Australian Government

Clean Energy Regulator

ANNUAL REPORT

2023–24

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 them, and their Elders past and present.

About this report

ISSN: 2200-937

This report describes our performance from 1 July 2023 to 30 June 2024.

We report on results achieved against our intended purpose, outcome, deliverables and performance criteria, which are detailed in our *Corporate Plan 2023–27* and *Portfolio Budget Statements 2023–24*. 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

Contact officer: Planning, Performance and Parliamentary Manager

Email: enquiries@cer.gov.au

Phone: 1300 553 542

Website: cer.gov.au

Acknowledgements

Graphic design: Bassem Mekhael

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Thank you to all the Clean Energy Regulator staff involved in contributing to the 2023–24 Annual Report.

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 2023–24 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 2024. 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 and corruption risk assessments and control plans
- mechanisms in place for preventing, detecting incidents of, investigating or dealing with, and recording and reporting fraud and corruption, that meet the agency's specific needs
- taken all reasonable measures to appropriately deal with fraud and corruption.

Yours sincerely

Mark Williamson
Acting Chair, Clean Energy Regulator

25 September 2024

Acting Chair's review

I am pleased to report on the performance of the Clean Energy Regulator (CER) for 2023–24 as we continued our work contributing to Australia's 2030 and 2050 greenhouse gas emissions reduction targets. This year has seen record levels of renewable energy generation, 100% compliance with the Safeguard Mechanism arrangements, and significant progress with the implementation of the Safeguard Mechanism reforms.

Carbon abatement associated with the schemes we administer continued the record of new highs, achieving an estimated 69 million tonnes of carbon dioxide equivalent (CO_2-e), up from 62.2 million tonnes in 2022–23. This is considered a conservative estimate. An alternative approach, using the emissions intensity of displaced generation from fossil fuels puts this estimate at 99.2 million tonnes of CO_2-e.

During 2023–24, we saw continued strong investment in renewables accredited under the Renewable Energy Target (RET). Final investment decisions are down from earlier highs, but completed investments remain high. Renewable energy in the grid is now about halfway towards meeting the government's renewable energy goal of 82% by 2030. This accumulation is in part due to some Australian corporations preparing to meet their commitments of 100% renewable energy by 2025.

Investment in small-scale renewables, particularly rooftop solar, continues to grow. Australian households and businesses are increasingly turning to small-scale renewable energy. Larger average installation sizes are contributing to the increase and helping consumers take greater control of their energy needs. Small generation units installed under the Small-scale Renewable Energy Scheme (SRES) now have a total capacity of 23.8 GW. This capacity now generates more than 10% of all electricity in Australia.

Our work has also continued in delivering the SRES reforms to strengthen compliance and build quality and accountability across the whole solar supply chain. In February 2024, we approved Solar Accreditation Australia (SAA) as the new installer and designer accreditation scheme operator (ASO). We successfully transitioned 95.7% of the 9,400 accredited small-scale system installers and designers across Australia to transfer their accreditation to SSA by the 29 May 2024 deadline. It was important this went smoothly for consumers, installers and companies selling systems.

From 1 July 2023, the Safeguard Mechanism reforms require Australia's largest greenhouse gas emitting facilities to reduce their emissions in line with declining baselines. In total, these facilities will be required to reduce net emissions by more than 200 million tonnes by 2030. Facilities with emissions below their baseline will be eligible to generate Safeguard Mechanism Credits (SMCs). Facilities with emissions that exceed their baselines will be required to surrender Australian Carbon Credit Units (ACCUs) or SMCs to meet Safeguard obligations. The compliance deadline for 2023–24, the first year under the reformed Safeguard Mechanism, is 31 March 2025. We will soon have a new modern registry in production for SMCs and other units and certificates, and expect the previous high compliance rates to continue under the reformed Safeguard arrangements.

The government announced new emissions reduction initiatives during 2023–24, covering a range of sectors across the Australian economy such as vehicle fuel efficiency. We remain directly involved in administering key abatement schemes and expect to provide support for others, including assisting with provision of a register for the New Vehicle Efficiency Standard which will operate on tradeable certificates.

In partnership with the Department of Climate Change, Energy, the Environment and Water (DCCEEW), we are developing the Guarantee of Origin (GO) scheme that will enable the tracking and verifying of emissions associated with hydrogen and renewable electricity made in Australia. A GO certificate mechanism for renewable energy will build on the large-scale generation certificate (LGC) framework which ends in 2030. Over time, we expect GO to expand to include a range of products such as metals, low emissions fuels and other low carbon products made in Australia.

In December 2023, the *Nature Repair Act 2023* was passed into law. We have been working closely with DCCEEW to prepare for the commencement of the Nature Repair Market (NRM). We are busy building the technical capabilities required to administer the scheme that will support participants to apply to register, vary, report and request certificates for their biodiversity projects according to legislative requirements.

Our agency, and the work we do, actively contributes to well-functioning markets. Our focus is on being a trusted regulator by supporting transparency, information transfer and liquidity in Australia's carbon market. These are crucial to enabling Australia to reach its emissions reduction targets.

Our data is a valued asset that helps manage compliance, inform policy and provide transparency to Australia's evolving carbon markets. In line with the agency's Data Strategy, we focused on providing greater transparency, including launching a pilot of the new data services platform that will make it easier to find, access and understand our data. We also unveiled our new website. With a design informed by research with our stakeholders, the website is easier to navigate and understand.

I am proud of our work in strengthening the ACCU Scheme following recommendations from the independent ACCU Review in 2023. To enhance scheme assurance, we invested in independent audits, additional geospatial tools, and upgraded application processes to be more intuitive, with automatic data validation and pre-population. Other improvements include more structure for collecting supporting information, which allows us to publish additional data to increase scheme transparency. An Australian National Audit Office (ANAO) performance audit of the *Issuing, Compliance and Contracting of Australian Carbon Credit Units* was completed in April 2024 and found administration of the scheme was effective or largely effective.

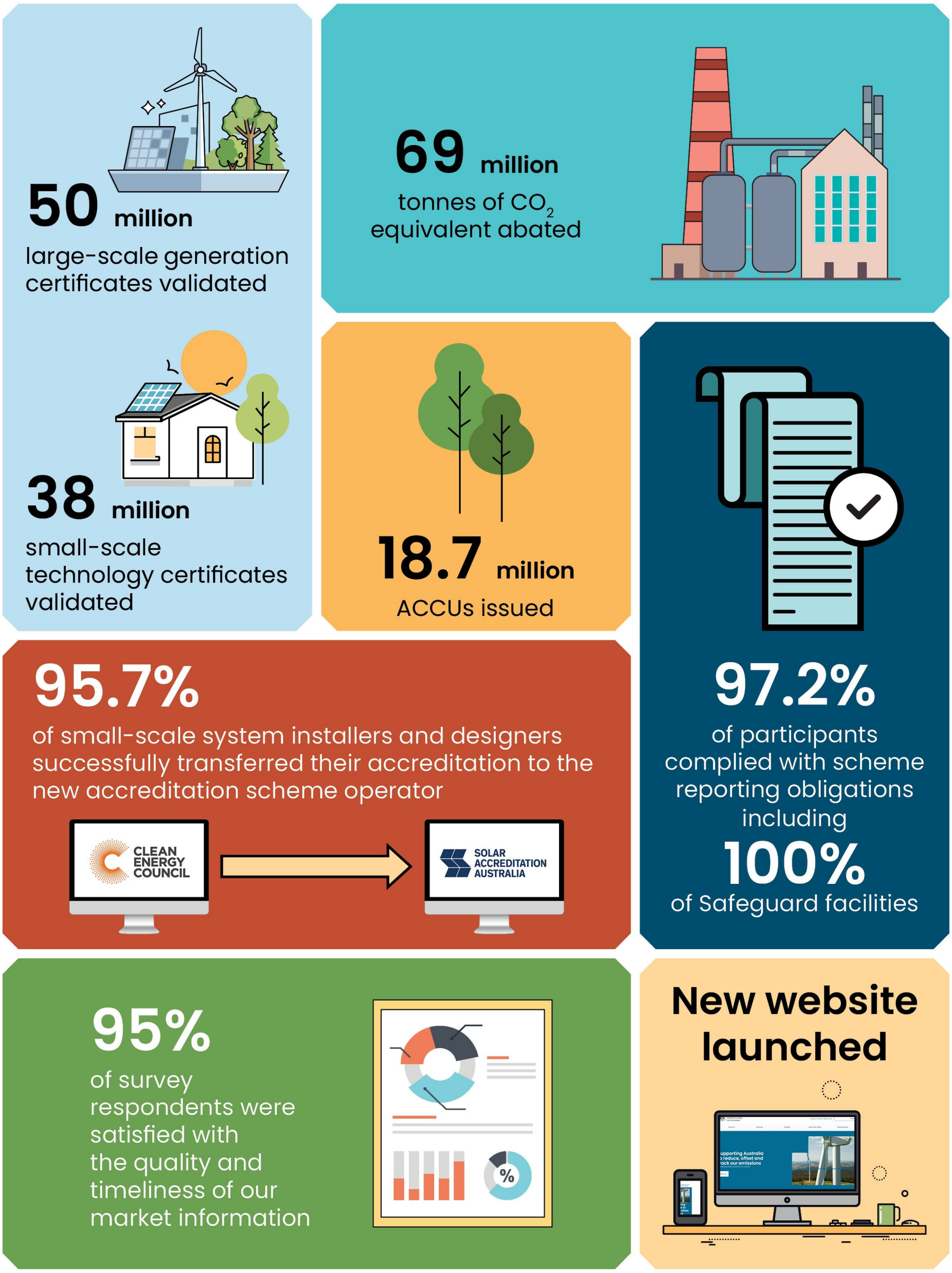
We continued to work closely with participants across our schemes to ensure they have the right information to support compliance and transparency. Our ongoing collaboration with experts, industry, First Nations people and government drives continual improvement in the agency's systems and processes to ensure integrity of the schemes we administer.

Throughout 2023–24, the agency delivered its schemes and initiatives, facilitating robust and transparent market-based mechanisms underpinned by trusted datasets, allowing high integrity carbon abatement to be achieved at least-cost and building our capability for new work. In 2024–25, our team will continue to build on this work, enabling the market architecture required to support deep and liquid carbon markets, and positioning Australia to meet its 2030 and 2050 emissions targets.

Mark Williamson
Acting Chair, Clean Energy Regulator

2023–24 highlights

Figure 1: 2023–24 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 (QCMR) – see cer.gov.au/QCMR.

Agency overview

Our role and functions

Established on 2 April 2012 by the *Clean Energy Regulator Act 2011*, the CER is a non-corporate Commonwealth entity and statutory authority. We are an economic regulator accelerating carbon abatement for Australia. We do this by administering Australian Government schemes to:

- measure, manage, reduce and offset carbon emissions in Australia
- contribute to the climate targets of reducing emissions to 43% below 2005 levels by 2030 and net zero by 2050.

National Greenhouse and Energy Reporting Scheme

Established under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act), the National Greenhouse and Energy Reporting (NGER) Scheme is a single, national framework that requires Australia's largest companies to report information about their greenhouse gas emissions, energy production and energy consumption.

The NGER data helps:

- inform the public about emissions and energy flows by corporations in Australia
- inform government policy, programs and activities at both the national and state and territory level
- the Australian Government meet its international reporting obligations and measure its progress against international commitments.

In administering the NGER Scheme, we also:

- register and deregister companies for reporting
- provide education, advice and guidance
- collect reports using the Emissions and Energy Reporting System (EERS)
- monitor and enforce compliance
- apply the audit framework
- administer the National Greenhouse and Energy Register
- publish and disclose NGER data.

Safeguard Mechanism

Together with the reporting obligations under the NGER Act, the Safeguard Mechanism is designed to ensure that Australia's largest facilities reduce their emissions in line with Australia's emissions reduction targets.

The Safeguard Mechanism applies to facilities that emit more than 100,000 tonnes of CO_2-e covered emissions in a year. Safeguard facilities are required to keep their annual emissions at or below a declining baseline. Facilities with annual emissions below their baseline are eligible to earn SMC units. Facilities that exceed their baseline may surrender ACCUs and/or SMCs to meet their Safeguard obligations.

We regulate the Safeguard Mechanism by:

- making baseline determinations
- calculating annual baseline and net emissions positions
- assessing excess emissions management applications
- monitoring and enforcing compliance
- issuing SMCs
- publishing Safeguard facility data
- providing education, advice and guidance.

Australian Carbon Credit Unit Scheme

The ACCU Scheme (formerly known as the Emissions Reduction Fund) was established under the *Carbon Credits (Carbon Farming Initiative) Act 2011* (CFI Act). The ACCU Scheme encourages people and businesses across a range of sectors to run projects that reduce or avoid emissions, or store carbon. Participants can earn ACCUs that can then be sold on the secondary market or to the Australian Government through a carbon abatement contract.

We administer the ACCU Scheme by:

- assessing project applications for registrations
- assessing project reporting
- ensuring scheme compliance
- issuing ACCUs
- managing carbon abatement contracts
- publishing the ACCU Scheme project and contract registers.

Renewable Energy Target

Established under the *Renewable Energy (Electricity) Act 2000* (REE Act), the RET consists of 2 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.

Large-scale Renewable Energy Target

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 LGCs.

We administer the LRET by:

- managing registration of participants
- managing the creation, registration, transfer and surrender of LGCs
- accrediting large-scale renewable energy projects as power stations
- determining the liability of electricity retailers to surrender LGCs
- monitoring compliance of liable entities and power stations
- facilitating market transparency by publishing information about LGCs.

Small-scale Renewable Energy Scheme

The SRES supports the installation of small-scale renewables, such as household solar rooftop panels and efficient hot water systems. Under the scheme, eligible systems can earn small-scale technology certificates (STCs) based on how much electricity they generate or displace.

We administer the SRES by:

- educating industry on how the scheme works
- managing registration of participants
- reviewing STC applications
- managing system inspections
- keeping the register of solar water heaters
- determining the liability of electricity retailers to surrender STCs
- ensuring scheme compliance
- taking compliance action where necessary.

Nature Repair Market

The *Nature Repair Act 2023* came into effect on 15 December 2023. It establishes the framework for a world-first, legislated, national, voluntary biodiversity market. The NRM will make it easier for companies and businesses to voluntarily invest in nature repair projects across Australia.

Our responsibilities will include:

- publishing scheme information and education activities to support the NRM
- assessing applications to register, vary or cancel projects
- issuing biodiversity certificates
- performing ongoing assurance, monitoring and compliance activities
- maintaining the public register of biodiversity projects and certificates.

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 the:

- Australian National Registry of Emissions Units (ANREU)
- Renewable Energy Certificate (REC) Registry.

The Corporate Emissions Reduction Transparency (CERT) report is a voluntary initiative for some of Australia's largest and most well-known companies to share their climate actions. The CERT report details a company's net emissions position, renewable electricity use, carbon offsets and progress towards their climate-related commitments.

We are also developing initiatives that actively leverage our existing schemes to build a vibrant voluntary carbon market:

- Unit and Certificate Registry
  Our new Unit and Certificate Registry will be an important foundation to enable deep, efficient, transparent and accessible carbon, nature repair and renewable energy markets. The Unit and Certificate Registry's ability to connect with other trusted digital platforms and exchanges will provide the markets with greater choice, ease of access and transparency.
- Guarantee of Origin scheme
  GO is an internationally aligned assurance scheme being designed to track and verify emissions associated with hydrogen and renewable electricity made in Australia. Over time, it could expand to include a range of products such as metals and low emissions fuels.

Portfolio and ministers

The CER operated within the Climate Change, Energy, the Environment and Water portfolio during the 2023–24 reporting year. As at 30 June 2024, 2 ministers and one assistant minister had responsibilities for this portfolio:

- the Hon Chris Bowen MP, Minister for Climate Change and Energy
- the Hon Tanya Plibersek MP, Minister for the Environment and Water
- Senator the Hon Jenny McAllister, Assistant Minister for Climate Change and Energy.

Outcomes and programs

In 2023–24, we were responsible for contributing to the delivery of 2 outcomes for the Australian community:

1. A reduction in Australia's net greenhouse gas emissions.
2. The sustainable management of natural resources and the environment.

Table 1 describes the outcome and program structure as set out in the *Climate Change, Energy, the Environment and Water Portfolio Budget Statements 2023–24*.

Table 1: Outcome and program structure, 2023–24

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.

Our strategies for delivering these outcomes and achieving our purpose are to:

- Invest in knowing scheme participants and communicating with them in a way which meets their needs.
- Use education and guidance materials to help potential participants understand how to participate and comply.
- Set clear and consistent expectations with participants and further develop tools that assist them to self-select if they have adequate capacity and capability to meet the requirements and achieve the anticipated results.
- Manage non-compliance and influence participants behaviour by communicating the regulatory responses and actions we take to address non-compliance, including the use of targeted enforcements to act as a deterrent.
- Use risk-based and continuous improvement approaches to deploy agency resources to best effect.
- Maintain and enhance the skills and expertise of our people and encourage innovation to benefit the CER and our clients.
- Build and sustain our reputation and impact through sound stakeholder relationships and partnerships with other relevant institutions and regulatory bodies.
- Promote the value of our assets, the quality of our results and the strength of our capabilities.
- Place a strong emphasis on using the data we hold to generate insights and make lawful, consistent, transparent and robust decisions. Share that data for the public good, in line with the secrecy and privacy provisions of legislation.
- Ensure our infrastructure is reliable, resilient and flexible enough to be reused in response to policy or operational change.
- Protect the integrity and utility of the core elements of the schemes we administer, including greenhouse and energy data, contracts, units and certificates.

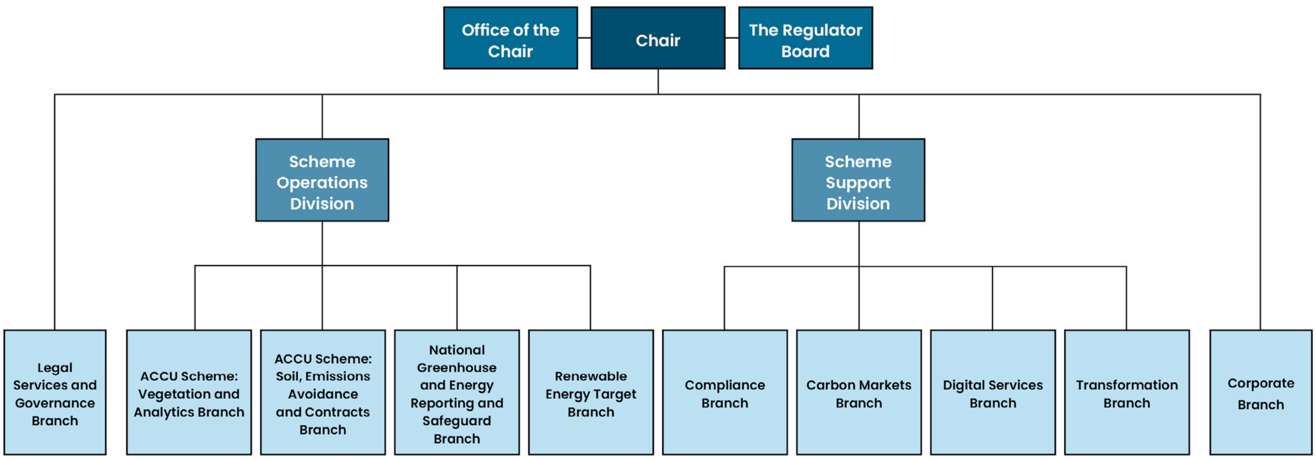
Our structure

The CER is made of:

- a Government-appointed Regulator Board – which sets the strategic direction for the agency and is accountable for regulatory decisions
- agency staff that carry out day-to-day operations and supports the Regulator Board in performing its duties.

Our organisational structure (see Figure 2) equips us to administer and implement the areas of legislation that are our responsibility.

Figure 2: Organisational structure as at 30 June 2024



Management and accountability

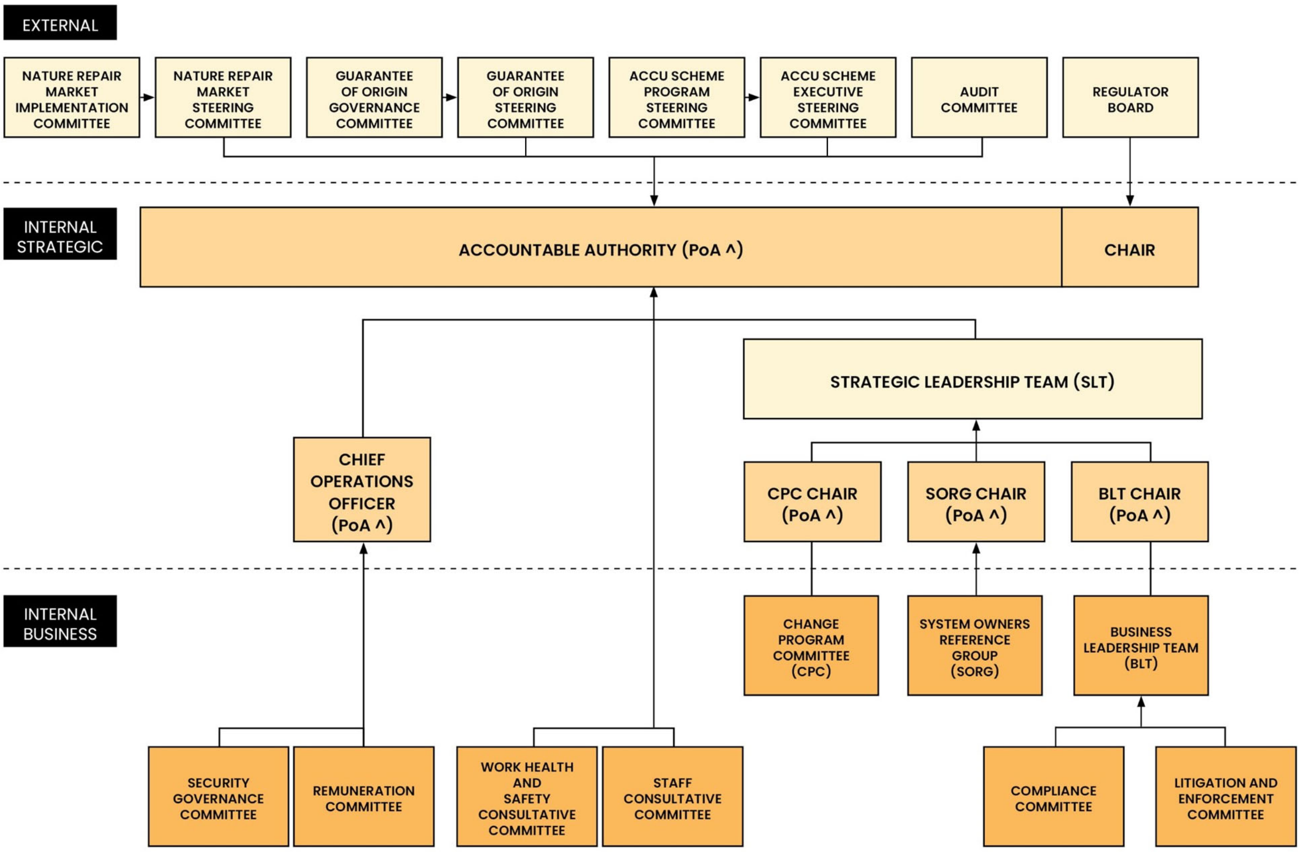
Corporate governance

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, policy and regulatory obligations.

The framework is an essential part of our compliance with the *Public Governance, Performance and Accountability Act 2013* (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. The framework 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 3 provides a basis for strong leadership and effective, collaborative decision-making through good governance and clear lines of accountability.

Figure 3: Our governance committee structure as at 30 June 2024



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

Our primary strategic planning document, the *Corporate Plan 2023–27* (see cer.gov.au/corporate-plan) outlines our program objectives and the key activities that will enable us to achieve our purpose over the next 4 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 are 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 2023–24*.

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

Accountable Authority

The Chair of the CER, David Parker AM, was the agency's Accountable Authority for the 2023–24 reporting period.

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 2023–24 (see Figure 4) were:

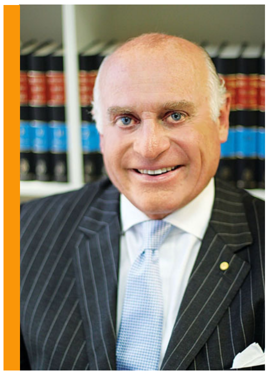
- Mr David Parker AM, Chair
- Ms Katherine Vidgen (appointed to a 3-year term commencing on 21 May 2021 and extended to 31 December 2024)
- Mr Charles Kiefel AM (appointed to a 3-year term commencing on 24 November 2021)
- Mr John Kettle (appointed to a 3-year term commencing on 4 April 2022)

The Regulator Board met 7 times in 2023–24.

Figure 4: Chair and members of the Regulator Board as at 30 June 2024

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 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 3 members: an independent Chair and 2 external members. Appendix D provides details on the Audit Committee membership for the 2023–24 reporting period. Also attending every committee meeting are the Chief Operating Officer, Chief Risk Officer, Chief Financial Officer, Manager Internal Audit and a representative from the ANAO.

The Audit Committee Charter is available on our website at cer.gov.au/audit-committee.

In 2023–24, the Audit Committee met 6 times.

Strategic Leadership Team

The Strategic Leadership Team is responsible for the leadership and management of the agency on a day-to-day basis. The team meet fortnightly 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).

As at 30 June 2024, the Strategic Leadership Team comprised:

- David Parker AM, Chair (as the Accountable Authority under the PGPA Act and Head of Agency under the PS Act)
- Carl Binning, Executive General Manager, Scheme Operations
- Mark Williamson, Executive General Manager, Scheme Support
- Bronwen Shelley, General Counsel and Chief Risk Advisor
- Liza Pegorer, Chief Operating Officer and Chief Security Officer.

ACCU Scheme Committees

The ACCU Scheme Program 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 our portfolio department. The committee identifies and analyses issues that may have a material effect on the scheme. It serves as a working body to support the ACCU Scheme Executive Steering Committee on the ACCU Scheme and related matters.

The ACCU Scheme 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 and 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 our portfolio department.

Guarantee of Origin Governance Committees

The Guarantee of Origin Guidance Committee is a cross-agency forum that provides guidance and strategic direction to the GO scheme, manages interagency risks and serves as an escalation point for critical issues. It guides the design and informs the development and implementation of the GO scheme. This committee meets monthly and is chaired by the General Manager of our Carbon Markets branch. Members include SES officers and various managers in the implementation team from the agency and DCCEEW.

The Guarantee of Origin Steering Committee comprises of senior executives and general managers from both DCCEEW and the CER. This committee provides high-level oversight of the GO scheme and acts as an escalation point for the Guarantee of Origin Guidance Committee to resolve issues impacting the critical timeline for implementation.

Nature Repair Market Governance Committees

The Nature Repair Market Implementation Committee provides a strategic forum to oversee, develop and approve the design of the implementation of the NRM.

The Nature Repair Market Steering Committee provides senior executive oversight of the NRM implementation, risks and benefits, and serves as an escalation point for items identified by the Nature Repair Market Implementation Committee.

These committees comprise SES officers from the agency and DCCEEW.

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 2023–24, 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
- developing an assurance plan to guide effectiveness testing of the agency's control environment
- 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 2024–26 Fraud and Corruption Control Framework documents the strategic and operational approach we take in controlling internal and external fraud and corruption risks in the agency.

The framework 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. 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 (PGPA Rule) as well as the Commonwealth Fraud and Corruption Control Framework.

During 2023–24, our fraud and corruption control activities focused on:

- reviewing and updating our Fraud and Corruption Control Framework to align with the revised Commonwealth Fraud and Corruption Control Framework
- expanding our fraud control effectiveness testing program
- regularly raising awareness around fraud and corruption risks.

A fraud report is provided to the Audit Committee each quarter.

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 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 providers are O'Connor Marsden & Associates and McGrath Nicol Advisory.

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 require our employees and Board members to take reasonable steps to avoid any conflict of interest – real or apparent – in connection with their employment.

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

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.

All conflict declarations are recorded in a register.

Business continuity management

During 2023–24, we conducted a routine review of our business continuity management arrangements to ensure that the agency can continue to deliver critical and important business functions, meet our statutory obligations and achieve our objectives in a timely manner should a business disruption event occur.

The review considered the agency's new working arrangements and necessitated that the business continuity management framework was simple, fit for purpose and aligned with the agency's risk appetite.

Exercises and activities were conducted under the strategic test program to assess our preparedness for a business disruption event. These arrangements enable the agency to restore business functions as soon as practical within time and resource constraints.

Finance law compliance reporting

Our approach to monitoring compliance with the finance framework, including financial delegations, procurement rules, the PGPA Act and PGPA Rules, consists of:

- identifying existing controls and frameworks that serve to evidence our compliance, and reviewing these annually for suitability, robustness and currency in ensuring agency compliance
- where existing controls are considered insufficient to serve as evidence of compliance on their own, agency managers and executive complete a bi-annual declaration attesting to compliance for their cost centre
- the Accountable Authority reviewing all instances of non-compliance and notifying the minister of any significant issues that may affect the agency
- the Audit Committee review the appropriateness of the system of internal controls and frameworks and the instances of non-compliance.

We had no significant issues relating to non-compliance with finance law to be reported to the Minister in 2023–24.

Our people

Our staff are a highly capable, connected and committed workforce. As at 30 June 2024, the agency had 434 employees. Appendix B provides statistics on our workforce.

Achieving our purpose and objectives relies on engaging and managing our people effectively, attracting and retaining skilled personnel, and developing and supporting our employees.

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.

Our 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 Australian Public Service (APS) values.

In August 2023, 4 awards were presented to recognise excellence in leadership, innovation, diversity and inclusion, and collaboration, in addition to the Regulator Board Outstanding Achievement Award.

In February 2024, 4 Australia Day Public Service Contribution Awards were presented to recognise employees who demonstrated the cultural anchors, as well as the Australia Day values of Respect, Reflect and Celebrate and the APS values.

Employment conditions

In March 2024, 96% of employees voted to approve the new Clean Energy Regulator Enterprise Agreement 2024–2027 that sets out the terms and conditions of employment for all non-SES employees. As at 30 June 2024, 423 employees were covered by the enterprise agreement. Of these, 9 non-SES employees had an individual flexibility agreement in place.

Employment conditions for 11 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. Salaries for non-SES employees are shown in Table 2.

Table 2: Salary ranges APS1 to EL2 as at 30 June 2024

	Minimum salary ($)	Maximum salary ($)
APS 1	53,635	60,834
APS 2	63,879	68,162
APS 3	71,092	76,958
APS 4	79,890	84,287
APS 5	87,220	91,618
APS 6	95,284	108,474
EL 1	117,268	133,394
EL 2	139,991	164,908

In 2023–24, 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.

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 2023–24, 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 included:

- the induction program – delivered to 104 new employees, also covering the 2-day graduate development program induction for 8 graduates and their managers
- regulatory practitioner training courses – delivered to 73 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/or study leave was provided to 20 employees during 2023–24 to undertake further studies aligned with their individual development. This education contributes to growing the capability of the agency and the APS more broadly.

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 (see cer.gov.au/document/diversity-and-inclusion-action-plan-2022-24-pdf) supports our ongoing commitment to an organisational culture where all voices are heard, respected, valued and supported.

Some key actions in 2023–24 included:

- providing training on diversity-related topics to raise awareness in cultivating an inclusive workplace culture including a mandatory workshop for EL2s and SES to embed the skills, mindsets and capabilities to work more effectively with First Nations peoples in the agency and in the broader community
- 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 special interest groups – the Disability Network, the First Nations Network, the Pride Network, the Gender Equity Network, the Wellbeing 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 National Reconciliation Week, International Day Against LGBTQIA+ Discrimination, 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 in 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* (WHS Act). 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, including:

- 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 first aid officers, first aid officers, health and safety representatives, and workplace harassment contact officers to support employees in the workplace.

During 2023–24, there were no notifiable incidents reported to Comcare under section 38 of the WHS Act and no notices were issued under part 10 of the WHS Act.

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

External scrutiny

Our operations are subject to examination by tribunals or courts, parliamentary committees, the Commonwealth Ombudsman and the ANAO.

In 2023–24, the ANAO tabled one performance audit report involving the CER (see below). 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 2 occasions and were released from appearing on 2 occasions during 2023–24. We also participated in the Environment and Communications References Committee inquiry into Greenwashing.

Performance audit

The ANAO performance audit report Auditor-General Report No.24 *Issuing, compliance and contracting of Australian Carbon Credit Units* was tabled on 30 April 2024 (see anao.gov.au/work/performance-audit/issuing-compliance-and-contracting-australian-carbon-credit-units).

The ANAO's conclusion was:

- Administration of the issuing, compliance and contracting of ACCUs was largely effective.
- The development of ACCU methods and the issuing of ACCUs was largely effective.
- The CER has implemented an effective approach to ACCU Scheme compliance activities.
- The CER's administration of carbon abatement contracts in the ACCU Scheme was largely effective.

There were no specific recommendations within the CER's remit. However, insights produced by the ANAO through this audit will be incorporated into our administration of the ACCU Scheme as part of our culture of continuous improvement.

Independent review implementation

In 2022–23, an independent panel appointed to review the integrity of ACCUs under the ACCU Scheme concluded that the scheme arrangements were essentially sound. The panel's final report provided recommendations to further clarify governance, improve transparency, facilitate positive project outcomes and co-benefits and enhance confidence in the integrity and effectiveness of the scheme.

Following the government's release of the ACCU Review implementation plan in June 2023, we have prioritised the implementation of recommendations within our remit and supported DCCEEW to implement the recommendations for which they have policy responsibilities. Further information on our work to strengthen the ACCU Scheme is detailed in the Annual performance statement section of this report.

Legislative reviews

At the end of 2023, the Climate Change Authority (CCA) published its latest legislative review of both the NGER legislation and the ACCU Scheme. The Minister has asked DCCEEW to work with stakeholders and across government to develop a response to the CCA reviews.

Information governance

Our Information Governance Framework 2023–2025 was developed to assist our agency to strategically manage information assets. The framework supports our staff to understand their responsibilities in information management and ensure they are supported by fit-for-purpose technology and defined processes.

Our framework aligns with the National Archives of Australia (NAA) Information Management Standard, which supports Australian Government agencies to create and manage information assets effectively. We participate in the annual NAA 'Check-up' survey designed to measure maturity and performance in managing information assets (records, information, and data). Feedback from the survey helps identify what we need to focus on as we strive to improve our information management. Our overall maturity score from the 2023 survey was 3.48 out of 5, up from 3.34 in 2022.

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

Digital services

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 Services Branch builds and maintains contemporary information and communications technology (ICT) platforms using cloud native technologies. These platforms provide the technology underpinnings to operate our core lines of business.

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.

In 2023–24, our online systems and registries were available for 99.7% of the time – excluding planned maintenance.

Technology transformation

This financial year saw us reach the halfway point in our change program that is the largest technology transformation undertaken by our agency. Once complete, it will significantly improve the administration of schemes, streamline processes and reduce administrative burden.

An integrated customer database will provide a comprehensive view of participants' activities and better enable monitoring, compliance and analysis. It will also improve capture, use and transparency of information and make it faster and easier to mobilise future regulatory initiatives.

For our participants, it will result in a faster and easier interaction with our agency. This transformation is providing a single front door for participants, with a unified unit and certificate register, where their systems will be able to seamlessly communicate with our systems through our Online Services portal.

New website

In March 2024, we launched our new website. It is on a modern platform with a cleaner look and feel, and content that is easier to navigate and understand. The design was informed by user research which helped us to better understand what stakeholders want and need to successfully participate in the schemes we administer.

Data services beta platform

The CER Data Services beta platform was launched in May 2024, providing our stakeholders access to select CER datasets from one place, with faster search and download functions. The Data Services platform, available at data.cer.gov.au, increases visibility of agency data to inform policy, program and business decisions.

Environmental performance

The Net Zero in Government Operations Strategy sets out the Australian Government's approach to achieving net zero greenhouse gas emissions from its operations by 2030. Our Emissions Reduction Plan 2024–25 details the actions we will take to minimise the greenhouse gas emissions that are within our control and contribute to achieving the APS Net Zero 2030 target. Appendix E shows our greenhouse gas emissions as part of our reporting requirements under the APS Net Zero 2030 policy.

We support the sustainable management and conservation of Australia's environment and 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.

Official travel is only undertaken if travel is the most effective way to achieve the agency's objectives and where other communication tools, such as teleconferencing and videoconferencing, are not an effective option. We updated our travel policy this year to include the consideration of greenhouse gas emissions information when making travel plans.

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). The office has energy efficient technologies such as light-emitting diode lighting, double-glazed windows and lighting and air conditioning controls to ensure energy efficient operation and limit unnecessary energy use after hours. A recent upgrade of the building's power meters provides us with the ability to accurately analyse energy consumption and identify potential opportunities to improve energy efficiency.

The building's sustainability features include water conservation methods in bathrooms with motion-active hand basins and 4A-rated dual flush toilets, as well as bike cages and changing facilities to encourage riding to work.

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

- using sustainable high-use office supplies, including 100% carbon-neutral and recyclable print paper
- using energy-efficient IT and workplace equipment
- promoting electronic information management
- supplying paper and cardboard recycling bins
- providing recycling collections for printer toner, ink cartridges and dry-cell batteries
- providing organic waste collection bins in our kitchens.

Compliance and enforcement

We know that an overwhelming majority of our scheme participants want to do the right thing. We have based our compliance and enforcement approach on:

- helping participants understand their rights and obligations
- using our powers with integrity and professionalism
- having rigorous processes in place to govern our decision-making
- pursuing scheme participants who break the law opportunistically or deliberately
- responding to non-compliance proportionately by considering participant compliance history
- making sure both investigations and enforcement actions are conducted efficiently.

We work with other regulatory agencies to support this approach. This includes sharing knowledge, gathering intelligence or referring matters for enforcement.

We collect a large volume of data through our business operations (scheme applications, reports and submissions, and information from third parties). We use this data to assist us to 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 compliance updates on our website at cer.gov.au/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.

Summarised below are our compliance focus areas for 2023–24, the activities undertaken and their outcomes.

ACCU Scheme

Priority	The provision of information and reports in relation to the ACCU Scheme must be accurate and complete
	ACCU Scheme participants must ensure their reporting to us, to support claims for ACCUs, is accurate. In implementing the Final Report of the ACCU Review, we are analysing the extensive information provided by Human-induced Regeneration (HIR) project proponents. We may request further information from HIR project proponents to ensure the accuracy of that information for assurance purposes. We have publicly released Carbon Estimation Area (CEA) data. We will update that data as CEAs are amended so proponents must ensure that the data provided to the CER is accurate and complete. Proponents are reminded that there are serious penalties for providing false or misleading information to the CER.
Activities and outcomes	We engaged and paid for audits of 47 HIR projects that submitted offsets reports that were also subject to a regeneration gateway check. Of these, 24 were completed by 30 June 2024. Independent greenhouse and energy auditors undertook extensive verification to ensure projects are regenerating and progressing toward forest cover, including site visits where necessary. We initiated 14 additional ACCU audits from July to December 2023 with a focus on: – ensuring that vegetation fuel type maps for savanna fire management projects meet the method requirements – providing assurance that claims for ACCUs for aggregated projects are accurate and complete across all sites. We engaged Associate Professor (Honorary) Cris Brack from the Australian National University as the independent reviewer of gateway checks for HIR projects. This first review report analysed 25 projects and the report was published on 15 December 2023. The review found that projects are successfully sequestering carbon and that the independent audit reports and our assessment provided strong assurance that projects are being managed as per the legislative requirements. It also found that proponents or their agents have used appropriate methods in classifying CEAs and identifying changes in regeneration canopy cover.

NGER reporting and Safeguard Mechanism

Priority	Safeguard entities who under-report emissions
	Safeguard reporters should be preparing for elements of the reformed Safeguard to come into effect from the 2023–24 reporting year. Safeguard reporters will need robust and accurate internal reporting systems and ensure they have sufficient ACCUs to meet any exceedances. The CER will be maintaining its attention on inaccurate or late reporters as this will be a focus for compliance action.
Activities and outcomes	Assessment of NGER reports for the 2022–23 reporting period focused on Safeguard facilities. Compliance with the pre-reforms Safeguard Mechanism arrangements was strong, with a 100% compliance rate against key obligations, including managing any excess emissions. Feedback from industry, participation in engagement activities such as webinars, and responses to the Emissions-intensity determination (EID) process indicated that awareness of the Safeguard reforms is high across regulated entities. During 2023–24: – we maintained our attention on late or inaccurate reports and continue to publish a list of reporters with a history of late reporting – a minority of facilities selected for detailed assessment were required to resubmit their data due to non-compliance identified by the agency – 2 reporters had current Enforceable Undertakings to improve the accuracy and completeness of reporting, with one of these completed in December 2023 – with that reporter improving significantly.

RET

Priority	Liable entities with outstanding shortfall debt
	RET liable entities must meet their obligations to surrender LGCs and STCs on time. The CER will take action to recover debts from participants failing to surrender renewable energy certificates on time and then not paying shortfall charges, including winding up companies.
Activities and outcomes	For the 2023 RET liability assessment year, 3 entities failed to meet their surrender obligations by surrendering certificates or paying their shortfall charge debts on time. We have successfully recovered payment from all these entities.

Priority	Written statements for STC claims must not be false or misleading
	Installers must provide sufficient evidence of attendance on-site and we expect that SRES agents will have systems and processes in place and will exercise appropriate care to prevent improper claims for STCs.
Activities and outcomes	We undertook extensive automated checks of all STC claims including the validation of supporting documentation. Taking compliance action against participants found to be non-compliant has a powerful deterrence effect. Significant compliance actions were taken during 2023–24: – 2 investigations into solar photovoltaic (PV) installations that were not installed or supervised by accredited installers resulted in litigation (see the Compliance action section) – 2 installers were declared ineligible to participate in the SRES for a period of 12 months for providing false installer written statements (see the Compliance action section) – an enforceable undertaking with solar retailer RACV Solar Pty Ltd requiring the implementation of a compliance program after submitting false information about the identity of the installer for 5 solar installations We have seen an increase in the compliance rates associated with the accuracy of written statements for STC claims and a decrease in applications flagged as high risk.

Greenwashing

Priority	Verification of energy and emissions data
	We collect and report on energy and emissions data which can be used to verify carbon emissions claims and to address greenwashing. We work closely with other regulators, such as the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission, and provide data and information in support of their potential regulatory action.
Activities and outcomes	We disclosed data and information to other regulators to support their inquiries into matters related to greenwashing. Our data, such as reported carbon emissions and renewable energy used, can be used to assist other regulators to determine whether carbon emissions or renewable energy claims may amount to greenwashing and offences under legislation they administer. We published information about greenwashing on our website, being clear that we do not have a direct role in regulating greenwashing.

CERT reports

Priority	Accuracy of climate-related commitments and context statements
	The CERT report participants must provide accurate reporting and disclosure of climate-related commitments and context statements to us to reduce the potential for misunderstanding or greenwashing.
Activities and outcomes	CERT participants provided 22 company CERT reports to the CER in 2023–24, which included 63 emissions reduction and renewable electricity commitments for publication. We supported improved reporting through better guidance and reporting tools, and assessed all reports by applying a comprehensive process, including both manual and automated checks. Where we found reporting errors or opportunities to improve clarity or transparency, we worked with the participant to address these matters such that there were no compliance concerns in the final data approved for publication.

Scheme auditors

Priority	Non-compliant or poorly performing auditors
	We will not hesitate to deregister or suspend auditors who are non-compliant or performing poorly. Assurance provided through audits is a critical compliance monitoring measure.
Activities and outcomes	During 2023–24, we undertook 7 auditor inspections. As at 30 June 2024, 6 of those inspections were ongoing. In addition, 9 auditors were removed from the CER Register of Auditors, of which: – 7 were voluntarily deregistered – 2 were involuntarily deregistered for not meeting ongoing audit participation requirements.

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-approach).

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.

Investigations are conducted in accordance with Australian Government Investigation Standard 2022.

In 2023–24, we assessed 155 compliance allegations, commenced 12 new investigations and closed 13 investigations. At 30 June 2024, 9 investigations remained open. The results of our compliance actions in are summarised in Table 3.

Table 3: Compliance action results 2023–24 and 2022–23

Compliance action	2023–24	2022–23
Allegations received	155	111
Investigations opened	12	12
Investigations closed	13	14
Criminal convictions	1	2
Disclosures to partner agencies	50	20
'Notices to produce' issued to third parties	49	34
Briefs of evidence referred for litigation	5	1
Suspensions of registered persons	2	1
Installers declared ineligible	2	0
Enforceable undertakings executed	1	2
Enforceable undertakings finalised	3	5
Inspector appointments revoked	0	1
Search warrants executed	0	5

We publish the details of organisations that submit late reports under the NGER Scheme on our website. Reports are due by 31 October each year and there is no provision for extensions. One organisation was published for late reporting in 2021–22 and 2 in 2022–23.

Registered agents are the primary point of control for correct creation of certificates and must ensure that they are fit and proper to participate in the RET. Failure to meet these requirements can result in the loss of their REE Act registration and ability to create certificates in their REC Registry account.

This year, following fit and proper person assessments, we permanently suspended the registrations of Greenbot Pty Ltd[1] and Voltex Trading Pty Ltd, as they are no longer fit and proper under the REE Act.

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

During 2023–24, 2 investigations into SRES participants resulted in litigation:

- On 4 August 2023, Mr Aaron Ware, Director of Pedley's Electrical Services Pty Ltd. was convicted in the Brisbane Magistrates Court after pleading guilty to 13 offences of making a false or misleading statement under the *Criminal Code Act 1995* (Cth). Between October 2018 and January 2020, Mr Ware received a financial benefit by falsely claiming to have installed or supervised the installation of 13 solar panel systems when in fact he was overseas. Mr Ware was released on a 12-month good behaviour bond.
- On 13 September 2023, the Federal Court ordered civil penalties totalling $240,000 against a solar retailer and a current and former director of the company. The court found deliberate contraventions of the REE Act in late 2019 and early 2020 by E Connect Solar & Electrical Pty Ltd, Benjamin Airey and Quinton Doody. These contraventions resulted from claims that solar panel systems were installed by an accredited installer when in fact they were not.

[1] At the time of publication, Greenbot Pty Ltd had applied for judicial review of this decision to suspend their registration. The court ordered a stay on this decision to suspend their registration while this review is underway.

Reforms to the SRES under regulation 20AG of the Renewable Energy (Electricity) Regulations 2001, authorises the CER to disqualify accredited solar PV installers from participating in the SRES if they do not meet the requirements. Our proactive education campaign on these new powers during 2022–23 saw a significant improvement in compliance rates across the industry.

However, during 2023–24, we did use our powers to declare 2 installers ineligible to participate in the SRES:

- On 5 February 2024, we declared accredited installer Mr David Coulthard ineligible to install solar PV systems under the SRES for 12 months. Our investigation found that between 1 February 2022 and 5 August 2022, Mr Coulthard provided false installer written statements claiming he was the accredited installer or supervisor of 12 solar PV system installations. Mr Coulthard did not attend the installations and failed to meet the on-site requirements for a person responsible for installing or supervising a solar PV system installation.
- On 7 March 2024, the agency declared accredited installer Keng Chew ineligible to install solar PV systems under the SRES for 12 months. We found that between 15 August 2022 and 6 June 2023, Mr Chew provided false written statements claiming that he was the accredited installer or supervisor on-site for 12 solar PV system installations. Following our preliminary assessment, Mr Chew was unable to provide adequate evidence or explanation to satisfy the agency that he was meeting his on-site obligations as the accredited installer.

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 and Safeguard data (including EID applications under the reformed Safeguard Mechanism), the issuance of ACCUs under the ACCU Scheme, and issuance of exemption certificates under the RET for emissions-intensive trade-exposed (EITE) facilities.

There are 2 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.

As at 30 June 2024, the agency had 81 registered greenhouse and energy auditors — 65 were Category 2 auditors. All registered auditors must continue to meet eligibility requirements under the National Greenhouse and Energy Reporting Regulations 2008, including participation in review and inspections.

In 2023–24, we conducted 7 auditor inspections, although only one of the inspections has been finalised with the auditor notified of the results. The auditor received several recommendations for minor improvements, and we will monitor the implementation of these.

The agency continued implementing the Minister for Climate Change and Energy's Direction to conduct audits on regeneration gateway check reports submitted for HIR projects in the ACCU Scheme.

In 2023–24, there were 401 audits completed under the framework, including 24 gateway audits and 13 audit program audits initiated at our cost selected based on our risk-based approach. Of those audits:

- 93% returned a clean opinion, indicating the participant was compliant with scheme requirements audited
- 6% returned a qualified opinion, indicating the participant was largely compliant
- less than 1% returned an adverse finding, where at least one material issue of significant non-compliance was identified.

The agency also commenced 2 ACCU Scheme compliance audits under section 214 of the CFI Act. Under a compliance audit the agency can require a scheme participant to undertake an audit at their own expense and provide us with a copy of the report.

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 Accountable Authority Instructions (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 (tenders.gov.au/app/list) and is updated as required.

Consultancy and non-consultancy contract expenditure reporting

Decisions for engaging consultants in 2023–24 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 2023–24, there were no new reportable consultancy contracts entered into and no active ongoing reportable consultancy contracts.

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 at tenders.gov.au.

Reportable non-consultancy contracts

As shown in Table 4, 173 new reportable non-consultancy contracts were entered into during 2023–24, involving a total actual expenditure of $13.88 million (GST inclusive). In addition, 171 ongoing reportable non-consultancy contracts were active during the period, involving a total actual expenditure of $73.64 million (GST inclusive).

Table 4: Total reportable non-consultancy contract expenditure in 2023–24

Reportable non-consultancy contracts	Number of contracts	Expenditure ($m)
New contracts entered into during the reporting period	173	13.88
Ongoing contracts entered into during a previous reporting period	171	73.64
Total	**344**	**87.52**

Table 5 shows the organisations that received the five largest shares of the CER's total expenditure on reportable non-consultancy contracts during 2023–24.

Table 5: Organisations receiving a share of non-consultancy expenditure, 2023–24

Organisation	Expenditure ($m)	Proportion of 2023–24 total spend (%)
Pragma Partners Pty Ltd	11.16	12.75
NTT Australia Digital Pty Ltd	7.33	8.38
Superior Software for Windows Pty Ltd	5.32	6.07
Chalfont Consulting Pty Ltd	4.76	5.44
Digital61 Pty Ltd	4.61	5.27
Total	**33.18**	**37.91**

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 at tenders.gov.au.

Exempt contracts

In 2023–24, the Chair did not exempt any standing offer or contract in excess of $10,000 (inclusive of GST) from being published on AusTender, noting that ACCU Scheme carbon abatement contracts are already exempt.

Australian National Audit Office access clauses

All contracts of $100,000 (inclusive of GST) or more awarded during 2023–24 included a provision for the Auditor-General to have access to the contractor's premises.

Small and medium-sized enterprises and Indigenous business support

We support 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 (see finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts-).

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.

We recognise 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 at treasury.gov.au/small-business/pay-time-survey-performance-reports.

Asset management

We manage assets in accordance with our asset management framework, AAIs and relevant accounting standards.

During 2023–24 we undertook:

- a stocktake of our asset base
- a desktop valuation of the agency's assets (excluding intangibles) through an independent expert 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 Finances section of this report.

Annual performance statement

Introductory statement

I, Mark Williamson, as the Accountable Authority of the Clean Energy Regulator, present the agency's 2023–24 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 2023–24, including results against the performance measures in our *Corporate Plan 2023–27* and the *Climate Change, Energy, the Environment and Water Portfolio Budget Statements 2023–24*, 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.

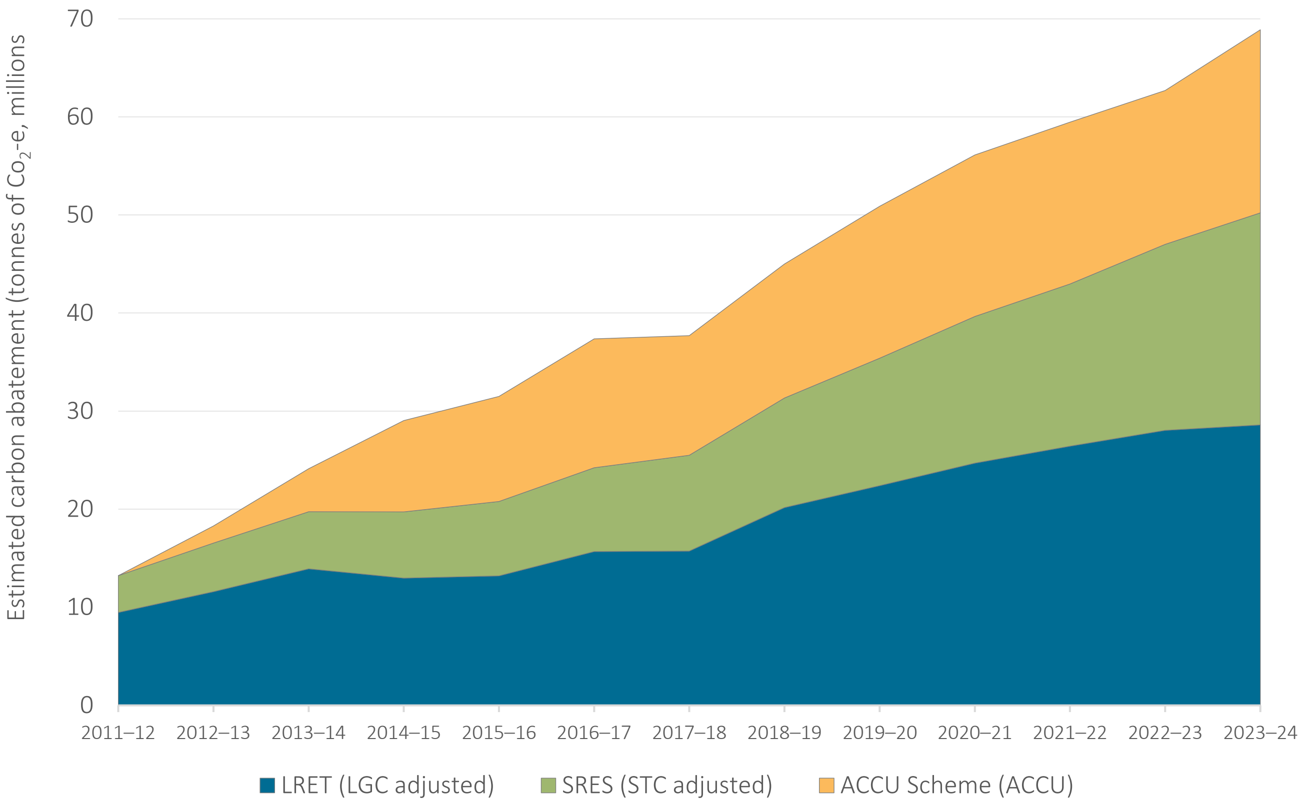
Mark Williamson
Acting Chair, Clean Energy Regulator
25 September 2024

Analysis of our performance

Our purpose is to accelerate carbon abatement for Australia. In 2023–24, we delivered on our purpose through the administration of a range of schemes to reduce, offset and track Australia's carbon emissions.

Carbon abatement from the schemes we administer has continued to rise, reaching an estimated 69 million tonnes of CO_2-e in 2023–24, up from 62.2 million tonnes in 2022–23 (see Figure 5).

Figure 5: Total carbon abatement from schemes we administer, 2023–24



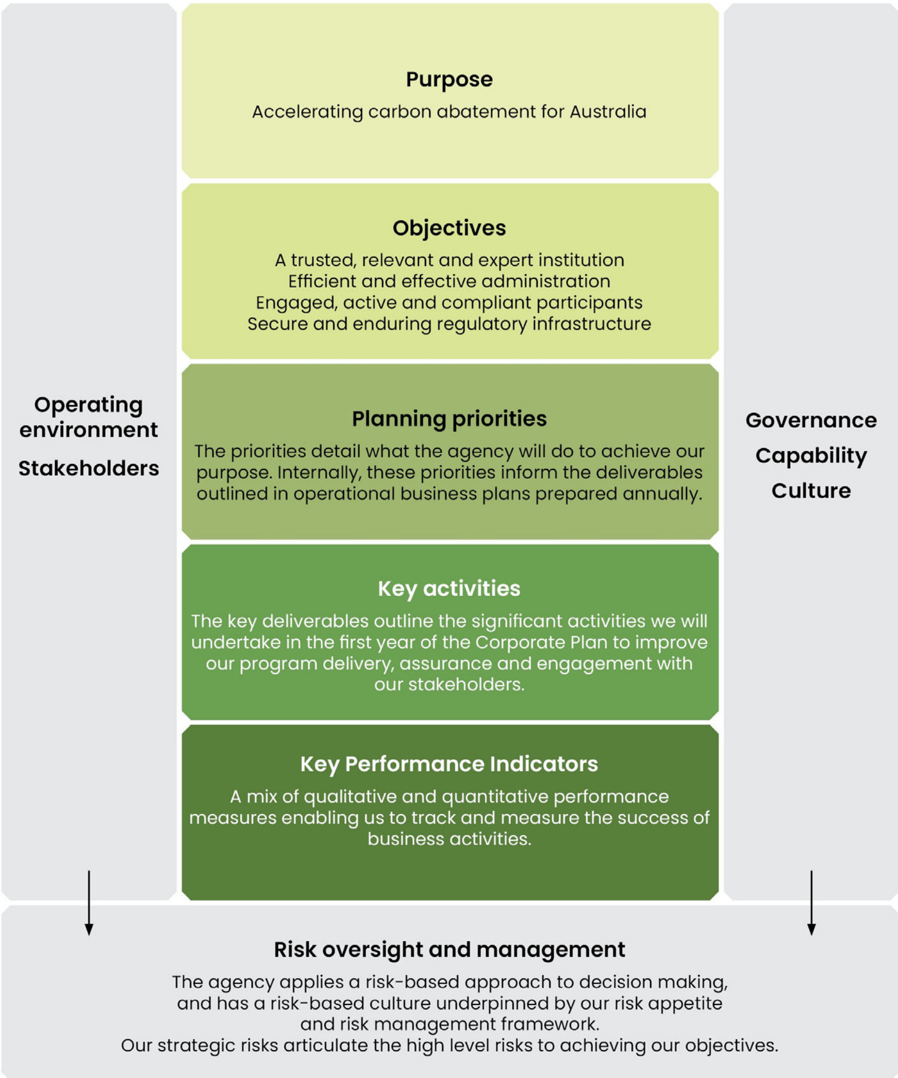
Note: Carbon abatement is estimated based on the time of issuance for ACCUs, LGCs and an estimate of generation from rooftop solar, regardless of the source of demand for the units and certificates. To convert the renewable generation into a carbon abatement equivalent value, each megawatt hour (MWh) 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 an intensity of 99.2 million tonnes of CO_2-e. Details on the calculation methodology for abatement estimation are set out in the Quarterly Carbon Market Report March Quarter 2022 workbook , available at cer.gov.au/QCMR.

The 2023–24 annual performance statement is an assessment of the agency's performance against the purpose, objectives, priorities, performance measures and activities in the *Corporate Plan 2023–27* and the *Climate Change, Energy, the Environment and Water Portfolio Budget Statements 2023–24*.

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.

Figure 6 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 6: 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. A total of 347 responses were received for the 2024 survey and the results revealed that 74% of respondents were satisfied overall with how the CER performs its functions as a regulator (this is consistent with the 2023 result) and 75% agreed that we are doing a good job (up from 74% in 2023).

The survey also highlighted areas where we can do better. As stakeholder confidence is critical to the agency achieving its purpose, we are committed to:

- continuing to refine approaches to stakeholder consultation
- maintaining efforts linking continuous improvement initiatives with feedback on issues raised by stakeholders.

Several external factors influenced our overall performance during 2023–24, including:

- a tight labour market impacted our ability to recruit suitably skilled employees
- entities looking to meet voluntary commitments for 100% renewable energy by 2025
- consumers continuing to invest in and prepare for electrification.

During 2023–24, we continued to progress our ambitious change program comprising projects designed to improve our systems, deliver greater efficiency and provide an improved user experience to our scheme participants.

The change program is delivering the following:

- Service Transformation – Delivering a seamless and coherent user experience reducing time and costs for participants.
- Business Transformation – Preparing and enabling a capable, effective, practical, grounded and commercially savvy workforce.
- Carbon Market Transformation – Supporting a growing and vibrant carbon market underpinned by a high degree of integrity.

Several key projects under the change program were delivered throughout the year and these are reported under the appropriate planning priority in the Performance results section.

Summary of KPI results

We performed well against the 2023–24 KPI targets set, demonstrating that we are achieving our objectives. The results are provided in detail in the Performance results section.

Objective: A trusted, relevant and expert institution

We publish and share 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 markets.

Performance measures	Target	Result
Improvements to the way we use and communicate data	Qualitative analysis	Target met
Level of participant satisfaction with the quality and timeliness of market information	Qualitative analysis	Target met
No significant breaches of government, administrative, legal and policy requirements	Zero breaches	Target met

Objective: Efficient and effective administration

We administer our 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 to deliver the programs we administer, using regulatory principles and data-driven, proportionate risk-based compliance approaches.

Performance measures	Target	Result
Level of contracted carbon abatement delivered by CER administered programs*	Estimated 63 million tonnes CO_2-e	Target exceeded
Proportion of investigations completed within timeframes	80%	Target met
Proportion of applications processed within statutory or agreed timeframes	99.5%	Target not met

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

Objective: Engaged, active and compliant participants

We achieve 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 scheme participants, service providers, communities, institutions and organisations to raise awareness and understanding of scheme requirements and leverage experience, insights, and opportunities to enable productive engagement and innovation.

Performance measures	Target	Result
Compliance levels by regulated and liable entities	≥ 95%	Target met
Level of participant satisfaction with engagement and guidance provided	> 80%	Target met
Practical and timely guidance and outreach activities with our participants	Qualitative analysis	Target met

Objective: Secure and enduring regulatory infrastructure

Our 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 across scheme regulation, compliance, enforcement and market facilitation.

Performance measures	Target	Result
Level of participant satisfaction with agency processes and systems	> 80%	Target met
Systems are available and secure as required by scheme participants, government standards and legislated need	99.5% availability and zero significant security breaches	Target met
Flexibility and adaptability in our staff to meet current and future requirements	Qualitative analysis	Target met

Regulator performance

We are committed to meeting the 3 principles of regulator best practice outlined in the government's Regulator Performance Guide. The case studies below help demonstrate our commitment to those guidelines and our role as a regulator. Each of our performance measures are aligned to the regulator performance principles and the results are detailed in the Performance results section.

Continuous improvement and building trust

Across all the schemes we administer, integrity remains at the heart of our work. To meet our purpose, we are focused on being a trusted regulator by supporting transparency, information transfer and continuous improvement. The following case study demonstrates our commitment to increasing transparency and trust with our stakeholders.

Case study 1: Improving access and transparency of our website content

We are committed to delivering modern, effective and efficient user-focused services. In 2023–24, we redesigned our website after reviewing enquiries, webpage feedback and annual stakeholder survey results and identifying that scheme participants and stakeholders were finding it difficult to find or understand our content.

During the redesign we engaged with over 100 stakeholders to better understand how they use our website and what information they need to participate in or comply with our schemes. We heard our menu navigation was outdated, we used lots of technical jargon and the page format was too busy.

Using those findings and the Australian Government Style Manual, we built staff capability and empowered them to improve content. Improvements focused on using plain language, clearly outlining legislative requirements or deadlines and removing duplicated or outdated content. We also focused on making the menu navigation and visual design simpler while still meeting accessibility requirements.

Our new website launched in March 2024. It aims to increase transparency and trust with our stakeholders. Early stakeholder feedback has been positive, with multiple people saying it's easier to find, view and understand content, particularly guidance on rooftop solar and ACCU Scheme methods.

We are taking a continuous improvement approach so our website remains relevant, useful and secure into the future. We will do this by continuing to listen to our stakeholders, monitoring performance, and staying up to date with government and industry requirements.

Risk based and data driven

As the economic regulator accelerating carbon abatement for Australia, we manage risks by maintaining a compliance, education and enforcement policy. The policy articulates our approach to ensure we administer laws in a transparent and ethical way. Our effective use of data and digital technology to support participants to comply with scheme requirements is detailed in the following case study.

Case study 2: Improved regulation through smarter technology and better risk management

LiDAR models

As part of our ongoing commitment to continuous improvement, we investigated the potential of Light Detection and Ranging (LiDAR) to strengthen compliance monitoring under the ACCU Scheme. LiDAR technology uses laser light to measure distances and create detailed, 3-dimensional maps of the environment, and offers new opportunities to verify claims for ACCUs from vegetation projects.

We conducted 2 initiatives to explore the viability of this technology to complement existing tools for compliance monitoring under the ACCU Scheme. The first initiative used both terrestrial and aerial LiDAR to inform machine learning models to predict the amount of carbon stored in woody vegetation, within a small, targeted region in western NSW. The second initiative involved the development of a regional scale model to predict canopy cover of woody vegetation, and change over time, across a larger region of western NSW and southwestern Queensland.

These initiatives have been invaluable in testing the potential role of LiDAR and its application in machine learning models to estimate vegetation cover and change at scale and support the agency's assessment and assurance function.

We will continue to work with our government, industry and academic partners, to further the application of this promising technology to reduce participation costs and strengthen the integrity of Australia's carbon market.

HIR gateway audits

Following the Minister for Climate Change and Energy's Direction to prioritise audits of the compliance of HIR project proponents, we implemented a significantly expanded audit program to include HIR projects submitting gateway checks demonstrating regeneration of native forest. To give effect to this direction, new guidance was published which required projects submitting offsets reporting supporting key regeneration check gateways to be subject to an additional gateway audit under s215 of the CFI Act.

We used a risk-based approach to identify the scope of each audit. This involved consideration of the data and evidence being submitted by project proponents to demonstrate regeneration, as well as analysis of national and regional scale geospatial datasets indicating the extent of regeneration across each project. Through this analysis, the scope of each audit – either standard or expanded – was determined to acquire the level of additional assurance that would be required through a third-party independent audit. This approach enabled us to manage audit costs, as well as enable ongoing issuance of ACCUs to projects that provided sufficient evidence to satisfy regeneration check requirements.

During 2023–24, 50 HIR projects submitted gateway checks, with 24 of the audits as standard scope and 26 as expanded scope. Of these audits, 26 were ongoing as at 30 June 2024.

Collaboration and engagement

We rely on and support productive and collaborative relationships across governments, states and territories, and industry and stakeholder bodies. Transparent and consistent communications help our scheme participants understand their obligations and voluntarily comply. The following case study is an example of how we achieved positive results through effective collaboration and engagement.

Case study 3: Increasing confidence in the SRES through regulatory reform

Australians are increasingly taking charge of their energy needs and helping drive the country's renewable energy transition. The rooftop solar sector continues to grow with 3.1 GW of capacity expected in 2024, bringing the total capacity of rooftop solar in Australia to 25.5 GW.

Due to rapid growth in the sector in recent years, we conducted a review in 2020 and made 13 recommendations to improve the integrity of the SRES regulatory framework and better protect consumers. Since then, we have been working hard to implement the reforms.

As a result, we opened a competitive installer and designer ASO application round. The installer and designer accreditation scheme framework is set via the Renewable Energy (Electricity) Regulations 2001 and the ASO is accountable to the CER. This enables better regulatory oversight of the SRES. SAA was approved as the new installer and designer ASO in February 2024. SAA is a not-for-profit organisation established to provide accreditation for the SRES.

The SRES provides a financial incentive for the installation of small-scale solar systems. Systems must be designed and installed by a licensed electrician who has been specifically trained in, and demonstrated as capable of, rooftop solar installation. Accreditation adds an additional level of quality assurance over and above state and territory requirements for electricians and is vital to the integrity of the SRES and ensuring consumer confidence.

The approval of SAA as the ASO required the transition of over 9,400 accredited installers and designers from the previous operator, the Clean Energy Council (CEC). There was a 3-month statutory deadline for accredited persons to transfer their accreditation to SAA. This was a significant undertaking for the sector and necessitated a smooth transition to ensure installers remained accredited and systems eligible under the SRES – over 66,000 systems (615 MW) were installed over this period.

This unprecedented transition required effective collaboration between industry and the CER to achieve success and maintain sector and consumer confidence. We worked extensively with the CEC and SAA to develop robust transition pathways and sought novel approaches to communicating the new regulatory requirements with accredited persons.

We instigated forums with state and territory electrical safety regulators, environment departments and select accredited persons to create communication pathways to the sector – this opened new communication avenues and helped us adapt information. We increased our social media presence, created new web content, made videos, presented at industry conferences, created mailing lists to connect with every accredited person, and made over 800 phone calls in the last days of the transition to encourage the transfer of accreditations.

We undertook these measures to ensure consistent and transparent information was given to the sector to assist them to comply with their regulatory obligations. A poor transition limits the workforce available to install systems, in turn reducing consumer confidence that systems are installed by qualified electricians appropriately trained and competent in solar. With a further 3.1 GW expected in 2024, a successful transition was paramount to the continuity in the sector and market.

Overall, 95.7% of accredited persons transitioned by the deadline. The rooftop solar sector plays a vital role as we transition to greater penetration of renewable electricity. A third of Australian households now have rooftop solar, delivering an estimated 12% of our electricity.

Improving the regulatory framework that supports the rollout of solar means integrity is not lost along the way, and that Australian consumers continue to be protected.

Scheme performance

ACCU Scheme

The ACCU Scheme supports projects that avoid the release of greenhouse gas emissions or remove and sequester carbon from the atmosphere. Projects can involve:

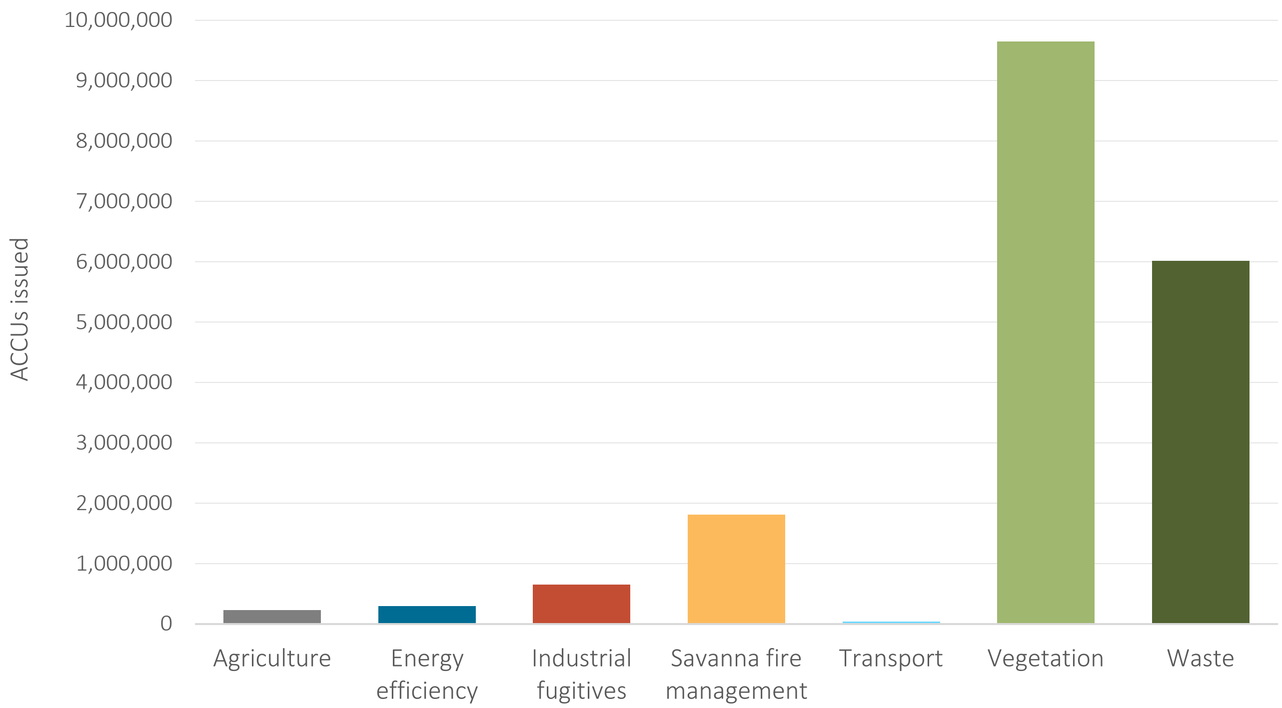
- changing the way vegetation is managed to store more carbon
- changing land management practices to avoid the release of greenhouse gas emissions
- installing new technology or upgrading equipment to reduce energy use or methane emissions.

Participants can earn an ACCU for every tonne of CO_2-e emissions stored or avoided by a project. ACCUs can be sold to private sector buyers and governments to generate income.

During 2023–24, we received over 500 applications to register new projects in the ACCU Scheme and processed 1,083 crediting applications.

There was a record 18.7 million ACCUs issued during 2023–24, 3 million up from 15.7 million issued in 2022–23. Of these, 51.7% were from vegetation projects and 32.2% were from waste projects. Figure 7 shows the ACCUs issued per method type for 2023–24.

Figure 7: ACCUs issued by method type, 2023–24



A total of 2.2 million tonnes of abatement were delivered under contract, to the value of $32.2 million. A further 4.1 million tonnes of abatement were released in the third pilot window of the exit arrangement to the value of $48.6 million. The fourth pilot exit window, for fixed delivery contract milestones between 1 July 2023 and 31 December 2024, was announced on 26 April 2024.

In 2023–24, 2.8 million ACCUs were cancelled. This included 0.7 million for non-Commonwealth compliance purposes, 0.9 million surrendered for 2022–23 Safeguard compliance, and the remaining 1.2 million for voluntary purposes, which includes state and territory cancellations.

Renewable Energy Target

In line with Australia's emissions reduction targets of 43% below 2005 levels by 2030 and net zero emissions by 2050, the Minister for Climate Change and Energy set an ambition to get to 82% renewables share of electricity nationally by 2030. In 2023–24, there was an average of 38% renewable energy generation in the National Energy Market.

Our administration of the RET supports the uptake of renewables in Australia, giving consumers confidence to invest. New renewable energy capacity delivered across Australia totalled 5.8 GW in 2023–24, an increase on the 2022–23 result of 5.7 GW, noting:

- there were 2.7 GW of approved new renewable energy power stations, similar to the previous year (1.3 GW from wind and 1.3GW from solar).
- 3.2 GW[∇] of rooftop solar capacity – an increase of 7% from 3 GW in 2022–23.

Large-scale Renewable Energy Target

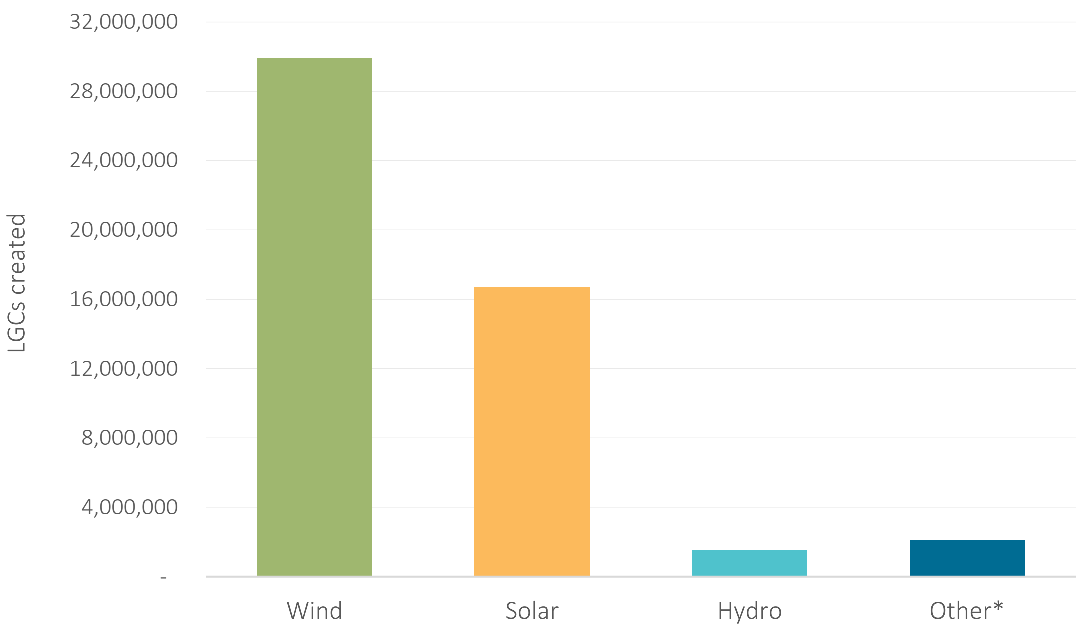
The LRET incentivises investment in renewable energy power stations like wind and solar farms. These power stations can create LGCs for the eligible renewable electricity they produce. They can sell LGCs to liable entities (mainly electricity retailers) or companies that want to demonstrate renewable energy use for voluntary purposes.

Liable entities must purchase a certain percentage of electricity from renewable sources each year. They comply with this by buying LGCs and surrendering them to the CER.

In 2023–24, the total eligible generation from large-scale renewable sources continued to grow strongly, reaching 50.5 GWh[∇], an 8% increase on 47 GWh in 2022–23.

Total LGCs created in 2023–24 was 50.2 million[∇], a 7% increase from 46.8 million in 2022–23. Figure 8 shows the LGCs created by technology type in 2023–24.

Figure 8: LGCs created by technology type, 2023–24



^ 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.

There were 9.3 million LGCs voluntarily surrendered in 2023–24, a 16% decrease compared to 11 million voluntarily surrendered in 2022–23. This fall was due to changes in the timing of LGC surrenders by some entities. The total for 2023–24 includes 5.9 million LGCs cancelled for non-RET demand driven by entities securing future supply to meet voluntary commitments for 100% renewable energy by 2025.

The CER's pipeline of committed large-scale renewable generation projects reached 7.9 GW at 30 June 2024. In 2023–24, 2.9 GW of large-scale capacity reached final investment decision, a slight decrease from 3.2 GW in 2022–23.

∇ Estimate based on available data.

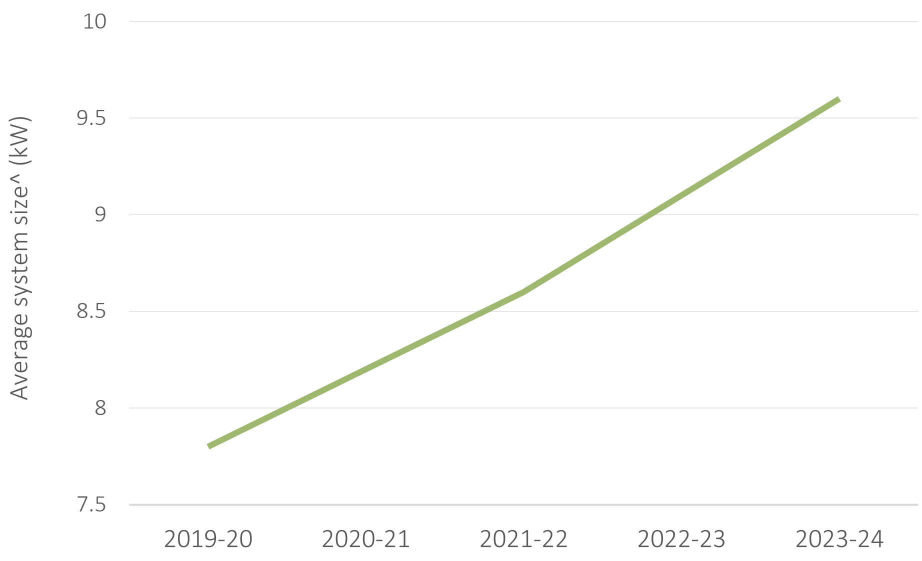
Small-scale Renewable Energy Scheme

The SRES incentivises households and businesses to install small-scale renewable energy systems, including rooftop solar panels, and solar and heat pump water heaters. The value of the STCs created from installing eligible systems offsets a proportion of the installation cost. Liable entities must surrender STCs to the CER each year.

There was 3.2 GW of small-scale solar PV capacity installed in 2023–24, and trends across the year suggest consumers continue, where possible, to take control of their energy bills. Larger systems are becoming the norm as households continue the ongoing trend of electrification, including to charge electric vehicles. Figure 9 shows the changing trend in solar PV sizing from 2019–20 to 2023–24.

Installations of air source heat pumps and energy efficient water heaters, continued to grow in 2023–24, with a 35% increase on 2022–23.

Figure 9: Small-scale rooftop solar capacity installed by system size



^ Average system sizes in this graph are an estimate based on data currently available.

National Greenhouse and Energy Reporting Scheme

The NGER Scheme is a single national framework for reporting company information about greenhouse gas emissions, energy production and energy consumption. Australian companies that meet certain thresholds must report their emissions and energy information to us by 31 October each year. By the 2023 deadline, 99% of NGER reporters submitted their 2022–23 reporting period reports.

For the 2022–23 year, 949 corporations reported a total of:

- 307 million tonnes of direct (scope 1) greenhouse gas emissions (CO_2-e) – a decrease of 2.8 million tonnes compared to the previous year
- 75 million tonnes of indirect (scope 2) greenhouse gas emissions (CO_2-e) – a decrease of 9 million tonnes compared to the previous year
- 3,658 petajoules of net energy consumed – a slight decrease on the previous year.

The decrease in emissions mainly came from the electricity generation sector which saw increased use of renewable energy (such as solar generation) and decreased use of black coal. This led to emissions from electricity generators decreasing by 2.9% or 4.1 million tonnes.

This data covers approximately 65% of Australia's total emissions. Explore further highlights from the 2022–23 NGER reporting data on our website at cer.gov.au/NGER-data.

Safeguard Mechanism

The Safeguard Mechanism provides a framework to reduce emissions from Australia's largest emitters. Industrial facilities emitting more than 100,000 tonnes of CO_2-e per year have an annual emissions baseline that will decline by 4.9% each year to 2030. If a Safeguard facility exceeds their baseline, they must manage any excess emissions. Facilities that don't exceed their baselines may be eligible to earn SMCs.

For the 2022–23 compliance period, there were 219 facilities covered under the Safeguard Mechanism and combined, they reported a total of 138.7 million tonnes of scope 1 CO_2-e emissions, noting:

- 100% of Safeguard entities met their Safeguard obligations
- 2 Safeguard facilities received new multi-year monitoring periods
- 44 Safeguard facilities surrendered a total of 1,218,000 ACCUs to manage their emissions
- 4 facilities surrendered ACCUs to cover 30% or more of their emissions baseline.

We published the full details from the 2022–23 reporting period on our website at cer.gov.au/safeguard-facility-data.

Nature Repair Market

The *Nature Repair Act 2023* came into law in December 2023. During 2023–24, we worked with DCCEEW to prepare for the commencement of the NRM. This included building the scheme infrastructure that will support participants to apply to register, vary, report and request certificates for their biodiversity projects.

Our responsibilities for the NRM will include:

- assessing applications
- issuing biodiversity certificates
- performing ongoing assurance, monitoring and compliance activities
- maintaining the public register of biodiversity projects and certificates
- publishing scheme information and education activities to support the market.

Performance results

Objective: A trusted, relevant and expert institution

The Clean Energy Regulator publishes 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 markets.

Identifying and effectively mitigating emerging risks associated with administering our schemes and facilitating the markets we regulate.

Source: Corporate Plan 2023–27

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 2023–24, we supported this planning priority by working effectively with external organisations and contributing to policy design where required. We regularly publish relevant 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.

We were successful in achieving the performance measures which assessed:

- our compliance against Australian Government administrative, legal and policy boundaries
- participant satisfaction with the market information we provide
- improvements to the way we use and share data.

Key deliverables

Contribute to policy design (lead by DCCEEW) and progress towards Phase 1, Phase 2 and Phase 3 implementation for the Safeguard Mechanism.

Reforms to the Safeguard Mechanism took effect from 1 July 2023. To communicate the requirements of the reforms, we commenced engagement activities and presentations for key industry groups and updated our website. In April 2024, our Chair wrote to each of the Safeguard facilities to detail their new emission reductions obligations and provide a list of resources for information on the mechanisms available.

Implementation of the reforms required all new application forms to be designed and built. This included the ability to calculate and display information about baselines and net emissions positions.

The first applications under the reformed Safeguard Mechanism were successfully received, demonstrating that the new Online System and Customer Relationship Management (CRM) system integration is working as designed.

Throughout 2023–24, we continued to work with DCCEEW on Safeguard Mechanism policy design.

Progress towards establishing an Australian Carbon Exchange through the delivery and launch of trading platform and registry rebuild.

During 2023–24, good progress was made on the development of a new Unit and Certificate Registry and establishment of the Australian Carbon Exchange that will enable exchange trading, clearing and settlement of ACCUs. We have been working together with the Australian Securities Exchange to develop a proposal for a suitable model for which we will undertake market consultation.

Part of this project includes the integration of the Australian Carbon Exchange with a modernised Unit and Certificate Register. Following an extensive process, Trovio Group has been contracted to develop the register.

We expect the Unit and Certificate Register to be operating by mid-2025.

Support GO policy design and legislation (led by DCCEEW) and implement GO Scheme (Day 1 deliverables).
Throughout the year, we actively supported DCCEEW with the development of GO drafting instructions and review of consultation papers. Although legislative passage was delayed, we continued to work proactively with DCCEEW to develop high-quality clear drafting instructions. To help manage stakeholder interest and maintain momentum, we designed and built core functionality of the scheme and progressed work on the GO enrolment form (based on expected requirements) and profile registration. Work commenced on designing the emissions calculation components of the system and expanding the solution to support Renewable Electricity Guarantee of Origin (REGO). Scope of the scheme has expanded and will be foundational to the Future Made in Australia package as the eligibility and integrity component of tax credits and other incentives.

Data Services Phase 1 is in production.
Data Services is an open data platform that, when fully launched, will provide the public with access to CER data assets. This will include all datasets that are currently published on our website, metadata for published data assets and Application Programming Interface (API) connections. We launched the Data Services beta in May 2024.

Implement the recommendations from the Independent Review of ACCUs.
In May 2023, the Minister issued a Direction to the CER to guide the implementation of Recommendation 8 from the Independent Review of ACCUs, which covers the HIR method. Following this Direction, we published guidance on HIR gateway audits and then commenced commissioning the audits in accordance with the guidance. In June 2023, the government released the ACCU Review implementation plan that set out the timing and approach for implementing further recommendations from the review. During 2023–24, we progressed implementation of relevant recommendations with CEA publication and evidence of a causal relationship between HIR suppressors and activities being part of our business-as-usual operations. In September 2023, we engaged Associate Professor (Honorary) Cris Brack from the Australian National University as the independent reviewer of gateway checks for HIR projects. This review analysed 25 projects and the report was published on our website (cer.gov.au/document/gateway-regeneration-checks-human-induced-regeneration-projects.pdf) on 15 December 2023. Funding has been secured to administer the new proponent-led methods and additional transparency measures that we will implement in 2024–25.

Support adoption of market-based accounting for scope 1 and 2 emissions reporting.
During 2023–24, we engaged with DCCEEW and the Treasury to develop a transition path for mandatory reporting of market-based accounting for scope 2 emissions as part of the climate-risk disclosure work. We also engaged with the AASB. In feedback to Climate Active, we supported adoption of market-based accounting of scope 2 emissions and engaged with them on the future direction of their program. We ran webinars on market-based accounting for industry, government and CER staff as part of our outreach activities for the 2024 CERT report. Mandatory disclosure legislation was introduced on 27 March 2024. From 1 July 2024, NGER reporters can voluntarily report using market-based accounting for scope 2 by facility, which can then be aggregated to a corporate level. With the expected expansion of GO Scheme coverage to sustainable aviation fuels (SAFs) and other biofuels, scope 1 market-based accounting becomes more likely. NGER determination is currently being updated to enable SAFs and other biofuels to enable market-based scope 1, thereby allowing entities to use certificates to show low/zero emissions for combustion if a low/zero emission fuel is consumed.

Contribute to policy design (led by DCCEEW) for the Nature Repair Scheme and prepare for January 2025 commencement of the NRM.
We held regular meetings with DCCEEW in the first half of 2023–24, to remain informed of any policy developments concerning the NRM. We were also involved in several working groups and steering committees. The Nature Repair Market Bill passed both houses on 7 December 2023. Since then, we have provided feedback on administrability of the scheme to support DCCEEW in their development of policy, procedures and legislative instruments that will allow the NRM to commence and for the CER to begin accepting registrations in January 2025.

Performance measures

Improvements to the way we use and communicate data.		
Source	*Corporate Plan 2023–27*	
Rationale	The agency must build on data quality and accessibility to support the integrity of well-functioning markets.	
2023–24 target	Qualitative analysis	
Result	2023–24	2022–23
	Activities undertaken to achieve this performance measure are outlined below.	Qualitative result detailed in the 2022–23 Annual Performance Statement *Objective: A trusted, relevant and expert institution*.
Analysis	Following recommendations from the ACCU Review and a change to the law by Parliament in 2023, the agency is now able to publicly release CEA data for ACCU Scheme projects to help inform the market and increase transparency. In May 2024, we released a beta platform of the first centralised service for distributing the agency's information and metadata to external users, maximising transparency, data access, and data sharing. Investment into enterprise-wide data harmonisation, data migration and data analytic services has been supported as part of the change program. To date, this capability as a service is providing cost-effective, reuseable, high-quality products. Efforts to streamline the agency's ability to support geospatial capability across all schemes is underway. Approval to invest in the optimisation of our geospatial architectural landscape will meet the increasing demand of publishing geospatial data.	

Level of satisfaction with the quality and timeliness of market information.		
Source	*Corporate Plan 2023–27*	
Rationale	Providing information increases transparency and confidence in the operation of markets and underpins our role as a trusted, relevant and expert institution.	
2023–24 target	Qualitative analysis	
Result	2023–24	2022–23
	Activities undertaken to achieve this performance measure are outlined below.	97% – The measurement was quantitative only, based on results from the 2023 stakeholder survey.
Analysis	Regular carbon market reporting provides information on compliance, voluntary carbon market trends and opportunities, and helps inform market decisions. We publish our QCMRs to provide our stakeholders and the public with the latest information from Australia's carbon markets. The QCMR has been published regularly since 2019 and is the leading source of data on supply and demand across the markets for ACCUs and renewable energy certificates. In 2023–24, each QCMR was promoted through a media release.	

	Each year, we ask our scheme participants to give us feedback on their level of satisfaction with the market information we provide. For our 2024 stakeholder survey, we had over 340 respondents share their feedback on our performance. Two of the questions we asked in the survey were about our market updates – the results of these were: – 97% agreed that our market updates were relevant and/or useful – 92% agreed that our market updates were timely. Some of the feedback received from survey participants highlighted areas where we can look to improve the timeliness of market information, for example: *‘The timeliness of data release is an area for improvement. What about daily tracking of the ACCU spot prices (generics and specific methodologies)*?’

No significant breaches of government, administrative, legal and policy requirements.		
Source	*Corporate Plan 2023–27*	
Rationale	In operating for the public good, we must operate within Australian Government administrative, legal and policy boundaries.	
2023–24 target	0 breaches	
Result	2023–24	2022–23
	0 breaches	0 breaches
Analysis	We monitor compliance across the agency on an ongoing basis to assess our adherence to these regulatory requirements and internal policies: – PGPA Act – PS Act – *Privacy Act 1989* – *Public Interest Disclosure Act 2013* – FOI Act – WHS legislation – Commonwealth Fraud Control Framework – Protective Security Policy Framework (PSPF) – Legal Services Directions – Disclosure and secrecy provisions.	

Objective: Efficient and effective administration

The Clean Energy Regulator administers our 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 to deliver the programs we administer, using regulatory principles and data-driven, proportionate risk-based compliance approaches.

Source: Corporate Plan 2023–27

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. Our program of work during 2023–24 supported this planning priority by working on streamlining, modernising and using digital solutions to improve the administration of our schemes. The outcomes will benefit scheme participants and improve the efficiency of our business by reducing manual data entry, duplication and low-complexity assessment work.

We met most targets that support this planning priority in 2023–24. The performance measures focused on our existing scheme delivery by assessing the level of carbon abatement delivered by the schemes we administer, and the timely completion of compliance investigations and processing of applications.

Key deliverables

Design, consultation and progress towards the build of a new version of SRES functionality.

In 2021, we released the Integrity Review of the Rooftop Solar PV Sector, which informed significant change for SRES participants, the solar industry, and CER staff. From that review we have undertaken to build new SRES functions to provide participants with a more streamlined and modern system to create STCs that reduces regulatory burden.

During 2023–24, work on delivering these new SRES functions continued in line with our SRES Digital Roadmap. The changes have transformed:

- how SRES participants create STCs
- the upload of solar product serial numbers
- how inspection providers and CER appointed inspectors manage and report on inspections of solar systems benefiting from SRES
- how our staff perform our administrative responsibilities for the SRES.

Now, inspection providers, inspectors, the installer and designer ASO, the product listing body, and state and territory regulators will all have better data access from the rebuilt SRES functions and Inspections Portal.

New version of EERS for NGER reporters.

Since 2012–13, NGER reporters have used the EERS to prepare and submit their reports. While the current EERS guides users through the reporting process, the interface is outdated and time consuming to use, resulting in data entry errors.

The new EERS solution will transition to our Online Services platform where data entry process will be modernised, including:

- bulk data entry upload capability to reduce the data entry impost
- improved report pre-submission validations to reduce errors
- integration with reporter platforms via API.

Simplifying the interface and creating an optimal user experience, the changes to EERS will also support other scheme initiatives, such as CERT and GO.

At 30 June 2024, the team is on track to deliver a beta version of the new EERS for the 2023–24 reporting period, which runs from 1 July to 31 October 2024.

Design and progress towards the build of the integrated digital platform and framework that underpins the successful implementation of all change program initiatives.

Significant work was undertaken during 2023–24 to drive the build of our integrated digital platform, with the core components of the platform now largely in place. The architecture was reviewed favourably through an external independent assurance review undertaken between March and June 2024.

At the end of quarter 3 of 2023–24, our digital transformation program entered a new phase of governance, focused on a program-centric approach to prioritisation. Implementation of further core platform capability, including performance improvements, is ongoing and will progress in 2024–25.

Implement regulatory changes to harmonise identity verification across all schemes and introduce a ‘verify once’ framework.

We continue to identify opportunities to reduce regulatory burden while ensuring integrity in the schemes we administer. We are working with DCCEEW to develop and progress options for harmonising identity verification across the schemes.

Release geospatial information system (GIS) upload and validation service for remaining area-based methods to streamline scheme participation and assurance processes.
The new GIS upload and validation service 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 faster processing times. The service was deployed in our legacy Client Portal in October 2023. We anticipate this work will be deployed to our Online Services platform in 2024–25.

Undertake cost recovery design and review project partnered with Department of Finance.
We were one of the regulatory agencies that partnered with the Department of Finance to undertake a pilot cost recovery design and review project. The aim of the project was to improve efficiency in cost recovery. The first phase 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. Our final report on participation in the Department of Finance Best Practice Cost Recovery Project was submitted in February 2024.

Performance measures

Level of carbon abatement delivered by CER administered programs.		
Source	*Corporate Plan 2023–27* *Portfolio Budget Statements 2023–24*	
Rationale	This is an indicator of the effectiveness of our administration of the ACCU market, Safeguard Mechanism and the RET.	
2023–24 target	Estimated* 63 million tonnes CO_2-e	
Result	2023–24	2022–23
	Estimated* 69 million tonnes CO_2-e	n/a – new measure
Analysis	The agency's purpose is to accelerate carbon abatement for Australia. The estimated carbon abatement achieved in 2022–23 was 62.2 million tonnes CO_2-e. In 2023–24, this figure jumped to 69 million tonnes CO_2-e, a 10% increase that demonstrates the agency successfully administers the ACCU market, Safeguard Mechanism and the RET. * This estimate includes assumptions on the estimated uptake of solar PV. Solar PV is a consumer product, and installations can materially change over a year. Details on the calculations of carbon abatement are available in the Analysis of our performance section.	

Proportion of investigations completed within timeframes.		
Source	*Corporate Plan 2023–27*	
Rationale	Timely completion of investigations helps resolve and correct non-compliance.	
2023–24 target	80%	
Result	2023–24	2022–23
	84.6%	92%
Analysis	Our approach to compliance activities under the schemes we administer is to ensure those activities are undertaken in a manner which is effective, timely and proportionate. Efficient completion of investigations into potential non-compliance in our schemes helps maintain high levels of compliance and underpins confidence in the primary carbon and renewable energy markets we operate.	

	The measurement of this KPI is for the completion of complex investigations within 365 days and routine investigations within 180 days. During 2023–24, we completed 11 of our 13 investigations within the agreed timeframes.

Proportion of applications processed within statutory or agreed timeframes.		
Source	*Corporate Plan 2023–27*	
Rationale	Effective scheme administration is supported by the efficient processing of applications to meet statutory or administrative timeframes, streamline participant experience and achieve participant expectations.	
2023–24 target	99.5%	
Result	2023–24	2022–23
	85.3%	92.1%

Analysis

We set ourselves the challenging target of 99.5% of applications processed across all schemes to meet the statutory or administrative timeframes in recognition of the standard of service our stakeholders expect. Across all the schemes we administer, our teams processed over 5,000 applications this financial year.

During 2023–24, we strengthened the assessment, compliance and assurance requirements of all applications to ensure further confidence in the integrity of the schemes we administer. As a result, additional time was needed by our processing staff to work with scheme applicants and ensure that all necessary information and evidence was provided within their application submissions.

ACCU Scheme applications

The independent ACCU Review found CER administration of the ACCU Scheme essentially sound and made a number of recommendations for continuous improvement to maintain confidence in the integrity of the scheme. This has resulted in average processing times increasing across the scheme due to increased compliance and assurance requirements, including audits of gateway reviews.

Concurrently, we are working to embed enhanced systems and processing into our operations to increase the efficiency of the assessment processes, including alternative assurance supported by remote spatial data and machine learning. It is common practice for the CER to request additional information and evidence to ensure all the requirements of the legislation are met before ACCUs are issued. This can significantly delay the application processing time while awaiting proponents' additional information.

We are working to more strongly signal with applicants the need for robust evidence and high-quality submissions to support the issuance of ACCUs.

ANREU applications

In September 2023, we introduced new forms to streamline applications for ANREU, including quick, easy and secure digital verification of identity. This led to a significant reduction in average processing times as the year progressed. We expect to see processing times continue to fall in 2024–25.

NGER Scheme applications

A controlling corporation validation campaign in 2022–23 resulted in higher-than-normal numbers of NGER applications. We received 18 new section 22X applications to transfer reporting obligations from controlling corporations to group members, compared to just one new 22X application the previous year.

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 scheme participants, service providers, communities, institutions and organisations to raise awareness and understanding of scheme requirements and leverage experience, insights, and opportunities to enable productive engagement and innovation.

As we build new functions in the agency and meet new legislative requirements, 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 2023–27

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.

We recognise that engagement, education and outreach are vital to ensure scheme participants are equipped with the knowledge to meet their obligations and avoid inadvertent non-compliance. We recognise that prevention of non-compliance is always preferable to taking action after non-compliance has occurred.

To help drive a preventative approach during 2023–24 we:

- co-designed and collaborated with scheme participants and stakeholders on the development of guidance and guidelines to provide clarity on compliance expectations
- published resources such as fact sheets, booklets, brochures, newsletters and calculators
- invited scheme participants to raise concerns and join workshops and discussion forums
- incorporated feedback to enhance our systems and processes, where appropriate.

Our provision of targeted and timely guidance and outreach activities during 2023-24, enabled participants to successfully participate in the schemes we administer. We met all the targets that support this planning priority including high levels of compliance with scheme requirements and participant satisfaction with our guidance and outreach activities.

Key deliverables

Manage non-compliance and influence participant behaviour by communicating the regulatory responses and actions we take to address non-compliance, including the use of targeted enforcements to act as a deterrent.

Our approach to compliance with the schemes we administer is that:

- the obligation to comply with legislative requirements rests with participants
- our enforcement responses to participant non-compliance are proportionate and we consider the impact of non-compliance on scheme objectives
- where we detect non-compliance, we will actively take enforcement action drawing from the full suite of compliance and enforcement powers as reflected in our compliance policy for education, monitoring and enforcement activities.

The actions undertaken by the agency during 2023–24 to deter non-compliance included:

- targeted enforcement action to instances of non-compliance (detailed in the Compliance action section of this report)
- publishing our Compliance update on our website each quarter (cer.gov.au/compliance-approach)
- publishing news items on our website to communicate our compliance responses and actions.

Build capability and reputation for successful civil penalty proceedings.

Civil penalty orders were handed down by the Federal Court in April 2023 with respect to the RET scheme. During 2023–24, we commenced civil proceedings in the Federal Court against Emerging Energy Solutions Group Pty Ltd and its former director alleging allowing unauthorised persons access to its ANREU account.

Build capability for use of coercive information oral examination powers.

The use of coercive powers has been considered, however in 2023–24, a suitable case was not identified.

Redesign the Agency Participant Risk Assessment tool framework.

The redesigned participant risk assessment tool is a component of our strategy of taking a risk-based approach to regulation.

At a high level, this approach aims to continuously improve our compliance and enforcement capabilities and to balance the efficiency and cost-effectiveness of our regulatory activities with outcomes that contribute to engaged, active and compliant participants.

At a practical level, the revised risk assessment tool will contribute to a streamlined approach to participant risk assessment processes by leveraging existing data sources and internal information holdings to manage participant scheme entry risks proportionately.

Roll out of Solar Panel Validation (SPV) logo to participants.

The SPV initiative aims to protect the integrity of the SRES and give industry and consumers an easy way to verify that solar panels:

- are backed by manufacturer warranties
- meet Australian standards for quality and performance
- are eligible for STCs.

As at 30 June 2024, a decision had not been made on the appropriate timing of the roll out of the SPV logo.

Deliver program supporting compliance audits of HIR gateway checks.

The independent ACCU Review in 2022–23, made key recommendations to support the strengthening of the ACCU Scheme through the addition of an audit program of HIR method projects.

On 15 August 2023, we released a guidance document on our new gateway audit program, setting out the process for implementing gateway audits. Auditors were engaged for all HIR projects that had submitted offsets reports containing evidence of regeneration check requirements since the Minister's Direction on 6 May 2023.

Case study 2 in the Regulator performance section highlights the risk-based approach we took to identify the scope of each gateway audit.

In September 2022, we engaged Associate Professor (Honorary) Cris Brack from the Australian National University as the independent reviewer of gateway checks for HIR projects. This review analysed 25 projects and the report was published on our website on 15 December 2023. The report found that '*the independent audit reports and the CER's assessment provided strong assurance that projects are being managed as per the legislative requirements, and that appropriate methods have been used by the proponents or their agents in classifying the CEA and identifying changes in regeneration canopy cover*.'

Performance measures

Compliance levels by regulated and liable entities.		
Source	*Corporate Plan 2023–27* *Portfolio Budget Statements 2023–24*	
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.	
2023–24 target	≥ 95%	
Result	2023–24	2022–23
	97.2%	95.4%
Analysis	This KPI measures the proportion of entities that successfully met their reporting obligations under the NGER Scheme, Safeguard Mechanism or the RET by the required deadlines: – NGER reports for the 2022–23 reporting year – Safeguard facilities without an excess emissions situation – LGCs and STCs surrendered – accredited power stations submission of electricity generation returns – liable entities lodging energy acquisition statements. Our performance against this KPI demonstrates that regulated and liable entities are highly compliant with the requirements of our schemes. This reflects positively on the industries and organisations we regulate. It also suggests that our education, guidance and communication activities effectively support our clients to comply with their obligations and that our systems are effective in facilitating reporting.	

Level of participant satisfaction with engagement and guidance provided.		
Source	*Corporate Plan 2023–27*	
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.	
2023–24 target	>80%	
Result	2023–24	2022–23
	85.9%	88%
Analysis	The measurement of this KPI is through results of attitudinal questions presented in our annual stakeholder survey. This result demonstrates that the actions we undertook outlined in the performance measure *Practical and timely guidance and outreach activities with our participants*, were largely successful. Some of the comments received from survey respondents provided areas of improvements that we can make with our scheme guidance materials: '*More workshops in the carbon reduction and carbon crediting space for users would be appreciated.*' '*Short videos for explanations or updates and how this is applicable to industries.*' Our culture of continuous improvement will see feedback from these results used to drive new engagement and guidance initiatives to help participants take part successfully in our schemes.	

Practical and timely guidance and outreach activities with our participants.		
Source	*Corporate Plan 2023–27*	
Rationale	Our provision of targeted and timely guidance and outreach activities enables our participants to successfully participate in the schemes we administer.	
2023–24 target	Qualitative analysis	
Result	2023–24	2022–23
	Activities undertaken to achieve this performance measure are outlined in the analysis below.	Qualitative result detailed in the 2022–23 Annual Performance Statement *Objective: Engaged, active and compliant participants.*

Analysis

Our aim is to provide accurate, consistent and clear information to explain how schemes work and what participants need to do to comply with scheme requirements. Detailed below are activities undertaken during 2023–24 that enable successful participation in the schemes we administer. The stakeholder survey results shown in the KPI *Level of participant satisfaction with engagement and guidance provided*, indicate that these activities were successful in achieving their purpose.

ACCU Scheme

Targeted communication campaigns were implemented to inform ACCU Scheme participants of the expiry of methods, including HIR, native forest from managed regrowth and environmental plantings. The campaigns included email distributions to scheme subscribers and relevant project proponents, targeted messaging on relevant method webpages, and timely publication of guidance for the impact of method expiry to scheme participants.

Other targeted stakeholder engagement activities were conducted throughout the year to inform participants of key updates to the ACCU Scheme, including:

- publication of HIR gateway audit requirements in August 2023
- publication of the independent review of HIR gateway check report in December 2023
- publication of guidance for modelling abatement in combined CEAs in March 2024
- public consultation on plantation forestry alternative assurance arrangements in April 2024.

We continued to promote the ACCU Scheme and increase engagement with current and potential scheme participants through attendance at conferences and field days.

To improve the experience of scheme participants in completing and submitting applications, new forms are being rolled out in Online Services for all ACCU Scheme methods. The forms will be easier and faster to complete, and participants will also benefit from automated validation of responses.

Large-scale Renewable Energy Target

The large-scale renewables team devised new processes to withdraw and refuse accreditation applications that do not meet the definition of 'properly made'. This included the creation of new tools, checklists and direct engagement with applicants.

These new processes have successfully:

- decreased assessor workload by increasing risk-acceptance and introducing low-, medium- and high-risk assessment tools
- implemented a 6-week timeframe for properly made assessments from 2024, making application processing timeframes faster – the average assessment time has gone from over 15 hours with a large number of requests for further information, to around 1.5 hours and in some cases no further information required
- withdrawn or refused applications that are incomplete or where applicants have not responded to requests for further information
- improved the quality of applications through applicant outreach and educational tools, including the new properly made checklists and updated website content.

Small-scale Renewable Energy Scheme

Targeted outreach activities were conducted for all accredited installers and designers of solar PV systems who were required to transition to the new ASO. There was a legislated 3-month window to transition approximately 9,400 accredited installers and designers.

Communications on this activity started at the beginning of the accreditation scheme process. Targeted activities included website and social media posts, webinars and conference attendance, emails, text messages and individual phone calls to assist all accredited installers. This work resulted in a successful outcome with only around 200 active installers not transitioned within the specified timeframe.

Case study 3 in the Regulator performance section examines the process of transitioning accreditation to the new ASO.

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

Targeted engagement activities were conducted to ensure that liable entities and EITE participants understood their obligations and were prepared to meet their annual and quarterly obligations.

Our efforts resulted in:

- receiving all EITE applications and energy acquisition statements on time
- timely issuance of EITE benefits
- recovering all outstanding shortfall charge debts
- cooperation from administrators regarding their inherited RET affairs and obligations.

National Greenhouse and Energy Reporting

During 2023–24, we continued to provide NGER reporters 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 1,100 registrations.

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

- NGER reporters that could consider applying for deregistration
- keeping contact information updated
- changes to the legislation and areas of focus for compliance with the 2022–23 reporting requirements
- the NGER reporting deadline.

The effectiveness of these activities can be demonstrated by the high compliance rate for the 2022–23 reporting period with 98.6% of reports submitted on time.

Safeguard Mechanism

A focus for guidance and engagement activities throughout 2023–24 was ensuring Safeguard entities had information available to them to support compliance, both with the final year of the pre-reforms Safeguard Mechanism and for arrangements under the reformed Safeguard Mechanism.

Activities included:

- revised web material delineating between pre- and post-reform requirements
- targeted email campaigns to inform Safeguard entities about key events and upcoming deadlines
- release of forms to support the reformed Safeguard Mechanism arrangements and detailed supporting guidance documents
- webinars covering key topics, including a single webinar on the EID application that was attended by around 150 people
- a letter to all Safeguard entities from the Chair, outlining our expectations for compliance with the reformed Safeguard Mechanism and key scheme requirements.

The success of these activities can be demonstrated by the 100% compliance rate with the 2022–23 Safeguard compliance deadline, and the high level of informed engagement with the EID application process.

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 across scheme regulation, compliance, enforcement and market facilitation.

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

Source: Corporate Plan 2023–27

Scheme participants rely on our processes, systems and infrastructure to understand how the schemes work and how to register and comply with scheme obligations. This dependency warrants that our systems are reliable, robust and flexible to respond to changing environments.

This infrastructure is supported by capable, knowledgeable and adaptable people to ensure we can respond quickly to new policy demands, technological changes and participant expectations.

During 2023–24, we worked to meet the performance measures 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 availability and security of our systems
- how we invest in and develop our people to respond to changing requirements.

Key deliverables

Introduce new smarter forms and CRM assessment functionality to high volume methods to support reduced application processing times.

To support reduced application processing times, we introduced a range of smart forms into our systems that make completing and submitting an application easier and more intuitive. Participants save time with targeted, comprehensive and dynamic application forms that reduce or eliminate the need for the CER to seek additional information. Participants benefit from automated validation of responses, with structured data being submitted wherever possible to enable automated and risk-based decision-making.

New or improved functionality released throughout 2023–24 included:

- validation capability
- GIS upload and validation service (currently only on the legacy portal)
- CRM assessment platform
- automated decision document generation on selected notices
- 'request for information' capability.

Selection of installer/designer accreditation bodies.

On 29 February 2024, SAA was announced as the new ASO to administer the accreditation of installers and designers under the SRES. This change followed a competitive accreditation application round, a key recommendation of the Integrity Review of the Rooftop Solar PV Sector. All small-scale installers and designers needed to transfer their accreditation to SAA by 29 May 2024 to remain eligible to claim STCs or participate in some state programs. The transition was a success with 95.7% of accredited 9,400 CEC installers (9,012) transferring to SAA by the deadline.

Case study 3 in the Regulator performance section examines the process of appointing the new ASO.

Selection of SRES product listing body.
Phase 2 of the implementation of SRES reforms involved strengthening requirements for installers, retailers, agents and manufacturers, and helping safeguard those businesses by removing dishonest operators from the market. On 29 June 2023, we called for applications from individuals and organisations to serve as the product listing body that would be responsible for publishing and maintaining lists of approved solar panels and inverters eligible for use in the SRES. Applications were assessed by an evaluation committee and the nomination proposed to the Delegate at the end of June 2024. We expect to announce the proposed nomination in July 2024, then observe the 28-day affected person period, and then make the final nomination in August 2024.

Review of agency security plan and subordinate policies and standard operating procedures.
In September 2023, the new version of the agency's security plan was approved. The plan details how we will design, implement and review our security practices for the coming 2 years. By following the plan, we aim to: – create and maintain a high level of security awareness at the agency – move towards consistent work practices that address security risks – apply in-depth protections that positively impact business while minimising any negative impacts – assure employees and the public that our data, people and assets are all secure. We are required to comply with the Australian Government Protective Security Policy Framework (PSPF) which provides appropriate controls and guidance for government entities, to ensure secure operating environments. In line with our security plan, policies for both physical and personnel security were also reviewed and updated during the year. These updated policies establish specific administrative arrangements, physical controls and protocols governing access to agency ICT systems, information, assets and physical premises, and ensure we meet the PSPF requirements.

Progress agency security maturity activities to reach 'managing' across all PSPF criteria.
At the end of 2022–23, an assessment determined that the agency had not reached maturity level 3 (managing) across all 16 PSPF modules. Areas of the lowest maturity were procurement practices and IT security. The work completed in 2023–24 to update both the physical and personnel security policies outlined in the deliverable above has had an impact on our rating and a full assessment of the agency's PSPF maturity position will commence from 1 July 2024.

Branch-level workforce plans drafted for 70% of branches.
Branch workforce plans inform the agency's workforce action plan (progress shown in the deliverable below). An initiative identified through the development of workforce plans was the centralised regulatory officer recruitment. The first of this type of recruitment was undertaken in April and May 2024, with 31 outcomes achieved, including conversions of non-ongoing and/or contractors to ongoing employees, internal promotions and external engagements. Our Human Resources team will continue to work with branches on the development of outstanding plans.

Workforce action plans inform central learning and development programs across the year.
Our learning and development plan, developed in the second quarter of 2023–24, was informed by workforce planning workshops held across agency branches. The plan involves a centralised learning and development program that has proved successful in increasing the attendance rate of training programs. We will continue to reference the workforce action plans to inform future programs.

Implementation of Ci Anywhere complete, including e-invoicing live.
TechnologyOne – Ci Anywhere is a software-as-a-service solution that enables permissioned agency staff to access financial data, including travel and expenses, from any agency device. Our finance section implemented Ci Anywhere in the second quarter of 2023–24, including e-invoicing live.

Replacement of internal services survey by alternative options piloted.
Pilot testing and review of a proposed collaboration tool was undertaken during 2023–24. In light of the ways of working approach adopted by the agency's Transformation Office (in coordination with all branches), it was determined that a separate standalone tool was excess to requirements, and therefore, was not progressed to implementation.

Performance measures

Level of participant satisfaction with agency processes and systems.		
Source	*Corporate Plan 2023–27*	
Rationale	We provide efficient and effective processes and systems to enable our participants to interact with us more easily.	
2023–24 target	>80%	
Result	2023–24	2022–23
	2024 stakeholder survey recorded an average result of 85% satisfied for questions related to agency processes and systems.	2023 stakeholder survey recorded an average result of 84% satisfied for questions related to agency processes and systems.
Analysis	Results from our 2024 stakeholder survey showed that 82.7% of respondents were satisfied with our systems and 87.2% were satisfied with our processes. We received this comment from a survey respondent when asked about areas the CER is performing particularly well: ' *… Exceeding my expectations of response time. Improving information shared with stakeholders.'* We also received feedback from survey participants that highlighted an area where we can look to improve our systems and processes: '*The challenge is that new regs and rules are complex and require adoption at short notice. Difficult to resource and respond.*'	

Systems are available and secure as required by scheme participants, government standards and legislated need.		
Source	*Corporate Plan 2023–27*	
Rationale	A measure of the agency's systems availability to allow effective participation in our schemes.	
2023–24 target	99.5% availability and zero significant security breaches	
Result	2023–24	2022–23
	99.7% availability and zero significant security breaches	n/a – new measure
Analysis	During 2023–24, 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. We had an increased focus on cyber security with continual improvement of the Security Operations Centre, which centralised our logging. In 2023–24, 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 99.7% of the time (excluding planned maintenance).	

Flexibility and adaptability in our staff to meet current and future requirements.		
Source	*Corporate Plan 2023–27*	
Rationale	Ongoing investment in our people and developing our workforce ensures we have the right mix of capabilities and behaviours to meet current and future requirements.	
2023–24 target	Qualitative analysis	
Result	2023–24	2022–23
	Activities undertaken to achieve this performance measure are outlined below.	Qualitative result detailed in the 2022–23 Annual Performance Statement '*Objective: Secure and enduring regulatory infrastructure*'.
Analysis	Throughout 2023–24, our workforce plans continued to inform the centralised learning and development courses for the purpose of uplifting capability across the agency. We continued to support a hybrid work environment and offer remote options across the training suite, including agency induction, managers induction, and fostering a safe and healthy work environment. Staff commitment to knowledge improvement through training is high with 91% of registrants attending agency-run courses. This rate suggests a strong agency culture in active development and direct support from managers for their staff to dedicate time and capacity to learning. We ensured continuous improvement in the performance, capability and culture of our regulatory decision-making and practice through our regulatory training program. We expanded our program offerings in 2023–24 in consideration of the breadth and depth of knowledge and experience from our officers. The agency is also a member of the Australia and New Zealand School of Government National Regulators Community of Practice that gives access to expert knowledge, resources, and guidance from the professional regulator community. The results from the 2023 APS census continued the trend of a highly positive score for employee engagement, views of leadership and change management. We continue to score above the APS and medium size agency average across all indices, and 92% of employees are confident that flexible work would be given reasonable consideration. During the year, we promoted our employee value proposition to communicate the agency as an employer of choice and to attract candidates with the capabilities we need. Profile videos advertised through our social media platforms highlighted women in science and graduate opportunities. We also used real stories from current employees to highlight the intrinsic motivation behind why they made the choice to work for us. Changes to how and when we recruit for key roles like regulatory officers have helped us improve staff retention and provide broader opportunities to attract a diverse range of candidates.	

Finances

Financial overview

During 2023–24, 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 managed our finances and resources to remain financially sustainable into the forward estimates and continued to implement operational efficiencies.

Summary of financial performance

Departmental finances

Overview of financial performance and future financial viability

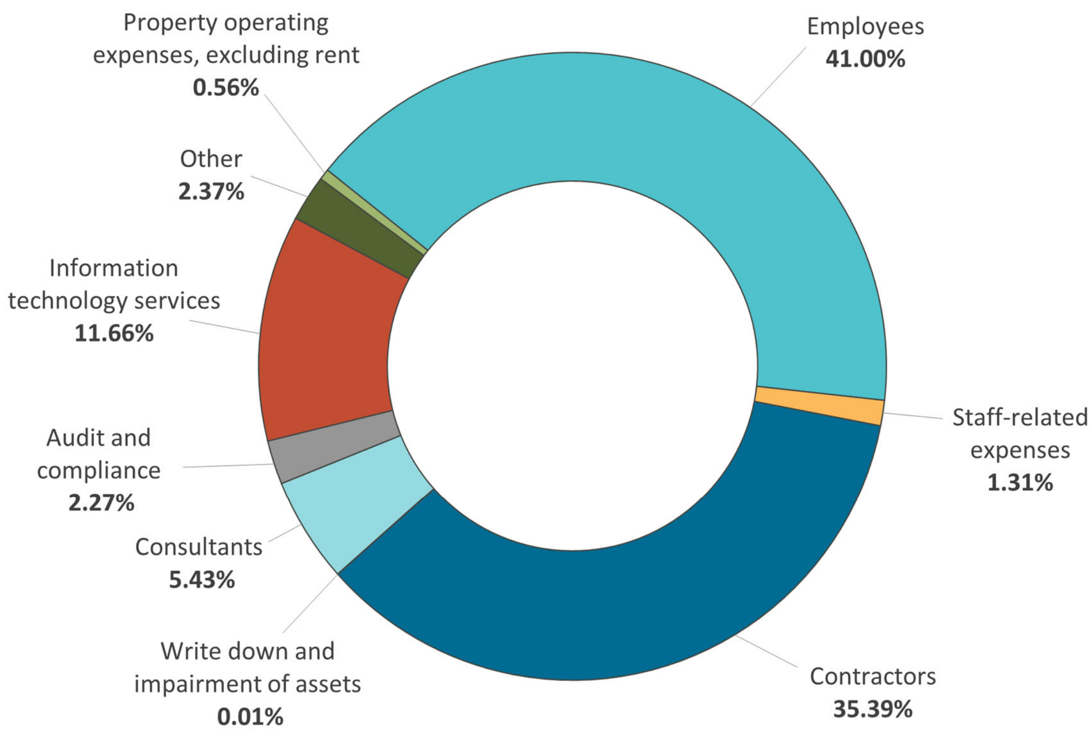
The CER reported a total profit of $1.39 million in 2023–24. Excluding the impact of depreciation and operating lease repayments, our result for the 2023–24 financial year was an operating surplus of $2.95 million.

Our work is mainly funded by government appropriation. Government revenue from departmental appropriations increased to $133.3 million from $112.8 million with additional funding provided to continue our streamlining initiatives under the deregulation agenda.

Own source revenue in 2023–24 was $0.4 million, a decrease from 2022–23 due to $6.1 million received for development of the Guarantee of Origin work in the previous year.

Operating expenditure for 2023–24 was $128.34 million excluding depreciation and amortisation. We spent most of our budget on employee-related expenses and contractors – 77.7% in total. Figure 10 displays the percentage of 2023–24 operating expenditure by expense type.

Figure 10: Operating expenditure, 2023–24



In 2023–24, funding was provided to support our ongoing program of change and transformation of products and IT solutions. This resulted in an increase in reported employee expenses in 2023–24 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 2024, we had total equity of $19.98 million (2023: $25.7 million), represented by $68.44 million of assets offset by $48.46 million of liabilities.

The majority of assets relate to appropriation and other receivables ($36.63 million) and leasehold improvements ($28.75 million). The majority of liabilities relate to employee provisions ($12.76 million) and leases ($28.19 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

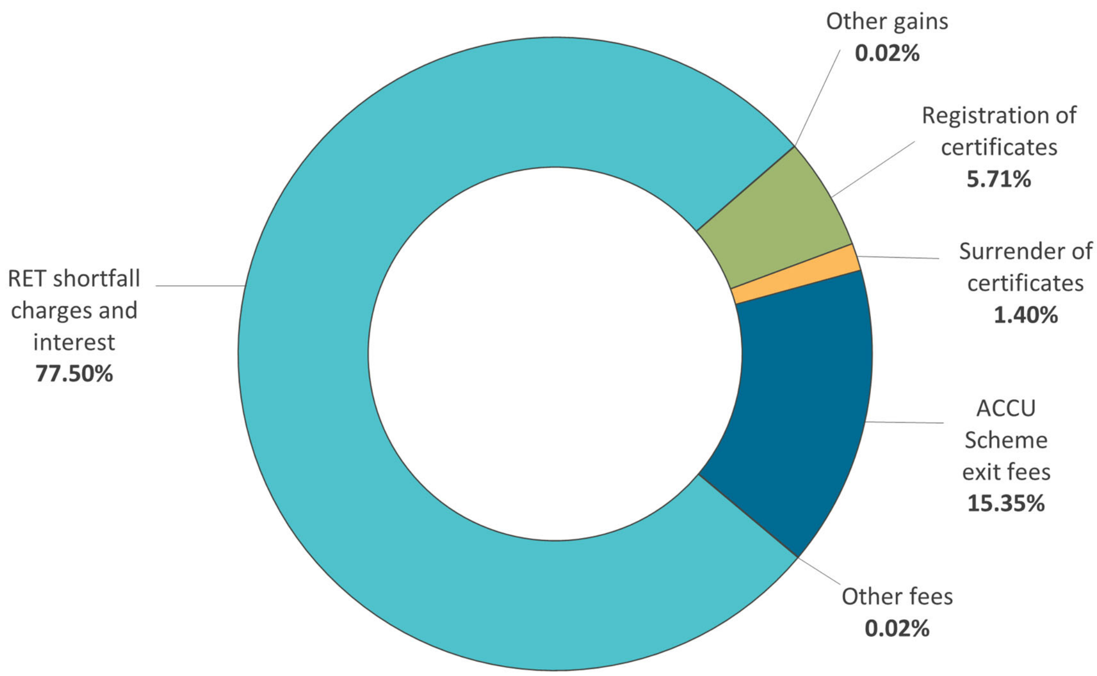
We administered the ACCU Scheme and the RET on behalf of the government in 2023–24.

Administered income

Administered income was $343.72 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 11 displays the percentage of 2023–24 administrative income by income type.

Figure 11: Administered income, 2023–24



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

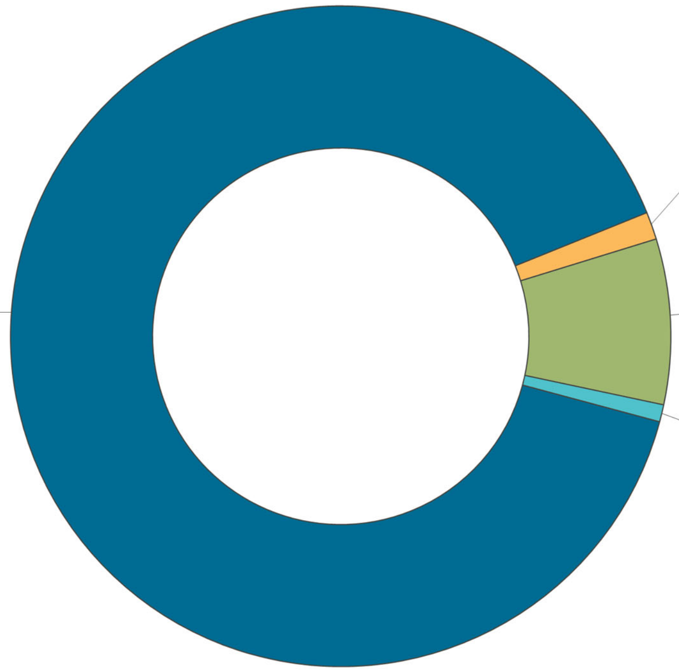
Administered expenses

Administered expenses were $280.64 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 12 displays the percentage of 2023–24 administrative expenses by expense type.

Figure 12: Administered expenses, 2023–24



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 2023–24 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 2023–24 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 2024:

(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 2024 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 2024 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 material 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 their 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
Senior Executive Director
Delegate of the Auditor-General

Canberra
26 August 2024

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 2024 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	Fiona Cooper
Accountable Authority	Acting Chief Financial Officer
26 August 2024	26 August 2024

Clean Energy Regulator

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2024

	Notes	2024 $'000	2023 $'000	2024 Original Budget $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	52,617	45,283	51,518
Suppliers	1.1B	74,898	67,130	63,076
Depreciation and amortisation	3.2A	4,079	5,146	6,354
Finance costs		812	880	812
Write-down and impairment of non-financial assets		-	3,616	-
Loss on disposal of assets		10	29	-
Total expenses		132,416	122,084	121,760
Own-Source Income				
Own-source revenue				
Other revenue	1.2A	432	6,913	-
Total own-source revenue		432	6,913	-
Gains				
Other gains		1	48	360
Total gains		1	48	360
Total own-source income		433	6,961	360
Net cost of services		(131,983)	(115,123)	(121,400)
Revenue from Government	1.2B	133,381	112,816	117,578
Surplus/(deficit) on continuing operations		1,398	(2,307)	(3,822)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		-	244	-
Total comprehensive gain/(loss)		1,398	(2,063)	(3,822)

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

Clean Energy Regulator

STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	Notes	2024 $'000	2023 $'000	2024 Original Budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	389	349	383
Trade and other receivables	3.1B	36,637	41,373	35,319
Total financial assets		37,026	41,722	35,702
Non-financial assets[1]				
Leasehold improvements	3.2A	28,747	32,216	28,487
Plant and equipment	3.2A	944	1,019	643
Intangibles	3.2A	153	306	18,304
Prepayments		1,565	1,732	1,744
Total non-financial assets		31,409	35,273	49,178
Total assets		68,435	76,995	84,880
LIABILITIES				
Payables				
Suppliers	3.3A	5,967	7,987	8,930
Other payables	3.3B	1,543	1,246	1,018
Total payables		7,510	9,233	9,948
Interest bearing liabilities				
Leases	3.4A	28,186	30,719	28,187
Total interest bearing liabilities		28,186	30,719	28,187
Provisions				
Employee provisions	6.1A	12,762	11,341	11,229
Total provisions		12,762	11,341	11,229
Total liabilities		48,458	51,293	49,364
Net assets		19,977	25,702	35,516
EQUITY				
Contributed equity		92,411	99,534	114,483
Asset revaluation reserve		9,831	9,831	9,587
Retained accumulated deficit		(82,265)	(83,663)	(88,554)
Total equity		19,977	25,702	35,516

[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 2024

	Accumulated Retained Deficit			Asset Revaluation Reserve			Contributed Equity			Total Equity	
	2024 $'000	2023 $'000	2024 Original Budget $'000	**2024 $'000**	2023 $'000	2024 Original Budget $'000	**2024 $'000**	2023 $'000	2024 Original Budget $'000	**2024 $'000**	2023 $'000
Opening balance	**(83,663)**	(81,356)	(84,732)	**9,831**	9,587	9,587	**99,534**	96,338	105,803	**25,702**	24,569
Comprehensive income											
Surplus/(deficit) for the period	**1,398**	(2,307)	(3,822)	**-**	-	-	**-**	-	-	**1,398**	(2,307)
Other comprehensive gains	**-**	-	-	**-**	244	-	**-**	-	-	**-**	244
Total comprehensive (loss)/gain	**1,398**	(2,307)	(3,822)	**-**	244	-	**-**	-	-	**1,398**	(2,063)
Transactions with owners											
Contributions by owners											
Equity injection – Appropriations	**-**	-	-	**-**	-	-	**7,491**	2,043	7,491	**7,491**	2,043
Departmental capital budget	**-**	-	-	**-**	-	-	**1,189**	1,153	1,189	**1,189**	1,153
Distribution to owners											
Returns of Appropriations[1]	**-**	-	-	**-**	-	-	**(15,803)**	-	-	**(15,803)**	-
Total transactions with owners	**-**	-	-	**-**	-	-	**(7,123)**	3,196	8,680	**(7,123)**	3,196
Closing balance as at 30 June	**(82,265)**	(83,663)	(88,554)	**9,831**	9,831	9,587	**92,411**	99,534	114,483	**19,977**	25,702

[1] Appropriation reclassification from prior year equity injection appropriations to operating funding in the 2023/24 Portfolio Additional Estimates Statements (PAES).

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 2024

	2024 $'000	2023 $'000	2024 Original Budget $'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	132,587	117,709	117,578
Other revenue	97	6,571	-
Net GST received	7,120	6,476	2,679
Total cash received	139,804	130,756	120,257
Cash used			
Employees	51,613	45,146	51,518
Suppliers	82,593	74,119	65,395
Interest payments on lease liabilities	812	880	812
Net GST paid	39	23	-
Section 74 receipts transferred to OPA	2,175	8,057	-
Total cash used	137,232	128,225	117,725
Net cash from operating activities	2,572	2,531	2,532
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment and intangibles	385	226	11,047
Total cash used	385	226	11,047
Net cash (used by) investing activities	(385)	(226)	(11,047)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	385	20	11,047
Total cash received	385	20	11,047
Cash used			
Principal payments of lease liabilities	2,532	2,359	2,532
Total cash used	2,532	2,359	2,532
Net cash (used by)/from financing activities	(2,147)	(2,339)	8,515
Net (decrease) increase in cash held	40	(34)	-
Cash and cash equivalents at the beginning of the reporting period	349	383	383
Cash and cash equivalents at the end of the reporting period[1]	389	349	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 2024

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: Suppliers

Supplier expense is higher than budget due to the increased cost of contractors engaged for the funded ICT change program and other information technology services.

Expenses: Depreciation and amortisation

Depreciation and amortisation are lower than budget due to intangibles being cloud-based software-as-a-service in nature and have therefore been recognised as operating expenses as incurred.

Revenue: Own-source revenue

The CER budgeted to receive no own-sourced revenue but received $0.360 million resources free of charge from the Australian National Audit Office reported in the budget as other gains.

Revenue: Other gains

The CER budgeted for other gains with respect to resources received free of charge from Australian National Audit Office which are disclosed as own-source revenue.

Revenue: Revenue from Government

Prior year equity injection appropriations of $15.803 million were reclassified to operating funding in the 2023/24 Portfolio Additional Estimates Statements (PAES).

Statement of Financial Position

Assets: Plant and equipment

IT hardware purchased during the year was less than initially planned for purchase due to operational efficiencies.

Assets: Intangibles

Intangible assets are lower than budget due to software being developed is cloud-based software-as-a-service in nature and has therefore been recognised as operating expenses as incurred.

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.

Liabilities: Other payables

The increase in other payables relates to the salary and wages accrual as a result of more days accrued than included in the budget.

Liabilities: Employee provisions

The increase in the employee provision relates to higher staff numbers and a 4 per cent pay increase during the year.

Equity: Contributed equity

The CER did not budget for the prior year reclassified equity injection appropriations and quarantined amounts.

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 2024

	Notes	2024 $'000	2023 $'000	2024 Original Budget $'000
NET COST OF SERVICES				
Expenses				
Suppliers		3,806	3,798	4,326
Purchase of Australian Carbon Credit Units	4.3A	22,696	32,870	230,474
Renewable Energy Target refunds	4.3A	251,778	288,634	-
Impairment of taxation receivables	7.3B	2,355	13,148	-
Total expenses		280,635	338,450	234,800
Income				
Revenue				
Taxation revenue				
Renewable Energy Target shortfall charges and interest	2.1A	266,391	306,767	1,229
Total taxation revenue		266,391	306,767	1,229
Non-taxation revenue				
Renewable Energy fees	2.1B	24,439	26,716	24,418
Australian Carbon Credit Unit Scheme exit fees	2.1B	52,742	54,041	168,000
Other fees		80	66	-
Total non-taxation revenue		77,261	80,823	192,418
Total revenue		343,652	387,590	193,647
Gains				
Other gains		70	-	-
Total Gains		70	-	-
Total income		343,722	387,590	193,647
Net contribution by/(cost of) services		63,087	49,140	(41,153)

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 2024

	Notes	2024 $'000	2023 $'000	2024 Original Budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	4.1A	53	113,472	7,037
Taxation receivables	4.1B	-	2,229	27
Trade and other receivables	4.1C	67	3,995	7,616
Total financial assets		120	119,696	14,680
Non-financial assets				
Prepayments		132	132	124
Total non-financial assets		132	132	124
Total assets administered on behalf of Government		252	119,828	14,804
LIABILITIES				
Payables				
Suppliers	4.2A	11	2,246	608
Other payables	4.2B	3,120	115,283	15,932
Total payables		3,131	117,529	16,540
Provisions				
Renewable Energy Target shortfall	4.3A	778,637	930,409	949,672
Purchase of Australian Carbon Credit Units	4.3A	42,057	51,362	54,662
Total provisions		820,694	981,771	1,004,334
Total liabilities administered on behalf of Government		823,825	1,099,300	1,020,874
Net liabilities		(823,573)	(979,472)	(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 2024

	2024 $'000	2023 $'000
Opening assets less liabilities as at 1 July	**(979,472)**	(1,006,070)
Net cost of services		
Income	**343,722**	387,590
Expenses		
Payments to entities other than corporate Commonwealth entities	**(280,635)**	(338,450)
Transfers (to)/from the Australian Government		
Appropriation transfers from Official Public Account		
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	**33,259**	42,092
Special appropriations (unlimited)		
Renewable Energy (Electricity) Act 2000, section 157 refunds	**405,133**	308,022
Refund of administered receipts – section 77 PGPA Act	**21,270**	30,708
Appropriation transfers to Official Public Account		
Transfers to Official Public Account	**(366,850)**	(403,364)
Closing assets less liabilities as at 30 June	**(823,573)**	(979,472)

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 2024

	Notes	2024 $'000	2023 $'000
OPERATING ACTIVITIES			
Cash received			
Taxes (Renewable Energy Target shortfall charges and interest)		267,916	291,542
Fees		77,299	81,497
Net GST received		364	354
Net GST received by the special account		15,365	-
Total cash received		360,944	373,393
Cash used			
Suppliers		4,187	4,152
Purchase of Australian Carbon Credit Units		29,073	37,914
Renewable Energy Target refunds		405,133	308,022
Net GST paid by the special account		-	7,303
Total cash used		438,393	357,391
Net cash used by operating activities		(77,449)	16,002
FINANCING ACTIVITIES			
Cash received			
Special account – receipts from buyers	5.2	616,742	1,109,746
Total cash received		616,742	1,109,746
Cash used			
Special account – payments to sellers	5.2	745,524	996,771
Total cash used		745,524	996,771
Net cash from financing activities		(128,782)	112,975
Cash from Official Public Account			
Appropriations		459,662	380,822
Total cash from official public account		459,662	380,822
Cash to Official Public Account			
Appropriations		(366,850)	(403,364)
Total cash to official public account		(366,850)	(403,364)
Net (decrease)/increase in cash held		(113,419)	106,435
Cash and cash equivalents at the beginning of the reporting period		113,472	7,037
Cash and cash equivalents at the end of the reporting period[1]	4.1A	53	113,472

[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 2024

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 2023-24 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 2023-24 budget position.

Expenses: Impairment of Taxation Receivables

The impairment expense reflects the movement in the allowance made for participants going into liquidation or receivership during 2023-24. The CER does not budget for this unpredictable expense.

Revenue: RET Shortfall Charges and Interest

The budget assumes a low level of non-compliance with obligations to surrender RECs. In 2023-24 a number of entities elected to pay a shortfall charge rather than surrender RECs.

Revenue: ACCU Scheme Exit Fees

ACCU Scheme exit fees in 2023-24 were $52.742 million as compared to the budget of $168 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 and 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 2024

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. 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.

In 2023-24 there were sufficient public certificates available for CER to purchase and replace the CER generated certificates. The cash held at the beginning of the year was used to purchase these certificates and reduce the cash held.

Assets: Taxation Receivables

Taxation receivables relate to shortfall charges and interest which were fully impaired based on the assessment of outstanding receivables as at 30 June 2024.

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 other payables have decreased due to new public certificates being created and replacing CER generated certificates. Refer to: *Assets: Cash and cash equivalents*.

Provisions: RET shortfall

Entities can claim a refund of their shortfall payments if they meet certain requirements under the legislation within the 'allowable refund period'. The CER recognises 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 amount of the provision is dependent on the number of entities paying and claiming shortfall charges during the year.

Provisions: Purchase of ACCU

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 and to the sustainable management of Australia's biodiversity, 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, 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 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 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.

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.
- 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 2024. 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:

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 when an ACCU is 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 RET 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.

Where the potential exists that a refund will not be made within a 12-month period following 30 June 2024, the agency has undertaken analysis to determine if a reliable estimate can be determined for the present value of the obligation. The provision for RET refunds has been discounted based on a case by case assessment undertaken at 30 June 2024. The discount has been applied to reflect the time value of future claims.

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 2024.

Note 1.1 – Expenses

1.1A: Employee benefits	2024 $'000	2023 $'000
Wages and salaries	40,245	34,560
Superannuation		
Defined contribution plans	5,559	4,678
Defined benefit plans	1,516	1,499
Leave and other entitlements	5,223	4,236
Separation and redundancies	-	177
Other	74	133
Total employee benefits	52,617	45,283

ACCOUNTING POLICY

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

1.1B: Suppliers		
Contractors	45,412	44,875
Information technology services	14,964	12,748
Consultants	6,973	2,039
Audit and compliance	2,918	1,704
Property operating expenses	717	816
Staff related expenses	1,681	1,754
Legal expenses	349	701
Subscriptions	162	402
Financial statement audit fee	360	360
Industry contributions	-	45
Finance charges	113	136
Travel and accommodation	619	639
Other goods and services	416	549
Total goods and services supplied or rendered	74,684	66,768
Goods supplied	104	152
Services rendered	74,580	66,616
Total goods and services supplied or rendered	74,684	66,768
Other suppliers		
Workers' compensation expenses	214	362
Total other suppliers	214	362
Total suppliers	74,898	67,130

The CER had no short-term lease commitments or leases of low-value assets (less than $10,000) as at 30 June 2024. 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	2024 $'000	2023 $'000
Resources received free of charge – Remuneration of auditors	360	360
Contribution for Guarantee of Origin work	-	6,100
Other	72	453
Total other revenue	432	6,913

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.

ACCU 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; and
- 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.

3.1B: Trade and other receivables	2024 $'000	2023 $'000
Services receivables		
Services	97	247
Total services receivables	97	247
Appropriations receivables		
Appropriation receivable	35,603	40,142
Total appropriations receivables	35,603	40,142
Other receivables		
GST receivable	937	984
Total other receivables	937	984
Total trade and other receivables (gross)	36,637	41,373
Less impairment loss allowance	-	-
Total trade and other receivables (net)	36,637	41,373

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 (2023: 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 2023				
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 1 July 2023	**32,216**	**1,019**	**306**	**33,541**
Additions				
Purchase or internally developed	17	380	-	397
Depreciation and amortisation	(353)	(440)	(153)	(946)
Depreciation on right-of-use-assets	(3,133)	-	-	(3,133)
Other movements				
Disposals	-	(15)	-	(15)
Total as at 30 June 2024	**28,747**	**944**	**153**	**29,844**
Total as at 30 June 2024 represented by				
Gross book value	35,935	1,378	10,782	48,095
Accumulated depreciation, amortisation and impairment	(7,188)	(434)	(10,629)	(18,251)
Total as at 30 June 2024	**28,747**	**944**	**153**	**29,844**
Carrying amount of right-of-use assets	**25,847**	-	-	**25,847**

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.

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 and computer software 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 2024 in accordance with AASB 13 *Fair Value Measurement*. There were no material variances noted between fair value and book value. As a result, there has been no revaluation adjustment included in the accounts.

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:

	2024	2023
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 2024. 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 dependent 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 (2023: 2 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2024.

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 (2023: 20 days).

3.3B: Other payables	2024 $'000	2023 $'000
Salaries and wages	1,341	1,080
Superannuation	202	166
Total other payables	1,543	1,246

Note 3.4 – Interest bearing liabilities

3.4A: Leases

	2024 $'000	2023 $'000
Lease liability	28,186	30,719
Total interest bearing liabilities	28,186	30,719
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	3,453	3,345
Between 1 to 5 years	14,973	14,502
More than 5 years	13,174	17,099
Total leases	31,600	34,946

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	2024 $'000	2023 $'000
Cash in special accounts	53	113,472
Total cash and cash equivalents	53	113,472

4.1B: Taxation receivables		
Other taxes		
Renewable Energy – shortfall charges and interest	13,711	15,377
Total taxation receivables	13,711	15,377
Less Impairment loss allowance	(13,711)	(13,148)
Total taxation receivables (net)	-	2,229

4.1C: Trade and other receivables		
Other receivables		
GST receivable	67	50
GST receivable – special account	-	3,945
Total other receivables	67	3,995

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 (2023: 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 (2023: 20 days).

4.2B: Other payables	2024 $'000	2023 $'000
Purchase of Australian Carbon Credit Units	3,033	104
Special account seller payables	87	115,179
Total Other Payables	3,120	115,283

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 resulted in the CER having to generate certificates to meet demand. The payable has decreased as new public certificates were created during 2023-24.

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 2023	930,409	51,362	981,771
Additional provisions made	251,778	22,696	274,474
Amounts used	(403,550)	(32,001)	(435,551)
Total at 30 June 2024	778,637	42,057	820,694

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.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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.

ACCUs are earned by participants through eligible projects for each tonne of carbon dioxide equivalent (tCO2-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 2024	Annual appropriation $'000	Adjustments to appropriation[1] $'000	Total appropriation $'000	Appropriation applied in 2024 (current and prior years) $'000	Variance $'000
Departmental					
Ordinary annual services	133,381	2,175	135,556	132,587	2,969
Capital budget[2]	1,189	-	1,189	385	804
Other services					
Equity injections[3]	7,491	-	7,491	-	7,491
Total departmental	142,061	2,175	144,236	132,972	11,264
Administered					
Ordinary annual services					
Administered items[4]	332,743	-	332,743	32,879	299,864
Total administered	332,743	-	332,743	32,879	299,864

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

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

[3] The variance relates to $7.491 million withheld under section 51 of the PGPA Act – Appropriation Act (No. 2) 2023-24. This amount was withheld due to a reclassification from equity injections to departmental operating funding.

[4] The variance of $299.864 million reflects changes in the profile of contracted payments under the Emissions Reduction Fund.

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 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)

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

	2024 $'000	2023 $'000
Departmental		
Appropriation Act (No. 2) 2020-2021	-	522
Appropriation Act (No. 1) 2021-2022	-	187
Appropriation Act (No. 2) 2021-2022[1]	5,746	5,746
Appropriation Act (No. 1) 2022-2023	-	21,675
Appropriation Act (No. 2) 2022-2023[2]	4,953	4,953
Supply Act (No. 1) 2022-2023[3]	1,156	1,156
Supply Act (No. 1) 2022-2023 – DCB	282	480
Supply Act (No. 2) 2022-2023[4]	4,869	4,869
Supply Act (No. 3) 2022-2023[5]	1,899	10,714
Supply Act (No. 3) 2022-2023 – DCB	673	673
Supply Act (No. 4) 2022-2023[6]	6,815	6,815
Appropriation Act (No. 1) 2023-2024	17,991	-
Appropriation Act (No. 1) 2023-2024 – DCB	1,189	-
Appropriation Act (No. 2) 2023-2024[7]	7,491	-
Appropriation Act (No. 3) 2023-2024	15,469	-
Cash and cash equivalents	389	349
Total departmental	68,922	58,139

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

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

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

[4] Amount withheld under section 51 of the PGPA Act – Supply Act (No. 2) 2022–23: $4.869 million.

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

[6] Amount withheld under section 51 of the PGPA Act – Supply Act (No. 4) 2022-23: $6.815 million.

[7] Amount withheld under section 51 of the PGPA Act – Appropriation Act (No. 2) 2023-24: $7.491 million.

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')

	2024 $'000	2023 $'000
Administered		
Appropriation Act (No. 1) 2021-2022[1]	**225,559**	225,559
Appropriation Act (No. 1) 2022-2023	**1,229**	1,229
Supply Act (No. 1) 2022-2023[2]	**60,950**	61,054
Supply Act (No. 3) 2022-2023[3]	**131,264**	131,264
Appropriation Act (No. 1) 2023-2024	**201,516**	-
Appropriation Act (No. 3) 2023-2024	**98,452**	-
Total administered	**718,970**	419,106

[1] Amount withheld under section 51 of the PGPA Act – Appropriation Act (No. 1) 2021–22: $225.559 million.

[2] Includes amount withheld under section 51 of the PGPA Act – Supply Act (No. 1) 2022-23: $31.113 million.

[3] Amount withheld under section 51 of the PGPA Act – Supply Act (No. 3) 2022-23: $131.264 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')

Authority		Appropriation applied 2024 $'000	2023 $'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.	405,133	308,022
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.	21,270	30,708
Clean Energy Act 2011, section 116, Administered, Unlimited amount[1]	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[1]	To provide an appropriation for the refund of surplus surrender specified by section 132 of the *Clean Energy Act 2011.*	-	-
Clean Energy Legislation (Carbon Tax Repeal) Act 2014, section 343A(3), Administered, Unlimited amount	To provide an appropriation to pay for carbon units cancelled by section 343A of the *Clean Energy Legislation (Carbon Tax Repeal) Act 2014.*	-	-
Total special appropriations applied		426,403	338,730

[1] Sections 116 and 132 of the *Clean Energy Act 2011* were not repealed by the *Clean Energy Legislation (Carbon Tax Repeal) Act 2014* (the Carbon Tax Repeal Act).

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.2 – Special account

	Renewable Energy Special Account (Administered)[1]	
(Recoverable GST exclusive)	2024 $'000	2023 $'000
Balance brought forward from previous period	117,192	14,581
Adjusted balance brought forward from previous period	117,192	14,581
Increases – receipts from buyers	560,707	1,008,860
Available for payments	677,899	1,023,441
Decreases – payments to sellers	(677,846)	(906,249)
Total balance carried to the next period	53	117,192
Balance represented by:		
Cash held in the Clean Energy Regulator's bank accounts[2]	53	113,472
Net GST receivable	-	3,720
Total balance carried to the next period	53	117,192

[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] 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

	2024 $'000	2023 $'000
External revenue		
Administered	24,520	26,783
Total external revenue	24,520	26,783

Departmental expenses are funded through annual appropriations. These resources generate administered revenue.

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*.

CER does not have a current Cost Recovery Implementation Statement for the above activity.

Note 5.4 – Net cash appropriation arrangements

	2024	2023
Total comprehensive loss– as per the Statement of Comprehensive Income	1,398	(2,307)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and /or equity injections)[1]	946	2,012
Plus: depreciation right-of-use assets[2]	3,133	3,134
Less: lease principal repayments[2]	(2,532)	(2,359)
Net Cash Operating Surplus/ (Deficit)	2,945	480

[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	2024 $'000	2023 $'000
Leave	12,762	11,341
Total employee provisions	12,762	11,341

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:

	2024 $'000	2023 $'000
Short-term employee benefits	2,083	1,891
Post-employment benefits	259	273
Other long-term employee benefits	41	68
Total key management personnel remuneration expenses[1]	2,383	2,232

[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 is included in the above table is 17 (2023: 16).

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 7.1A – Contingent assets and liabilities

Quantifiable Contingencies

There were no quantifiable contingent assets or liabilities as at 30 June 2024 (2023: Nil).

Unquantifiable Contingencies

There were no unquantifiable contingent assets or liabilities as at 30 June 2024 (2023: 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 7.1B – Administered – Contingent assets and liabilities

	2024 $'000	2023 $'000
Contingent assets		
Balance from previous period	9,474	237
New contingent assets recognised	710	9,474
Assets realised	(9,397)	(237)
Total contingent assets	787	9,474
Contingent Liabilities		
Balance from previous period	1,273	-
New contingent liabilities recognised	-	1,273
Liabilities removed	(925)	-
Total contingent liabilities	348	1,273

Quantifiable Administered Contingencies

The above table contains $0.787 million (2023: $9.474 million) of contingent assets in respect to 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 $0.348 million (2023: $1.273 million) 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.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7.1B – Administered – Contingent assets and liabilities (continued)

Unquantifiable Administered Contingencies

Since 12 January 2023, s11A of the CFI Rule has required ACCUs delivered under ACCU Scheme carbon abatement contracts to accumulate in an account that may be used for Cost Containment Measure sales. As at 30 June 2024 there were 2.634 million ACCUs available in this account.

Total supply is limited to the number of ACCUs accumulated in the account and the volume available will be determined by commercial decisions on delivery against Commonwealth contracts.

Sales are restricted to entities that meet certain criteria, and the unit purchase price is set by the legislation at $75 indexed each financial year beginning July 2024, by the CPI plus 2%. The indicative spot price for ACCUs at 30 June 2024 was $34.50.

Based on the unknown timing and price of any unit sales under the Cost Containment Measure, the units are considered an unquantifiable contingent asset for reporting purposes.

Note 7.2 – Financial Instruments

7.2A: Categories of Financial Instruments	2024 $'000	2023 $'000
Financial assets at amortised cost		
Cash and cash equivalents	389	349
Trade receivables	97	247
Total financial assets at amortised cost	486	596
Total financial assets	486	596
Financial liabilities measured at amortised cost		
Trade creditors and accruals	5,967	7,987
Total financial liabilities measured at amortised cost	5,967	7,987
Total financial liabilities	5,967	7,987

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.

Clean Energy Regulator

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7.2 – Financial Instruments (continued)

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).

Note 7.3 – Administered – Financial instruments

7.3A: Categories of Financial Instruments	2024 $'000	2023 $'000
Financial assets at amortised cost		
Cash on hand or on deposit	53	113,472
Total financial assets at amortised cost	53	113,472
Total financial assets	53	113,472
Financial liabilities measured at amortised cost		
Supplier payables	11	2,246
Purchase of Australian Carbon Credit Units	3,033	104
Special account seller payables	87	115,179
Total financial liabilities measured at amortised cost	3,131	117,529
Total financial liabilities	3,131	117,529

7.3B: Net Losses on Financial Assets	2024 $'000	2023 $'000
Financial assets at amortised cost		
Impairment of taxation receivables	2,355	13,148
Net losses on financial assets at amortised cost	2,355	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	2024 $'000	2023 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	389	349
Trade and other receivables	36,637	41,373
Leasehold improvements	2,901	3,132
Prepayments	1,503	1,620
Total no more than 12 months	41,430	46,474
More than 12 months		
Leasehold improvements	25,846	29,084
Plant and equipment	944	1,019
Intangibles	153	306
Prepayments	62	112
Total more than 12 months	27,005	30,521
Total assets	68,435	76,995
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	5,967	7,987
Other payables	1,543	1,246
Leases	2,714	2,533
Employee provisions	5,161	4,506
Total no more than 12 months	15,385	16,272
More than 12 months		
Leases	25,472	28,186
Employee Provisions	7,601	6,834
Total more than 12 months	33,073	35,020
Total liabilities	48,458	51,292

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	2024 $'000	2023 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	53	113,472
Taxation receivables	-	2,229
Trade and other receivables	67	3,995
Prepayments	132	-
Total no more than 12 months	252	119,696
More than 12 months		
Prepayments	-	132
Total more than 12 months	-	132
Total assets	252	119,828
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	11	2,246
Special account seller payables	3,120	115,283
Provision – Purchase of Australian Carbon Credit Units	42,057	51,362
Provision – Renewable Energy Target shortfall	595,223	288,634
Total no more than 12 months	640,411	457,525
More than 12 months		
Provision – Renewable Energy Target shortfall	183,414	641,775
Total more than 12 months	183,414	641,775
Total liabilities	823,825	1,099,300

Appendices

Appendix A: Entity resource statement and expenses by outcome

Table 6: Resource statement, 2023–24

	Actual available appropriation for 2023–24 $'000 (a)	Payments made 2023–24 $'000 (b)	Balance remaining 2023–24 $'000 (a) – (b)
Departmental			
Annual appropriations – ordinary annual services[1,2]	166,395	132,587	33,808
Annual appropriations – other services – non-operating[3]	2,529	385	2,144
Total departmental annual appropriations	168,924	132,972	35,952
Total departmental resourcing (A)	168,924	132,972	35,952
Administered			
Annual appropriations – ordinary annual services[1]	332,743	32,879	
Total administered annual appropriations	332,743	32,879	
Administered special appropriations			
Public Governance, Performance and Accountability Act 2013 – section 77	21,270	21,270	
Renewable Energy (Electricity) Act 2000 – section 157	405,133	405,133	
Total administered special appropriations	426,403	426,403	
Total administered resourcing (B)	759,146	459,282	
Total resourcing and payments for the Clean Energy Regulator (A+B)	928,070	592,254	

1. Appropriation Act (No. 1) 2023-2024 and Appropriation Act (No. 3) 2023-2024. 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. 1) 2023-2024. This may also include prior-year departmental appropriation.

Table 7: Summary of total expenses by Outcome 1, 2023–24

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] 2023–24 $'000 (a)	Actual expenses 2023–24 $'000 (b)	Variations 2023–24 $'000 (a) – (b)
Program 1.1: Clean Energy Regulator			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1)	332,743	28,857	303,886
Special appropriations	509	251,778	(251,269)
Administered total	333,252	280,635	52,617
Departmental expenses			
Departmental appropriation	126,409	125,436	973
Expenses not requiring appropriation in the Budget year[2]	1,762	1,306	456
Departmental total	128,171	126,742	1,429
Total expenses for Program 1.1	461,423	407,377	54,046
Total expenses for Outcome 1	461,423	407,377	54,046

1. Full-year budget, including any subsequent adjustment made to the 2023–24 budget.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

	2023–24	2022–23
Average staffing level (number)	378	336

Table 8: Summary of total expenses by Outcome 2, 2023–24

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] 2023–24 $'000 (a)	Actual expenses 2023–24 $'000 (b)	Variations 2023–24 $'000 (a) – (b)
Program 2.1: Clean Energy Regulator			
Departmental expenses			
Departmental appropriation	6,972	5,073	1,899
Departmental total	6,972	5,073	1,899
Total expenses for Program 2.1	6,972	5,073	1,899
Total expenses for Outcome 2	6,972	5,073	1,899

1. Full-year budget, including any subsequent adjustment made to the 2023–24 budget.

	2023–24	2022–23
Average staffing level (number)	10	1

Appendix B: Workforce statistics

Indigenous employment

Table 9: Aboriginal and Torres Strait Islander employees, 2023–24 and 2022–23

	2023–24	2022–23
Ongoing	2	1
Non-ongoing	0	0
Total	2	1

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

Table 10: Ongoing and non-ongoing employment type by level, as at 30 June 2024

	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	9	0	9	0	0	0	9
EL 2	41	5	46	0	0	0	46
EL 1	89	7	96	2	1	3	99
APS 6	104	17	121	6	2	8	129
APS 5	53	12	65	2	0	2	67
APS 4	44	2	46	10	1	11	57
APS 3	0	2	2	7	8	15	17
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	350	45	395	27	12	39	434

Table 11: 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

Employees by gender, employment status and APS classification

Table 12: Ongoing employees by gender, employment status and APS classification, as at 30 June 2024

	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	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	2
SES 1	2	0	2	7	0	7	0	0	0	0	0	0	0	0	0	9
EL 2	26	2	28	15	3	18	0	0	0	0	0	0	0	0	0	46
EL 1	38	2	40	51	5	56	0	0	0	0	0	0	0	0	0	96
APS 6	54	3	57	50	14	64	0	0	0	0	0	0	0	0	0	121
APS 5	17	3	20	36	9	45	0	0	0	0	0	0	0	0	0	65
APS 4	20	1	21	24	1	25	0	0	0	0	0	0	0	0	0	46
APS 3	0	0	0	0	2	2	0	0	0	0	0	0	0	0	0	2
Graduates	4	0	4	4	0	4	0	0	0	0	0	0	0	0	0	8
Total	163	11	174	187	34	221	0	0	0	0	0	0	0	0	0	395

Table 13: Non-ongoing employees by gender, employment status and APS classification, as at 30 June 2024

	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	0	0	0	2	1	3	0	0	0	0	0	0	0	0	0	3
APS 6	5	0	5	1	2	3	0	0	0	0	0	0	0	0	0	8
APS 5	0	0	0	2	0	2	0	0	0	0	0	0	0	0	0	2
APS 4	2	1	3	8	0	8	0	0	0	0	0	0	0	0	0	11
APS 3	5	4	9	2	3	5	0	1	1	0	0	0	0	0	0	15
Total	12	5	17	15	6	21	0	1	1	0	0	0	0	0	0	39

Employees by gender and employment status

Table 14: Ongoing and non-ongoing employees by employment type and gender, as at 30 June 2024

	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	163	11	174	187	34	221	0	0	0	0	0	0	0	0	0	395
Non-ongoing	12	5	17	15	6	21	0	1	1	0	0	0	0	0	0	39
Total	175	16	191	202	40	242	0	1	1	0	0	0	0	0	0	434

Table 15: 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

Appendix C: Executive remuneration

Renumeration information for the following categories of officials:

- key management personnel
- senior executives
- other highly paid staff, whose total remuneration exceeds the threshold remunerations amount of $250,000 for the reporting period.

During the reporting period ended 30 June 2024, the CER had 17 executives who met the definition of key management personnel (see Table 16).

Table 16: Key management personnel, 2023–24

Name	Position	Period in position
David Parker	Chair/Accountable Authority	1 July 2023 – 30 June 2024
Mark Williamson	Executive General Manager	1 July 2023 – 30 June 2024
Shayleen Thompson	Executive General Manager	1 July 2023 – 25 August 2023
Carl Binning	Executive General Manager	30 January 2024 – 30 June 2024
Bronwen Shelley	General Counsel	1 July 2023 – 30 June 2024
Karen Najjar	Chief Operating Officer	1 July 2023 – 3 September 2023
Mary-Anne Wilson	Chief Operating Officer	15 January 2024 – 31 May 2024
Liza Pegorer	Chief Operating Officer	6 June 2024 – 30 June 2024
Katherine Vidgen	Regulator member	1 July 2023 – 30 June 2024
Charles Kiefel	Regulator member	1 July 2023 – 30 June 2024
John Kettle	Regulator member	1 July 2023 – 30 June 2024
Michelle Crosbie	Acting Executive General Manager	24 July 2023 – 26 January 2024
Mary-Anne Wilson	Acting Executive General Manager	31 August 2023 – 22 September 2023
Piet Powell	Acting Executive General Manager	6 May 2024 – 17 May 2024
Melanie Lane	Acting Chief Operating Officer	4 September 2023 – 13 October 2023
Jennifer Bowen-Smith	Acting Chief Operating Officer	27 November 2023 – 12 January 2024
Rebecca Longford	Acting Chief Operating Officer	16 October 2023 – 25 November 2023
Rizwan Akhund	Acting General Counsel	6 February 2024 – 7 March 2024

In the notes to the financial statements for the period ended 30 June 2024, we have disclosed key management personnel expenses on an accruals basis (see Table 17).

Table 17: Key management personnel remuneration for the reporting period ended 30 June 2024

Note 6.2: Key management personnel remuneration for the reporting period	$
Short-term benefits	
Base salary	2,073,676
Bonus	-
Other benefits and allowances[1]	9,811
Total short-term benefits	**2,083,487**
Post-employment benefits	
Superannuation	259,013
Total post-employment benefits	**259,013**
Other long-term benefits	
Long service leave	41,069
Total other long-term benefits	**41,069**
Termination benefits	
Total key management personnel remuneration	**2,383,569**

1. Other benefits and allowances relate to car parking.

This information has been further disaggregated in Table 18.

Table 18: Total remuneration by key management personnel, 2023–24

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	497,350	-	1,829	73,276	12,688	-	585,143
Shayleen Thompson	Executive General Manager	292,524	-	353	7,551	-6,148	-	294,280
Mark Williamson	Executive General Manager	335,924	-	1,829	42,879	9,979	-	390,611
Carl Binning	Executive General Manager	135,375	-	760	22,822	3,210	-	162,167
Bronwen Shelley	General Counsel	230,582	-	1,829	32,187	12,588	-	277,186
Karen Najjar	Chief Operating Officer	42,363	-	315	5,346	2,469	-	50,493
Mary-Anne Wilson	Chief Operating Officer	120,313	-	805	18,284	-926	-	138,476
Liza Pegorer	Chief Operating Officer	18,887	-	125	1,381	-	-	20,393
Katherine Vidgen	Regulator member	59,051	-	-	6,328	-	-	65,379
Charles Kiefel	Regulator member	59,051	-	-	6,328	-	-	65,379
John Kettle	Regulator member	59,051	-	-	6,328	-	-	65,379
Michelle Crosbie	Acting Executive General Manager	137,002	-	934	21,763	5,493	-	165,192
Piet Powell	Acting Executive General Manager	8,728	-	60	1,129	205	-	10,122
Melanie Lane	Acting Chief Operating Officer	20,699	-	377	3,622	83	-	24,781
Jennifer Bowen-Smith	Acting Chief Operating Officer	20,941	-	235	3,719	532	-	25,427
Rebecca Longford	Acting Chief Operating Officer	20,003	-	205	3,232	480	-	23,920
Rizwan Akhund	Acting General Counsel	15,832	-	155	2,838	416	-	19,241
Total		**2,073,676**	**-**	**9,811**	**259,013**	**41,069**	**-**	**2,383,569**

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 16 provides details of the length of service for officers that were classified as key management personnel.

Table 19: Remuneration paid to senior executives, 2023–24

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	13	60,496	-	755	9,858	4,030	-	75,139
$220,001 – $245,000	2	199,975	-	1,799	31,425	8,616	-	241,815
$245,001 – $270,000	1	170,644	-	919	30,588	47,211	-	249,362
$295,001 – $320,000	3	246,641	-	1,568	38,341	12,750	-	299,300
Total	19							

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 16, 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, one substantive senior executive and one senior executive who started with the agency in February 2024.

Remuneration paid to other highly paid staff, 2023–24

Staff are classified as ‘other highly paid staff’ if their average total remuneration exceeds $250,000. There were no staff meeting the definition of other highly paid staff in 2023–24.

Appendix D: Audit Committee membership

Table 20: Audit Committee membership, 2023–24

Members	Number of meetings	Total annual remuneration ($)
Mr Geoff Knuckey – Audit Committee 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	14,674.00
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 5 attended	7,300.00
Ms Anne T Brown – External member Ms Brown is an experienced Non-Executive Director (NED) and Audit Committee Chair/member in both the private and public sectors across financial markets, renewable energy and critical infrastructure. Ms Brown has substantial NED and executive expertise across a broad range of disciplines including governance and assurance, risk management, regulatory compliance, finance, IT security and project management.	6 eligible 5 attended	13,115.61

Appendix E: Australian Public Service Net Zero 2030

APS Net Zero 2030 is the Australian Government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions. We are reporting on our operational greenhouse gas emissions as part of the Net Zero in Government Operations Strategy.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2023–24 period. Results are presented based on tonnes of CO_2-e (t CO_2-e) emissions. Greenhouse gas emissions have been calculated in line with the APS Net Zero Emissions Reporting Framework, consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy.

The electricity emissions reported in Table 21 is using the location-based approach that calculates emissions from the local area in which the energy is consumed.

Table 21: Greenhouse Gas Emissions Inventory – location-based approach, 2023–24

Emission source	Scope 1 t CO_2-e	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e
Electricity (location-based approach)[1]	n/a	90.278	7.203	97.481
Natural gas[1]	–	n/a	–	–
Solid waste[2,3]	n/a	n/a	8.476	8.476
Fleet and other vehicles	n/a	n/a	n/a	n/a
Domestic commercial flights	n/a	n/a	68.841	68.841
Domestic hire car[3]	n/a	n/a	1.092	1.092
Domestic travel accommodation[3]	n/a	n/a	33.140	33.140
Other energy	–	n/a	–	–
Total t CO_2-e	–	90.278	118.752	209.029

1. Full and accurate base building data from our landlord was not obtainable at the time of reporting. We are working with our property services provider to ensure data is available for the 2024-25 reporting period.
2. A portion of waste data was estimated based on site average.
3. Emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

Table 22 below presents emissions related to electricity usage using both the location-based and the market-based accounting methods. The market-based approach accounts for electricity purchased through contractual instruments and assigns the associated emissions to the purchasing entity.

Table 22: Electricity greenhouse gas emissions, 2023–24

	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e	Percentage of electricity use
Location-based electricity emissions[1]	90.278	7.203	97.481	100.00%
Market-based electricity emissions[1]	7.725	0.954	8.679	7.15%
Total renewable energy	–	–	–	92.85%
Mandatory renewables[2]	–	–	–	*18.72%*
Voluntary renewables[3]	–	–	–	*74.13%*

1. Full and accurate base building data from our landlord was not obtainable at the time of reporting. We are working with our property services provider to ensure data is available for the 2024-25 reporting period.
2. Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.
3. Voluntary renewables reflect the eligible carbon credit units surrendered by the CER. This may include purchased LGCs, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

Appendix F: Legal services expenditure

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 23: Legal services expenditure summary, 2023–24

Description	Amount (exclusive of GST)
Total (external and internal) expenditure	$2,867,695
Total internal legal services expenditure	$2,417,216
Total external legal services expenditure	$450,479
Summary external legal services	
Number of counsel briefed	4
Total value of brief to counsel (A)	$75,616
Total value of disbursements (excluding counsel) (B)	$8,848
Total value of professional fees paid (C)	$366,015
Total external legal services expenditure (A + B + C)	$450,479

Appendix G: Advertising

During 2023–24, 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 $16,300 (GST inclusive) to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising agencies (see Table 24).

Table 24: Advertising payments of more than $16,300, 2023–24

Organisation	Description of activity	Amount (GST inclusive)
Universal McCann	Graduate recruitment campaign	$20,622
Universal McCann	SRES reforms accreditation campaign	$35,999

Appendix H: Corrections to previous annual reports

Correction to Clean Energy Regulator Annual Report 2022–23

The *Clean Energy Regulator Annual Report 2022–23* Appendix F: Australian Public Service Net Zero 2030, reported that electricity use and associated emissions for our tenancy at 47 Bowes Street, Phillip ACT, was reported under the IP Australia emissions reporting data. Since the 2022-23 Annual Report was published, we have received the emissions figures for our tenancy for the 2022–23 financial year and can report these independently from IP Australia – see the tables below.

The CER's electricity emissions reported in Table 25 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, our total emissions for electricity, are shown in Table 26.

Table 25: 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)	–	111,349	9,152	120,501
Natural gas	–	n/a	–	–
Fleet vehicles	–	n/a	–	–
Domestic flights	–	n/a	44,992	44,992
Other energy	–	n/a	–	–
Total kg CO_2-e	–	111,349	54,145	165,494

Table 26: 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)	–	9,095	1,204	10,299
Natural gas	–	n/a	–	–
Fleet vehicles	–	n/a	–	–
Domestic flights	–	n/a	44,992	44,992
Other energy	–	n/a	–	–
Total kg CO_2-e	–	9,095	46,196	55,291

The CER occupies leased office space in a multi-tenanted building and not all data sources were available for base building emission at the time of reporting. Our property service provider is working with the landlord's property service provider to access data on base building emissions.

Reference material

List of requirements

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

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)	127	Alphabetical index.	Mandatory
17AJ(c)	124	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	119	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)	11	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	10	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)	14	Name of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(ii)	14	Position title of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	14	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.	Mandatory
17AE(2)	n/a	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
17AD(c)	Report on the Performance of the entity		
	Annual Performance Statements		
17AD(c)(i); 16F	30	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)	59	A discussion and analysis of the entity's financial performance.	Mandatory

PGPA Rule reference	Page	Description	Requirement
17AF(1)(b)	105	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)	16	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)	13	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)	14	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	114	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	114	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	114	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	114	The remuneration of each member of the entity's audit committee.	Mandatory
	External scrutiny		
17AG(3)	20	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	20	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)	20	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)	20	Information on any capability reviews on the entity that were released during the period.	If applicable, mandatory
	Management of human resources		
17AG(4)(a)	18	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory

PGPA Rule reference	Page	Description	Requirement
17AG(4)(aa)	107	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)	107	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)	18	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)	18	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)	18	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	18	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)	29	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)	28	An assessment of entity performance against the *Commonwealth Procurement Rules*.	Mandatory
	Reportable consultancy contracts		
17AG(7)(a)	28	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)	28	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)	28	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

PGPA Rule reference	Page	Description	Requirement
17AG(7)(d)	28	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)	28	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)	28	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	28	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)	29	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)	28	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
	Small business		
17AG(10)(a)	29	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)	29	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	29	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)	61	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
	Executive remuneration		
17AD(da)	110	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory

PGPA Rule reference	Page	Description	Requirement
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)	19	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	21	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)	118	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)		Information required by other legislation.	Mandatory
	22	*Environment Protection and Biodiversity Conservation Act 1999.*	
	115	APS Net Zero 2030.	
	19	*Work Health and Safety Act 2011.*	
	117	*Commonwealth Electoral Act 1918.*	

Glossary and abbreviations

Term	Definition
AAIs	Accountable Authority Instructions – to manage the affairs of an entity to promote the efficient, effective, economical and ethical use of Commonwealth resources.
AASB	Australian Accounting Standards Board
ACCU	Australian carbon credit unit
ACCU Review	Independent Review of Australian Carbon Credit Units
ACCU Scheme	Australian Carbon Credit Unit Scheme
ANAO	Australian National Audit Office
ANREU	Australian National Registry of Emissions Units
API	Application Programming Interface
APS	Australian Public Service
ASO	Accreditation Scheme Operator
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.
CCA	Climate Change Authority
CEA	Carbon Estimation Area
CEC	Clean Energy Council
CER	Clean Energy Regulator
CERT report	Corporate Emissions Reduction Transparency report
CFI Act	*Carbon Credits (Carbon Farming Initiative) Act 2011*
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.
CRM	Customer Relationship Management
DCCEEW	Department of Climate Change, Energy, the Environment and Water
EID	Emissions-intensity determination
EITE	Emissions-intensive trade-exposed
EERS	Emissions and Energy Reporting System for all reporting under the NGER Act
EL	Executive level
FOI Act	*Freedom of Information Act 1982*
GIS	Geospatial information system
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 – a method under the ACCU Scheme
IPS	Information Publication Scheme

Term	Definition
ICT	Information and communications technology
KPI	Key performance indicator
LiDAR	Light Detection and Ranging
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.
NAA	National Archives of Australia
NABERS	National Australian Built Environment Rating System
NGER Act	*National Greenhouse and Energy Reporting Act 2007*
NGER Scheme	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.
NRM	Nature Repair Market
OPA	Official Public Account
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PoA	Position of Accountability
PS Act	*Public Service Act 1999*
PSPF	Protective Security Policy Framework
PV	Photovoltaic – a power system designed to convert sunlight into usable electrical power by means of photovoltaic cells.
QCMR	Quarterly Carbon Market Report
REC	Renewable energy certificate
REC Registry	Renewable Energy Certificate Registry
REE Act	*Renewable Energy (Electricity) Act 2000*
REGO	Renewable Electricity Guarantee of Origin
RET	Renewable Energy Target
SAA	Solar Accreditation Australia
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
SMC	Safeguard Mechanism Credit
SME	Small and medium enterprise
SPV	Solar Panel Validation
SRES	Small-scale Renewable Energy Scheme
STC	Small-scale technology certificate
t CO_2-e	Tonnes of carbon dioxide equivalent
WHS	Work Health and Safety
WHS Act	*Work Health and Safety Act 2011*

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