



**Australian Government**  
**Clean Energy Regulator**

**CLEAN  
ENERGY  
REGULATOR**

# **CORPORATE PLAN** 2021–25



## **OUR OBJECTIVES:**

- *A TRUSTED, RELEVANT AND EXPERT INSTITUTION*
- *EFFICIENT AND EFFECTIVE ADMINISTRATION*
- *ENGAGED, ACTIVE AND COMPLIANT PARTICIPANTS*
- *SECURE AND ENDURING REGULATORY INFRASTRUCTURE*

**ACCELERATING CARBON ABATEMENT FOR AUSTRALIA**

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**RENEWABLE  
ENERGY  
TARGET**

**EMISSIONS  
REDUCTION  
FUND**

**SAFEGUARD  
MECHANISM**

**NATIONAL  
GREENHOUSE  
AND ENERGY  
REPORTING**

**MARKET  
UNIT  
REGISTRIES**



## FOREWORD BY THE CHAIR

**I am pleased to present the Clean Energy Regulator’s Corporate Plan 2021–25, which covers the period from 2021–22 to 2024–25 as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*. This plan outlines how we are meeting our purpose and achieving our objectives, continuing to build relationships with our stakeholders, and developing staff capability in the context of a dynamic operating environment.**

Our purpose, *accelerating carbon abatement for Australia*, remains our key driver across a growing range of activities. Over the coming 4 years we will continue to focus on creating a vibrant and efficient carbon market, and reducing time and cost impacts for our scheme participants.

The agency has traditionally had a role to manage the statutory requirements of the Renewable Energy Target, Emissions Reduction Fund and National Greenhouse and Energy Reporting schemes. We encourage scheme and carbon market participation and compliance, assisting participants to understand and meet their obligations.

In addition, we have been made responsible for delivering a range of new initiatives that will support Australia to meet the ambition of getting to ‘net-zero’ greenhouse emissions through emissions reductions and sequestrations. By working to provide confidence in the market through offering the systems, tools and processes to support the transparency and integrity of both supply and demand, we will continue to pursue our purpose of accelerating carbon abatement for Australia.

We understand the work we do relies heavily on our stakeholder relationships. Stakeholder consultation will be an important part of this process, with our aim to deliver for and be trusted by business. We will maintain our focus on working across industry, various levels of government, and with our new and existing participants.

Embracing technology developments is an ongoing theme for the agency, and aligns with the Government Technology Investment Roadmap, a framework to accelerate low emissions technologies.

We will continue to align our people, process and systems developments with the agency’s strategic direction, and invest in capabilities that enable our agency to be agile and flexible in response to any scheme, policy or business environment changes. I am committed to ensuring we create a positive workplace with a strong focus on our culture and values.

I look forward to leading the agency and our staff through the rewarding and challenging work we will undertake. In doing so, we will continue to strive to be a practical, grounded, quick and commercially savvy regulator for Australia.

Mr David Parker AM  
Chair, Clean Energy Regulator  
16 August 2021

# OVERVIEW

The Clean Energy Regulator 2021–25 Corporate Plan covers the reporting period 2021–22 to 2024–25 and has been prepared as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Our performance against this plan will be reported in the Annual Performance Statement published in the Clean Energy Regulator Annual Report 2021–22.

The Corporate Plan serves as the agency’s primary planning document and informs our internal business planning processes. It expresses:

- our purpose and objectives
- the challenges we face in achieving our purpose in the current operating environment
- the planning priorities for each objective over the life of the plan
- the key activities we plan to undertake to achieve our purpose, objectives and priorities
- how we will build capabilities to deliver our future direction
- the high-level strategic risks we face in achieving our objectives, and
- how we will assess our performance in realising our purpose and objectives.

## OUR PURPOSE

ACCELERATING CARBON  
ABATEMENT FOR  
AUSTRALIA

## OUR OBJECTIVES



A trusted, relevant and expert institution



Efficient and effective administration

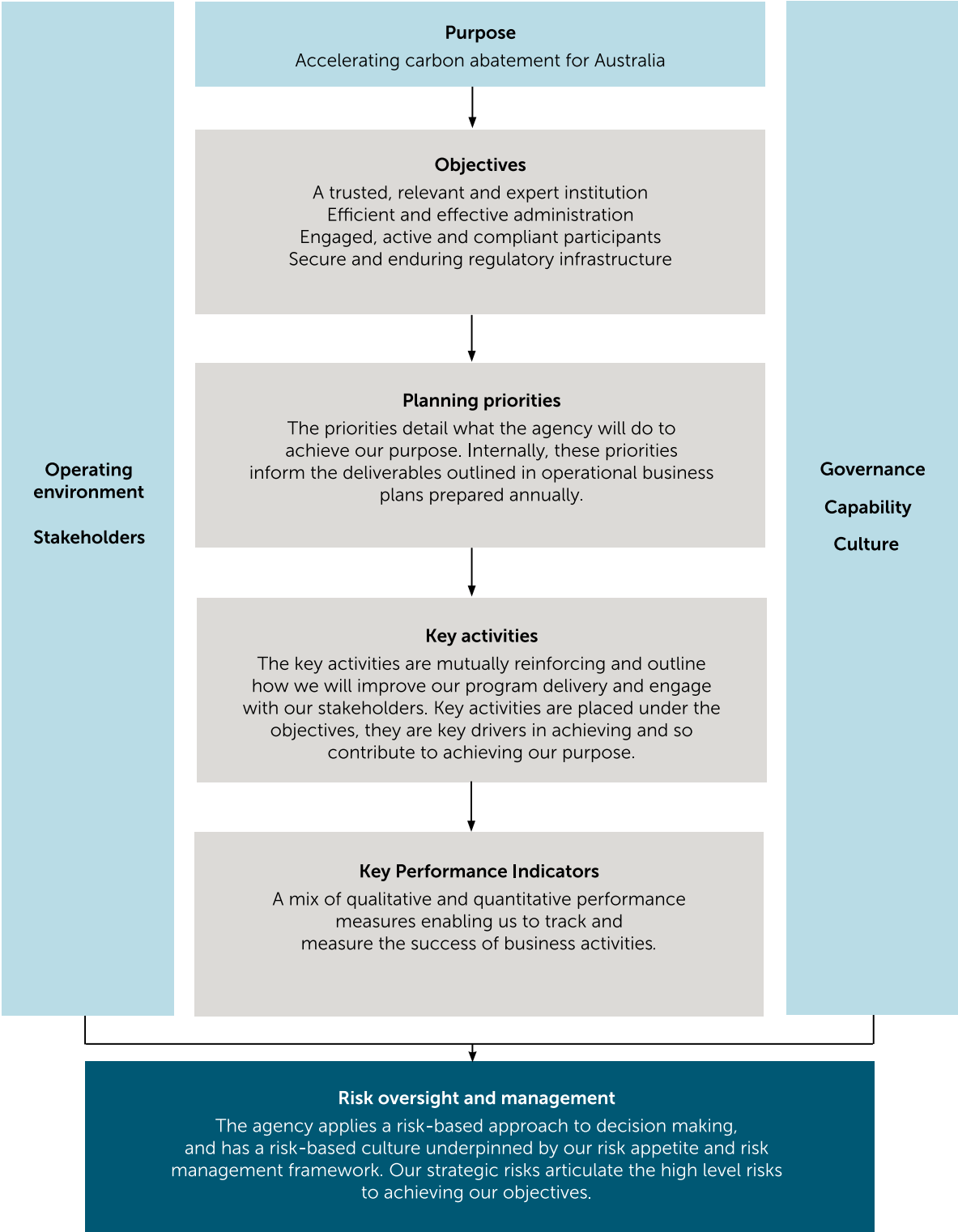


Engaged, active and compliant participants



Secure and enduring regulatory infrastructure

# THE ELEMENTS OF OUR CORPORATE PLAN



# OUR ROLE

**Established on 2 April 2012 by the Clean Energy Regulator Act 2011 (CER Act), the Clean Energy Regulator is an independent statutory agency responsible for administering climate change legislation.**

The Regulator is a decision-making body consisting of a Chair and between 2 and 4 other Members. The Regulator holds the legal authority for functions conferred on it by legislation and sets the direction for the agency's work in administering the regulatory schemes for which it is responsible. A quorum for the purposes of a meeting of the Regulator is two Members (for these purposes, the Chair is included in the definition of a Member).

Members of the Regulator are appointed under the CER Act by the responsible Minister, and are required to have substantial experience or knowledge in fields relevant to the Clean Energy Regulator. The Chair holds office on a full-time basis. All other Members hold office on a part-time basis.

In addition to the regulatory accountabilities, the Chair also serves as the agency head under the *Public Service Act 1999* and is the accountable authority under the PGPA Act.

As part of the Industry, Science, Energy and Resources Portfolio, the Clean Energy Regulator delivers one **outcome** to government:

*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.*

Our **purpose** derives from our statutory responsibilities and is summarised as *accelerating carbon abatement for Australia*. We achieve this by administering schemes and carbon markets that provide incentives for, and enable, emissions reduction.

The agency's place is at the commercialisation end of the research, development and deployment of low emissions technology. We aspire to be 'practical, grounded, quick and commercially savvy' in our external dealings – this is embedded in our Risk Management Framework.

We are an independent and respected body, trusted by government to effectively implement policy and assist to develop new policy initiatives from an implementation perspective that will support the evolution of an effective and vibrant carbon market.

We are responsible for administering:

- The Emissions Reduction Fund (ERF) is a voluntary scheme that provides incentives for a range of organisations and individuals to adopt new practices and technologies to reduce their emissions. ERF activities count towards meeting Australia's international climate commitments.

The ERF is enacted through the *Carbon Credits (Carbon Farming Initiative) Act 2011*, the *Carbon Credits (Carbon Farming Initiative) Regulations 2011* and the *Carbon Credits (Carbon Farming Initiative) Rule 2015*.

Methodology determinations (or methods) are legislative instruments that set out the rules for what emissions reduction activities are eligible under the ERF. The methods explain how to carry out a project and measure the resulting reductions in emissions.

The agency is responsible for developing ERF methods. This function was moved from the Department of Industry, Science, Energy and Resources (the Department) to the agency in September 2020. This is a significant new work stream, resourced with the creation of a new Branch. Method priorities are set by the Minister on advice from the Department.

- The National Greenhouse and Energy Reporting (NGER) scheme is a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production, energy consumption and other information specified under NGER legislation.

The NGER scheme is established by the *National Greenhouse and Energy Reporting Act 2007*.

Under the NGER scheme, corporations that meet certain thresholds must report to the Regulator their emissions, energy production and energy consumption each financial year. This data informs government policy, programs and activities, and helps meet Australia's international reporting obligations.

- The Safeguard Mechanism came into effect on 1 July 2016. Together with the reporting obligations under the *National Greenhouse and Energy Reporting Act 2007*, the Safeguard Mechanism provides a framework for Australia's largest emitters to measure, report and manage their emissions. It does this by requiring large facilities, whose emissions exceed the safeguard threshold, to keep their net emissions below the emissions limit (or baseline). Originally, baselines were set according to peak historical emissions but will now transition over the next 2 years to tighter product or emissions intensity-based settings.
- The Renewable Energy Target (RET) is designed to encourage additional renewable generation, which leads to reductions in emissions of greenhouse gases in the electricity sector.

The RET is underpinned by the *Renewable Energy (Electricity) Act 2000* (REE Act) and sunsets at the end of 2030.

The RET works by allowing both large-scale power stations and the owners of small-scale systems to create certificates for every megawatt hour of power they generate. The RET creates demand for these certificates by requiring liable entities to surrender an amount of certificates in proportion to the electricity they acquire in an assessment year. This creates a market which provides financial incentives to both large-scale renewable energy power stations and the owners of small-scale renewable energy systems.

Also, we are now responsible for the following new initiatives, which actively leverage our existing schemes to build a vibrant voluntary carbon market and streamline participation:

- A Guarantee of Origin (GO) or certification scheme to enable Australian businesses to sell verified low emissions hydrogen from renewable sources, and fossil fuels with substantial carbon capture and storage, domestically and to the world. We will collaborate with the Department to implement trials.
- An Australian Carbon Exchange to accelerate the emergence of an online exchange trade market for emissions offsets. We will work with a partner or partners to implement this initiative, which may include the provision of trading, clearing and settlement services, product and market design, market development, education and implementation services, and the provision of a register of offset units, to complement the current 'over the counter' market.

- The Corporate Emissions Reduction Transparency report (CERT) report is a voluntary initiative for participating NGER corporations that provides a framework for them to demonstrate their net annual emissions and energy position, support their climate action claims and encourage voluntary participation in Australia's carbon markets. We are currently co-designing a pilot with industry.

In addition, we operate the following registries and systems to enable market participants to securely and conveniently report, receive entitlements, acquit liabilities and trade:

- the Emissions and Energy Reporting System (EERS)
- the Australian National Registry of Emissions Units (ANREU), as created by the *Australian National Registry of Emissions Units Act 2011*, and
- the Renewable Energy Certificate (REC) Registry.

We deliver our schemes by:

- issuing entitlements worth around \$3 billion annually, including:
  - issuing Australian carbon credit units under the ERF to organisations and individuals for approved projects that reduce greenhouse gas emissions,
  - issuing large-scale generation certificates and small-scale technology certificates for each megawatt hour of renewable energy generated or displaced (no longer required from the grid)
- facilitating and approving eligibility for entry to our schemes, including registration of projects and accreditation of power stations
- collecting, analysing, assessing, providing and publishing emissions and energy data to inform the RET, government policy and the Australian public, and to support Australia's emissions and energy data needs, and meet international reporting obligations
- providing education and information to current and potential scheme participants
- monitoring, facilitating and enforcing compliance by scheme participants
- conducting ERF auctions to purchase low-cost carbon abatement for the delivery of Australian carbon credit units, and managing carbon abatement contracts
- accrediting greenhouse and energy auditors to undertake audit activities, and
- working with other Commonwealth, state and territory law enforcement and regulatory bodies.

# OUR OPERATING ENVIRONMENT

## Dynamic, global environment

The Clean Energy Regulator operates in a dynamic operating environment that spans all sectors of the economy, levels of government and a wide range of stakeholders. We achieve our purpose and objectives by administering our schemes while scanning and proactively addressing challenges and opportunities.

It is critical that we look beyond our schemes to events and developments in other sectors, both domestically and internationally, to identify trends and signals that may have implications for our schemes. Areas of focus include: developments in Australia's electricity market as it transitions to renewable generation; corporate and government initiatives to reduce and offset emissions; development of new low emissions industries such as clean hydrogen; adoption of new technologies such as electric vehicles; and international developments such as the upcoming United Nations Framework Convention on Climate Change conference in Glasgow.

## Cooperation with scheme participants, partners and stakeholders

We are committed to working with industry, the Department and others to address the challenges facing the Australian energy sector and carbon markets in providing adequate, reliable and affordable energy, while also meeting our international obligations on reducing emissions.

We will contribute to the Department's work developing a low emissions technology deployment incentive scheme to reduce emissions from Safeguard Mechanism covered facilities. We will work closely with industry to implement these arrangements.

We will also conduct further consultations with stakeholders to enable environmental plantings projects to participate and access the benefits of our schemes; and work with state and territory agencies to build awareness and potential integration with the Commonwealth's ERF crediting architecture, and co-design methods under the ERF that facilitate greater participation under the program.



We strive to support the emergence of a vibrant carbon market with our schemes and the growing business appetite to meet corporate sustainability goals by voluntarily surrendering units to offset emissions.



## Carbon markets

We continue to focus our effort on the agency's statutory role with the RET, ERF and NGER schemes, and also expand our efforts and capability to deliver new initiatives.

Over coming years the agency will support the emergence of an Australian Carbon Exchange as well as deregulation initiatives that will reduce the costs of participation in our schemes and registries.

The CERT will provide a trusted and independent source of information to encourage voluntary participation in Australia's vibrant and growing carbon markets.

We anticipate the uptake of optional delivery contracts will continue to grow. This bodes well for the overall liquidity of the market and is likely another sign of an emerging trend where the private market share of purchased abatement grows and the Commonwealth's role as the dominant purchaser diminishes over time.

## Technological development

The Department manages and delivers policies and programs to help Australia respond to climate change including Australia's Technology Investment Roadmap. The Department is consulting on a Hydrogen Guarantee of Origin scheme for Australia, to give consumers information so they can choose the product that best suits their needs. Hydrogen will be an internationally traded commodity and Australia has the potential to be a major exporter. This scheme is expected to evolve over time to encompass downstream clean hydrogen products such as low emission steel and ammonia. We will assist the Department in design and implementation of the Guarantee of Origin Scheme, as necessary.

We will use our knowledge and expertise to build on our assurance frameworks, systems, tools and processes to help Australia unlock its full potential to produce, use and export low emission solutions.

## International developments

The agency is co-designing with NGER reporting corporations a CERT report to help companies show clearly how they are tracking towards their voluntary emissions reduction commitments.

We are also supporting the Department to develop a high-integrity carbon offset scheme in the Indo-Pacific region. This scheme will be modelled on the ERF and allow us to pass on our knowledge in setting up and stimulating investment in high quality emission offsets.

## Collectors and custodians of data

The agency is the custodian of Australia's key emissions, energy and abatement data. We provide regular insights and data to inform government policy, programs and activities and help meet Australia's international reporting obligations. For example, we share company information about greenhouse gas emissions, energy production and energy consumption collected under the NGER scheme and publish Quarterly Carbon Market Reports that cover the 3 national carbon markets we administer.

Quality data is essential for the integrity of our schemes, supporting a vibrant carbon market and underpinning the reputation of the agency as a trusted, relevant and expert institution. We are guided by whole-of-government initiatives such as the Australian Government's Public Data Policy, and the provisions within our legislation that govern how we use, share and manage our data safely and securely.

We pursue opportunities for improving the way we use our data, ranging from using automation to achieve operational efficiencies and identify non-compliance early, to harnessing advanced data science to improve our understanding of relevant factors so we can more readily adapt to changing circumstances and make evidence-based decisions. An internal data strategy has led to a phased program of work being delivered across the agency that will uplift our research and development capabilities, improve the curation of our data holdings and ultimately deliver innovative data services to our participants.

# OUR APPROACH

**To ensure we are administering our schemes efficiently and effectively, we invest in capabilities that enable our agency to be agile and flexible in response to any scheme or policy changes, and that allow us to develop our people, process and system capabilities in line with our strategic direction. Our administration needs to be robust and fair to underpin market confidence and participation.**

We aim to be a practical, grounded, quick and commercially savvy regulator. We are close to the market and our participants, and hold a wealth of data and information which is useful for enabling vibrant carbon markets to function well and valuable for informing policy development. Our data must be accessible, useful and accepted as the source of truth.

Maintaining a capable, agile and high performing workforce is critical to our success. The open and collaborative relationships we have with other bodies in the Industry, Science, Energy and Resources portfolio, state and territory government bodies, and industry and stakeholder bodies are also important.

## Culture

Our culture and values shape the way we interact and engage with each other within the agency to create a positive and supportive working environment, how we work with our participants and stakeholders to build and maintain trusted relationships, and our approach in responding to challenges and opportunities in our environment. Every member of our agency contributes to the values, principles and behaviours that are elements of our culture, and we have distilled these into our 4 cultural anchors. These represent the ideals that we strive for and form the way we work together.

Our four cultural anchors are:

- **Delivering outcomes:** Our people care about delivering agency objectives because our purpose matters.
- **Trust and accountability:** Our people trust each other because we are 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.

## Capability

The agency continues a period of technology renewal and building readiness to streamline our schemes and registries to support the increasing demand for institutions to voluntarily reduce their emissions.

We recently completed a full transition to Microsoft 365 and Microsoft Azure that underpins our ability to reimagine how our schemes and registries support our new and existing objectives. Our enterprise architecture has been reshaped towards Software as a Service (SaaS) platforms to drive greater efficiency, scalability and user access, while improving the user experience for scheme participants.

We are dedicated to building capability to capitalise on opportunities to improve and future proof the agency. We will continue investing in our people and developing our workforce to ensure we have the right mix of capabilities and aptitudes to meet current and future requirements.

Our People Capability Framework is a key component of the strategic initiatives driving the agency forward and setting the scene for adopting new ways of working. The framework provides a common and accessible language about agency capability, allows us to target development solutions for maximum benefit, and informs job and organisational design.

As the framework matures, we will use data about our people's capability to inform workforce management and planning decisions. The framework remains an integral way that we contribute to our cultural anchor of active development.

In addition to developing people capability, we will also ensure the networks, systems, and services that underpin our schemes and registries, support

current business and user needs, and are secure and adaptable to change. Our technological capability is based on a 'cloud first' and 'agile delivery approach' that provides a secure, accessible and adaptable foundation to deliver our digital services. The agency's Digital Roadmap was endorsed in 2019 and is reviewed annually. The Digital Roadmap provides a rolling 3-year view of our strategic priorities that guides continuous improvement of our schemes and registries to better meet the needs of our participants and our agency. It also aligns with whole-of-government strategies, such as digital transformation, cloud first, and cyber resilience.

## Our performance

We are committed to being transparent and accountable for the regulatory functions we undertake on behalf of the government. We measure the agency's performance in achieving our purpose through our Key Performance Indicator (KPI) framework. The KPI framework provides a structure for monitoring, assessing and reporting on our performance.

The KPI framework has been developed to represent our core functions, as opposed to individual scheme activities. The KPI framework includes a number of quantitative and qualitative performance indicators, which collectively measure and report on the agency's performance against our purpose, objectives and planning priorities, providing a clear line of sight between the agency's planning and reporting frameworks. Targets have been set for

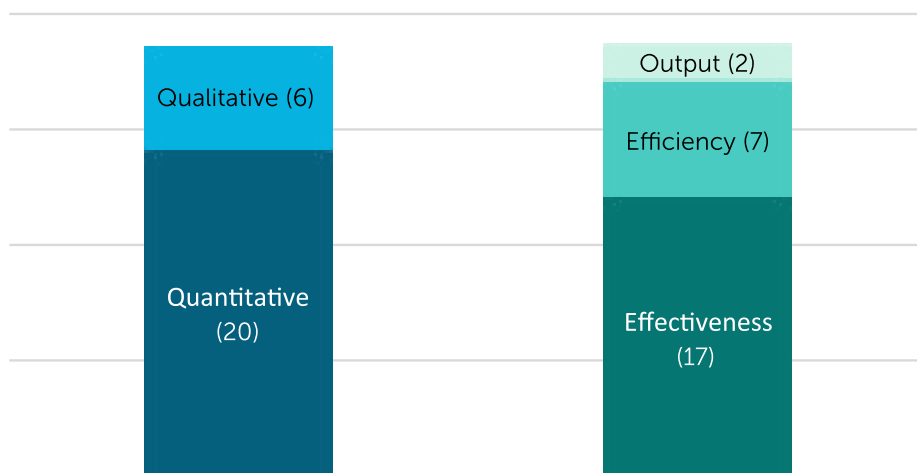
those performance indicators that use quantitative data as a measure of performance.

The KPI framework is reviewed and updated with each planning cycle to ensure that our performance indicators best capture agency performance based on refinements to our reporting maturity and changes in the agency's operational environment. Since our last Corporate Plan, we have refined our performance information so it meets more rigorous performance reporting requirements under the Public Governance, Performance and Accountability Rule 2014. This includes a mix of types of performance indicators to provide a more complete view of our performance, as shown in the graph below.

Results against the performance indicators are reported in the Clean Energy Regulator Annual Performance Statement, which is included in the Clean Energy Regulator Annual Report. In the Annual Performance Statement, we will complement the results with additional context and case studies that provide a detailed understanding of the outcomes achieved.

The Clean Energy Regulator Annual Performance Statement will include analysis of our performance against the 3 principles of regulator best practice that underpin the Government's expectations for the performance of Commonwealth regulators – continuous improvement and building trust, risk-based and data driven, and collaboration and engagement.

### Types of performance measures for 2021–25



# OBJECTIVES, PRIORITIES AND INITIATIVES

The following objectives, priorities and key activities provide a comprehensive summary of the work we do to support vibrant carbon markets and accelerate carbon abatement for Australia. The planning priorities and key activities are mutually reinforcing could be applied across multiple objectives, and outline how we will improve our program delivery and engage with our stakeholders. Key activities and their associated KPIs are placed under the objective they are key drivers in achieving, noting that some KPIs may be relevant to more than one objective.



## **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: Pursue relevant initiatives as directed by government and support other government priorities as required, building on the administration of our legislated schemes and supporting the evolution of an effective and vibrant carbon market.**

**Planning priority 2: Build our data quality and accessibility while adapting to changing policy, technologies, business models and market behaviours.**

### **Key activities: Change**

- Support businesses to engage in voluntary carbon markets to deliver credible net emission positions.
- Improve the availability, transparency and accuracy of our market data for scheme and other market participants.
- Support policy development to recognise emission reductions from beyond business as usual activities below a facilities' Safeguard baseline.
- Accelerate the emergence of an online exchange traded market for emissions offsets.

### **Key activities: Maintain**

- Maintain and develop the right mix of economic, legal, commercial, problem solving and technical skills.
- Build and maintain strong relationships with stakeholders, industry, and state and territory governments to understand their priorities and potential interactions with carbon markets and our schemes.
- Publish information on our website that sets out our expectations of behaviour and how to comply with the law, to enable people to make informed decisions about participating in our voluntary schemes.
- Promote the participation of suitably qualified, competent, capable and compliant participants for our voluntary schemes (ERF and aspects of the RET).

## Key Performance Indicators

Key Performance Indicators (KPIs)	Target (2021–25)
Level of participant satisfaction with the quality and timeliness of market information.*	80 per cent
Methodology: Results from the agency’s annual participant survey indicating satisfaction with the range of market information delivered by the agency. The result is derived from a set of questions in the survey related to the agency’s market information.	
No significant breaches of government, administrative, legal and policy requirements.*	0 breaches
Methodology: Assessed through instances / cases of non-compliances recorded as part of annual compliance statements and any findings from internal and external audits on agency operations and compliance.	
Partnering to implement relevant recommendations from the King Review.*	Qualitative analysis
Methodology: We focus on implementing relevant recommendations from the King Review. Our performance against this KPI would be demonstrated through the use of a case study where appropriate.	
Improvements to the way we use and share data.*	Qualitative analysis
Methodology: The agency must build on data quality and accessibility to promote and enhance a well-functioning, vibrant and liquid carbon market. Our performance against this KPI would be demonstrated through the use of a case study where appropriate.	

\* Effectiveness KPI ^Efficiency KPI ~Output KPI



Hydroelectric network dam. Credit: iStock Photo.



### Objective: Efficient and effective administration

Our agency 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 3: Ensuring that our business processes and systems are applying a risk-based and data-driven approach, reducing participant burden and delivering operational efficiency and effectiveness.**

#### Key activities: Change

- Improve the client portal and other information technology entry points to improve the user experience and information exchange, and reduce transaction costs for scheme participants.
- Significantly enhance geospatial tools and capability for faster and more accurate assessment of claims for Australian carbon credit unit (ACCUs) and renewable energy certificates.
- Develop new ERF methods within 12 months unless there is an intractable scientific or technical problem.

#### Key activities: Maintain

- Encourage and facilitate staff to be active in scanning the environment, and identifying and mitigating risk as part of their day-to-day work.
- Establish systems and processes to support effective knowledge management so staff can maintain capacity and avoid reinventing the wheel.
- Use data and evidence to identify anomalies or inefficiencies in how agency schemes are operating, frame emerging risks and develop streamlining solutions.

#### Key Performance Indicators

Key Performance Indicators (KPIs)	Target (2021–25)
Proportion of applications processed within statutory or agreed timeframes. <sup>^</sup>	99.5 per cent
Methodology: Across schemes, the number of applications processed within statutory or agreed timeframes against the total number of applications processed. Where statutory timeframes do not exist, we apply internal processing timeframes. Where there are application queries - the clock stops on the statutory or agreed processing timeframes.	
Level of participant satisfaction with agency processes and systems.*	80 per cent
Methodology: Results from the agency's annual participant survey indicating satisfaction with agency processes and systems. The result is derived from a set of questions in the survey related to agency processes and systems.	
Strategies and investment in our people enables us to be efficient and effective. <sup>~</sup>	Active Development Plan: 80 per cent (multi-year target)
Methodology: Number of staff with Active Development Plans against the total number of staff who are required to have an Active Development Plan. The result is based on the formal capture of these plans through the agency's dedicated learning and development system 'LearnHub'.	
Number of Australian carbon credit units issued.*	16.0 million (estimate)
Methodology: The total number of ACCUs issued in the reporting year.	

\* Effectiveness KPI ^Efficiency KPI ~Output KPI

# This refers to fixed delivery contracts.

\*\* Solar photovoltaic (PV) is a consumer product and installations can materially change over a year.

Key Performance Indicators (KPIs)	Target (2021–25)
Proportion of contracted carbon abatement delivered.*	90 per cent#
Methodology: For the ERF, the sum of deliveries made to fixed delivery contracts against the schedule for fixed delivery contracts including early deliveries. This reflects the portion of the portfolio associated with fixed delivery and excludes optional delivery contracts.	
Development of new methods for the ERF.^	Methods are to be developed within 12 months
Methodology: For the ERF, the number of new methods finalised within 12 months against the total number of new methods finalised.	
Method tracker document on website and updated quarterly.^	100 per cent
Methodology: Assessed using updates to method tracker document on the agency website, on a quarterly basis during the reporting year.	
Level of participant satisfaction with method development process.*	80 per cent
Methodology: Results from the agency's annual participant survey indicating satisfaction with the ERF method development process. The result is derived from a set of questions in the survey related to the agency's method development process.	
Number of renewable energy certificates (LGCs and STCs) validated.*	LGCs: 39.5 million (estimate) STCs: 49.4 million** (estimate)
Methodology: The total number of renewable energy certificates (LGCs and STCs) validated in the reporting year.	
Our actions are proportionate to the regulatory risk being managed.*	Qualitative analysis
Methodology: As a regulator, we use a risk-based and data driven approach to manage our regulatory risks appropriately. Our performance against this KPI would be demonstrated through the use of a case study where appropriate.	

\* Effectiveness KPI ^Efficiency KPI ~Output KPI

# This refers to fixed delivery contracts.

\*\* Solar photovoltaic (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 4: Strengthening our capability to detect, communicate and respond to the activities of our regulated entities including non-compliance.

#### Key activities: Change

- Focus on proactive, modern and transparent compliance management and enforcement to support reliable, deep and robust carbon markets; including expanding the use of analytics and data matching to detect non-compliance.

#### Key activities: Maintain

- Invest in understanding our participants and communicating with them in a way which meets their needs.
- 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.

#### Key Performance Indicators

Key Performance Indicators (KPIs)	Target (2021–25)
Compliance levels by regulated and liable entities. <sup>^</sup>	≥ 95 per cent
Methodology: Across relevant schemes, the total number of reports submitted within the required reporting timeframe against the total number of reports required to be submitted. Additional analysis is provided in relation to required compliance with safeguard baselines and the RET certificate surrender.	
Proportion of investigations completed within timeframes. <sup>^</sup>	80 per cent
Methodology: The number of investigations completed within the required timeframes against the total number of investigations completed. We aim to complete complex investigations within 365 days and routine investigations within 180 days.	
Level of participant satisfaction with engagement and guidance provided.*	80 per cent
Methodology: Results from the agency's annual participant survey indicating satisfaction with engagement and guidance activities delivered by the agency. The result is derived from a specific survey question.	
Proportion of participant contacts resolved at first interaction. <sup>^</sup>	70 per cent
Methodology: The number of enquiries resolved within the first level of interaction against the total number of enquiries received by the agency's in-house Contact Centre.	



Key Performance Indicators (KPIs)	Target (2021–25)
<p>Continuous improvement approaches to compliance and outcomes.*</p> <p>Methodology: We continually look for ways to improve our approach to compliance and outcomes, including our intelligence-led strategy to stop the harm, improve participant behaviour and deter future non-compliance across the schemes. Our performance against this KPI would be demonstrated through the use of a case study where appropriate.</p>	<p>Qualitative analysis</p>
<p>Practical and timely guidance and outreach activities with our participants.*</p> <p>Methodology: Our provision of targeted and timely guidance and outreach activities enables our participants to successfully engage with us to participate in the schemes we administer. Our performance against this KPI would be demonstrated through the use of a case study where appropriate.</p>	<p>Qualitative analysis</p>

\* Effectiveness KPI   ^Efficiency KPI   ~Output KPI



Rooftop solar panel installation. Credit: iStock Photo.



## Objective: Secure and enduring regulatory infrastructure

Our agency'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 5: Driving innovation and agility in our people, systems and processes.

#### Key activities: Change

- Position our agency in a dynamic public service, and successfully engage with changing policy and workforce expectations for future work.
- Reduce time to process applications for registering new ERF projects and issuing ACCUs.
- Modernise our agency's systems and technology to be adaptable to the changing policy landscape, support more efficient participant transactions, and be more resilient to emerging cyber threats.
- Consolidate and standardise our systems, information, and data on a modern information and communication technology (ICT) platform that enables long-term adaptability and innovative approaches to streamline our schemes and services.

#### Key activities: Maintain

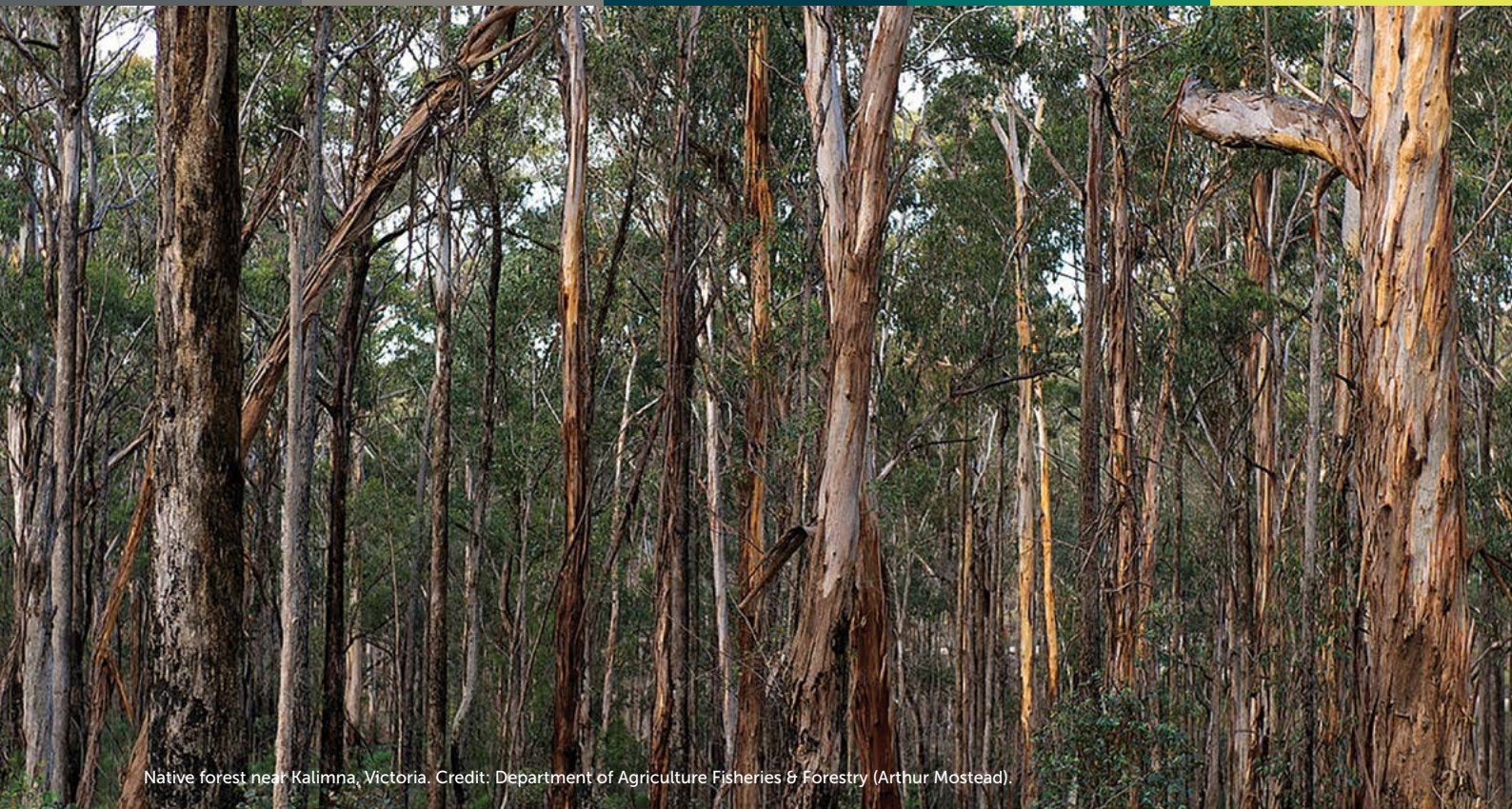
- Maintain staff capacity along with an ability to draw in external specialist resources and provide efficient and effective client service to deal with non-compliance.
- Safeguard our data, information and systems so our agency continues to be reliable, trusted and efficient in supporting key business objectives and compliance of scheme participants.

#### Key Performance Indicators

Key Performance Indicators (KPIs)	Target (2021–25)
Availability of online systems.^	99.5 per cent
Methodology: Measured through availability statistics of the agency's online systems, excluding planned outages.	
Cyber awareness and training is delivered to staff (IT security induction); Phriendly phishing training.~	100 per cent
Methodology: The number of agency staff trained in IT security induction and Phriendly phishing training against the total number of staff required to be trained. This will include any new staff required to complete the training during the reporting year.	
System and administration practices are compliant with the government's Essential 8 strategies.*	92 per cent
Methodology: Measure of the agency's cyber security maturity through the whole-of-government Essential 8 strategies.	
Azure Cloud services are protected and secure.*	100 per cent
Methodology: Measure of the agency's rating of the Azure Cloud in terms of security and health.	

Key Performance Indicators (KPIs)	Target (2021–25)
<p>Level of employee engagement score as measured through the annual APS Employee Census.*</p> <p>Methodology: Result from the annual APS Employee Census on our agency’s Engagement Score. The Engagement Score measures the emotional connection and commitment employees have to working for the agency. The result is derived from a set of questions in the APS Employee Census related to employee engagement.</p>	<p>Above or in line with medium sized APS agencies</p>
<p>Flexibility and adaptability in our staff to meet current and future requirements.*</p> <p>Methodology: We continue to invest in our people and develop our workforce to ensure we have the right mix of capabilities and aptitudes to meet current and future requirements. Our performance against this KPI would be demonstrated through the use of a case study where appropriate.</p>	<p>Qualitative analysis</p>

\* Effectiveness KPI   ^Efficiency KPI   ~Output KPI



Native forest near Kalimna, Victoria. Credit: Department of Agriculture Fisheries & Forestry (Arthur Mostead).

# OUR APPROACH TO RISK

**Risk management is the systematic and scalable approach used by officials to make risk-informed decisions and take appropriate actions in relation to events, issues or incidents that may affect achievement of the agency's objectives.**

We take a risk-based approach to decision-making, underpinned by our risk appetite and risk management framework. The framework outlines the agency's system of risk management and oversight, and is aligned to the *Commonwealth Risk Management Policy* and the *ISO 31000: 2018 Risk Management Guidelines*. Our risk appetite articulates the level of risk we are willing to pursue to achieve agency objectives and meet statutory obligations. The agency operates in a complex environment and we recognise that risk is inherent in all that we do. The Board's risk appetite articulates an appropriate and balanced view of the strategic risk environment related to achieving agency goals. The Board revisits this position annually, although it recognises the need to be willing and able to adapt the risk appetite if required noting that global events are complex and matters can change rapidly.

We are continuing to mature our risk management capability and approach, embedding risk principles into organisational culture. A key element of this approach is increasing the risk capability at all levels of the organisation. To achieve this, we are educating and empowering staff to provide them with the knowledge, judgement and confidence to make more informed risk-based decisions, and ensuring they have the support of their managers. Our strategic risks articulate the high-level risks to achieving our objectives and are identified as:

- the Clean Energy Regulator does not effectively manage its programs,
- the Clean Energy Regulator's advice, insights and data are not of high quality,
- the Clean Energy Regulator does not adapt.

Effective management of the agency's risk is underpinned by controls that support:

- streamlining regulatory processes across and within the schemes we administer,
- targeting resources towards areas of highest risk, and
- delivering the specific objectives of relevant legislation effectively and efficiently.

## GOVERNANCE

**The agency's governance framework describes the legislative and policy obligations for which we are accountable, and how we work within the agency and with others to ensure we meet these accountabilities. In particular, the framework is an essential part of our compliance with the PGPA Act and assists our Chair as the Accountable Authority under this Act.**

Our governance framework highlights the relationship between governance, risk management and culture. The governance arrangements described within the framework include leadership roles and responsibilities, our corporate and governance committee structure, our plans, policies and frameworks, assurance processes and important interdependencies and relationships.

The governance framework is designed to provide a better-practice model for the agency to achieve optimal transparency and accountability, strong leadership and an effective, collaborative culture. This is supported in the agency through mechanisms such as delegations, policies and standard operating procedures. The framework also supports our agency culture, which is central to achieving our purpose and objectives. An engaged culture positively affects organisational performance.

We are subject to external scrutiny through external audits by the Australian National Audit Office, appeals made to the Administrative Appeals Tribunal, the provisions of regular reporting to Parliament and the Minister for Energy and Emissions Reduction, and other external reviews.

Internal management assurance in relation to governance and internal control settings is supplemented through the independent assurance provided by the agency's Audit Committee. The internal audit program is aligned to the agency's strategic risks. Our robust governance arrangements ensure that our decisions and actions are upheld when subjected to external scrutiny, and emphasises the chain of accountability for our actions.

## OUR COMPLIANCE PRIORITIES

**As a regulator, the agency is committed to continuing our risk-based, intelligence-led approach to compliance, incorporating improved data analytics and intelligence insights to ensure a deeper understanding of the schemes, participants, and the market in which each scheme operates.**

Responsibility for complying with scheme obligations always rests with the participants concerned. The agency's approach includes helping scheme participants to understand how to comply, educating those who want to do the right thing, and a commitment to deter, detect and respond to non-compliance and misconduct to ensure ongoing scheme integrity. Where appropriate, the agency may take formal compliance action in the form of accepting enforceable undertakings, suspending scheme participants from the scheme, commencing civil proceedings, or pursuing the prosecution of persons by prosecutorial agencies. In taking these compliance actions, the agency takes a proportionate, risk-based response to regulatory burden in order to protect the public interest.

Our compliance priorities will support the agency's wider objectives, priorities and initiatives. An adaptive approach will be reflected in the agency's annual compliance and enforcement priorities, which identify specific areas of focus for compliance and enforcement. The priorities complement the data driven and risk-based approach to managing compliance in each scheme. We will use the full suite of the agency's compliance and enforcement powers to protect the integrity, and improve outcomes, of the schemes as reflected in our *Compliance policy for education, monitoring and enforcement activities*.

In addition to the annual priorities, we will continue to detect and disrupt enduring forms of non-compliance, including:

- false or misleading information being provided to the agency in relation to:
  - claims for ACCUs
  - the creation of renewable energy certificates
- inaccurate, incomplete, or late reports:
  - by NGER reporters who have a history of non-compliance, particularly where data underpins Safeguard Mechanism obligations,
  - by ERF project proponents in claims for ACCUs.

In addition to the enduring priorities, the agency will focus on other strategic compliance priorities, such as:

- scheme entry, ensuring that only fit and proper persons will be allowed to participate in our schemes,
- relationships with other Commonwealth, state and territory regulators to promote the sharing of information,
- the use of scheme audits, ensuring that we obtain scheme assurance without over-burdening participants, and
- informing participants, and the public in general, of our compliance action, priorities and expectations by publishing regular compliance updates.

# FEEDBACK

To help us ensure that our corporate plans are as helpful and informative as possible, we welcome your feedback on this plan. Please provide any questions or comments to:

Manager – Planning, Performance and Parliamentary  
Clean Energy Regulator  
GPO Box 621  
Canberra ACT 2601

Macarthur Wind Farm, Victoria. Credit: Powering Australian Renewables Fund.



## FRONT COVER PHOTOS (L-R) TOP ROW:

**Caption:** Native forest near Kalimna, Victoria  
**Credit:** Department of Agriculture Fisheries & Forestry (Arthur Mostead)

**Caption:** Maquarie Power Station, Hunter Valley New south Wales  
**Credit:** Powering Australian Renewables Fund

**Caption:** Hydroelectric network dam  
**Credit:** iStock Photo

## FRONT COVER PHOTOS (L-R) BOTTOM ROW:

**Caption:** Soil Carbon event 2019, Victoria  
**Credit:** Clean Energy Regulator

**Caption:** Birdseye View of Macarthur Wind Farm, Victoria.  
**Credit:** Clean Energy Regulator

**Caption:** Examining pastoral sod ahead of soil carbon testing  
**Credit:** Agriprove

**Caption:** Soil carbon testing  
**Credit:** Agriprove

**Caption:** Bird's eye view of solar farm at Nyngan, New South Wales  
**Credit:** Powering Australian Renewables Fund

**Caption:** Savanna Burning, Balurga, Queensland.  
**Credit:** Country Carbon



**1300 553 542**

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