-day graduate development program induction for 8 graduates and their managers
- regulatory practitioner training – delivered to 31 employees to help strengthen our regulatory capability
- foundational management training – delivered to emerging leaders across the agency
- executive training – focused on building engagement and developing executive-level managers' coaching skills.

Financial support and study leave were provided to 15 employees to undertake further studies aligned with their individual development. This education contributes to growing the capability of the agency and the APS more broadly.

Employment conditions

The Clean Energy Regulator Enterprise Agreement 2019–2022 sets out the terms and conditions of employment for all non-SES employees. In September 2021, 85 per cent of non-SES employees voted to put in place a Determination under section 24(1) of the PS Act to provide pay adjustments on top of the existing enterprise agreement. The *Clean Energy Regulator Determination 2022* came into effect on 26 June 2022. It governs employee salaries and allowance increases. As at 30 June 2023, 381 employees were covered by the enterprise agreement. Of these, 13 non-SES employees had an individual flexibility agreement in place.

Employment conditions for 10 SES officers are outlined by individual determinations made under section 24(1) of the PS Act. The position of Chair is a statutory appointment with conditions of employment determined by the Remuneration Tribunal.

Details of non-salary benefits available to our employees are in the enterprise agreement Clean Energy Regulator Enterprise Agreement 2019–2022. Salaries for non-SES employees, shown in Table 4, are in accordance with the terms of the *Clean Energy Regulator Amending Determination 2023*.

Table 4: Salary ranges APS1 to EL2 as at 30 June 2023

	Minimum salary ($)	Maximum salary ($)
APS 1	51,572	58,494
APS 2	61,422	65,540
APS 3	68,358	73,998
APS 4	76,817	81,045
APS 5	83,865	88,094
APS 6	91,619	104,302
EL 1	112,758	128,263
EL 2	134,607	158,565

In 2022–23, no performance payments in the form of one-off bonuses were awarded to SES officers. Non-SES officers who achieve a performance outcome of 'meets' or 'exceeds' expectations are recognised by incremental salary advancement, consistent with conditions outlined in the enterprise agreement.

Diversity and inclusion

We recognise that a diverse and inclusive workplace improves the experience of all our staff and enhances client interactions. We aim to create an environment that celebrates and values the contributions of people from different backgrounds and who have different experiences and perspectives.

Our Diversity and Inclusion Action Plan 2022–24 supports our ongoing commitment to an organisational culture where all voices are heard, respected, valued and supported. Some key actions in 2022–23 included:

- providing training on diversity-related topics to raise awareness in cultivating an inclusive workplace culture
- building on recruitment strategies to attract people from the broader community – including targeted campaigns to attract Aboriginal and Torres Strait Islander people, people living with disability and mature-aged workers
- using employee surveys to capture information on topics such as workplace culture, support mechanisms, and satisfaction of career progression and development opportunities.

Our action plan is supported by our staff diversity and inclusion community groups – the Disability Ability Wellbeing network, the Indigenous network, the Pride network, the Gender Equity network and our Cultural and Linguistic Diversity network.

These networks are social connections for all staff and they:

- provide advocacy support for employees
- raise awareness of diversity and inclusion through initiatives such as International Day Against LGBTQIA+ Discrimination, National Reconciliation Week, National Autism Awareness and Harmony Week
- provide support and training for managers to create reasonable adjustments for employees
- work closely with other government agencies and stakeholder groups to improve diversity and inclusion outcomes
- support the agency to implement culturally appropriate strategies.

Our diversity and inclusion policies and practices reflect the principles of both the Australian Public Service Disability Employment Strategy 2020–25 and the Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–2024.

Disability reporting mechanisms

Australia's Disability Strategy 2021–2031 is the overarching framework for inclusive policies, programs and infrastructure. The strategy sets out where practical changes will be made to improve the lives of people with disability so that they can participate in all areas of Australian life. This reflects the aims of incorporating the United Nations Convention on the Rights of Persons with Disabilities into Australia's policies and programs that affect people with disability, their families and carers.

All levels of government have committed to deliver more comprehensive and visible reporting under the strategy. A range of reports on the strategy's actions, progress and outcomes are published on the Australian Government Disability Gateway at disabilitygateway.gov.au/ads.

Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at apsc.gov.au.

Work health and safety

We are committed to providing a safe work environment for all employees. We consider office-based and off-site (home-based) health and safety hazards may be physical or psychological. Our duty of care is to ensure the health and safety of all employees by meeting our legal obligations under the *Work Health and Safety Act 2011*. Our work health and safety (WHS) policy sets out our responsibilities, goals, mechanisms for communicating and resolving WHS matters, and our risk management process.

Our WHS consultative committee provides a participatory approach for the prevention of work-related injury and illness through cooperation between employee representatives and the agency. We continually review WHS policies and guidelines with the committee.

The agency's Health and Wellbeing committee is a staff community group that promotes a workplace environment that supports healthy lifestyle choices and facilitates active participation in a range of initiatives that support health and wellbeing.

Our ongoing commitment to the health and safety of our employees is demonstrated through initiatives such as:

- an employee assistance program that provides free and confidential counselling services to all employees and their families
- workstation assessments that provide the correct set-up and ensure safe use of equipment
- access to flu vaccinations for all employees
- online learning modules on workplace health, safety, bullying and harassment to educate and inform staff, which are provided annually
- a network of trained mental health officers, first-aid officers, health and safety representatives, and workplace harassment contact officers to support employees in the workplace.

During 2022–23, there were no notifiable incidents reported to Comcare under section 38 of the *Work Health and Safety Act 2011* and no notices were issued under part 10 of the Act.

We provide ongoing complex case management support in partnership with third-party providers, employees and managers for non-compensation cases.

Procurement

Our approach to purchasing and procurement, including engaging consultants, is consistent with the Commonwealth Procurement Rules and is designed to promote fairness, equity and value for money. The rules are applied to our operations through the AAIs and procurement policies. This operational guidance is available to all employees via the agency's intranet and centralised procurement team.

Our Annual Procurement Plan provides information on the planned procurement activities for the financial year. It can be referenced by prospective suppliers wishing to work with the agency and is available on the AusTender website (which is updated as required).

Consultancy and non-consultancy contract expenditure reporting

Decisions for engaging consultants in 2022–23 were made in accordance with relevant internal policies, the PGPA Act and related regulations such as the Commonwealth Procurement Rules.

We engage consultants when we need specialist expertise or when independent research, review or assessment is required. The agency generally selects consultants using panel arrangements or by making an open approach to market.

Reportable consultancy contracts

During 2022–23, there were no new reportable consultancy contracts entered into and no active ongoing reportable consultancy contracts.

Reportable non-consultancy contracts

During 2022–23, 174 new reportable non-consultancy contracts were entered into involving a total actual expenditure of $29.01 million (GST inclusive). In addition, 206 ongoing reportable non-consultancy contracts were active during the period, involving a total actual expenditure of $49.32 million (GST inclusive).

Table 5: Total reportable non-consultancy contract expenditure in 2022–23

Reportable non-consultancy contracts	Number	Expenditure ($m)
New contracts entered into during the reporting period	174	29.01
Ongoing contracts entered into during a previous reporting period	206	49.32
Total	380	78.33

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.

Table 6: Organisations receiving a share of non-consultancy expenditure, 2022–23

Organisation	Expenditure ($m)	Proportion of 2022–23 total spend (%)
NTT Australia Digital Pty Ltd	7.81	9.97
Pragma Partners Pty Ltd	6.42	8.19
APIS Group Pty Limited	5.14	6.56
DXC Technology Australia Pty Limited	3.89	4.97
Digital61 Pty Ltd	3.79	4.83
Total	27.05	34.52

Exempt contracts

In 2022–23, the Chair did not exempt any standing offer or contract in excess of $10,000 (inclusive of GST) from being published on AusTender. Emissions Reduction Fund carbon abatement contracts are exempt.

Australian National Audit Office access clauses

All contracts of $100,000 (inclusive of GST) or more awarded during 2022–23 included a provision for the Auditor-General to have access to the contractor's premises.

Initiatives to support small and medium-sized enterprises and Indigenous businesses

The CER supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises (SMEs) and small enterprise participation statistics are available on the Department of Finance website.

We support SMEs by:

- complying with the Commonwealth Procurement Framework
- implementing the Indigenous Procurement Policy, noting that many Indigenous businesses are also SMEs
- using the Commonwealth Contracting Suite for low-risk procurements valued under $200,000 (inclusive of GST)
- using credit cards for procurements valued under $10,000
- applying Australian Industry Participation Plans in whole-of-government procurement, where applicable
- providing procurement information in clear, plain language and in an accessible format through adopting the Small Business Engagement Principles
- facilitating efficient and on-time payment to suppliers using electronic systems or other processes.

The CER recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury website.

Finances

Financial overview

To ensure the successful delivery of the schemes we administer and to maximise our performance, we continued our strong focus on budget management and resource allocation.

We manage our finances and resources to remain financially sustainable into the forward estimates and continue to implement operational efficiencies.

Summary of financial performance

Departmental finances

Overview of financial performance and future financial viability

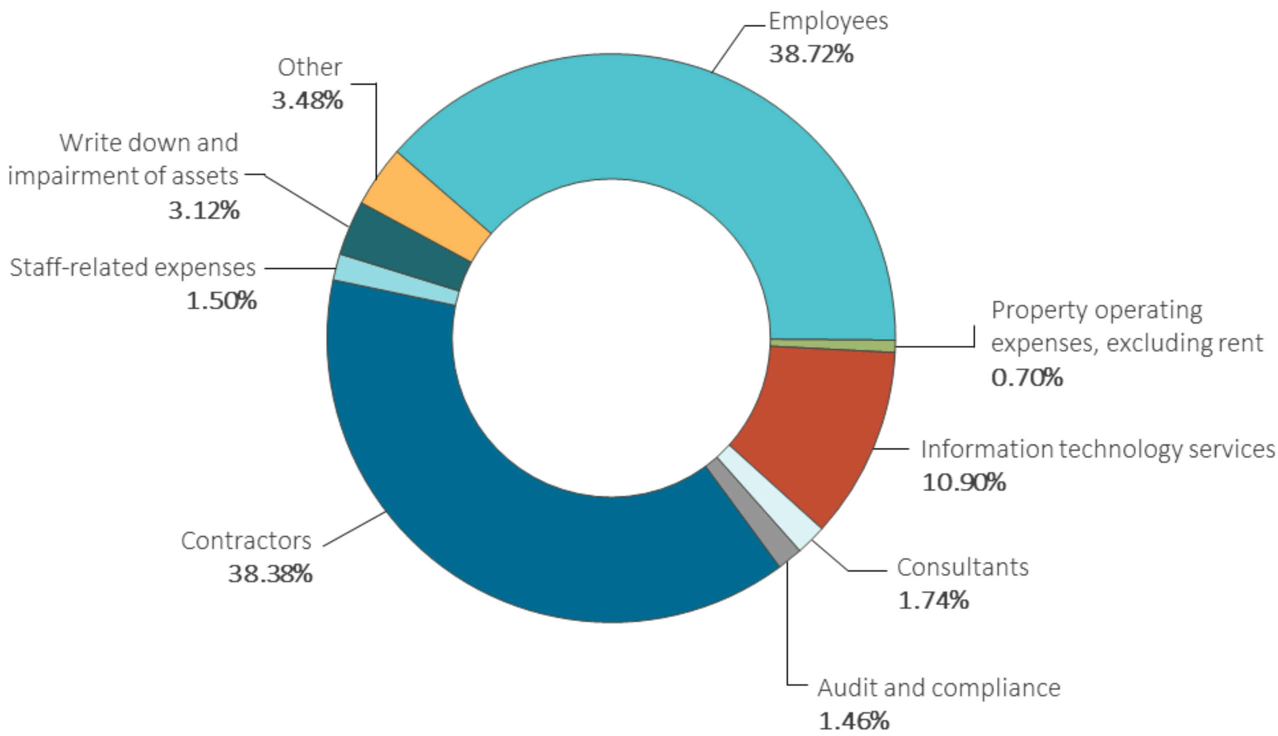
The CER reported a total comprehensive loss of $2.0 million in 2022–23. Excluding the impact of depreciation and operating lease repayments, our result for the 2022–23 financial year was an operating surplus of $0.5 million.

Our work is mainly funded by government appropriation. Government revenue from departmental appropriations increased to $112.8 million from $86.9 million with additional funding provided to continue our streamlining initiatives under the deregulation agenda.

Own source revenue in 2022–23 was $7.0 million, an increase from 2021–22 due to $6.1 million received for development of the Guarantee of Origin work.

Operating expenditure for 2022–23 was $116.9 million excluding depreciation and amortisation.

Figure 11 Operating expenditure, 2022–23



We spend most of our budget on employee-related expenses and contractors (77 per cent in total). In 2022–23, funding was provided to support our ongoing program of change and transformation of products and IT solutions. This resulted in an increase in reported contractor expenses in 2022–23 compared to prior years.

Refer to the Statement of Comprehensive Income and Note 1.1 of the financial statements.

Financial position and future financial viability

The CER remains in a sound financial position. As at 30 June 2023, we had total equity of $25.7 million (2022: $24.6 million), represented by $77.0 million of assets offset by $51.3 million of liabilities.

The majority of assets relate to appropriation and other receivables ($41.4 million) and leasehold improvements ($32.2 million). The majority of liabilities relate to employee provisions ($11.3 million) and leases ($30.7 million).

Based on the key assumptions of continued appropriation funding from government as our primary funding source, we continue to operate with sufficient cash reserves to fund our liabilities and commitments as and when they fall due.

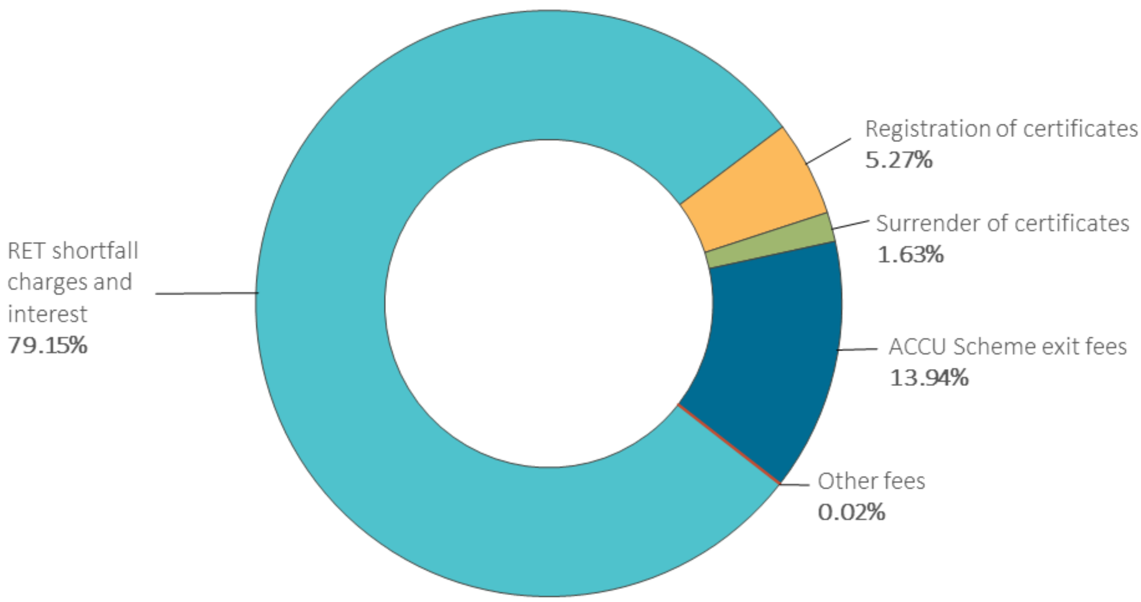
Administered finances

We administered the ACCU Scheme and the RET on behalf of the government in 2022–23.

Administered income

Administered income was $387.6 million and predominantly came from administration of the RET. During 2021–22, changes around the administration of fixed delivery carbon abatement contracts came into effect. These changes meant that eligible sellers were able to make an exit payment to be released from delivery of an upcoming milestone.

Figure 12: Administered income, 2022–23



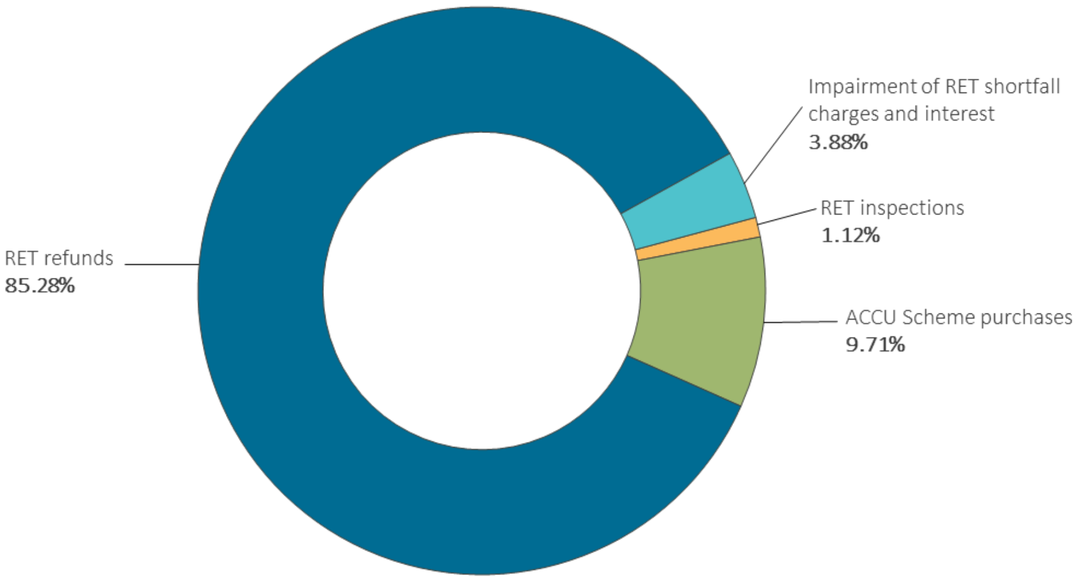
Refer to the Administered Schedule of Comprehensive Income and Note 2.1 of the financial statements.

Administered expenses

Administered expenses were $338.5 million, predominantly due to the continuing recognition of a provision for refund – large-scale shortfall and the payment for contracts under the ACCU Scheme.

Over the past several years, the ACCU market has matured, and the nature of contracts offered by the CER expanded to include both fixed and optional delivery contracts. ACCU voluntary holdings by entities that do not have contracts with CER have also increased along with trading of these units within the secondary market. These changes required a reassessment of the recognition of liabilities and associated expenditure for the ACCU Scheme. The accounting policy is explained in the overview note of the financial statements.

Figure 13: Administered expenses, 2022–23



Refer to the Administered Schedule of Comprehensive Income and Note 4.3 of the financial statements.

Entity resource statement

The entity resource statement provides additional information about the various funding sources that we may draw upon during the year. 'Appendix A: Entity resource statement and expenses by outcome', details the resources available to us during 2022–23 and sets out our summary of total expenses for Outcomes 1 and 2.

Financial statements

We received an unqualified audit report from the Australian National Audit Office for our 2022–23 financial statements.

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Climate Change and Energy

Opinion

In my opinion, the financial statements of the Clean Energy Regulator (the Entity) for the year ended 30 June 2023:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
(b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Bradley Medina
Executive Director
Delegate of the Auditor-General

Canberra
25 September 2023

Clean Energy Regulator

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

David Parker

Accountable Authority

25 September 2023

Rebecca Longford

Chief Financial Officer

25 September 2023

Clean Energy Regulator

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2023

	Notes	2023 $'000	2022 $'000	2023 Original Budget $'000
NET COST OF SERVICES				
Expenses				
Employee Benefits	1.1A	**45,283**	40,735	44,916
Suppliers	1.1B	**67,130**	45,970	67,777
Depreciation and Amortisation	3.2A	**5,146**	6,389	5,575
Finance Costs		**880**	241	530
Write-Down and Impairment of Non-Financial Assets		**3,616**	987	-
Loss on Disposal of Assets		**29**	-	-
Total expenses		**122,084**	94,322	118,798
Own-Source Income				
Own-source revenue				
Other Revenue	1.2A	**6,913**	4,095	6,100
Total own-source revenue		**6,913**	4,095	6,100
Gains				
Other Gains		**48**	17	425
Total gains		**48**	17	425
Total own-source income		**6,961**	4,112	6,525
Net cost of services		**(115,123)**	(90,210)	(112,273)
Revenue from Government	1.2B	**112,816**	86,914	109,958
Deficit on continuing operations		**(2,307)**	(3,296)	(2,315)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in Asset Revaluation Reserve		**244**	(11)	-
Total comprehensive loss		**(2,063)**	(3,307)	(2,315)

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

Clean Energy Regulator

STATEMENT OF FINANCIAL POSITION
as at 30 June 2023

	Notes	2023 $'000	2022 $'000	2023 Original Budget $'000
ASSETS				
Financial assets				
Cash and Cash Equivalents	3.1A	349	383	383
Trade and Other Receivables	3.1B	41,373	34,581	35,319
Total financial assets		41,722	34,964	35,702
Non-financial assets[1]				
Leasehold Improvements	3.2A	32,216	35,397	31,793
Plant and Equipment	3.2A	1,019	1,479	1,208
Intangibles	3.2A	306	5,078	20,430
Prepayments		1,732	1,744	1,744
Total non-financial assets		35,273	43,698	55,175
Total assets		76,995	78,662	90,877
LIABILITIES				
Payables				
Suppliers	3.3A	7,987	8,930	8,930
Other Payables	3.3B	1,246	1,018	1,018
Total payables		9,233	9,948	9,948
Interest bearing liabilities				
Leases	3.4A	30,719	33,078	29,818
Total interest bearing liabilities		30,719	33,078	29,818
Provisions				
Employee Provisions	6.1A	11,341	11,067	11,229
Total provisions		11,341	11,067	11,229
Total liabilities		51,293	54,093	50,995
Net assets		25,702	24,569	39,882
EQUITY				
Contributed Equity		99,534	96,338	114,128
Asset Revaluation Reserve		9,831	9,587	9,587
Retained Accumulated Deficit		(83,663)	(81,356)	(83,833)
Total equity		25,702	24,569	39,882

[1] Right-of-use assets are included in Leasehold Improvements.

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

Clean Energy Regulator

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2023

	Accumulated Retained Deficit			Asset Revaluation Reserve			Contributed Equity			Total Equity	
	2023 $'000	2022 $'000	2023 Original Budget $'000	**2023 $'000**	2022 $'000	2023 Original Budget $'000	**2023 $'000**	2022 $'000	2023 Original Budget $'000	**2023 $'000**	2022 $'000
Opening balance	**(81,356)**	(78,060)	(81,518)	**9,587**	9,598	9,587	**96,338**	88,514	96,338	**24,569**	20,052
Comprehensive income											
Deficit for the period	**(2,307)**	(3,296)	(2,315)	**-**	-	-	**-**	-	-	**(2,307)**	(3,296)
Other comprehensive (loss)/gain	**-**	-	-	**244**	(11)	-	**-**	-	-	**244**	(11)
Total comprehensive (loss)/gain	**(2,307)**	(3,296)	(2,315)	**244**	(11)	-	**-**	-	-	**(2,063)**	(3,307)
Transactions with owners											
Contributions by owners											
Equity injection - Appropriations	**-**	-	-	**-**	-	-	**2,043**	6,681	16,637[1]	**2,043**	6,681
Departmental capital budget	**-**	-	-	**-**	-	-	**1,153**	1,143	1,153	**1,153**	1,143
Total transactions with owners	**-**	-	-	**-**	-	-	**3,196**	7,824	17,790	**3,196**	7,824
Closing balance as at 30 June	**(83,663)**	(81,356)	(83,833)	**9,831**	9,587	9,587	**99,534**	96,338	114,128	**25,702**	24,569

[1] Original budget includes $8.325 million withheld under section 51 of PGPA Act. Refer to Note 5.1B.

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

ACCOUNTING POLICY

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets are recognised directly in contributed equity in that year.

Clean Energy Regulator

CASH FLOW STATEMENT

for the period ended 30 June 2023

	2023 $'000	2022 $'000	2023 Original Budget $'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	**117,709**	92,773	109,958
Other revenue	**6,571**	3,685	6,100
Net GST received	**6,476**	4,715	2,629
Total cash received	**130,756**	101,173	118,687
Cash used			
Employees	**45,146**	42,110	44,916
Suppliers	**74,119**	46,300	69,981
Interest payments on lease liabilities	**880**	241	530
Net GST paid	**23**	702	-
Section 74 receipts transferred to OPA	**8,057**	5,854	-
Total cash used	**128,225**	95,207	115,427
Net cash from operating activities	**2,531**	5,966	3,260
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment	**-**	55	-
Other	**-**	1,000	-
Total cash received	**-**	1,055	-
Cash used			
Purchase of property, plant and equipment and intangibles	**226**	7,015	17,052
Total cash used	**226**	7,015	17,052
Net cash used by investing activities	**(226)**	(5,960)	(17,052)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	**20**	3,687	17,052
Total cash received	**20**	3,687	17,052
Cash used			
Principal payments of lease liabilities	**2,359**	3,645	3,260
Total cash used	**2,359**	3,645	3,260
Net cash (used by) from financing activities	**(2,339)**	42	13,792
Net (decrease) increase in cash held	**(34)**	48	-
Cash and cash equivalents at the beginning of the reporting period	**383**	335	383
Cash and cash equivalents at the end of the reporting period[1]	**349**	383	383

[1] As shown in the Statement of Financial Position.

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

Clean Energy Regulator

BUDGET VARIANCES COMMENTARY

for the period ended 30 June 2023

The Clean Energy Regulator (CER) has disclosed major departmental variances against budget where the variance is greater than 10 per cent and $0.250 million of an individual line item.

Statement of Comprehensive Income

Expenses: Write-down and Impairment of Non-Financial Assets expense

Due to the nature of write downs and impairments they cannot be budgeted for. In 2022–23, a number of internally developed software work-in-progress assets were derecognised. Refer to: *Assets: Intangibles.*

Revenue: Own-Source Revenue

The CER budgeted and received $6.100 million in 2022–23 to continue its Guarantee of Origin work. CER also received $0.360 million resources free of charge from the Australian National Audit Office.

Revenue: Other Gains

The CER budgeted for other gains with respect to funding from the Department of Finance as part of its Charging Framework Cost Recovery Policy, however the actual amount received is disclosed in the financial statements as own-source revenue.

Statement of Financial Position

Assets: Trade and Other Receivables

Trade and other receivables are over budget as a result of an increased appropriation receivable relating to unspent equity injection funding. Refer below to the variance commentary on intangibles and suppliers payable.

Assets: Intangibles

The CER received equity injections to invest in new technology under several budget initiatives. The technology solutions being planned and implemented are cloud-based Software-as-a-Service in nature and have therefore been recognised as operating expenses as incurred. This had been included in the original budget as investment in intangibles.

Liabilities: Suppliers Payable

The CER recognises payables and accrued expenditure at the end of the year for work performed but not yet paid (including salaries). The value of these liabilities changes from time to time in the normal course of business, dependent on the timing of payments.

Statement of Changes in Equity and the Cash Flow Statement

The differences between the final outcome and budget are a result of the explained variances for the Statement of Comprehensive Income and the Statement of Financial Position.

Clean Energy Regulator

ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME

for the period ended 30 June 2023

	Notes	2023 $'000	2022 $'000	2023 Original Budget $'000
NET COST OF SERVICES				
Expenses				
Suppliers		3,798	3,753	4,340
Purchase of Australian Carbon Credit Units	4.3A	32,870	120,754	239,941
Renewable Energy Target Refunds	4.3A	288,634	273,572	-
Impairment of Taxation Receivables	7.3B	13,148	-	-
Total expenses		338,450	398,079	244,281
Income				
Revenue				
Taxation revenue				
Renewable Energy Target Shortfall Charges and Interest	2.1A	306,767	275,693	1,229
Total taxation revenue		306,767	275,693	1,229
Non-taxation revenue				
Renewable Energy Fees	2.1B	26,716	26,972	26,930
Australian Carbon Credit Unit Scheme Exit Fees	2.1B	54,041	3,268	167,800
Other Fees		66	53	-
Total non-taxation revenue		80,823	30,293	194,730
Total revenue		387,590	305,986	195,959
Total income		387,590	305,986	195,959
Net contribution by (cost of) services and surplus (deficit)		49,140	(92,093)	(48,322)

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

Clean Energy Regulator

ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2023

	Notes	2023 $'000	2022 $'000	2023 Original Budget $'000
ASSETS				
Financial assets				
Cash and Cash Equivalents	4.1A	113,472	7,037	7,037
Taxation Receivables	4.1B	2,229	27	27
Trade and Other Receivables	4.1C	3,995	7,616	7,616
Total financial assets		119,696	14,680	14,680
Non-financial assets				
Prepayments		132	124	124
Total non-financial assets		132	124	124
Total assets administered on behalf of Government		119,828	14,804	14,804
LIABILITIES				
Payables				
Suppliers	4.2A	2,246	608	608
Other Payables	4.2B	115,283	15,932	15,932
Total payables		117,529	16,540	16,540
Provisions				
Renewable Energy Target Shortfall	4.3A	930,409	949,672	949,672
Purchase of Australian Carbon Credit Units	4.3A	51,362	54,662	54,662
Total provisions		981,771	1,004,334	1,004,334
Total liabilities administered on behalf of Government		1,099,300	1,020,874	1,020,874
Net liabilities		(979,472)	(1,006,070)	(1,006,070)

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

Clean Energy Regulator

ADMINISTERED RECONCILIATION SCHEDULE
for the period ended 30 June 2023

	2023 $'000	2022 $'000
Opening assets less liabilities as at 1 July	**(1,006,070)**	(1,025,743)
Net cost of services		
Income	**387,590**	305,986
Expenses		
Payments to entities other than corporate Commonwealth entities	**(338,450)**	(398,079)
Transfers (to)/from the Australian Government		
Appropriation transfers from Official Public Account		
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	**42,092**	115,586
Special appropriations (unlimited)		
Renewable Energy (Electricity) Act 2000, section 157 refunds	**308,022**	306,253
Refund of administered receipts - section 77 PGPA Act	**30,708**	10,129
Appropriation transfers to Official Public Account		
Transfers to Official Public Account	**(403,364)**	(320,202)
Closing assets less liabilities as at 30 June	**(979,472)**	(1,006,070)

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

ACCOUNTING POLICY

Administered cash transfers to and from the Official Public Account

Revenue collected by the CER for use by the Government rather than the CER is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the CER on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Clean Energy Regulator

ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2023

	Notes	2023 $'000	2022 $'000
OPERATING ACTIVITIES			
Cash received			
Taxes (Renewable Energy Target shortfall charges and interest)		**291,542**	279,244
Fees		**81,497**	30,435
Net GST received		**354**	745
Total cash received		**373,393**	310,424
Cash used			
Suppliers		**4,152**	4,532
Purchase of Australian Carbon Credit Units		**37,914**	111,405
Renewable Energy Target refunds		**308,022**	306,253
Net GST paid by the special account		**7,303**	7,559
Total cash used		**357,391**	429,749
Net cash used by operating activities		**16,002**	(119,325)
FINANCING ACTIVITIES			
Cash received			
Special account – receipts from buyers	5.2	**1,109,746**	153,612
Total cash received		**1,109,746**	153,612
Cash used			
Special account – payments to sellers	5.2	**996,771**	139,084
Total cash used		**996,771**	139,084
Net cash from financing activities		**112,975**	14,528
Cash from Official Public Account			
Appropriations		**380,822**	431,968
Total cash from official public account		**380,822**	431,968
Cash to Official Public Account			
Appropriations		**(403,364)**	(320,202)
Total cash to official public account		**(403,364)**	(320,202)
Net increase in cash held		**106,435**	6,969
Cash and cash equivalents at the beginning of the reporting period		**7,037**	68
Cash and cash equivalents at the end of the reporting period[1]	4.1A	**113,472**	7,037

[1] As shown in the Statement of Financial Position.

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

Clean Energy Regulator

BUDGET VARIANCES COMMENTARY - ADMINISTERED

for the period ended 30 June 2023

The CER has disclosed major administered variances against budget where the variance is greater than 10 per cent and $0.500 million of an individual line item.

Administered Schedule of Comprehensive Income

Expenses: Suppliers Expense

Budgeted suppliers expense includes an estimate for both the Renewable Energy Target (RET) refunds and audit inspections. Actual suppliers expense only relates to the audit inspections. Refer to *Expenses: RET Refunds* below for further detail.

Expenses: Purchase of Australian Carbon Credit Units

The budget allocation reflects the best estimate for Australian Carbon Credit Unit (ACCU) purchases at the time of preparation. This estimate is then subject to auction results and movement between years of existing contract deliverables (as allowed for in carbon abatement contracts under the ACCU Scheme), as well as the impacts of optional delivery contracts. Purchase of ACCUs expense has substantially decreased in the year. This is consistent with the change in market conditions around the ACCU auctions in the move away from fixed delivery contracts to optional delivery contracts.

Expenses: RET Refunds

The CER has recognised a provision and corresponding expense for entities that may become entitled to a refund of their shortfall payments, subject to satisfying legislative requirements.

During 2022–23, a number of entities paid a large-scale generation shortfall charge (LGSC) to meet their large-scale renewable energy target (LRET) obligations rather than to surrender Renewable Energy Certificates (RECs). Entities can receive a refund of their shortfall payments if they meet certain requirements under the legislation within the 'allowable refund period'. The CER has raised a provision for entities that may become entitled to a refund of their shortfall payments net of an administration fee, subject to satisfying legislative requirements. The budget assumes a low level of non-compliance with obligations to surrender RECs. As such, shortfall revenue and corresponding recognition of expense and provision for refund of shortfall payments are not reflected in the 2022–23 budget position.

Expenses: Impairment of Taxation Receivables

The impairment expense was due to 10 participants going into liquidation or receivership during 2022–23 (2021–22: nil). The CER does not budget for this unpredictable expense.

Revenue: Renewable Energy Target Shortfall Charges and Interest

The budget assumes a low level of non-compliance with obligations to surrender RECs. In 2022–23 a large number of entities elected to pay a shortfall charge rather than surrender RECs.

Revenue: Australian Carbon Credit Unit Scheme Exit Fees

ACCU Scheme exit fees in 2022–23 were $54.04 million (2022: $3.27 million) as compared to the budget of $167.80 million, which was a best estimate based on information available at the time of preparation. These revenues are less than estimated because of market conditions causing a move away from fixed delivery contracts (to which exit fees relate) in favour of optional delivery contracts.

Clean Energy Regulator

BUDGET VARIANCES COMMENTARY – ADMINISTERED

for the period ended 30 June 2023

Administered schedule of assets and liabilities

Assets: Cash and Cash Equivalents

The CER operates the small-scale technology certificate (STC) clearing house to facilitate the purchase and sale of certificates between liable entities and individuals or agents installing small-scale solar, wind and hydro systems. The budget was prepared assuming that the clearing house would have sufficient seller certificates to meet buyer demand. In 2022–23, the clearing house experienced a certificate deficit which was not forecast in the budget. As a result of the legislative requirements, the CER had to generate certificates to meet demand. The CER generated certificates in effect are retired as new public certificates are created. The closing balance for cash represents the cash value of certificates yet to be replaced by new public certificates.

Assets: Taxation Receivables

Taxation receivables increased from 2022 mainly as a result of there being outstanding shortfall charge debts at 30 June 2023 (2022: nil).

Assets: Trade and Other Receivables

The closing balance reflects the GST receivable on clearing house certificates. Refer to: *Assets: Cash and Cash Equivalents.*

Liabilities: Supplier payables

This balance is subject to the timing of payments for Rec Registry transactions and will naturally vary over time.

Liabilities: Other payables

CER's clearing house experienced a certificate deficit during the year which has resulted in the CER having to generate certificates to meet demand. The payables will decrease as new public certificates are created. Refer to: *Assets: Cash and Cash Equivalents*.

Provisions: Purchase of Australian Carbon Credit Units

This is a provision based on ACCU holdings where there is an active contract with outstanding fixed delivery commitments. The fall in units is expected as more participants move away from fixed delivery contracts to optional delivery contracts, existing contracts are delivered against earlier, or contracts are exited in accordance with exit window options.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview

Objectives of the Clean Energy Regulator

The CER contributes to a reduction in Australia's net greenhouse gas emissions, including through the administration of market-based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation. The schemes administered by the CER work together to provide economic incentives, backed by robust data, to reduce greenhouse gas emissions and increase the use of renewable energy to achieve the agency's purpose of 'accelerating carbon abatement for Australia'. In administering its schemes, the CER is actively supporting the Australian Government's commitment to addressing climate change while maintaining energy security and affordability.

The CER conducts the following administered activities on behalf of the Government:

- The Australian Carbon Credit Unit (ACCU) Scheme (formerly the Emissions Reduction Fund), established under the *Carbon Credits (Carbon Farming Initiative) Act 2011*, provides incentives for a range of organisations and individuals to adopt new practices and technologies to reduce their emissions. Together with the reporting obligations under the *National Greenhouse and Energy Reporting Act 2007*, the safeguard mechanism complements the ACCU Scheme through providing a framework for Australia's largest emitters to measure, report and manage their emissions.
- The Renewable Energy Target (RET), established by the *Renewable Energy (Electricity) Act 2000*, encourages the additional generation of electricity from renewable sources, reduces emissions of greenhouse gases in the electricity sector and ensures that renewable energy sources are ecologically sustainable.

The CER is an Australian Government controlled and not-for-profit entity domiciled in Australia. The CER's principal place of business is 47 Bowes Street, Phillip in the Australian Capital Territory.

The basis of preparation

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- Public Governance, Performance and Accountability (Financial Reporting) Rule 2015, and
- Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

New accounting standards

All new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the CER's financial statements.

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2)	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB 2021-6)	AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2. This amending standard did not have a material impact on the CER's financial statements for the current reporting period.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview (continued)

Taxation

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

Material accounting judgements and estimates

The CER has made assumptions or estimates in the following areas that have the most significant impact on the amounts recorded in the financial statements:

- Employee leave provisions involve assumptions based on the expected tenure of existing staff, pattern of leave claims and payouts, future salary movements and future discount rates, and
- The fair value of plant and equipment is assessed at market value or depreciated replacement cost as determined by an independent valuer, with the last valuation being performed on 30 June 2023. Fair value is subject to management assessment in between formal valuations.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

Events After the Reporting Period

Departmental

There were no subsequent events between balance date and signing of the financial statements that had the potential to significantly affect the ongoing structure and financial activities of the CER.

Administered

There were no subsequent events between balance date and signing of the financial statements that had the potential to significantly affect the ongoing structure and financial activities of the CER.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview (continued)

Administered material accounting judgements and estimates

The CER has made assumptions or estimates in the following areas that have the most material impact on the amounts recorded in the financial statements:

Australian Carbon Credit Unit (ACCU) Scheme (formerly the Emissions Reduction Fund).

The ACCU Scheme established under the *Carbon Credits (Carbon Farming Initiative) Act 2011*, provides incentives for a range of organisations and individuals to adopt new practices and technologies to reduce their emissions.

The CER implemented the scheme in 2014-15 and has an accounting policy for ACCU Scheme transactions with the following key elements:

- The CER will recognise a liability under the ACCU Scheme where it has a present obligation arising from a past event.
- The obligating event is on ACCU issued and there is evidence the ACCU will be purchased under a carbon abatement contract.

A provision and expense are recognised on issuance of the ACCU, based on the best estimate of the amount required to settle that obligation. In most cases this is likely to be the fixed purchase price within the contract. A provision is recognised as there is uncertainty around timing and the amount as the contracted party may choose not to surrender generated ACCUs on the milestone delivery date.

The CER will recognise an ‘other payable’ once a contractual milestone has been met under the contract and there is an unconditional obligation to pay the third party.

Provision for Renewable Energy Target Shortfall refunds

Under the *Renewable Energy (Electricity) Act 2000* (REE Act) liable entities that pay a LGSC may claim a refund for the shortfall charge less an administration fee. To qualify for a refund, liable entities must not have a large-scale generation shortfall in the year immediately before the year in which the refund is claimed and surrender additional large-scale generation certificates (LGCs) to cover all or part of the amount of certificate shortfall for which they initially paid the shortfall charge. The refund claim must be made during the allowable refund period (which ends three years after paying the shortfall charge). The CER has no alternative but to refund the shortfall charge, less an administration fee, if the conditions to pay a refund are met by the liability entity.

Given the uncertainty regarding the timing of refunds within the refund period, it is not possible to make a reliable estimate of the effect of discounting on the provision. As such the provision is represented at its face value at 30 June 2023.

A provision and expense for the refund of shortfall charges is recognised where the CER is satisfied that:

- a present obligation exists for a refund to be made where a liable entity meets the requirements of the three-year rule as detailed in sections 95-97 of the REE Act,
- it is more likely than less likely that sufficient certificates will be available in future years to allow entities to meet their current year obligations and seek refund of shortfall charges, and
- the price of certificates is anticipated to be less than the tax effective cost of the shortfall charge.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Financial performance

This section analyses the financial performance of the CER for the year ended 30 June 2023.

Note 1.1 - Expenses

1.1A: Employee benefits	2023 $'000	2022 $'000
Wages and salaries	**34,560**	32,279
Superannuation		
Defined contribution plans	**4,678**	4,159
Defined benefit plans	**1,499**	1,616
Leave and other entitlements	**4,236**	2,395
Separation and redundancies	**177**	239
Other	**133**	47
Total employee benefits	**45,283**	40,735

ACCOUNTING POLICY

Accounting policies for employee related expenses are contained in the People and Relationships Note 6.

1.1B: Suppliers	2023 $'000	2022 $'000
Contractors	**44,875**	24,637
Information technology services	**12,748**	10,469
Consultants	**2,039**	2,779
Audit and compliance	**1,704**	1,817
Property operating expenses	**816**	1,598
Staff related expenses	**1,754**	1,351
Legal expenses	**701**	827
Subscriptions	**402**	489
Financial statement audit fee	**360**	430
Industry contributions	**45**	313
Finance charges	**136**	141
Travel and accommodation	**639**	128
Other goods and services	**549**	586
Total goods and services supplied or rendered	**66,768**	45,565
Goods supplied	**152**	172
Services rendered	**66,616**	45,393
Total goods and services supplied or rendered	**66,768**	45,565
Other suppliers		
Workers' compensation expenses	**362**	405
Total other suppliers	**362**	405
Total suppliers	**67,130**	45,970

The CER had no short-term lease commitments or leases of low-value assets (less than $10,000) as at 30 June 2023. The above lease disclosures should be read in conjunction with the accompanying notes 3.2A and 3.4A.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1.2 - Own-source revenue and gains

Own-source revenue

1.2A: Other revenue	2023 $'000	2022 $'000
Resources received free of charge - Remuneration of auditors	**360**	430
Contribution for Guarantee of Origin work	**6,100**	3,600
Other	**453**	65
Total other revenue	**6,913**	4,095

ACCOUNTING POLICY

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined, and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

1.2B: Revenue from Government

ACCOUNTING POLICY

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the CER gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2. Income and expenses Administered on behalf of the Government

This section analyses the activities that the CER does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

Note 2.1 - Administered income

2.1A: Renewable Energy Target shortfall charges and interest

ACCOUNTING POLICY

Liable entities who acquit less of their total LGCs or STCs surrender liability for an assessment year will incur a shortfall charge. Shortfall charges must be paid on time and will attract interest charges when they become overdue. RET Shortfall charges and any associated interest are recognised at the time they are imposed

2.1B: Fees

ACCOUNTING POLICY

Renewable energy fees

Renewable energy revenue is generated through the creation and surrender of RECs. Revenue is recognised when the underlying transaction occurs.

Australian Carbon Credit Unit Scheme exit fees

Current holders of fixed delivery contracts are able to pay an exit fee to be released from fixed delivery obligations to the Commonwealth where they meet specified eligibility criteria set by the CER. Revenue is recognised when the exit fee payment has been received by the CER.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3. Financial position

This section analyses the CER's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

Note 3.1 - Financial assets

3.1A: Cash and cash equivalents

ACCOUNTING POLICY

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- cash on hand,
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value, and
- cash in special accounts (administered only).

3.1B: Trade and other receivables	2023 $'000	2022 $'000
Services receivables		
Services	**247**	116
Total services receivables	**247**	116
Appropriations receivables		
Appropriation receivable	**40,142**	33,803
Total appropriations receivables	**40,142**	33,803
Other receivables		
GST receivable	**984**	673
Total other receivables	**984**	673
Total trade and other receivables (gross)	**41,373**	34,592
Less impairment loss allowance	**-**	(11)
Total trade and other receivables (net)	**41,373**	34,581

Trade and other receivables (net) are expected to be recovered in no more than 12 months. Credit terms for goods and services were within 30 days (2022: 30 days).

ACCOUNTING POLICY

Financial assets

Trade and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 3.2 - Non-financial assets

3.2A: Reconciliation of the opening and closing balances of Property, Plant and Equipment and Intangibles

	Leasehold improvements $'000	Plant and equipment $'000	Computer software $'000	Total $'000
As at 1 July 2022				
Gross book value	36,023	1,673	38,834	76,530
Accumulated depreciation, amortisation and impairment	(626)	(194)	(33,756)	(34,576)
Total as at 1 July 2022	**35,397**	**1,479**	**5,078**	**41,954**
Additions				
Purchase or internally developed	-	126	-	126
Revaluations recognised in other comprehensive income	248	(3)	-	245
Impairments recognised in net cost of services	-	-	(23)	(23)
Depreciation and amortisation	(295)	(558)	(1,159)	(2,012)
Depreciation on right-of-use-assets	(3,134)	-	-	(3,134)
Other movements				
Disposals	-	(25)	(3,590)	(3,615)
Total as at 30 June 2023	**32,216**	**1,019**	**306**	**33,541**
Total as at 30 June 2023 represented by				
Gross book value	35,918	1,019	10,782	47,719
Accumulated depreciation, amortisation and impairment	(3,702)	-	(10,476)	(14,178)
Total as at 30 June 2023	**32,216**	**1,019**	**306**	**33,541**
Carrying amount of right-of-use assets	**28,980**	**-**	**-**	**28,980**

ACCOUNTING POLICY

Property, Plant and Equipment

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition.

Asset recognition threshold

Purchases of plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The asset capitalisation threshold for Leasehold Improvements is $50,000.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 3.2 - Non-financial assets (continued)

3.2A: Reconciliation of the opening and closing balances of Property, Plant and Equipment and Intangibles (continued)

Lease Right of Use (ROU) assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Lease ROU assets continue to be measured at cost after initial recognition. An impairment review is undertaken annually for any lease ROU asset that shows indicators of impairment and an impairment loss is recognised against any ROU lease asset that is impaired.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.
Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

An independent valuer conducted a revaluation of all asset classes as at 30 June 2023 in accordance with AASB 13 *Fair Value Measurement*.

Fair value

All leasehold improvements (excluding ROU assets), plant and equipment are measured at fair value in the Statement of Financial Position. When estimating fair value, market prices (with adjustment) were used where available. Where market prices were not available, depreciated replacement cost was used (i.e., level 3).

Fair value is determined through the identification of all costs and relevant market evidence. Level 1, 2 and 3 inputs are identified and the movement, if any, between these levels are determined.

Level 3 measurements use inputs to estimate fair value where there are no observable market prices for the assets being valued. The future economic benefits of the CER's plant and equipment and leasehold improvements are not primarily dependent on their ability to generate cash flows. The CER has not disclosed quantitative information about the significant unobservable inputs for the level 3 measurements in these classes.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the CER using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 3.2 - Non-financial assets (continued)

3.2A: Reconciliation of the opening and closing balances of Property, Plant and Equipment and Intangibles (continued)

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Leasehold improvements	lease term	lease term
Plant and equipment	2 to 9 years	2 to 9 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2023. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependant on the asset's ability to generate future cash flows, and the asset would be replaced if the CER were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

ACCOUNTING POLICY

Intangibles

The CER's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The asset capitalisation threshold for internally developed software is $50,000.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the CER's software are 2 to 10 years (2022: 2 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2023.

Software as a Service

Software-as-a-Service (SaaS) arrangements are service contracts providing the entity with the right to access the cloud provider's application software over the contract period. As such the CER does not recognise a software intangible asset. Fees for use of application software and customisation costs are recognised as an operating expense.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 3.3 - Payables

3.3A: Suppliers

Settlement of supplier payables is usually made within 20 days (2022: 20 days).

3.3B: Other payables	2023 $'000	2022 $'000
Salaries and wages	1,080	883
Superannuation	166	135
Total other payables	1,246	1,018

Note 3.4 - Interest bearing liabilities

3.4A: Leases	2023 $'000	2022 $'000
Lease liability	30,719	33,078
Total interest bearing liabilities	30,719	33,078
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	3,345	3,239
Between 1 to 5 years	14,502	14,045
More than 5 years	17,099	20,900
Total leases	34,946	38,184

Total cash outflow for leases are disclosed in the cash flow statement.

The CER in its capacity as lessee, entered into a sub-lease arrangement with IP Australia for a period of 10 years and four months (with one option of five years) commencing from 26 April 2022 in relation to 47 Bowes Street office premises. The rent is increased on 1 July of each year by 3.25%.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B and 3.2A.

Accounting policy

For all new contracts entered into, the CER considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4. Assets and liabilities administered on behalf of the Government

This section analyses assets and liabilities that the CER does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

Note 4.1 - Administered - Financial assets

4.1A: Cash and cash equivalent	2023 $'000	2022 $'000
Cash in special accounts	113,472	7,037
Total cash and cash equivalents	113,472	7,037

4.1B: Taxation receivables	2023 $'000	2022 $'000
Other taxes		
Renewable energy - shortfall charges and interest	15,377	27
Total taxation receivables	15,377	27
Less Impairment loss allowance	(13,148)	-
Total taxation receivables (net)	2,229	27

4.1C: Trade and other receivables	2023 $'000	2022 $'000
Other receivables		
GST receivable	50	24
GST receivable - special account	3,945	7,592
Total other receivables	3,995	7,616

Trade and other receivables (net) are expected to be recovered in no more than 12 months. Credit terms for goods and services were within 30 days (2022: 30 days).

ACCOUNTING POLICY

Receivables are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit or loss.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 4.2 - Administered - Payables

4.2A: Suppliers

Settlement of supplier payables is usually made within 20 days (2022: 20 days).

4.2B: Other payables	2023 $'000	2022 $'000
Purchase of Australian Carbon Credit Units	104	1,839
Special account seller payables	115,179	14,093
Total Other Payables	115,283	15,932

ACCOUNTING POLICY

Purchase of Australian Carbon Credit Units

The CER will recognise an 'other payable' once a contractual milestone has been met under the contract and there is an unconditional obligation to pay the third party.

Special account seller payables

The CER operates the STC clearing house to facilitate the purchase and sale of certificates between liable entities and individuals or agents installing small-scale solar, wind and hydro systems. In 2022–23, the clearing house experienced a certificate deficit which has resulted in the CER having to generate certificates to meet demand. The payable will decrease as new public certificates are created.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 4.3 - Administered - Provisions

4.3A: Provisions

	Renewable energy target shortfalls $'000	Purchase of Australian Carbon Credit Units $'000	Total $'000
As at 1 July 2022	949,672	54,662	1,004,334
Additional provisions made	288,634	34,545	323,179
Amounts used	(307,897)	(37,845)	(345,742)
Total at 30 June 2023	**930,409**	**51,362**	**981,771**

ACCOUNTING POLICY

Renewable energy target shortfalls

The LRET creates a financial incentive for the establishment and growth of renewable energy power stations through the creation of LGCs.

Refunds are made to external providers on the basis of:

- surrender of LGCs during the 'allowable refund period', and/or
- a downward reassessment of a liable entity's certificate liability resulting in an overpayment.

A provision and expense for the refund of shortfall charges is recognised where the CER is satisfied that:

- a present obligation exists for a refund to be made where a liable entity meets the requirements of the three-year rule as detailed in sections 95-97 of the REE Act
- it is more likely than less likely that sufficient certificates will be available in future years to allow entities to meet their current year obligations and seek refund of shortfall charges, and
- the price of certificates is anticipated to be less than the tax effective cost of the shortfall charge.

Purchase of Australian Carbon Credit Units

The ACCU Scheme is a voluntary scheme that aims to provide incentives for a range of organisations and individuals to reduce their emissions. The scheme is currently implemented through a carbon abatement auction process where the CER contracts with successful participants to purchase ACCUs.

ACCUs are earned by participants through eligible projects for each tonne of carbon dioxide equivalent (tCO_2-e) stored or avoided.

Under current ACCU Scheme auction arrangements, participants can seek to enter either a:

- Fixed delivery contract. The participant agrees to provide a set number of ACCUs at a set price for the duration of the contract. Participants have the choice whether to source the ACCUs through delivery of an identified project or through acquisition in the secondary market, or
- Optional delivery contract. The participant has the right, but not the obligation, to sell a set number of ACCUs at a set price. ACCUs provided under these contracts must be delivered through the identified project and cannot be sourced through the secondary market.

The CER 's accounting policy for ACCU Scheme transactions is:

– a liability will be recognised under the ACCU Scheme where it has a present obligation arising from a past event, and
– the obligating event is on ACCU's issued and where there is evidence the ACCU will be purchased under a carbon abatement contract.

A provision and expense are recognised on issuance of the ACCU to a contract holder, based on the best estimate of the amount required to settle that obligation. In most cases this is likely to be the fixed purchase price within the contract. A provision is recognised as there is uncertainty around timing and the amount as the contracted party may choose not to surrender generated ACCUs on the milestone delivery date.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5. Funding

This section identifies the CER's funding structure.

Note 5.1 - Appropriations

5.1A: Annual appropriations ('Recoverable GST exclusive')

Annual appropriations for 2023	Annual appropriation $'000	Adjustments to appropriation[1] $'000	Total appropriation $'000	Appropriation applied in 2023 (current and prior years) $'000	Variance $'000
Departmental					
Ordinary annual services	112,816	8,057	120,873	117,709	3,164
Capital Budget[2]	1,153	-	1,153	20	1,133
Other services					
Equity Injections	16,637	-	16,637	-	16,637
Total departmental	130,606	8,057	138,663	117,729	20,934
Administered					
Ordinary annual services					
Administered items[3]	233,413	-	233,413	41,712	191,701
Total administered	233,413	-	233,413	41,712	191,701

[1] Adjustments to appropriations includes adjustments to current year annual appropriations for PGPA Act section 74 receipts.

[2] Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

[3] The variance of $191.701 million reflects changes in the profile of contracted payments under the ACCU Scheme and exit fee arrangements.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.1 – Appropriations (continued)

5.1A: Annual appropriations ('Recoverable GST exclusive') (continued)

Annual appropriations for 2022	Annual appropriation $'000	Adjustments to appropriation[1] $'000	Total appropriation $'000	Appropriation applied in 2022 (current and prior years) $'000	Variance $'000
Departmental					
Ordinary annual services	86,914	5,854	92,768	92,725	43
Capital Budget[2]	1,143	-	1,143	1,348	(205)
Other services					
Equity Injections	6,681	-	6,681	2,339	4,342
Total departmental	94,738	5,854	100,592	96,412	4,180
Administered					
Ordinary annual services					
Administered items[3]	295,387	-	295,387	115,206	180,181
Total administered	295,387	-	295,387	115,206	180,181

[1] Adjustments to appropriations includes adjustments to current year annual appropriations for PGPA Act section 74 receipts.

[2] Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

[3] The variance of $180.181 million reflects changes in the profile of contracted payments under the ACCU Scheme.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.1 - Appropriations (continued)

5.1B: Unspent annual appropriations ('Recoverable GST exclusive')

	2023 $'000	2022 $'000
Departmental		
Appropriation Act (No. 2) 2020–2021[1]	522	522
Appropriation Act (No. 1) 2021–2022	187	27,507
Appropriation Act (No. 3) 2021–2022	-	411
Appropriation Act (No. 2) 2021–2022[2]	5,746	5,746
Appropriation Act (No. 1) 2022–2023	21,675	-
Appropriation Act (No. 2) 2022–2023[3]	4,953	
Supply Act (No. 1) 2022–2023[4]	1,636	-
Supply Act (No. 2) 2022–2023[5]	4,869	-
Supply Act (No. 3) 2022–2023[6]	11,387	-
Supply Act (No. 4) 2022–2023	6,815	-
Total departmental	57,790	34,186
Administered		
Appropriation Act (No. 1) 2021–2022[7]	170,904	172,751
Appropriation Act (No. 1) 2022–2023	1,229	-
Supply Act (No. 1) 2022–2023	61,054	-
Supply Act (No. 3) 2022–2023	131,264	-
Total administered	364,451	172,751

[1] Amount withheld under section 51 of the PGPA Act – Appropriation Act (No. 2) 2020–21: $0.522 million.

[2] Amount withheld under section 51 of the PGPA Act – Appropriation Act (No. 2) 2021–22: $5.746 million.

[3] Amount withheld under section 51 of the PGPA Act – Appropriation Act (No. 2) 2022–23: $4.953 million.

[4] Amount withheld under section 51 of the PGPA Act – Supply Act (No. 1) 2022–23: $1.156 million.

[5] Amount withheld under section 51 of the PGPA Act – Supply Act (No. 2) 2022–23: $3.372 million.

[6] Amount withheld under section 51 of the PGPA Act – Supply Act (No. 3) 2022–23: $1.899 million.

[7] Amount withheld under section 51 of the PGPA Act – Appropriation Act (No. 1) 2021–22: $170.904 million.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.1 - Appropriations (continued)

5.1C: Special appropriations ('Recoverable GST exclusive')

		Appropriation applied	
Authority		**2023 $'000**	2022 $'000
Renewable Energy (Electricity) Act 2000, section 157, Administered, Unlimited amount	To enable payments in respect of: a) section 50 refunds of overpaid amounts b) section 98 refund of charge where certificates are surrendered c) section 121 compensation from damage to electronic equipment.	**308,022**	306,253
Public Governance, Performance and Accountability Act 2013, section 77, Administered, Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and the Finance Minister is satisfied that, apart from this section, there is no specific appropriation for the repayment.	**30,708**	10,129
Clean Energy Act 2011, section 116, Administered, Unlimited amount	To provide an appropriation for the buy-back of certain free carbon units specified by section 116 of the *Clean Energy Act 2011.*	**-**	-
Clean Energy Act 2011, section 132, Administered, Unlimited amount	To provide an appropriation for the refund of surplus surrender specified by section 132 of the *Clean Energy Act 2011.*	**-**	-
Total special appropriations applied		**338,730**	316,382

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.2 - Special accounts

	Renewable Energy Special Account (Administered)[1]	
(Recoverable GST exclusive)	2023 $'000	2022 $'000
Balance brought forward from previous period	**14,581**	68
Opening balance adjustment[2]	**-**	(15)
Adjusted balance brought forward from previous period	**14,581**	53
Increases - receipts from buyers	**1,008,860**	153,612
Available for payments	**1,023,441**	153,665
Decreases - payments to sellers	**(906,249)**	(139,084)
Total balance carried to the next period	**117,192**	14,581
Balance represented by:		
Cash held in the Clean Energy Regulator's bank accounts[3]	**113,472**	7,037
Net GST receivable	**3,720**	7,544
Total balance carried to the next period	**117,192**	14,581

[1] Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80. Establishing Instrument: *Renewable Energy (Electricity) Act 2000*, section 30R.

The purposes of the Renewable Energy Special Account are:

a) paying amounts under paragraph 30N(3)(b) in relation to the transfer of certificates
b) paying amounts under subparagraph 30P(4)(b)(ii) in relation to the transfer of certificates
c) refunding amounts under regulations made for the purpose of paragraph 30U(2)(i), and
d) paying amounts of GST for which the Regulator is liable because of the creation of certificates for purchasers under section 30P.

Transactions related to the STC clearing house are reported in the Administered Schedule of Assets and Liabilities as Cash and cash equivalents and Supplier payables. This is because the CER is facilitating transactions between buyers and sellers through the STC clearing house and any net cash resulting is not revenue for Government.

[2] Opening balance adjustments relate to GST timing differences.

[3] This balance is reflected in the cash in special accounts under Note 4.1A and relates to seller payables.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.3 - Regulatory charging summary

	2023 $'000	2022 $'000
External revenue		
Administered	**26,783**	27,025
Total external revenue	**26,783**	27,025

Regulatory charging activities

To participate in the RET schemes and access the REC Registry, users are required to pay a fee when they create and surrender STCs and LGCs. These fees are payable in accordance with the *Renewable Energy (Electricity) Regulations 2011*.

Note 5.4 - Net cash appropriation arrangements

	2023 $'000	2022 $'000
Total comprehensive loss– as per the Statement of Comprehensive Income	**(2,307)**	(3,296)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and /or equity injections)[1]	**2,012**	2,615
Plus: depreciation right-of-use assets[2]	**3,134**	3,774
Less: lease principal repayments[2]	**(2,359)**	(3,645)
Net Cash Operating Surplus/ (Deficit)	**480**	(552)

[1] The Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

[2] The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the cash impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

6. People and relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

Note 6.1 - Employee provisions

6.1A: Employee provisions	2023 $'000	2022 $'000
Leave	**11,341**	11,067
Total employee provisions	**11,341**	11,067

ACCOUNTING POLICY

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amount. The nominal amount is calculated on the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the CER's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined using the shorthand method as prescribed in the *Financial Reporting Rule 2015*. The estimate of the present value of the liability considers attrition rates and pay increases through promotion and inflation.

Superannuation

The CER's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

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

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

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 6.2 - Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the CER, directly or indirectly, including any director (whether executive or otherwise) of the CER. The CER has determined the key management personnel to be the Chair, members of the Regulator, and members of the Strategic Leadership Team. Key management personnel remuneration is reported in the table below:

	2023 $'000	2022 $'000
Short-term employee benefits	**1,891**	1,775
Post-employment benefits	**273**	261
Other long-term employee benefits[1]	**68**	(168)
Total key management personnel remuneration expenses[1]	**2,232**	1,868

[1] The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio and Cabinet Ministers. Ministerial remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the CER.

The total number of key management personnel that are included in the above table are 16 (2022: 13).

Total remuneration is calculated on a pro-rata basis equal to time spent in the role for those staff who acted during the reporting period in the role of a key management personnel.

Note 6.3 - Related parties

Related party relationships

The CER is an Australian Government controlled entity. Related parties to the CER are:

- key management personnel of the CER, their close family members, and entities controlled or jointly controlled by either,
- Portfolio and Cabinet Ministers- key management personnel for the consolidated Whole of Government accounts, and
- all other Australian Government entities.

Transactions with related parties

Significant transactions with related parties can include:

- purchase of goods and services,
- asset purchases, sales, transfers or leases,
- selling RECs under the renewable energy scheme following the installation of rooftop solar panels, and
- debts forgiven.

Upon consideration of relationships with related entities, and transactions entered into during the reporting period by the CER, it has been determined that there are no related party transactions to be disclosed other than key management personnel remuneration disclosed in Note 6.2.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7. Managing uncertainties

This section analyses how the CER manages financial risks within its operating environment.

Note 7.1 - Contingent assets and liabilities

Quantifiable Contingencies

There were no quantifiable contingent assets or liabilities as at 30 June 2023 (2022: Nil).

Unquantifiable Contingencies

There were no unquantifiable contingent assets or liabilities as at 30 June 2023 (2022: Nil).

ACCOUNTING POLICY

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Note 7.2 - Administered - Contingent assets and liabilities

	2023 $'000	2022 $'000
Contingent assets		
Balance from previous period	237	-
New contingent assets recognised	9,474	237
Assets realised	(237)	-
Total contingent assets	9,474	237
Contingent Liabilities		
New contingent Liabilities recognised	1,273	-
Total contingent Liabilities	1,273	-

Quantifiable Administered Contingencies

The above table contains $9.474 million (2022: $0.237 million) of contingent assets in respect of ACCU Scheme contractual obligations. Carbon abatement contract holders may elect to make an exit payment to the CER to release them from their contractual obligations. ACCU Scheme exit fee contingent assets are recognised where the CER assesses an exit fee application as eligible. The CER provides conditional approval for the exit fees to be paid dependent upon the exit fee being paid in full by the milestone delivery date.

The table also contains $1.273 million (2022: nil) of contingent liabilities in respect to shortfall payment refunds. Entities that have paid a large-scale generation shortfall charge may potentially be eligible for a refund under section 95 of the REE Act subject to meeting certain criteria. A case-by-case analysis was conducted to identify the entities potentially eligible for a refund and to determine the amount more probable than not to be claimed.

Unquantifiable Administered Contingencies

There were no unquantifiable contingent assets or liabilities as at 30 June 2023 (2022: Nil).

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7.2 - Financial instruments

7.2A: Categories of Financial Instruments	2023 $'000	2022 $'000
Financial assets at amortised cost		
Cash and cash equivalents	349	383
Trade receivables	247	116
Total financial assets at amortised cost	596	499
Total financial assets	596	499
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	7,987	8,930
Total financial liabilities measured at amortised cost	7,987	8,930
Total financial liabilities	7,987	8,930

ACCOUNTING POLICY

Financial assets

The CER classifies its financial assets as measured at amortised cost. The classification depends on both the CER's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition.

Financial assets are recognised when the CER becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. The financial asset is held in order to collect the contractual cash flows.
2. The cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a de-recognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7.3 - Administered - Financial instruments

7.3A: Categories of Financial Instruments	2023 $'000	2022 $'000
Financial assets at amortised cost		
Cash on hand or on deposit	113,472	7,037
Total financial assets at amortised cost	113,472	7,037
Total financial assets	113,472	7,037
Financial Liabilities		
Financial liabilities measured at amortised cost		
Supplier payables	2,246	608
Purchase of Australian Carbon Credit Units	104	1,839
Special account seller payables	115,179	14,093
Total financial liabilities measured at amortised cost	117,529	16,540
Total financial liabilities	117,529	16,540

7.3B: Net Losses on Financial Assets	2023 $'000	2022 $'000
Financial assets at amortised cost		
Impairment of taxation receivables	13,148	-
Net losses on financial assets at amortised cost	13,148	-

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

8. Other information

Note 8.1 - Current/non-current distinction for assets and liabilities

8.1A: Current/non-current distinction for assets and liabilities	2023 $'000	2022 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	349	383
Trade and other receivables	41,373	34,581
Leasehold improvements	3,132	-
Plant and equipment	-	179
Prepayments	1,620	1,489
Total no more than 12 months	46,474	36,632
More than 12 months		
Leasehold improvements	29,084	35,397
Plant and equipment	1,019	1,300
Intangibles	306	5,078
Prepayments	112	255
Total more than 12 months	30,521	42,030
Total assets	76,995	78,662
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	7,987	8,930
Other payables	1,246	1,018
Leases	2,533	2,359
Employee provisions	4,506	4,513
Total no more than 12 months	16,272	16,820
More than 12 months		
Leases	28,186	30,719
Employee Provisions	6,834	6,554
Total more than 12 months	35,020	37,273
Total liabilities	51,292	54,093

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 8.1 - Current/non-current distinction for assets and liabilities (continued)

8.1B: Administered- Current/non-current distinction for assets and liabilities	2023 $'000	2022 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	113,472	7,037
Taxation receivables	2,229	27
Trade and other receivables	3,995	7,616
Total no more than 12 months	119,696	14,680
More than 12 months		
Prepayments	132	124
Total more than 12 months	132	124
Total assets	119,828	14,804
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	2,246	608
Special account seller payables	115,283	15,932
Provision – Purchase of Australian Carbon Credit Units	51,362	54,662
Provision – Renewable Energy Target shortfall	288,634	274,512
Total no more than 12 months	457,525	345,714
More than 12 months		
Provision – Renewable Energy Target shortfall	641,775	675,160
Total more than 12 months	641,775	675,160
Total liabilities	1,099,300	1,020,874

Appendices

Appendix A: Entity resource statement and expenses by outcome

Table 7: Resource statement, 2022–23

	Actual available appropriation for 2022–23 $'000 (a)	Payments made 2022–23 $'000 (b)	Balance remaining 2022–23 $'000 (a) – (b)
Departmental			
Annual appropriations - ordinary annual services[1,2]	152,614	117,729	34,885
Annual appropriations - other services - non-operating[3]	22,906	-	22,906
Total departmental annual appropriations	**175,520**	**117,729**	**57,791**
Total departmental resourcing (A)	**175,520**	**117,729**	**57,791**
Administered			
Annual appropriations - ordinary annual services[1]	233,413	41,712	191,701
Total administered annual appropriations	**233,413**	**41,712**	**191,701**
Administered special appropriations			
Public Governance, Performance and Accountability Act 2013 – section 77	30,708	30,708	-
Renewable Energy (Electricity) Act 2000 – section 157	308,022	308,022	-
Total administered special appropriations	**338,730**	**338,730**	-
Total administered resourcing (B)	**572,143**	**380,442**	**191,701**
Total resourcing and payments for the Clean Energy Regulator (A+B)	**747,663**	**498,171**	**249,492**

[1] Appropriation Act (No. 1) 2021–2022 and Appropriation Act (No. 3) 2021–2022. This may also include prior-year departmental appropriation and section 74 external revenue.

[2] Departmental capital budgets are not separately identified and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

[3] Appropriation Act (No. 2) 2021–2022 and Appropriation Act (No. 2) 2022–2023.

Table 8: Summary of total expenses by Outcome 1, 2022–23

Expenses for Outcome 1 Outcome 1: Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market-based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.	Budget[1] 2022–23 $'000 (a)	Actual expenses 2022–23 $'000 (b)	Variations 2022–23 $'000 (a) – (b)
Program 1.1: Clean Energy Regulator			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1)	243,758	36,668	207,090
Special appropriations	523	288,634	(288,111)
Administered total	**244,281**	**325,302**	**(81,021)**
Departmental expenses			
Departmental appropriation	106,798	113,412	(6,614)
S74 external revenue	6,100	6,100	-
Expenses not requiring appropriation in the Budget year[2]	2,740	2,372	368
Departmental total	**115,638**	**121,884**	**(6,246)**
Total expenses for Program 1.1	**359,919**	**447,186**	**(87,267)**
Total expenses for Outcome 1	**359,919**	**447,186**	**(87,267)**

[1] Full-year budget, including any subsequent adjustment made to the 2022–23 budget.
[2] Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

	2022–23	2021–22
Average staffing level (number)	336	317

Table 9: Summary of total expenses by Outcome 2, 2022–23

Expenses for Outcome 2 Outcome 2: Contribute to the sustainable management of Australia's biodiversity through the administration of market-based mechanisms that incentivise the preservation and improvement of diverse ecosystems.	Budget[1] 2022–23 $'000 (a)	Actual expenses 2022–23 $'000 (b)	Variations 2022–23 $'000 (a) – (b)
Program 2.1: Clean Energy Regulator			
Departmental expenses			
Departmental appropriation	3,160	200	2,960
Departmental total	**3,160**	**200**	**2,960**
Total expenses for Program 2.1	**3,160**	**200**	**2,960**
Total expenses for Outcome 2	**3,160**	**200**	**2,960**

[1] Full-year budget, including any subsequent adjustment made to the 2022–23 budget.

	2022–23	2021–22
Average staffing level (number)	1	0

Appendix B: List of requirements

The list of annual report requirements is prepared in accordance with the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).

Table 10: List of requirements

PGPA Rule reference	Page	Description	Requirement
17AD(g)	**Letter of transmittal**		
17AI	3	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	**Aids to access**		
17AJ(a)	1	Table of contents.	Mandatory
17AJ(b)	119	Alphabetical index.	Mandatory
17AJ(c)	115	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	98	List of requirements.	Mandatory
17AJ(e)	2	Details of contact officer.	Mandatory
17AJ(f)	2	Entity's website address.	Mandatory
17AJ(g)	2	Electronic address of report.	Mandatory
17AD(a)	**Review by accountable authority**		
17AD(a)	4	A review by the accountable authority of the entity.	Mandatory
17AD(b)	**Overview of the entity**		
17AE(1)(a)(i)	8	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	10	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	9	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	8	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	10	Name of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(ii)	10	Position title of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	10	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory
17AE(1)(b)	10	An outline of the structure of the portfolio of the entity.	Portfolio departments-mandatory
17AE(2)	9	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory

PGPA Rule reference	Page	Description	Requirement
17AD(c)	**Report on the Performance of the entity**		
	Annual Performance Statements		
17AD(c)(i); 16F	12	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	*Report on financial performance*		
17AF(1)(a)	51	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	96	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	n/a	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.
17AD(d)	**Management and accountability**		
	Corporate governance		
17AG(2)(a)	37	Information on compliance with section 10 (fraud systems).	Mandatory
17AG(2)(b)(i)	3	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	3	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	3	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	35	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	3	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory
	Audit Committee		
17AG(2A)(a)	36	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	110	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	110	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	110	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	110	The remuneration of each member of the entity's audit committee.	Mandatory
	External scrutiny		
17AG(3)	38	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory

PGPA Rule reference	Page	Description	Requirement
17AG(3)(a)	38	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	38	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	38	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
	Management of human resources		
17AG(4)(a)	45	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	103	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: a) statistics on full-time employees; b) statistics on part-time employees; c) statistics on gender d) statistics on staff location	Mandatory
17AG(4)(b)	103	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including the following: a) Statistics on staffing classification level; b) Statistics on full-time employees; c) Statistics on part-time employees; d) Statistics on gender; e) Statistics on staff location; f) Statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	46	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the PS Act.	Mandatory
17AG(4)(c)(i)	46	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	46	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	46	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	n/a	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	n/a	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	n/a	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	n/a	Information on aggregate amount of performance payments.	If applicable, Mandatory
	Assets management		
17AG(5)	39	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
	Purchasing		
17AG(6)	48	An assessment of entity performance against the *Commonwealth Procurement Rules*.	Mandatory

PGPA Rule reference	Page	Description	Requirement
	Reportable consultancy contracts		
17AG(7)(a)	48	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	48	A statement that "*During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of $[specified million]*".	Mandatory
17AG(7)(c)	48	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	48	A statement that "*Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.*"	Mandatory
	Reportable non-consultancy contracts		
17AG(7A)(a)	48	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	48	A statement that "*Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.*"	Mandatory
17AD(daa)	*Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts*		
17AGA	48	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
	Australian National Audit Office access clauses		
17AG(8)	49	If an entity entered into a contract with a value of more than $100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
	Exempt contracts		
17AG(9)	49	If an entity entered into a contract or there is a standing offer with a value greater than $10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory

PGPA Rule reference	Page	Description	Requirement
	Small business		
17AG(10)(a)	49	A statement that *"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."*	Mandatory
17AG(10)(b)	49	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	49	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that "*[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website.*"	If applicable, Mandatory
	Financial statements		
17AD(e)	53	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
	Executive remuneration		
17AD(da)	106	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory
17AD(f)	**Other mandatory information**		
17AH(1)(a)(i)	n/a	If the entity conducted advertising campaigns, a statement that *"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."*	If applicable, Mandatory
17AH(1)(a)(ii)	n/a	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	n/a	A statement that *"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."*	If applicable, Mandatory
17AH(1)(c)	47	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	38	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	114	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)		Information required by other legislation.	Mandatory
	44	*Environment Protection and Biodiversity Conservation Act 1999.*	
	111	APS Net Zero 2030.	
	47	*Work Health and Safety Act 2011.*	
	113	*Commonwealth Electoral Act 1918.*	

Appendix C: Workforce statistics

As at 30 June 2023, the CER had 390 employees, all based in the ACT.

Indigenous employment

Table 11: Aboriginal and Torres Strait Islander employees, 2022–23 and 2021–22

	2022–23	2021–22
Ongoing	1	4
Non-ongoing	0	0
Total	**1**	**4**

Ongoing and non-ongoing employees by employment status and APS classification

Table 12: Ongoing and non-ongoing employment type by level, as at 30 June 2023

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 2	2	0	2	0	0	0	2
SES 1	8	0	8	0	0	0	8
EL 2	29	2	31	0	0	0	31
EL 1	80	13	93	1	2	3	96
APS 6	80	16	96	6	1	7	103
APS 5	62	8	70	7	0	7	77
APS 4	26	2	28	12	7	19	47
APS 3	1	1	2	8	8	16	18
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Graduates	8	0	8	0	0	0	8
Total	**296**	**42**	**338**	**34**	**18**	**52**	**390**

Table 13: Ongoing and non-ongoing employment type by level, as at 30 June 2022

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 2	2	0	2	0	0	0	2
SES 1	8	0	8	0	0	0	8
EL 2	30	3	33	0	0	0	33
EL 1	73	10	83	8	0	8	91
APS 6	87	14	101	1	0	1	102
APS 5	56	6	62	3	0	3	65
APS 4	17	3	20	6	1	7	27
APS 3	1	1	2	6	5	11	13
APS 2	3	0	3	1	0	1	4
APS 1	0	0	0	0	0	0	0
Graduates	7	0	7	0	0	0	7
Total	**284**	**37**	**321**	**25**	**6**	**31**	**352**

Employees by gender, employment status and APS classification

Table 14: Ongoing employees by gender, employment status and APS classification, as at 30 June 2023

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 2	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	2
SES 1	2	0	2	6	0	6	0	0	0	0	0	0	0	0	0	8
EL 2	17	0	17	12	2	14	0	0	0	0	0	0	0	0	0	31
EL 1	44	5	49	36	8	44	0	0	0	0	0	0	0	0	0	93
APS 6	40	4	44	40	12	52	0	0	0	0	0	0	0	0	0	96
APS 5	28	0	28	34	8	42	0	0	0	0	0	0	0	0	0	70
APS 4	12	1	13	14	1	15	0	0	0	0	0	0	0	0	0	28
APS 3	0	0	0	1	1	2	0	0	0	0	0	0	0	0	0	2
Graduates	2	0	2	6	0	6	0	0	0	0	0	0	0	0	0	8
Total	**146**	**10**	**156**	**150**	**32**	**182**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**338**

Table 15: Non-ongoing employees by gender, employment status and APS classification, as at 30 June 2023

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
EL 1	1	1	2	0	1	1	0	0	0	0	0	0	0	0	0	3
APS 6	3	0	3	3	1	4	0	0	0	0	0	0	0	0	0	7
APS 5	3	0	3	4	0	4	0	0	0	0	0	0	0	0	0	7
APS 4	5	2	7	7	5	12	0	0	0	0	0	0	0	0	0	19
APS 3	5	5	10	3	3	6	0	0	0	0	0	0	0	0	0	16
Total	**17**	**8**	**25**	**17**	**10**	**27**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**52**

Employees by gender and employment status

Table 16: Ongoing and non-ongoing employees by employment type and gender, as at 30 June 2023

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
Ongoing	146	10	156	150	32	182	0	0	0	0	0	0	0	0	0	338
Non-ongoing	17	8	25	17	10	27	0	0	0	0	0	0	0	0	0	52
Total	**163**	**18**	**181**	**167**	**42**	**209**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**390**

Table 17: Ongoing and non-ongoing employees by employment type and gender, as at 30 June 2022

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
Ongoing	147	13	160	135	24	159	0	0	0	0	0	0	2	0	2	321
Non-ongoing	18	3	21	7	3	10	0	0	0	0	0	0	0	0	0	31
Total	**165**	**16**	**181**	**142**	**27**	**169**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**0**	**2**	**352**

Appendix D: Executive remuneration

The categories of officials covered by the disclosure are:

- key management personnel
- senior executives
- other highly paid staff, whose total remuneration exceeds the threshold remunerations amount of $240,000 for the reporting period.

During the reporting period ended 30 June 2023, the CER had 16 executives who met the definition of key management personnel (see Table 18).

Table 18: Key management personnel, 2022–23

Name	Position	Period in position
David Parker	Chair/Accountable Authority	1 July 2022 – 30 June 2023
Shayleen Thompson	Executive General Manager	1 July 2022 – 30 June 2023
Mark Williamson	Executive General Manager	1 July 2022 – 30 June 2023
Geoffrey Purvis–Smith	General Counsel	1 July 2022 – 8 January 2023
Bronwen Shelley	General Counsel	17 April 2023 – 30 June 2023
Karen Najjar	Chief Operating Officer	1 July 2022 – 30 June 2023
Katherine Vidgen	Regulator member	1 July 2022 – 30 June 2023
Charles Kiefel	Regulator member	1 July 2022 – 30 June 2023
John Kettle	Regulator member	1 July 2022 – 30 June 2023
Mary-Anne Wilson	Acting Executive General Manager	29 July 2022 – 8 August 2022 9 January 2023 – 20 January 2023
Michelle Crosbie	Acting Executive General Manager	18 May 2023 – 2 June 2023
Melanie Lane	Acting Chief Operating Officer	23 November 2022 – 20 January 2023
Jennifer Bowen-Smith	Acting Chief Operating Officer	22 August 2022 – 9 September 2022 23 January 2023 – 3 February 2023
Rizwan Akhund	Acting General Counsel	19 December 2022 – 27 January 2023 14 March 2023 – 14 April 2023
Daniel Bartlett	Acting General Counsel	30 January 2023 – 13 March 2023
Leigh McFarlane	Acting General Manager	9 July 2022 – 24 July 2022

In the notes to the financial statements for the period ended 30 June 2023, we have disclosed key management personnel expenses on an accruals basis (see Table 19).

Table 19: Key management personnel remuneration for the reporting period ended 30 June 2023

Note 6.2: Key management personnel remuneration for the reporting period	$
Short-term benefits	
Base salary	1,876,498
Bonus	–
Other benefits and allowances[1]	14,163
Total short-term benefits	**1,890,661**
Post-employment benefits	
Superannuation	273,023
Total post-employment benefits	**273,023**
Other long-term benefits	
Long service leave	68,221
Total other long-term benefits	**68,221**
Termination benefits	–
Total key management personnel remuneration	2,231,905

[1] Other benefits and allowances relate to car parking.

This information has been further disaggregated in Table 20.

Table 20: Total remuneration by key management personnel, 2022–23

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits	Termination benefits ($)	Total remuneration ($)
		Base salary ($)	Bonuses ($)	Other benefits and allowances including FBT ($)	Superannuation contributions ($)	Long service leave[1] ($)		
David Parker	Chair/Accountable Authority	531,114	–	2,681	72,725	26,877	–	633,397
Shayleen Thompson	Executive General Manager	302,014	–	2,681	58,800	13,158	–	376,653
Mark Williamson	Executive General Manager	304,224	–	2,681	43,177	10,052	–	360,134
Geoffrey Purvis–Smith	General Counsel	139,795	–	1,410	21,527	801	–	163,533
Bronwen Shelley	General Counsel	56,825	–	551	6,377	971	–	64,724
Karen Najjar	Chief Operating Officer	240,709	–	2,681	31,190	12,074	–	286,654
Katherine Vidgen	Regulator member	56,996	–	–	5,991	–	–	62,987
Charles Kiefel	Regulator member	56,996	–	–	4,189	–	–	61,185
John Kettle	Regulator member	56,996	–	–	5,379	–	–	62,375
Mary-Anne Wilson	Acting Executive General Manager	7,653	–	169	1,252	272	–	9,346
Michelle Crosbie	Acting Executive General Manager	10,963	–	119	1,865	195	–	13,142
Melanie Lane	Acting Chief Operating Officer	29,013	–	433	5,374	891	–	35,711
Jennifer Bowen-Smith	Acting Chief Operating Officer	19,620	–	228	3,588	859	–	24,295
Rizwan Akhund	Acting General Counsel	38,198	–	529	6,666	1,256	–	46,649
Daniel Bartlett	Acting General Counsel	18,750	–	–	3,435	559	–	22,744
Leigh McFarlane	Acting General Manager	6,632	–	–	1,488	256	–	8,376
Total		**1,876,498**	**–**	**14,163**	**273,023**	**68,221**	**–**	**2,231,905**

[1] Regulator members are not entitled to long service leave benefits under the relevant Remuneration Tribunal Determination.

Note: Some of the figures are impacted by the duration of service as a key management personnel. Table 18 provides details of the length of service for officers that were classified as key management personnel.

Table 21: Remuneration paid to senior executives, 2022–23

Renumeration band	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits	Average termination benefits ($)	Average total remuneration[1,2] ($)
		Average base salary ($)	Average bonuses ($)	Average other benefits and allowances ($)	Average superannuation contributions ($)	Average long service leave ($)		
$0 – $220,000	11	37,245	–	1,315	6,438	2,604	–	47,602
$270,001 – $295,000	4	232,688	–	3,959	36,040	10,029	–	282,716
$295,001 – $320,000	2	248,728	–	5,187	38,715	5,942	–	298,572
Total	**17**							

[1] This table is prepared on an accrual basis. The table reports the average total remuneration of senior executives who received remuneration during the reporting period.

[2] Those Senior Executives that have been classified as key management personnel as per Table 18, have not been included in this table disclosure. Remuneration for senior executives that was incurred whilst acting in a key management personnel position is also not included in this table. The remuneration band $0 – 220,000 includes 11 short-term acting arrangements.

Remuneration paid to other highly paid staff, 2022–23

Staff are classified as 'other highly paid staff' if their average total remuneration exceeds $240,000. There were no staff meeting the definition of other highly paid staff in 2022–23.

Appendix E: Audit Committee membership

Table 22: Audit Committee membership, 2022–23

Member name	Position	Qualifications, knowledge, skills or experience	Number of meetings	Total annual remuneration ($)
Mr Geoff Knuckey	Chair	Mr Knuckey has extensive experience as an audit committee member and chair and is currently serving on audit committees for numerous government entities. He also has extensive experience as a director and serves on boards and audit committees of multiple private sector entities. Mr Knuckey has been a full-time company director and audit committee member since 2009. This follows a 32-year career with Ernst & Young, specialising in audit and assurance services in the public and private sectors across a range of industries.	6 eligible 6 attended	14,036.00
Ms Josephine Schumann	External member	Ms Schumann has extensive experience in the public sector across a broad range of areas including risk management, governance and assurance, finance, human resources, information technology, media and communications. Ms Schumann currently sits on other Commonwealth audit committees.	6 eligible 6 attended	8,500.00
Ms Anne T Brown	External member	Ms Brown has substantial knowledge and practical experience of Australian and international exchange traded financial markets, risk management, related infrastructure and regulatory environments.	6 eligible 6 attended	21,717.14

Appendix F: Australian Public Service Net Zero 2030

APS Net Zero 2030 is the Government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions. As part of this, we are required to report on our operational greenhouse gas emissions.

Greenhouse gas emissions reporting has been developed with methodology that is consistent with the whole of Australian Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports.

The electricity emissions reported in Table 23 are calculated using the location-based approach. When applying the market-based method, which accounts for activities such as Greenpower, purchased LGCs and/or being located in the ACT, the total emissions for electricity, are in Table 24.

The electricity use and associated emissions for our tenancy at 47 Bowes Street, Philip ACT is reported under the IP Australia emissions reporting data.

Table 23: Greenhouse gas emissions inventory - location-based approach, 2022–23

Emission source	Scope 1 kg CO_2-e	Scope 2 kg CO_2-e	Scope 3 kg CO_2-e	Total kg CO_2-e
Electricity (location-based approach)	n/a	9,635	792	10,427
Natural gas	–	n/a	–	–
Fleet vehicles	–	n/a	–	–
Domestic flights	n/a	n/a	44,992	44,992
Other energy	–	n/a	–	–
Total kg CO_2-e	–	9,635	45,784	55,419

Table 24: Greenhouse gas emissions inventory - market-based approach, 2022–23

Emission source	Scope 1 kg CO_2-e	Scope 2 kg CO_2-e	Scope 3 kg CO_2-e	Total kg CO_2-e
Electricity (market-based approach)	n/a	787	105	892
Natural gas	–	n/a	–	–
Fleet vehicles	–	n/a	–	–
Domestic flights	n/a	n/a	44,992	44,992
Other energy	–	n/a	–	–
Total kg CO_2-e	–	787	45,097	45,884

Appendix G: Legal services expenditure 2022–23

This is a statement of the CER's expenditure on legal services, published in compliance with paragraph 11.1(ba) of the *Legal Services Directions 2017*.

Table 25: Legal services expenditure summary, 2022–23

Description	Amount (exclusive of GST)
Total (external and internal) expenditure	$1,672,951
Total internal legal services expenditure	$1,026,396
Total external legal services expenditure	$646,555
Summary external legal services	
Number of counsel briefed	1
Total value of brief to counsel (A)	$61,273
Total value of disbursements (excluding counsel) (B)	$10,637
Total value of professional fees paid (C)	$574,645
Total external legal services expenditure (A + B + C)	$646,555

Appendix H: Advertising

During 2022–23, the CER conducted advertising campaigns for:

- graduate recruitment
- SRES reforms.

The agency did not undertake any advertising campaigns with expenditure in excess of $250,000.

Under section 311A of the *Commonwealth Electoral Act 1918*, the CER is required to provide details of payments over $15,200 (GST inclusive) to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising agencies (see Table 26).

Table 26: Advertising payments of more than $15,200, 2022–23

Organisation	Description of activity	Amount (GST inclusive)
Universal McCann	Graduate recruitment campaign	$19,198
Universal McCann	SRES reforms accreditation campaign	$39,381

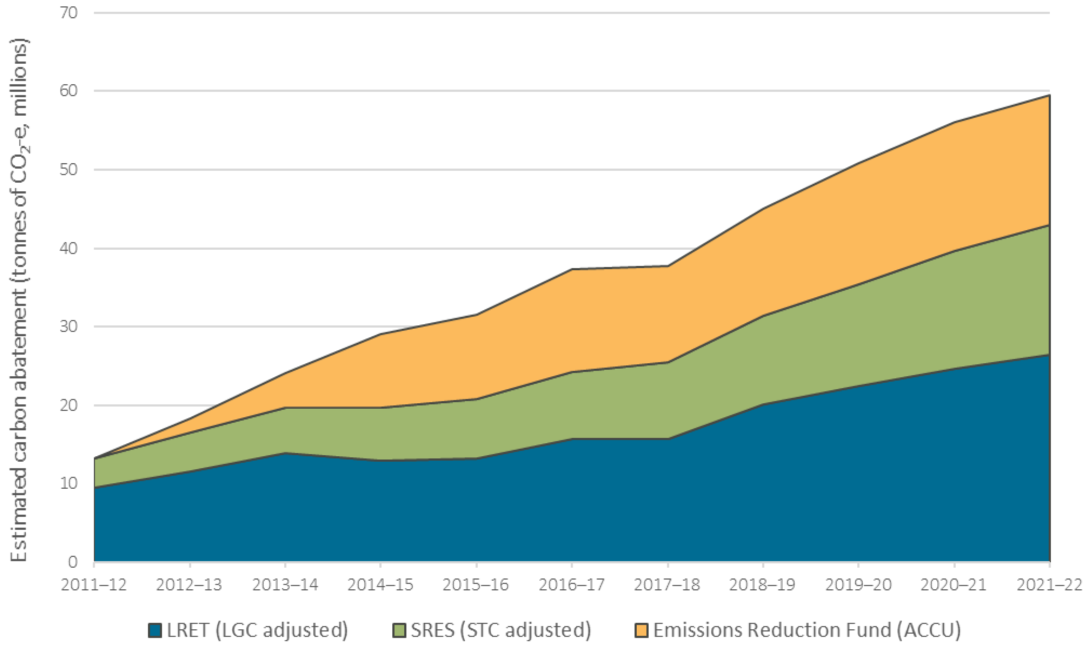
Appendix I: Corrections to previous annual reports

Correction to Clean Energy Regulator Annual Report 2021–22

The *Clean Energy Regulator Annual Report 2021–22* contained an error in the 'Annual performance statement' section. The labels of 'Figure 3: Total carbon abatement from schemes we administer, 2021–22' were incorrectly categorised.

The correct graph information for Figure 3 is below.

Figure 3: Total carbon abatement from schemes we administer, 2021–22



Reference material

Glossary

Term	Definition
AAIs	Accountable Authority Instructions. Instructions issued to manage the affairs of an entity to promote the efficient, effective, economical and ethical use of Commonwealth resources.
AASB	Australian Accounting Standards Board – an Australian Government agency that develops and maintains financial reporting standards.
ACCU	Australian carbon credit unit
ACCU Review	Independent Review of Australian Carbon Credit Units
ACCU Scheme	Australian Carbon Credit Unit Scheme (formerly known as the Emissions Reduction Fund)
ANREU	Australian National Registry of Emissions Units
APS	Australian Public Service
Baselines	Emissions baselines represent the reference point against which future emissions performance will be measured under the Safeguard Mechanism.
Carbon abatement	Reducing carbon emissions released into the atmosphere or reducing carbon already in the atmosphere through carbon sequestration.
CEA	Carbon Estimation Area - an area of land within a project area, where eligible project activities are carried out, and for which a project participant expects to receive ACCUs.
CEC	Clean Energy Council
CERT report	Corporate Emissions Reduction Transparency report
CO_2-e	Carbon dioxide equivalent – a measure of greenhouse gas emissions. Carbon dioxide equivalence is estimated by multiplying the amount of gas by the global warming potential of the gas.
EERS	Emissions and Energy Reporting System for all reporting under the NGER Act
FOI Act	*Freedom of Information Act 1982*
GST	Good and services tax
Greenhouse gas emissions	Gases produced from human activity, such as carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).
Greenwashing	The practice of misrepresenting the extent to which an entity, product or strategy is environmentally friendly, sustainable or ethical.
GO	Guarantee of Origin
GW	Gigawatt – a measurement of power. Power is the rate at which the energy is generated or used. One gigawatt is equal to 1,000 megawatts.
GWh	Gigawatt hour – a measurement of electrical energy equivalent to power consumption of one gigawatt or 1,000 megawatts for one hour.
HIR	Human Induced Regeneration
IPS	Information Publication Scheme
ICT	Information and communications technology

Term	Definition
LGC	Large-scale generation certificate
LRET	Large-scale Renewable Energy Target
MW	Megawatt – a measurement of power. Power is the rate at which the energy is generated or used. One megawatt equals to 1,000 kilowatts.
MWh	Megawatt hour – a measurement of electrical energy equivalent to power consumption of one megawatt or 1,000 kilowatts for one hour.
NABERS	National Australian Built Environment Rating System
NGER Act	*National Greenhouse and Energy Reporting Act 2007*
NGER	National Greenhouse and Energy Reporting scheme
Non-ongoing employee	An employee who is engaged for a specified term or for the duration of a specified task.
OPA	Official Public Account
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PS Act	*Public Service Act 1999*
PV	Photovoltaic – a power system designed to convert sunlight into usable electrical power by means of photovoltaic cells.
REC	Renewable energy certificate
REC Registry	Renewable Energy Certificate Registry – an online system allowing RET participants to create, transfer and surrender RECs.
RET	Renewable Energy Target
Safeguard Mechanism	The Safeguard Mechanism requires Australia's largest greenhouse gas emitters to keep their net emissions below an emissions limit (a baseline).
Scope 1 emissions	Emissions released into the atmosphere as a direct result of the activity or activities that make up the facility, such as fuel combustion for electricity generation or cement production.
Scope 2 emissions	Emissions released into the atmosphere as a direct result of activities that generate electricity, heating, cooling or steam that is consumed by the facility but do not form part of the facility.
Scope 3 emissions	Emissions that occur outside of the boundary of a facility as a result of activities performed at the facility and are not Scope 2 emissions.
SES	Senior Executive Service
Sequestration	Abatement generated by removing carbon dioxide from the atmosphere and storing it as carbon in plants as they grow.
SME	Small and medium enterprise
SPV	Solar Panel Validation
SRES	Small-scale Renewable Energy Scheme
STC	Small-scale technology certificate
WHS	Work health and safety

List of tables

List of figures

Index

A

B

C

D

E

F

G

H

I

J

K

L

M

N

O

P

Q

R

S

T

V

W