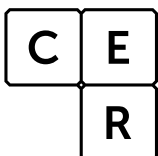




Australian Government
Clean Energy Regulator

CORPORATE PLAN 2022–26



**CLEAN
ENERGY
REGULATOR**

**Accelerating carbon
abatement for Australia**

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Foreword by the Chair



I am pleased to present the Clean Energy Regulator's (CER) Corporate Plan 2022–26 which covers the period 2022–23 to 2025–26 as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. This plan outlines how we are meeting our purpose and achieving our objectives, continuing to build relationships with our stakeholders and developing staff capability and flexibility in the context of a dynamic operating environment.

Our purpose, *to accelerate carbon abatement for Australia*, remains our key driver across a growing range of activities, which can contribute to the target of 43% reduction in greenhouse gas emissions by 2030 and net zero emissions by 2050. During the next four years we will continue to focus on supporting a rapidly growing, robust and transparent carbon market that will help deliver this reduction.

CER manages the statutory requirements of the Renewable Energy Target (RET), Emissions Reduction Fund (ERF) and the National Greenhouse and Energy Reporting (NGER) scheme, incorporating the Safeguard Mechanism. We encourage scheme and carbon market participation and compliance, assisting participants to understand and meet their obligations.

We also work to provide confidence in the market through the provision of systems, tools, and processes to support the transparency and integrity of both supply of and demand for carbon instruments.

Consultation and co-design with researchers, experts and government will remain a key plank of our operating process. We will work with business to maintain and further strengthen our stakeholder engagement as we assist to develop and implement government policies and through innovation and new technologies.

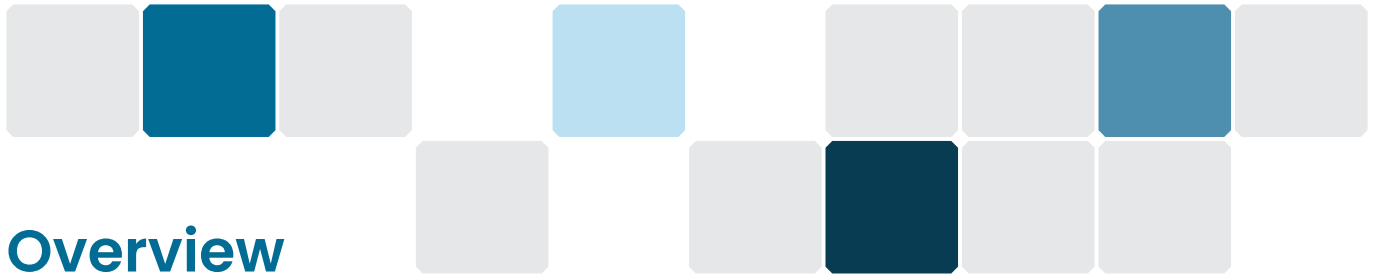
Another important focus within this corporate plan period will be delivering the package of systems improvements to support streamlined markets and emerging low emissions technologies, including Guarantee of Origin (GO), the Australian Carbon Exchange and the Corporate Emissions Reduction Transparency (CERT) report. An enhanced Safeguard Mechanism will also be a key delivery priority.

Our people remain at the core of what we do and we will continue to invest in their agility to support the agency's strategic direction. We will also pursue process and systems developments to further enhance our flexibility to respond to changes in scheme, policy and business environments. I am committed to ensuring we create a positive workplace with a strong focus on our culture and values.

I am excited about meeting the challenges ahead as we strive towards our shared goals and I know the CER team share that excitement. This corporate plan will allow us to build on the solid foundations established over the past 10 years as we further our cultural goals to be a practical, grounded, quick and commercially savvy regulator for Australia.



Mr David Parker AM
Chair, Clean Energy Regulator
23 August 2022



Overview

The Clean Energy Regulator 2022–26 Corporate Plan covers the reporting period 2022–23 to 2025–26 and has been prepared as required under paragraph 35(1)(b) of the PGPA Act. Our performance against this plan will be reported in the Annual Performance Statement published in the CER Annual Report 2022–23.

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

- our purpose and objectives
- challenges we face in achieving our purpose in the current operating environment
- planning priorities for each objective during the life of the plan
- key activities we plan to undertake to achieve our purpose, objectives and priorities
- how we will build capabilities to deliver our future direction
- 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

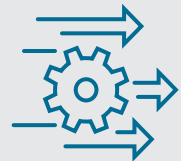


**Accelerating
Carbon
Abatement for
Australia**

OUR OBJECTIVES



**A trusted, relevant
and expert
institution**



**Efficient and
effective
administration**

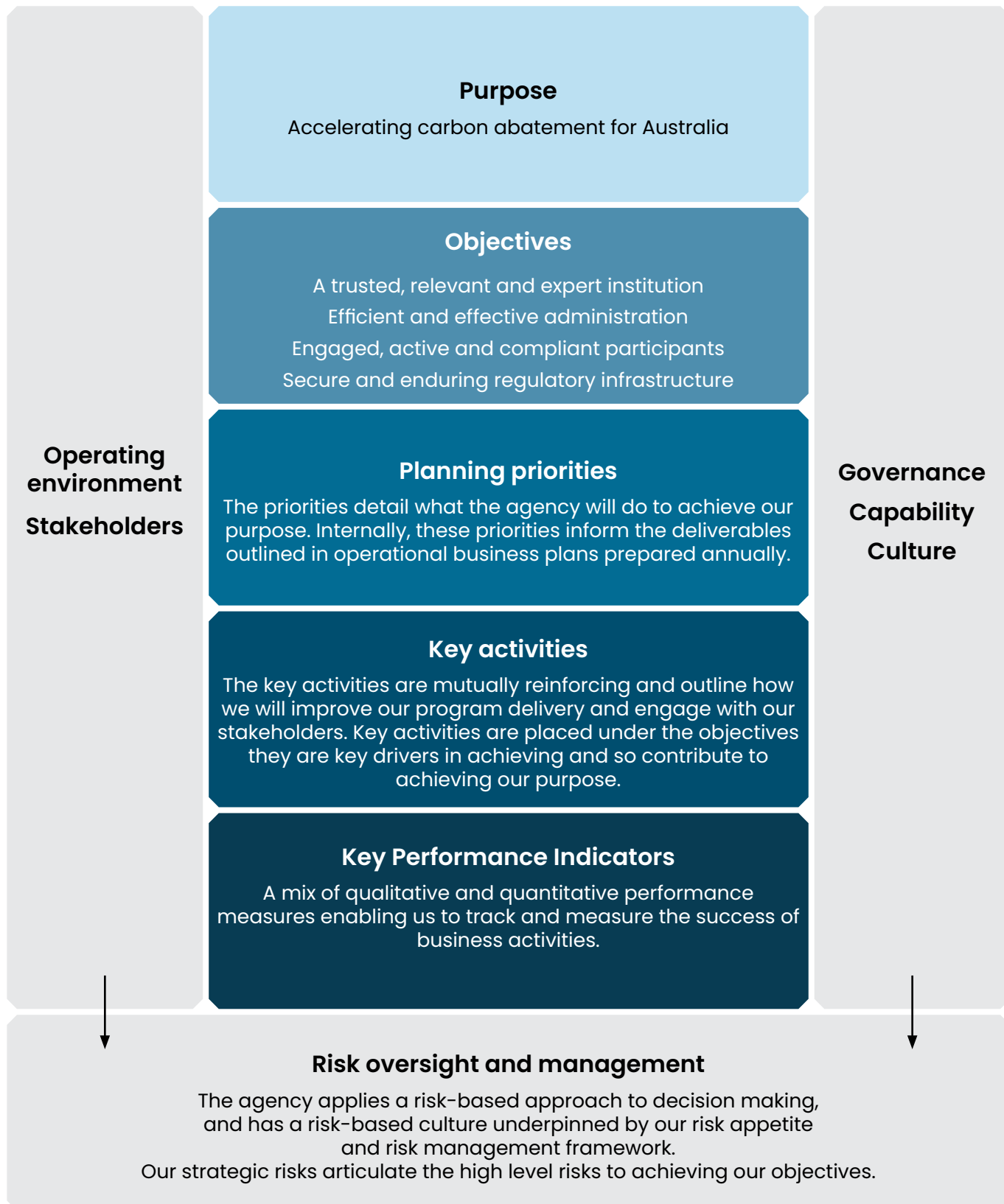


**Engaged, active
and compliant
participants**



**Secure and
enduring regulatory
infrastructure**

The elements of our Corporate Plan





Our role

This year marked the 10th anniversary of the establishment of the Clean Energy Regulator. On 2 April 2012 the *Clean Energy Regulator Act 2011* (CER Act) was enacted and CER was established as an independent statutory agency responsible for administering climate change legislation.

The Regulator is a decision-making body and sets the direction for the agency's work in administering the regulatory schemes for which it is responsible. It consists of a Chair and between 2 and 4 other Members.

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 CER. 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 Climate Change, Energy, the Environment and Water Portfolio (the Department), CER's primary outcome to government is:

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.

In addition, CER also supports a second government outcome in relation to potential biodiversity markets¹:

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.

¹ At the time of drafting this document there is not a legislated Biodiversity market mechanism to administer. The relevant Key Performance Indicator in the current Portfolio Budget Statement can only be measured once legislation is passed.

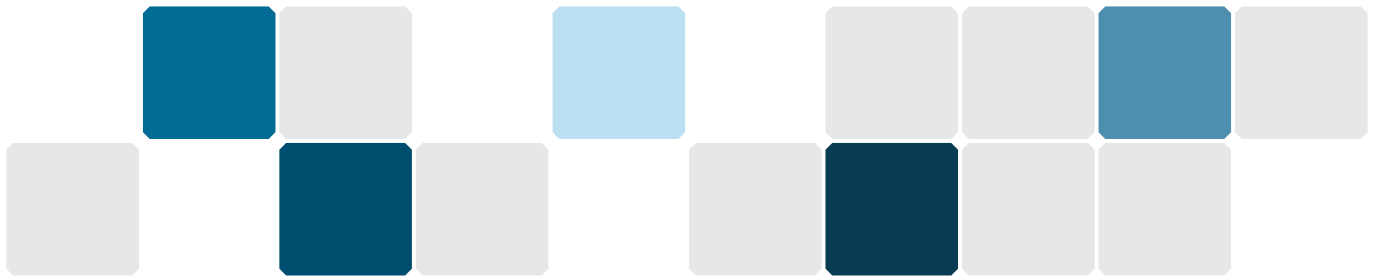
Our purpose derives from our statutory responsibilities and is summarised as *accelerating carbon abatement for Australia*. We achieve this by administering schemes and carbon markets that provide incentives for, and enable, emissions reduction and through the development of new systems and methods that help achieve that accelerated abatement.

Many factors are driving the agency's corporate plan over the coming four years. At a policy level, Australia's new 2030 emissions reduction target of 43%, the target of net zero emissions by 2050 and the anticipated acceleration of renewable energy to drive the implementation of the Government's Powering Australia policy, all inject a new dynamic into the agency's operating environment.

There is sustained growth within the domestic private carbon market that is allowing the agency to progress from establishing a market in Australian carbon credit units (ACCUs) toward a focus on assuring the integrity of a public marketplace for carbon trading.

When coupled with the requirement of the agency to upgrade its 10-year old IT infrastructure, opportunities for streamlining our process, easing the regulatory burden on our participants, engaging with contemporary digital systems to achieve improved regulatory outcomes and integrating the government crediting systems with a public carbon exchange have become evident and are planned to be delivered in the life of this corporate plan.

The Regulator has reflected carefully on the implications of these initiatives in the context of its purpose, objectives and associated planning tools and acknowledges that its purpose and objectives have served, and will continue to serve, the agency well into the foreseeable future as they reflect and maintain the underpinning attributes of strong regulatory performance in the government context. New energy and greater clarity about the cultural values that underpin the agency's regulatory function have been



articulated in its regulatory principle of being 'practical, grounded, quick and commercially savvy' and folded into the agency's approach to risk management.

Where the Regulator is pursuing additional activities over-and-above the administration of legislated schemes, changes have been made to the planning priorities for each objective, the change activities have been significantly updated and the KPIs have been reviewed and refreshed to ensure they reflect the Regulator's expectations on behalf of the government.

The integrity of the units administered under our schemes remains a core objective delivered through administration of the law and an effective compliance program.

The agency is well and truly placed at the commercialisation end of the research, development and deployment of low emissions technology and the effective delivery of emissions control mechanisms.

We are an independent and respected body, trusted by government to effectively implement policy and to also assist in the development of new policy initiatives. These support the evolution of an effective and vibrant carbon market and Safeguard Mechanism to facilitate investment in low emissions technologies and help deliver the steeper emissions reduction trajectory to 2030.

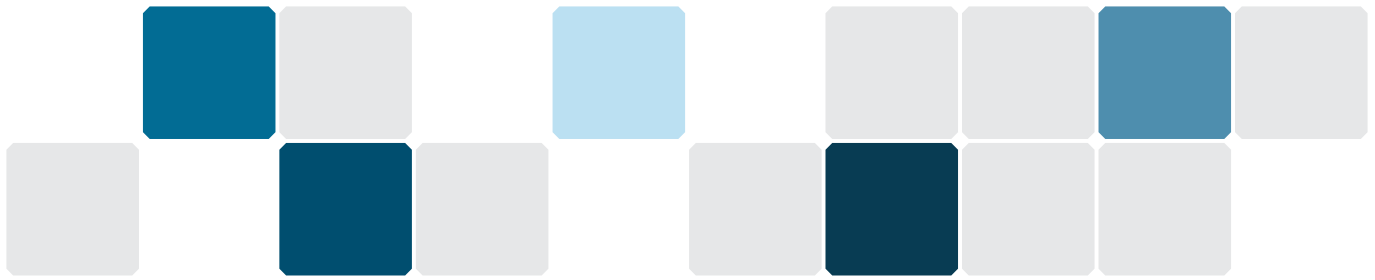
We are responsible for administering:

- [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 contribute towards Australia meeting its 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](#).

CER is now responsible for leading the technical work in developing methodology determinations (or methods), the legislative instruments that detail the rules for which emissions reduction activities are eligible under the ERF. The methods explain how to carry out a project and measure resulting reductions in emissions, with method priorities set by the Minister on advice from the Department. The Emissions Reduction Assurance Committee is an independent body, with Members appointed by the Minister, that is charged with advising the Minister on whether or not (proposed) methods meet the legislative offsets integrity principles. The Minister decides whether or not methods should be made or revoked based on this advice.





- 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 Australia meet its international reporting obligations.

This scheme provides the accounting basis for the operation of:

- The [Safeguard Mechanism](#), which 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). The Safeguard Mechanism will play a key role over the next four years in reducing emissions at the high intensity end of the market, and CER will renew its focus in supporting the policy objectives of the mechanism.

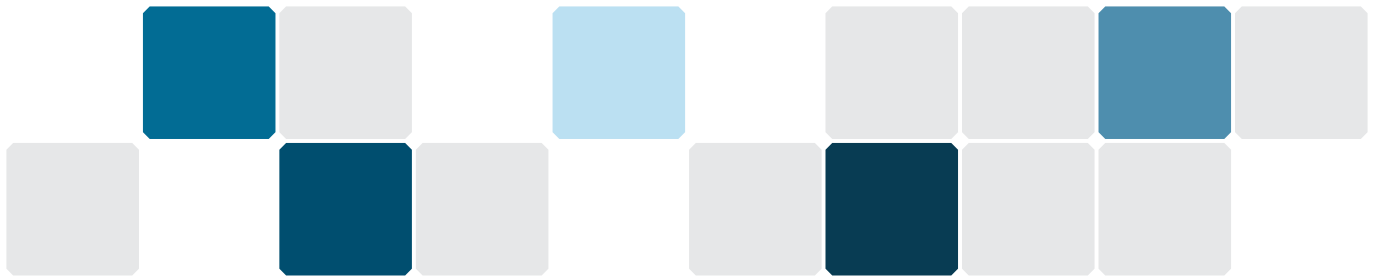
The [Renewable Energy Target \(RET\)](#) was designed to reduce emissions by encouraging additional renewable generation in the electricity sector.

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

The RET was met in 2021, however, CER maintains an important role in quantifying and assuring both Large-scale Generation Certificates (LGCs) and Small-scale Technology Certificates (STCs) for every megawatt hour of power generated within those categories. 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 through to 2030 which provides a continuing financial incentive to both large-scale renewable energy power stations and the owners of small-scale renewable energy systems.

Our change program, which began in 2020, will provide entirely new pathways for low emissions technology development and a major enhancement of the market structure for trading emissions offsets. These changes are a critical step in ensuring our emissions reduction frameworks in Australia are ready for greater integration into global markets and technology sharing. They include:

- A Guarantee of Origin (GO) certificate scheme to enable Australian businesses to sell verified low emissions products including hydrogen and renewable energy, domestically and to the world. We are collaborating with the Department to implement trials and inform scheme design.
- An Australian Carbon Exchange to accelerate the emergence of an online exchange traded 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 (CERT) report offers a standardised framework for NGER companies, who choose to participate, to report net emissions and show progress towards their climate commitments. The pilot CERT report was published on our website on 7 July 2022.

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 \$4 billion annually, including:
 - ♦ issuing ACCUs under the ERF to organisations and individuals for approved projects that reduce greenhouse gas emissions

- ♦ issuing LGCs and STCs 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 carbon abatement for the delivery of ACCUs, 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

CER 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 and gas markets as we transform to renewable and low emission generation; corporate and government initiatives to reduce and offset emissions; development of new low emissions industries such as hydrogen, ammonia and metals; adoption of new technologies like electric vehicles; and international developments such as corporate climate-related disclosures and standards.

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 in reducing emissions.

We strive to support the emergence of vibrant carbon markets with growing business appetite to meet corporate sustainability goals by voluntarily surrendering units and certificates to offset emissions and demonstrate renewable electricity use. State governments are also increasingly active in unlocking renewable supply, as well as demand for low emissions technology. We are examining how these may interact.

Carbon markets

We continue to focus our efforts on CER's statutory role within the RET, ERF and NGER schemes, and also expand our capability to deliver new initiatives. We monitor domestic carbon market developments and regularly publish information through our Quarterly Carbon Market Report (QCMR).

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

The CERT report will provide a trusted and independent source of information on business net emissions and progress towards voluntary emissions reduction targets including through engagement with Australia's growing carbon markets. CERT is a reporting framework that is consistent with emerging international reporting standards. When considered in conjunction with anticipated uptake of optional delivery contracts continuing to grow, this bodes well for the overall liquidity of the market and is likely another sign the private market will increasingly dominate demand for carbon units and certificates over time.

Clean Energy Regulator

Participants

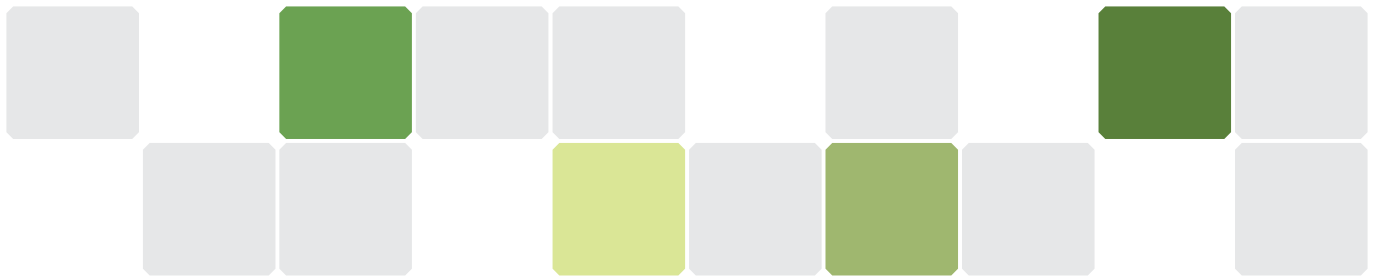
Organisations and individuals who participate in our schemes, and their professional advisors

Stakeholders

Ministres, other Commonwealth departments and agencies, expert service providers, industry representatives, investors, Australian public

Partners

Department of Climate Change, Energy, the Environment, and Water, co-regulatory arrangements, state and territory regulators, law enforcement, scheme auditors and inspectors



Technological development

CER continues to focus on co-designing fit for purpose regulatory technology solutions with industry.

Under the agency's change program, we've commenced design and delivery of ambitious and innovative technology improvements, including modernisation and consolidation of platforms and products used by our scheme participants. CER is focused on delivering greater efficiency, flexibility, and an improved overall user experience through leveraging our cloud-based architecture.

Our agile delivery approach underpins these activities and has enabled us to scale up while maintaining a secure, accessible, and adaptable foundation to deliver our digital services.

International developments

The Department manages and delivers policies and programs that help Australia respond to climate change. The Department is developing the GO scheme policy to give consumers confidence in the provenance of low emissions products that best suits their needs. Hydrogen will likely be the first in the scheme as it is an internationally traded commodity where Australia has the potential to be a major exporter. This scheme is expected to evolve over time to include other low emission products such as renewable energy, ammonia and steel. We are running GO trials with industry and will assist the Department in the design and implementation of the GO Scheme.

We are also supporting the Department in the development of the Indo-Pacific Carbon Offsets Scheme, a high-integrity carbon offset scheme focused on the Indo-Pacific region. The scheme is being co-designed by the Australian Government, partner countries, the private and not-for-profit sectors, and carbon market and accounting experts. CER has the opportunity to contribute expertise gained from establishing and administering the ERF.

We will monitor international carbon market developments to better understand the implications for Australia's domestic carbon

markets and assist the Department with implementation of Article 6 of the Paris Agreement.

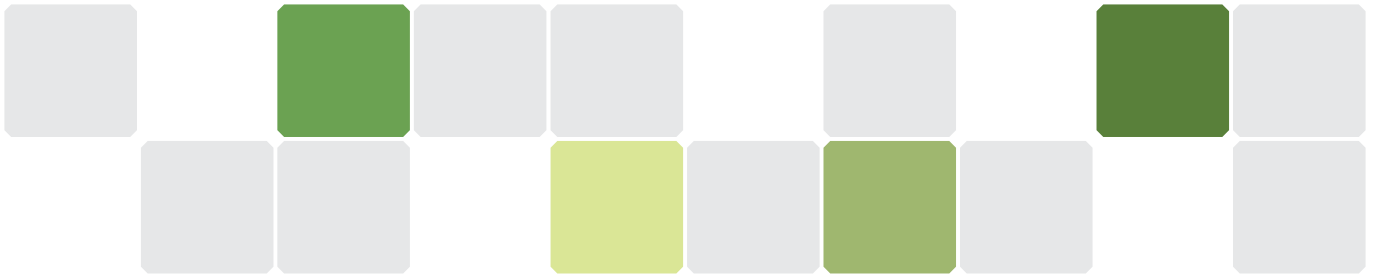
Action by business to reduce net emissions is gaining momentum globally, as is interest in and scrutiny of progress by investors, regulators and the public. We are working with other regulators to understand the evolving international standards for disclosure of climate-related risk and how the CERT report can assist.

Collectors and custodians of data

CER is the custodian of Australia's key emissions, energy and abatement data. We provide regular insights and data that 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 QCMRs that cover the three national carbon markets that CER administers.

Quality data is essential for the integrity of our schemes and in supporting a vibrant carbon market while underpinning the reputation of the agency as a trusted, relevant and expert institution. We are upgrading our systems to automatically validate key scheme data. These steps will improve scheme integrity and make it easier for scheme participants to gain benefits more quickly. We are developing a data hub where stakeholders and the public can find, access, use and understand our data. This work aligns with the Australian Government's open data strategy and is guided by the provisions within our legislation that govern how we use, share and manage our data safely and securely.

We are pursuing opportunities for improving the way we use our data, including augmented decision-making to achieve operational efficiencies, data visualisations to gain behavioural insights, and advanced data science



techniques for early non-compliance identification. An internal data strategy and roadmap has led to a phased program of work being delivered across CER that will uplift our data capability, governance, tools and data practices and ultimately deliver more timely, reliable and repeatable data services to our clients.





Our approach



We invest in capabilities that enable our agency to be agile and flexible in response to any scheme or policy changes. This allows 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 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 a source of truth.

Maintaining a capable, agile and high performing workforce is critical to our success. Also important is the open and collaborative relationships we have with the Department, state and territory government bodies, industry and other stakeholders.

Culture

Our culture and values shape the way we interact and engage with each other within CER. They guide how we 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 team member contributes to the values, principles and behaviours that are elements of our culture. We have distilled these into four cultural anchors that represent the ideals we strive for and form the way we work together. The four cultural anchors, internal to the agency 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

We are dedicated to building capability to capitalise upon opportunities to improve and future-proof the agency. Investments in our people ensure we have the right mix of capabilities and aptitudes to meet current and future requirements. Our workforce planning, recognises the opportunities technology



improvements can provide to upskill our workforce and use our people for the more complex tasks.

Our People Capability Framework provides a common and accessible language about agency capability that allows us to target development solutions for maximum benefit, and informs job and organisational design. CER will use data about our people’s capability to inform workforce management and planning decisions as the framework matures.

Our significant investment in 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, endorsed in 2019, is reviewed annually and supplements the outcomes of the change program in delivering refreshed IT infrastructure. The Digital Roadmap provides a rolling three-year view of our strategic IT investment priorities that is used to guide the agency’s schemes and registries continuous improvement.

Our performance

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

The agency’s KPI Framework has been developed to represent core functions, as opposed to individual scheme activities. The KPI Framework includes quantitative and qualitative performance indicators which measure and report on CER’s performance against its purpose,





objectives and planning priorities. This provides 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.

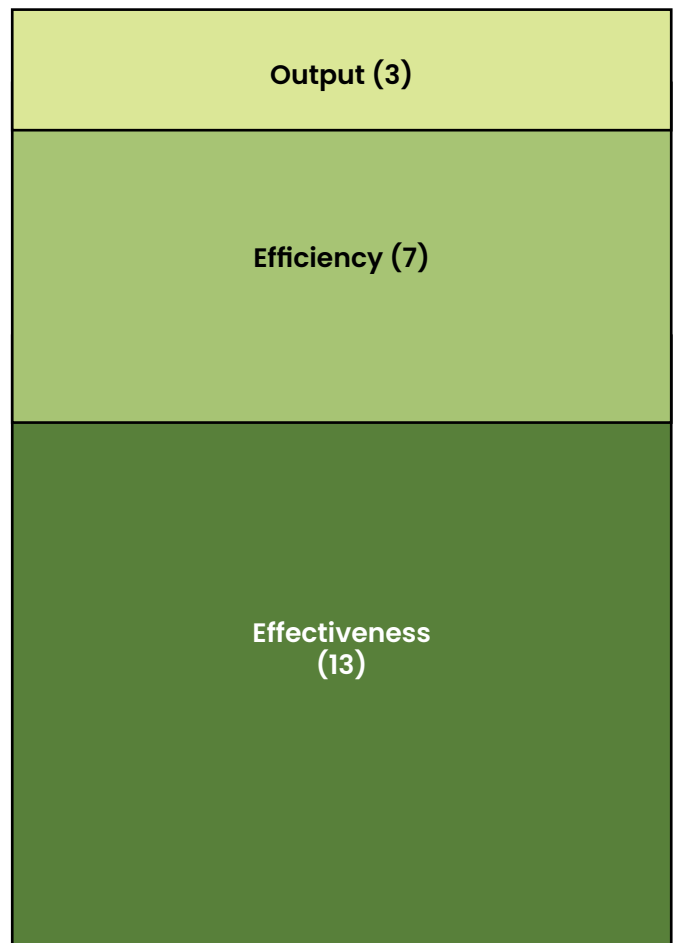
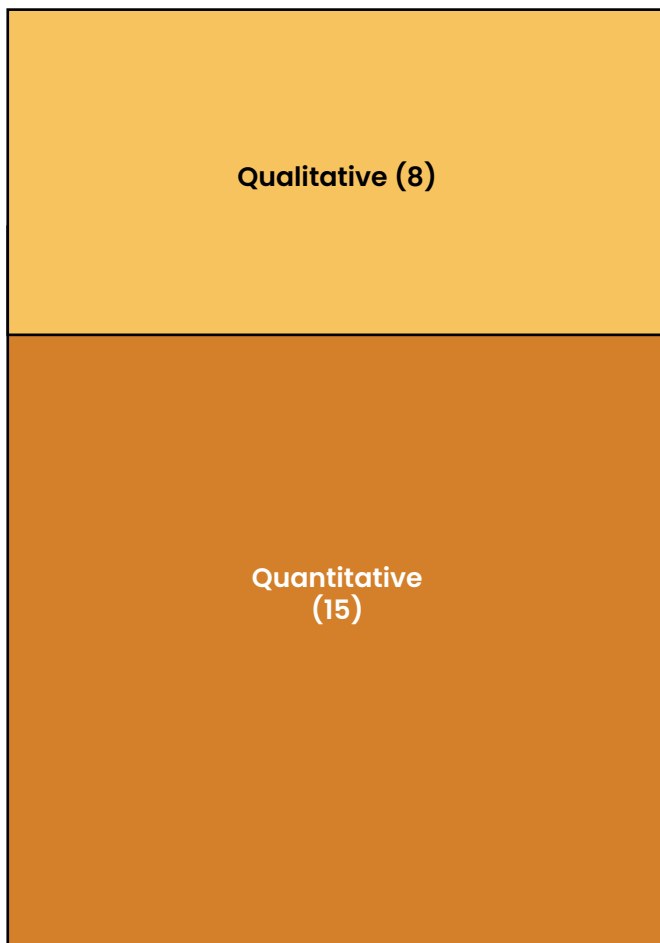
The KPI Framework is reviewed and updated with each planning cycle to ensure that our performance indicators best capture agency performance based on refinements to our reporting maturity and changes in the agency’s operational environment. In line with the performance reporting requirements under the Public Governance, Performance and Accountability Rule 2014, our performance information also outlines the mix of different 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 CER Annual Performance Statement, which is included in the CER 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 CER Annual Performance Statement will include analysis of performance against the three principles of regulator best practice that underpin the performance of regulators – continuous improvement and building trust; risk-based and data driven; and collaboration and engagement.

Types of performance measures for 2022–26





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 and could be applied across multiple objectives. They 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 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: Maintaining high integrity in our administered schemes and associated carbon markets.

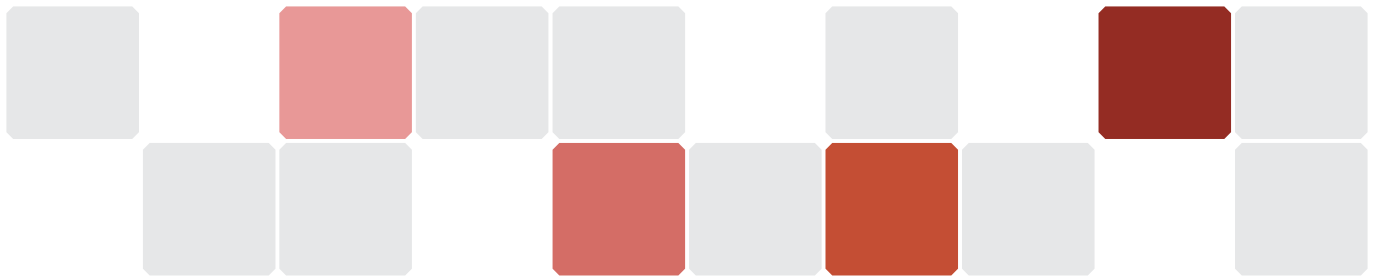
Identifying and effectively mitigating emerging risks associated with administering our schemes and facilitating carbon markets.

Key activities: Change

- Support policy development to strengthen the Safeguard Mechanism including declining safeguard baselines and the introduction of a Safeguard Crediting Mechanism.
- Accelerate the emergence of an online exchange traded market for emissions offsets.
- Support businesses to adopt and meet ambitious emissions reduction commitments through carbon markets.
- Improve the availability, transparency and accuracy of our market data for scheme and other market participants.

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).

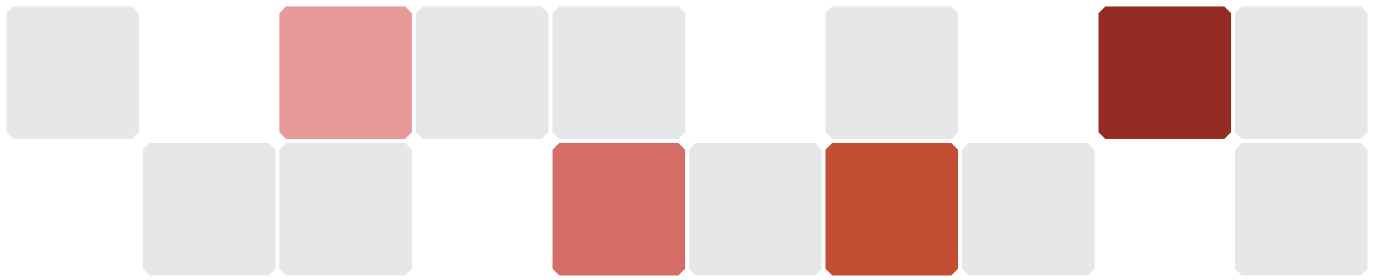


Key Performance Indicators

Key Performance Indicators (KPIs)	Target (2022 – 26)
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.	
Improvements to the way we use and share data.*	Qualitative analysis
Methodology: CER 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 a case study where appropriate.	
Risk appetite and tolerance statements are considered and updated as conditions require.^	Qualitative analysis
Methodology: Our risk appetite and tolerance statements are considered as part of our quarterly agency risk profile reporting and updated as conditions require.	
Extent to which regulatory performance principles are applied in agency.*	Qualitative analysis
Methodology: Our performance against this KPI would be demonstrated through a case study where appropriate.	

* Effectiveness KPI ^Efficiency KPI ~Output KPI





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

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

Key activities: Change

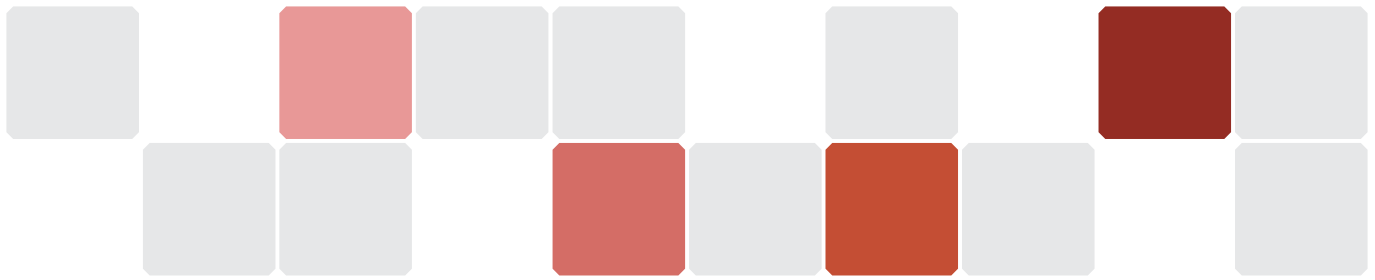
- Improve the client portal and other information technology entry points to improve the user experience and information exchange, and reduce transaction costs for scheme participants.
- Significantly enhance geospatial tools and capability for faster and more accurate assessment of claims for ACCUs and renewable energy certificates.

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

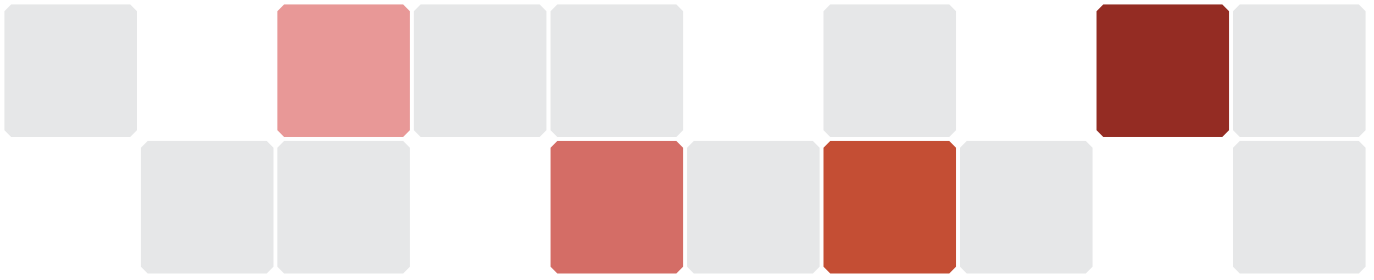
Key Performance Indicators (KPIs)	Target (2022 – 26)
Proportion of applications processed within statutory or agreed timeframes. ^	99.5 per cent
Methodology: Across schemes - the number of applications processed within statutory or agreed timeframes against the total number of applications processed. 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.	
Proportion of investigations completed within timeframes. ^	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.	



Key Performance Indicators (KPIs)	Target (2022 – 26)
Proportion of contracted carbon abatement delivered. ~	90 per cent#
<p>Methodology: Under 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.</p>	
Method tracker document on website and updated quarterly. ^	100 per cent
<p>Methodology: Assessed using updates to method tracker document on the CER website, on a quarterly basis during the reporting year.</p>	
Number of renewable energy certificates (LGCs and STCs) validated. ~	LGCs: 39.5 million (estimate) STCs: 49.4 million** (estimate)
<p>Methodology: The total number of renewable energy certificates (LGCs and STCs) validated in the reporting year.</p>	
Continuous improvement approaches to compliance and outcomes. *	Qualitative analysis
<p>Methodology: We continually look for ways to improve our approach to compliance and outcomes, including our intelligence-lead 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>	
Our actions are proportionate to the regulatory risk being managed.*	Qualitative analysis
<p>Methodology: Our performance against the KPI would be demonstrated through case studies which show that the Regulator has used the full spectrum of compliance responses proportionate to the risk posed by the non-compliant behaviour.</p>	

* Effectiveness KPI ^Efficiency KPI ~Output KPI
 # This refers to fixed delivery contracts where approval has not been given to exit the contract under the fixed delivery exit arrangement. Optional delivery contracts are excluded as non-delivery against an optional contract is an appropriate outcome, contributing to liquidity in the ACCU market. This means that outcomes from delivery of fixed delivery contracts for 2021-22 against this KPI are not directly comparable to earlier assessment periods.
 ** 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 institutions, organisations and scheme participants to leverage experience, insights, and opportunities to enable productive engagement and innovation.

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

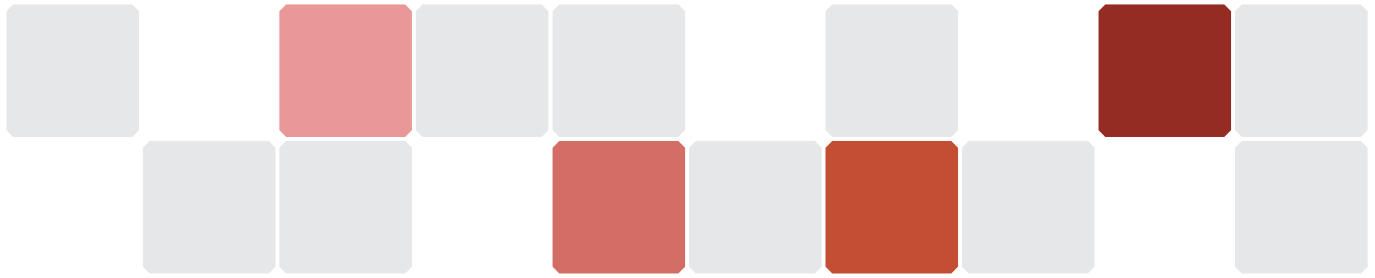
Key activities: Change

- 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 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.

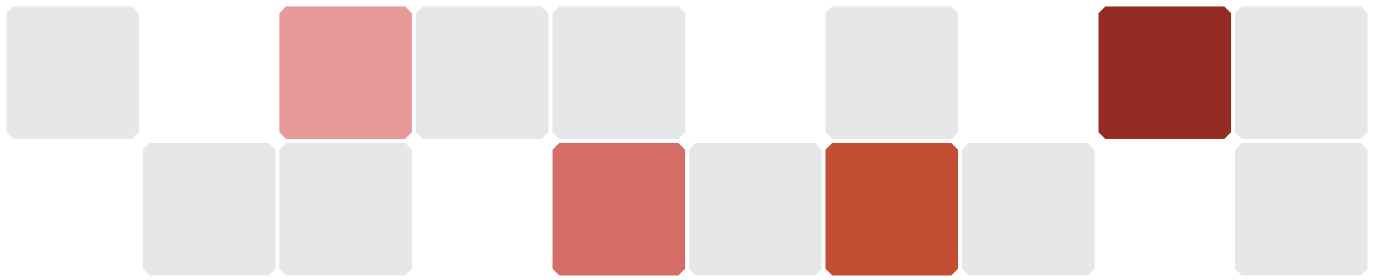




Key Performance Indicators

Key Performance Indicators (KPIs)	Target (2022 – 26)
Compliance levels by regulated and liable entities. [^]	≥ 95 per cent
<p>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.</p>	
Level of participant satisfaction with the quality and timeliness of market information. *	80 per cent
<p>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 CER’s market information.</p>	
Level of participant satisfaction with engagement and guidance provided. *	80 per cent
<p>Methodology: Results from the annual participant survey indicating satisfaction with engagement and guidance activities delivered by the agency. The result is derived from a specific survey question.</p>	
Proportion of participant contacts resolved at first interaction. [^]	70 per cent
<p>Methodology: The number of enquiries resolved within the first level of interaction against the total number of enquiries received by the in-house Contact Centre.</p>	
Development of new methods for the ERF. [~]	Methods are developed within the publicly announced timelines
<p>Methodology: The number of new ERF methods finalised within the timelines publicly announced in the ERAC’s annual work program against the total number prioritised for completion in that period.</p>	
Variation in profile of the institutions engaged. *	Qualitative analysis
<p>Methodology: Source relevant case studies from surveys, consultation and co-design activities.</p>	
Practical and timely guidance and outreach activities with our participants. *	Qualitative analysis
<p>Methodology: 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 a case study where appropriate.</p>	

*Effectiveness KPI [^]Efficiency KPI [~]Output KPI



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

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

Key activities: Change

- 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.

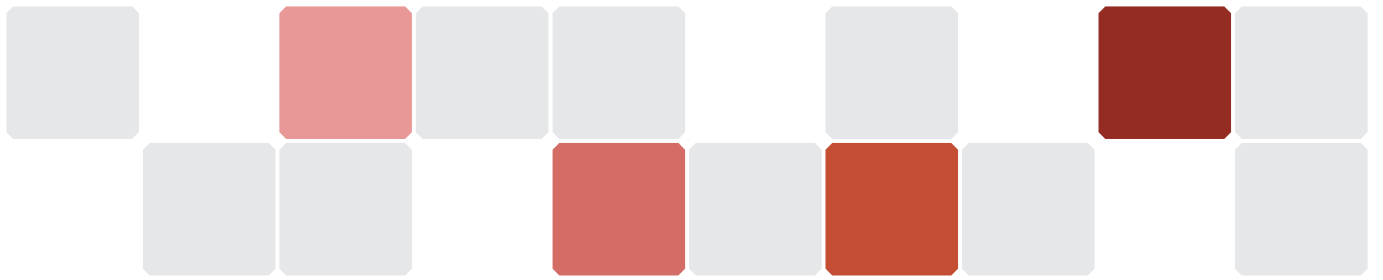
Key activities: Maintain

- Engaging to support the broader public service, maintaining staff capacity along with an ability to meet workforce expectations for ways of working, drawing in external specialist resources and providing 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 (2022 – 26)
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.



Key Performance Indicators (KPIs)	Target (2022 – 26)
System and administration practices are compliant with the Government’s Essential 8 strategies. *	92 per cent
Methodology: Measure of our cyber security maturity through the Whole of Government Essential 8 strategies.	
Demonstrated active engagement in workforce planning to meet future needs. ^	70% of agency branches have workforce plans in year 1, and all branches by year 3
Methodology: Number of branches with a General Manager endorsed workforce plan as measured against the agency organisation chart.	
Level of employee engagement score as measured through the annual APSC Census. *	Above or in line with medium sized APS agencies
Methodology: Result from the annual Australian Public Service (APS) Employee Census on the agency Engagement Score. The Engagement Score measures the emotional connection and commitment employees have in working for the agency. The result is derived from a set of questions in the APS Census related to employee engagement.	
Flexibility and adaptability in our staff to meet current and future requirements. *	Qualitative analysis
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.	

*Effectiveness KPI ^Efficiency KPI ~Output KPI





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 achieving CER's objectives.

The agency takes a risk-based approach to decision making, underpinned by our risk appetite and risk management framework. The framework outlines our system of risk management and oversight and is aligned to the Commonwealth Risk Management Policy and the ISO 31000: 2018 Risk Management Guidelines. The agency operates in a complex environment and recognises that risk is inherent in all that we do. The risk appetite of the agency articulates an appropriate and balanced view of its strategic risk environment related to the achievement of CER's objectives. The Board regularly considers this position as 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.

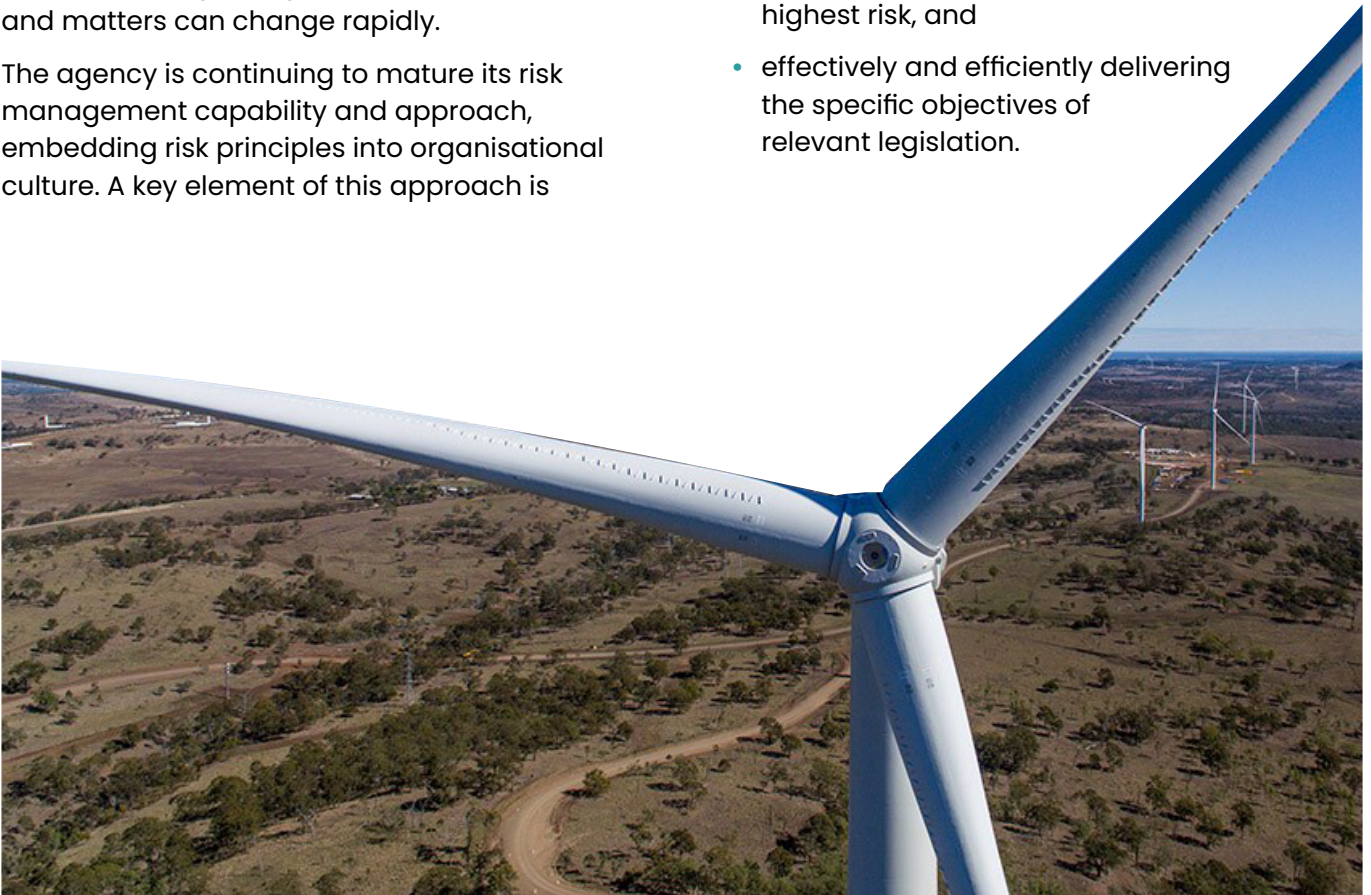
The agency is continuing to mature its risk management capability and approach, embedding risk principles into organisational culture. A key element of this approach is

increasing the risk capability at all levels of the organisation. To achieve this, it is educating and empowering staff to provide them with the knowledge, judgement and confidence to make more informed risk-based decisions and is also ensuring they have the support of their managers. Our current strategic risks articulate the high-level risks to achieving our objectives and are identified as:

- CER does not effectively manage its programs.
- CER's advice, insights and data are not of high quality.
- CER 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
- effectively and efficiently delivering the specific objectives of relevant legislation.



Governance

Our governance framework describes the legislative and policy obligations for which we are accountable, and how we work within CER and with others to ensure these accountabilities are met. In particular, the framework is an essential part of our compliance with the PGPA Act and assists our Chair in their role as the accountable authority under this Act.

The framework highlights the relationship between governance, risk management and culture. The governance arrangements described within it 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, and is supported in the agency through mechanisms such as

delegations, policies and standard operating procedures. The framework supports our culture, which is central in achieving the agency purpose and objectives. An engaged culture positively affects organisational performance.

We are subject to scrutiny through external audits by the Australian National Audit Office, appeals made to the Administrative Appeals Tribunal, the provision of regular reporting to Parliament and the Minister for Climate Change and Energy 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 guided by our strategic risks, scheme activities and corporate operations. 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

CER is committed to continuing its risk-based, intelligence-led approach to compliance; incorporating improved data analytics and intelligence insights to ensure a deeper understanding of the schemes, its participants, and the market in which each scheme operates. Responsibility for complying with scheme obligations always rests with the participants concerned.

Our approach includes helping scheme participants 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, formal compliance action may be taken in the form of the acceptance of enforceable undertakings, the suspension of participants from schemes, initiating civil proceedings, or supporting the prosecution of persons by prosecutorial agencies. In taking these compliance actions, we take a proportionate, risk-based response to regulation in order to protect the public interest.

Compliance priorities support the agency's wider objectives, priorities, and initiatives. An adaptive approach is reflected in our published annual compliance and enforcement priorities, which identify specific areas of focus for compliance and enforcement and are refined each year in response to shifts in industry practice and government policy settings. The priorities complement the data driven and risk-based approach to managing compliance in each scheme. The agency will use its full suite of 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, the agency will continue to detect and disrupt enduring forms of non-compliance. Those enduring priorities include:

- 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 obligations,
 - ◆ by ERF project proponents in claims for ACCUs.

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

- ensuring only fit and proper persons are allowed to participate in our schemes and taking actions to remove participants who are not fit and proper,
- building relationships with other state, territory, and Commonwealth regulators to promote the sharing of information,
- targeted use of scheme audits, ensuring that the agency obtains scheme assurance without over-burdening participants, and
- informing participants, and the public in general, of the agency's compliance action, priorities and expectations through the publication of 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
enquiries@cleanenergyregulator.gov.au

