



Australian Government
Clean Energy Regulator

HIR Gateway Audit Requirements

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OFFICIAL



Contents

Introduction..... 3

Purpose..... 4

Approach 5

Process Steps – HIR Gateway Audits 6

Process Steps – Further Details 8

 Step 1: Submit gateway check 8

 Step 2: Assess gateway check 9

 Step 3: Identify the scope of the s215 audit..... 10

 Step 4: Initiate s215 audit..... 11

 Step 5: Conduct s215 audit..... 12

 Step 6: Determine gateway check status..... 13

 Step 7: Respond to non-compliance..... 13

 Step 8: Conduct an independent review of all gateway checks 14

Forest cover audit..... 15

Scheduled audit due at same time as s215 gateway audit..... 15

Attachment A: Gateway audit requirements flowchart..... 16



HIR Gateway Audit Requirements

Introduction

On 3 May 2023, the Minister for Climate Change and Energy made a [Direction¹](#) to the Clean Energy Regulator (CER) concerning the administration of human-induced regeneration (HIR) projects under the Australian Carbon Credit Unit (ACCU) Scheme. Under the Direction, the CER will prioritise audits under section 215 of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (CFI Act) for the compliance of HIR projects submitting offsets reports subject to gateway checks.

These gateway checks were introduced in 2019 to support ongoing integrity of the HIR method and provide additional assurance that only eligible land is being issued Australian carbon credit units (ACCUs).

The CER currently applies an active upfront assurance framework to ensure that ACCUs that are created represent real abatement according to the legislation, rules, method and supporting guidelines and tools. The CER has multiple check points for HIR projects to be satisfied that projects are eligible to receive ACCUs, including at project registration, initial stratification, regular regeneration checks, forest cover attainment checks and when applications for ACCUs are submitted with an offsets report. A project's initial offsets report (the first time a project applies for ACCUs) is also subject to an independent audit that provides assurance over matters considered at project registration and initial stratification. Additional scheduled audits are also set out at project registration. The scheduled audits cover the broad range of requirements under the method, including record keeping of suppression activities and their removal.

This guidance only applies to HIR 'regeneration checks' and 'forest cover attainment' checks (hereafter referred to as 'gateway checks') and the approach the CER will take to prioritising s215 gateway audits when these important milestones occur throughout a project's crediting period².

- The purpose of regular regeneration checks is to demonstrate a project's progress towards forest cover (i.e. that trees are growing according to expectations), implementation of the project mechanism(s) and compliant carbon estimation area (CEA) stratification. Regeneration checks must occur approximately every 5 years after the project start date until all CEAs have attained forest cover or when requested by the CER.
- The purpose of a forest cover attainment check is to confirm a CEA has attained forest cover³ by the forest cover assessment date⁴ to determine whether a CEA remains eligible to receive ACCUs.

When a gateway check is due, the project's next offsets report must include information and evidence to demonstrate compliance with the relevant gateway requirements. The offsets report, including regeneration check and forest cover attainment evidence, is assessed by the CER before ACCUs are issued.

From 6 May 2023 onwards, all offsets reports submitted to the CER by project proponents that are subject to gateway checks will now also be subject to a s215 gateway audit. In addition to extensive CER checking

¹ <https://www.legislation.gov.au/Details/F2023L00530>

² Regeneration and forest attainment gateway checks (under s9AA and s70(3A) of the CFI Rule) apply to projects under the HIR and Native Forest from Managed Regrowth methods. This guidance and the requirement for s215 gateway audits only apply to HIR projects, noting the CER has powers to require a s215 audit for any project under any method.

³ Defined as over 90 per cent of the CEA area as having forest cover as per section 9AA of the CFI Rule.

⁴ Forest cover assessment date has the meaning given by subsection 9AA(6) of the CFI Rule.



processes, this will independently confirm that the offsets report complies with the legislative requirements, in particular sections 9AA and 70(3A) of the Carbon Credits (Carbon Farming Initiative) Rule 2015 (CFI Rule), taking into account the [Guidelines on stratification, evidence and records](#)⁵ (HIR Guidelines).

Prior to a s215 gateway audit being initiated, the CER will continue to undertake an assessment of the offsets report to determine eligibility against all legislative requirements, including gateway requirements. This assessment will inform the s215 gateway audit scope.

- If the CER is satisfied that the gateway evidence sufficiently demonstrates compliance with the legislative requirements, and the offsets report is otherwise compliant, then the CER will issue ACCUs. In these cases, the s215 gateway audit will be focused on forest regeneration, with desktop checking of other gateway requirements.
- If the CER is not satisfied that the gateway evidence sufficiently demonstrates compliance with the legislative requirements, then the CER will request additional information and the project will be subject to a more detailed s215 gateway audit, focusing on all gateway requirements. The CER will not issue ACCUs until it is certain the project is compliant. All forest cover attainment gateway checks will be subject to an expanded audit regardless of the CER's assessment.
- If the timing of previous audits for a project was prior to the implementation of the HIR guidelines, then the project will be subject to an expanded s215 gateway audit.

The CER conducts an annual audit program as part of its broader compliance monitoring for the ACCU Scheme. The CER will expand its audit program to prioritise gateway checks. The CER will select auditors for the audits in accordance with the [Commonwealth Procurement Rules | Department of Finance](#)⁶. All audit teams will need to include a team member with expertise in ecology and/or forest assessment.

The s215 gateway audits will form an important component of the [ACCU Scheme Compliance and Assurance Framework](#)⁷ and the CER's broader [Compliance Policy for Education, Monitoring and Enforcement Activities](#)⁸.

The s215 gateway audits will provide additional information and assurance to satisfy the CER that the forest potential and forest cover attainment requirements under the HIR method have been met for all the CEAs in accordance with sections 9AA and 70(3A) of the CFI Rule and the HIR Guidelines.

Purpose

This document sets out the approach the CER will take to the s215 gateway audits for HIR projects.

⁵ <https://www.cleanenergyregulator.gov.au/DocumentAssets/Pages/Guidance-on-stratification-evidence-and-records-under-HIR-and-NFMR-methods.aspx>

⁶ <https://www.finance.gov.au/government/procurement/commonwealth-procurement-rules>

⁷ <https://www.cleanenergyregulator.gov.au/DocumentAssets/Pages/ACCU-Scheme-Compliance-and-Assurance-Framework.aspx>

⁸ <https://www.cleanenergyregulator.gov.au/About/Policies-and-publications/Compliance-policy-for-education-monitoring-and-enforcement-activities>



Approach

The CFI Act, the CFI Rule, the HIR Method, the [HIR Guidelines](#)⁹, the [FullCAM Guidelines](#)¹⁰ and the [CFI Mapping Guidelines](#)¹¹ form the basis of compliance arrangements for HIR projects and will also inform the requirements for the s215 gateway audits.¹²

From the 6 May 2023, all HIR projects submitting an offsets report that includes a gateway check will be subject to a s215 gateway audit in addition to the extensive checking undertaken by the CER. Regeneration checks are generally required to be submitted with offsets reports at least every five years after the start of a project (generally at years 6 and 10), until all CEAs pass their forest cover assessment date. A project's forest cover assessment date generally falls 15–20 years after project declaration or modelling commencement date (considering any eligible growth disruptions). The s215 gateway audit will target requirements of the relevant gateway check in accordance with the legislative requirements.

The CER will expand its annual audit program to cover gateway checks. When a scheme participant is subject to a s215 gateway audit, they will receive a written notice stating that an audit is required. The notice will include:

- who the appointed auditor is
- the period the audit covers
- the scope and matters to be covered by the audit
- when the audit will occur.

The CER will appoint the auditor and cover the cost of the audit. When appointing the auditor, the CER will need to be satisfied that the auditor or one or more audit team members have skills and experience in ecological assessment, which is required by the Direction.

As per the CFI Act, ACCU issuance will be based on a compliant offsets report accompanying the regeneration or forest attainment gateway check, with the CER needing to be satisfied that the relevant provisions of the CFI Rule (s9AA and s70(3A)) and HIR Guidelines have been met. If the CER is not satisfied that the project is compliant with legislative requirements, it will take further assurance and compliance steps, including a s215 gateway audit, to inform the CER's decision to issue ACCUs. The CER may request further information and use its monitoring and inspection powers to obtain further information to support compliance actions. These may include a requirement to re-stratify, pause in crediting, and/or refusal of a crediting application. Serious cases of non-compliance can lead to further investigations, Enforceable Undertakings (EUs), loss of Fit and Proper Person (FPP) status, potential relinquishment of ACCUs, and the CER may pursue civil action or refer matters for criminal prosecution. These more serious actions have been rare because compliance has been high.

⁹ <https://www.cleanenergyregulator.gov.au/DocumentAssets/Pages/Guidance-on-stratification-evidence-and-records-under-HIR-and-NFMR-methods.aspx>

¹⁰ https://www.dceew.gov.au/sites/default/files/documents/final_fullcam_guideline_human-induced_regeneration_of_a_permanent_even-a.pdf

¹¹ <https://www.cleanenergyregulator.gov.au/DocumentAssets/Pages/CFI-Mapping-Guidelines.aspx>

¹² The s215 audits are in addition to the minimum 3 scheduled audits required for each project. The scheduled audits cover the broad range of requirements under the method including record keeping of suppression activity and their removal.



The CER will commission an independent expert to regularly review and report on all HIR gateway checks, which will be aggregated for publication. The review will provide additional independent assurance on the performance of the HIR project portfolio. An initial review report will be published on the gateway checks already completed. A review report will then be prepared approximately every six months for subsequent gateway checks.

Process Steps – HIR Gateway Audits

Step 1: Submit gateway check

The project proponent submits HIR gateway check information and evidence (regeneration gateway and/or forest cover attainment gateway) with the relevant offsets report.

Step 2: Assess gateway check

The CER will assess the information and evidence provided by the project proponent to demonstrate compliance with the gateway check legislative requirements.

Sufficient evidence: If the CER is satisfied with the evidence provided to support the gateway check and all other aspects of the offsets report are compliant, ACCUs will be issued.

Insufficient evidence: If the CER is not satisfied with the evidence provided to support the gateway check and/or compliance with other aspects of the offsets report, the CER will not issue ACCUs until the s215 gateway audit has occurred and the CER is satisfied that the project is compliant.

Step 3: Identify the scope of the s215 audit

The scope of the s215 gateway audit will be targeted based on the outcomes of the CER's assessment of the gateway check and the timing of previous audits.

Standard audit: If the evidence submitted in the gateway report is assessed by the CER as sufficient, and all other aspects of the offsets report are compliant, the project will be subject to a standard audit. This type of audit will likely be used for most s215 gateway audits and is focused on forest regeneration requirements.

Expanded audit: The project will be subject to an expanded audit with detailed examination of all gateway requirements if either:

- » the evidence submitted in the gateway report is assessed by the CER as insufficient to meet all gateway check legislative requirements
- » if submitted evidence does not adequately cover how the boundaries and stratification of the CEAs met the requirements of the applicable methodology determination, taking into account the HIR guidelines, particularly at initial stratification.

Step 4: Initiate s215 audit

The CER will appoint the independent auditor and cover the cost of the audit.

Step 5: Conduct s215 audit

An independent auditor will undertake the s215 gateway audit (standard or expanded audit).

Step 6: Determine gateway check status

The CER will review the results of the s215 gateway audit and its own assessment of the project's gateway check. Based on this review, the CER will give the project's gateway check a status of 'compliant' or 'non-compliant'.

**Step 7: Respond to non-compliance**

If a project's gateway check has a status of 'non-compliant', the CER will require the project proponent to address non-compliance matters prior to any further ACCUs issued to the project.

Step 8: Conduct an independent review of all gateway checks

The CER refers the project's gateway check evidence and supporting s215 gateway audit report to an independent expert reviewer. The independent expert reviewer undertakes a review of all HIR gateway checks and will report on them in aggregate for publication.



Process Steps – Further Details

Step 1: Submit gateway check

A project proponent submits an HIR gateway check with the relevant offsets report. The information and evidence that must be provided in the offsets report depends on whether the CEAs are required to demonstrate regeneration or forest cover attainment. The gateway check must be compliant with the legislative requirements under sections 9AA and s70(3A) of the CFI Rule, taking into account the HIR Guidelines.

CER information and evidence requirements for gateway checks

Regeneration check

When an HIR offsets report includes a regeneration check (generally at years 6 and 10), the CER will require the following information and evidence supplied by a project proponent to demonstrate:

- the project's progress towards or attainment of forest cover in each CEA and evidence supporting that progress and attainment, including:
 - » information showing that the canopy cover requirements, at the relevant spatial scales, demonstrate progress towards or attainment of forest cover, in accordance with the requirements specified in the HIR Guidelines
 - » that remote sensing imagery used to assess progress towards or attainment of forest cover was obtained within the last year or during the relevant reporting period
 - » field data to demonstrate progress towards or attainment of forest cover and inform or supplement change detection products and remote sensing analysis
 - » that change detection products or remote sensing analysis are appropriate for detecting ongoing regeneration, giving regard to the data sources and data processing approaches used to identify pre-existing forest and forest potential at initial stratification or subsequent restratification.
- how the project mechanism has continued to be implemented in each CEA and evidence supporting that continued implementation
- how the boundaries and stratification of the CEAs meet the requirements of the applicable methodology determination.

Forest cover attainment check

When an HIR offsets report includes a forest cover attainment check (generally at years 15–20), the CER will require the following information and evidence supplied by a project proponent to demonstrate:

- that a CEA has passed its forest cover assessment date
- that a CEA has more than 90 per cent forest cover
- that a CEA had no pre-existing forest cover
- details regarding the data sources and data processing approaches used to demonstrate the attainment of forest cover and the absence of pre-existing forest cover
- that the same, or equivalent, data sources and data processing approaches were used to demonstrate forest cover attainment and pre-existing forest cover in each CEA



- » where it is not possible or appropriate to use the same data sources and data processing approaches for identifying pre-existing forest cover and forest cover attainment, proponents must provide information and evidence demonstrating that the data sources and data processing approaches used to identify forest cover attainment are consistent with, or comparable to, those used to identify pre-existing forest cover.

Step 2: Assess gateway check

The CER will assess the information and evidence provided by the project proponent to demonstrate compliance with the requirements of gateway checks in accordance with the legislative requirements and taking into consideration the project's initial audit and any subsequent audits. This will form the basis of the scope of a s215 gateway audit.

If the CER is satisfied with the evidence provided by the project proponent to support the gateway check, and all other parts of the offsets report are compliant, ACCUs will be issued.

If the CER is not satisfied with the evidence provided by the project proponent to support the gateway check and/or compliance with other parts of the offsets report, applications for ACCUs will be paused pending the results of the s215 gateway audit. The CER will not issue ACCUs until it is certain that the project is compliant.

CER assessment

The CER will use the following evidence, information and tools to assess each gateway check:

- analysis of the information and evidence provided by the project proponent to demonstrate progress towards or attainment of forest cover, implementation of the project mechanisms and stratification of CEAs
- independent data sources demonstrating woody vegetation regeneration, including National Forest and Sparse Woody Vegetation data, relevant data published by the Terrestrial Ecosystem Research Network, state/territory datasets and regional canopy cover models developed by the CER
- recent scheduled or CER-initiated audit reports.

Evidence is sufficient

If the evidence provided by proponents demonstrates sufficient progress towards forest cover or forest cover attainment (depending on the specific gateway requirements) and the relevant offsets report is fully compliant with legislative requirements, the CER will issue ACCUs for that offsets report.

The s215 gateway audit will commence as quickly as possible after CER's assessment of the offsets report.

In cases where the CER has assessed the evidence for forest progression as sufficient, the s215 gateway audit will be subject to a 'standard audit'. A standard audit will focus on forest regeneration.

All forest cover attainment gateway checks will be subject to an expanded audit regardless of the CER's assessment.

Refer to 'Step 3: Identify the scope of the s215 audit'.

Evidence is insufficient

If the CER considers more information and evidence is needed for the gateway assessment to be satisfied that the requirements of the offsets report have been met, the CER will request further information from the project proponent.



ACCUs will not be issued until the CER is satisfied that the offsets report is compliant.

The s215 gateway audit will need to be completed to provide the additional evidence and assurance to enable the CER to be satisfied that the offsets report is compliant. This s215 gateway audit will be subject to an 'expanded audit' that will focus on all gateway check requirements, will be more comprehensive than a 'standard audit', and a site visit will likely be necessary.

The s215 audit will commence as quickly as possible after CER's assessment of the offsets report.

An outcome of the s215 audit could be that the CER takes further assessment and compliance steps in response to the gateway check.

Refer to 'Step 7: Respond to non-compliance'.

Step 3: Identify the scope of the s215 audit

Regeneration check

The CER will review the results of its assessment of the regeneration gateway check. A project's gateway check will be classified as sufficient evidence or insufficient evidence based on the CER assessment.

The scope of the s215 gateway audit will be targeted based on the outcomes of the CER assessments of the gateway (sufficient or insufficient):

- **Standard audit:** If the evidence submitted in the gateway report is assessed by the CER as sufficient, and all other aspects of the offsets report are compliant, the project will be subject to a standard audit. The standard audit will focus on forest regeneration, using the following criteria:
 - » assessment of a project's progress towards or attainment of forest over in each CEA and evidence supporting that progress and attainment
 - » modelling that accurately reflects modelling start date, management activities and disturbance events, including compliance with FullCAM guidelines
 - » proponent's use of change detection products/remote sensing tools including time series consistency
 - » any other relevant gateway check requirements.

A site visit may not be necessary although this will be at the discretion of the independent auditor.

- **Expanded audit:** The project will be subject to an expanded audit if:
 - » the evidence submitted in the gateway report is assessed by the CER as insufficient to meet all gateway check legislative requirements,
 - » submitted evidence does not adequately cover how the boundaries and stratification of the CEAs met the requirements of the applicable methodology determination, taking into account the HIR guidelines, particularly at initial stratification, or
 - » the timing of previous audits for a project was prior to the implementation of the HIR guidelines.

The expanded audit for a regeneration check will focus on all gateway requirements using the following criteria:

- » assessment of a project's progress towards or attainment of forest cover in each CEA and evidence supporting that progress and attainment



- » modelling that accurately reflects modelling start date, management activities and disturbance events, including compliance with FullCAM guidelines
- » proponent's use of change detection products/remote sensing tools including time series consistency
- » how the project mechanism has continued to be implemented in each carbon estimation area
- » record keeping and evidence of implementation of project activities
- » how the boundaries and stratification of the CEAs meet the requirements of the applicable methodology determination, including exclusion of baseline forest and taking into account the HIR Guidelines
- » all issues of concern or non-compliance from the offsets report.

The CER's expectation is that these s215 gateway audits will be more comprehensive than a standard audit, and a site visit will likely be necessary.

Forest cover attainment

When an offsets report includes a CEA that has passed its forest cover assessment date, the project will automatically be subject to an expanded audit for the relevant CEAs, even if the evidence assessed by the CER is found to be sufficient. This is because the forest cover assessment date is an important project milestone and the final gateway check for a CEA to confirm it has attained forest cover in compliance with the legislative requirements. Forest cover must be maintained beyond this gateway for the duration of the permanence period of the project (i.e. 25 or 100 years).

- **Expanded audit:** The expanded audit for a forest cover attainment check will target the following criteria:
 - » assessment that each CEA has attained forest cover and did not contain pre-existing forest cover
 - » application of the same procedure (or a consistent or comparable procedure) to identify forest cover attainment, and exclude pre-existing forest cover
 - » if the latest version of the maps that inform the National Inventory has not been used, that the procedure used meets the requirements of the HIR Guidelines
 - » modelling that accurately reflects modelling start date, management activities and disturbance events, including compliance with FullCAM guidelines, and calculations towards eligible growth disruption period and forest cover assessment date
 - » all issues of concern or non-compliance from the offsets report.

The CER's expectation is that these s215 gateway audits will be more comprehensive than a standard audit, and a site visit will likely be necessary.

Step 4: Initiate s215 audit

The purpose of a s215 gateway audit assurance engagement is to provide an independent conclusion on whether the project proponent (audited body) has complied, in all material respects, with specified requirements of a gateway check as required by the legislation.

Following the CER assessment of the HIR offsets report, including the gateway check, the CER will engage the independent auditors to undertake the s215 gateway audit through its annual audit program.

The CER will appoint the auditor, cover the cost of the audit and specify the scope of audit.



When appointing the auditor, the CER will need to be satisfied that the audit team leader or one or more audit team members have skills and experience in ecological assessment.

When a project proponent is subject to an audit, they will receive a written notice from the CER stating that an audit is required. The notice will include:

- who the appointed auditor is
- the period the audit covers
- the scope and matters to be covered by the audit.
- when the audit will occur.

The CER will consider the findings of the s215 gateway audit to inform ongoing compliance of the project. The CER will take further assurance and compliance steps in response to any material non-compliance findings. Refer to 'Step 7: Respond to non-compliance'.

Step 5: Conduct s215 audit

An assurance engagement process has several steps that are undertaken by the independent auditor.

Preparing

The auditor must decide whether they are able to accept the client and s215 gateway audit engagement by assessing the inherent risks and the auditor's independence from the client.

This is part of the quality control process.

Planning

The auditor assesses whether the s215 assurance engagement is feasible by evaluating what will be audited (the subject matter) and what it will be audited against (the criteria), including whether the audit is a standard or expanded audit.

Through planning, the auditor develops audit procedures for the performing phase to appropriately address the assurance risks. This will enable the auditor to gather sufficient appropriate evidence to support the conclusion in the assurance engagement report during the performing phase.

Performing

The auditor gathers evidence to support the assurance conclusions by undertaking the procedures developed in the planning stage. The auditor aims to assess whether the evidence shows that the audited body has complied with all the relevant legislation and methodology relating to the scope of the audit, in all material aspects.

Reporting

The auditor obtains management sign-off from the project proponent on the completeness and accuracy of the information provided to the audit team leader, the compliance of the reported information in the gateway report and the representation made by management to the auditor.

The auditor should discuss the audit findings with the project proponent wherever there are doubts over their accuracy.

The auditor then uses the evidence gained during the audit to evaluate the final information against the scope of the audit and legislation and methodology (the criteria).



The auditor prepares a report on its findings for the CER in accordance with the [NGER Audit Determination](#). This report must include:

- a cover sheet
- Part A (audit opinion)
- Part B (detailed findings).

The auditor submits the s215 gateway audit report to the CER.

Relationship between the CER, audited body and the audit team leader

To provide independent assurance, a three-party relationship must exist between the CER, the project proponent (as the audited body) and the audit team leader, where:

- the CER is the intended user of the matters to be subjected to assurance
- the project proponent (audited body) is responsible for reporting in compliance with the legislation governing HIR method
- the audit team leader is responsible for independently assessing the matter to be audited against the audit scope/criteria and expressing an assurance conclusion following their assessment.

Step 6: Determine gateway check status

The CER will review the outcomes of both its own assessment of a project's gateway check and the outcomes of the s215 gateway audit.

The CER will give each project a status of 'compliant' or 'non-compliant'.

- **Compliant:** A project receives a status of 'compliant' for its gateway check if the CER is satisfied that the project has met all gateway check legislative requirements, including supporting guidelines, and the project receives a 'clean' s215 gateway audit, with no material audit findings.
- **Non-compliant:** A project receives a status of 'non-compliant' for its gateway check if the project fails the CER assessment and/or the outcomes of the s215 gateway audit are a qualified or adverse audit opinion.

If a project fails its gateway check, no further ACCUs will be issued for the project. A project that initially is given a status of 'non-compliant' may transition to a status of 'compliant' after it satisfactorily responds to any non-compliance, as agreed with the CER. If a project fails its gateway check and ACCUs have been issued where they should not have been, ACCU issuance will be paused until the project catches up, or the project may be required to relinquish ACCUs. Refer to 'Step 7: Respond to non-compliance'.

Step 7: Respond to non-compliance

The CER has a broad range of compliance powers under its legislation. The project proponent will be required to address any outstanding compliance matters prior to any further ACCUs being issued for the project. The CER may request further information and use its monitoring and inspection powers to obtain further information to support compliance outcomes.

Compliance responses to non-compliant projects may include:

- requirement to re-stratify
- pause in crediting
- refusal of the crediting application.



Serious cases of non-compliance can lead to further investigations, including:

- Enforceable Undertakings (EUs)
- loss of Fit and Proper Person status (FPP)
- potential relinquishment of ACCUs
- the CER may pursue civil action or refer matters for criminal prosecution.

Under the *Criminal Code Act 1995*, it is an offence for a person to give information or documentation to a Commonwealth entity if the person providing it knows that the information or documentation is false or misleading. The provision of false or misleading information in an offsets report may also have consequences under the CFI Act, the *Australian National Registry of Emission Units Act 2011* and other laws. If it is found that false or misleading information was purposely provided, the CER may revoke the project's registration; require that ACCUs issued in relation to the project be relinquished; or pursue civil or criminal penalties.

The [ACCU Scheme Compliance and Assurance Framework \(cleanenergyregulator.gov.au\)](https://www.cleanenergyregulator.gov.au)¹³ and the CER's broader [Compliance policy for education, monitoring and enforcement activities \(cleanenergyregulator.gov.au\)](https://www.cleanenergyregulator.gov.au)¹⁴ provide more information on the CER's response to non-compliance.

Step 8: Conduct an independent review of all gateway checks

The CER will commission an independent expert to regularly review and report on the outcomes of the HIR gateway checks in aggregate for publication, including already completed gateway checks. The review will provide additional independent assurance on the performance of the HIR project portfolio.

Once a project's gateway check has been through the CER assessment and s215 gateway audit process, and the outcome of a gateway check has been finalised by the CER, the CER will send the independent expert reviewer the project's gateway information. This will include evidence provided by the project proponent, any additional evidence considered by the CER, and the s215 gateway audit report. The project will be batched with a group of the most recent HIR gateway checks.

The independent reviewer will consider the information and evidence for each project, conduct their own assessment, and come to a view as to whether – in their own opinion – the outcomes of the gateway check are reasonable. The outcomes for each project will also inform the CER's compliance response for individual projects and inform general process improvement for scheme administration.

The expert reviewer will prepare a public facing report on the latest batch of HIR projects. The public facing report will not report at an individual project level, but in aggregate for the latest group of projects that have been through the gateway check process. If there are fewer than 10 projects in a group, the projects will be rolled into the next public report to ensure no individual projects can be identified.

An initial review report will be published on the gateway checks already completed. A review report will then be prepared approximately every 6 months for projects that subsequently have gateway checks.

¹³ <https://www.cleanenergyregulator.gov.au/DocumentAssets/Pages/ACCU-Scheme-Compliance-and-Assurance-Framework.aspx>

¹⁴ <https://www.cleanenergyregulator.gov.au/About/Policies-and-publications/Compliance-policy-for-education-monitoring-and-enforcement-activities>



The review reports will be made public to provide scheme transparency and confidence in the integrity of the HIR project portfolio.

Forest cover audit

The CFI Rule (s79A) requires that an audit report (which is in addition to the minimum 3 scheduled audits depending on their timing) accompanies the 15-year forest cover attainment check. This audit is paid for by the proponent. However, the CFI Rule also allows the CER to advise the proponent that this s79A audit is not necessary. All other things being equal, the s215 gateway audit for the forest cover attainment check could remove the need for the s79A audit.

Scheduled audit due at same time as s215 gateway audit

Some project proponents may have a scheduled audit due around the same time as the s215 gateway audit. When this happens, project proponents can request the CER to rephase the next scheduled audit (one of at least 3 required audits) to the following calendar year (or later). A decision to rephase a scheduled audit is at the discretion of the CER.

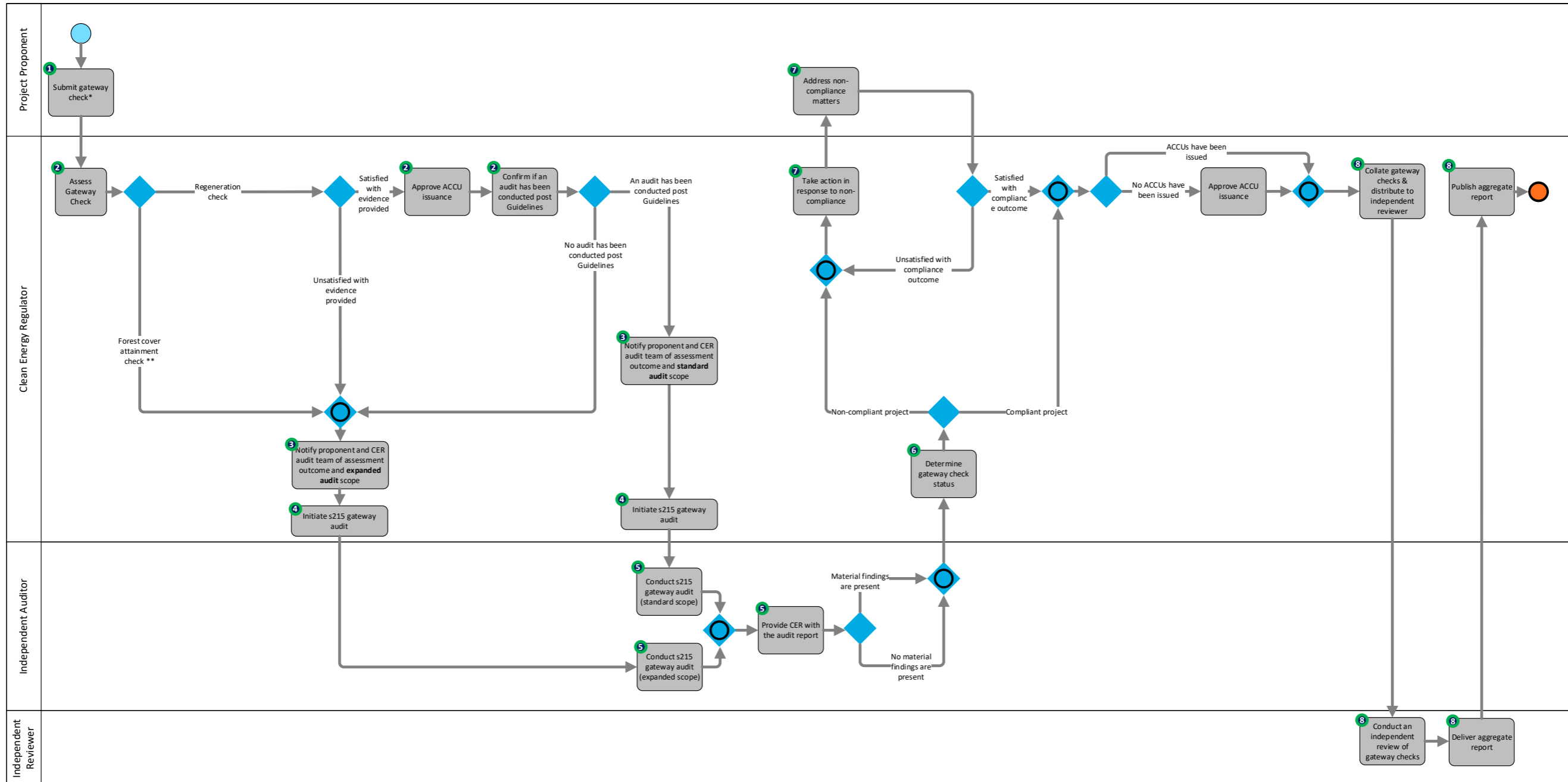


Human-Induced Regeneration Projects | Gateway Audit Requirements Flowchart

Purpose

The purpose of this document is to provide a summary of the process for human-induced regeneration (HIR) project s215 gateway audits.

As outlined in the HIR Gateway Audit Requirements, there are eight process steps to complete a s215 gateway audit. These steps are expanded upon in the flowchart below.



Eight steps to complete a s215 gateway audit

- Step 1: Submit gateway check**
The project proponent submits gateway check information and evidence (regeneration check or forest cover attainment check) with the relevant offsets report.
- Step 2: Assess gateway check**
The CER will assess the information and evidence provided by the project proponent to demonstrate compliance with the gateway check legislative requirements.
- Step 3: Identify the scope of the s215 audit**
The scope of the s215 gateway audit will be targeted based on the outcomes of the CER's assessment of the gateway check and timing of previous audits.
- Step 4: Initiate s215 audit**
The CER will appoint the independent auditor and cover the cost of the audit.
- Step 5: Conduct s215 audit**
An independent auditor will undertake the s215 gateway audit (standard or expanded scope audit).
- Step 6: Determine gateway check status**
The CER will review the results of the s215 gateway audit and its own assessment of the project's gateway check. Based on this review, the CER will give the project's gateway check a status of 'compliant' or 'non-compliant'.
- Step 7: Respond to non-compliance**
If a project's gateway check has a status of 'non-compliant', the CER will require the project proponent to address non-compliance matters prior to any further ACCUs being issued to the project.
- Step 8: Conduct an independent review of all gateway checks**
The CER refers the project's gateway check evidence and supporting s215 gateway audit report to an independent expert reviewer. The independent expert reviewer undertakes a review of all HIR gateway checks and will report on them in aggregate for publication.

NOTES

* Project proponents are encouraged to contact the CER to confirm regeneration check requirements, including timing and gateway canopy cover and spatial scale requirements, in accordance with the HIR guidelines.

** All forest cover attainment gateway checks will be subject to an expanded audit regardless of the CER's assessment

