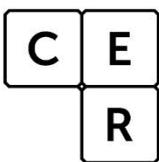
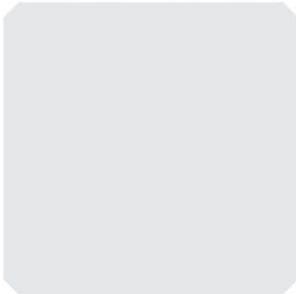




Australian Government
Clean Energy Regulator

ANNUAL REPORT 2021-22



**CLEAN
ENERGY
REGULATOR**

**Accelerating carbon
abatement for Australia**

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About this report

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This document must be attributed as the *Clean Energy Regulator Annual Report 2021-22*. The Clean Energy Regulator asserts the right to be recognised as the author of the original material and to be attributed as 'Source: Clean Energy Regulator'.

This report describes our performance from 1 July 2021 to 30 June 2022.

We report on results achieved against our intended purpose, outcome, deliverables and performance criteria, which are detailed in our *Corporate Plan 2021-25* and *Portfolio Budget Statements 2021-22*. We also describe our management and accountability structures, workforce and financial performance, including audited financial statements, in accordance with *Resource Management Guide No. 135: Annual reports for non-corporate Commonwealth entities*.

Our annual reports are available on the Clean Energy Regulator [website](#) and the [Australian Government's Transparency Portal](#).

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Letter of transmittal

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

Dear Minister

I am pleased to submit the Clean Energy Regulator Annual Report 2021-22 in accordance with subsection 40(1) of the *Clean Energy Regulator Act 2011* for presentation to Parliament.

The report covers the operations of the Clean Energy Regulator for the financial year ended 30 June 2022. It was prepared for the purposes of section 46 of the *Public Governance, Performance and Accountability Act 2013* in accordance with the Public Governance, Performance and Accountability Rule 2014.

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

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

In addition, as required by section 10 of the Public Governance, Performance and Accountability Rule 2014, I certify that the Clean Energy Regulator has prepared fraud risk assessments and fraud control plans, has in place fraud prevention, detection, investigation and reporting mechanisms that meet the agency's specific needs, and has taken all reasonable measures to appropriately deal with fraud.

Yours sincerely



David Parker, AM
Chair, Clean Energy Regulator
27 September 2022

Chair's review

The 2021-22 financial year was an important year of evolution for the Clean Energy Regulator (CER), as we worked towards the improvements that will further accelerate the uptake of renewables and high-integrity carbon abatement encouraging the growth of carbon markets. Our change program has taken major steps forward, including development of the Guarantee of Origin program, the Australian Carbon Exchange, the Corporate Emissions Reduction Transparency report, along with a range of process and technology improvements for our legislated schemes.

Our driving force in delivering both our current schemes and the change program during 2021-22 was ensuring the continuing integrity and adaptability of carbon markets in a rapidly developing domestic and international setting.

The Guarantee of Origin will enable Australian businesses to sell verified low-emissions products, starting with hydrogen, measuring and displaying key attributes of how and where a product is produced including its carbon intensity. A global design process is underway and we are confident this will provide an internationally recognised framework that can be expanded to other low emissions products.

The procurement to introduce an online trading platform for Australian carbon credit units (ACCU) has progressed, with more information gathered from future users and completion on track for 2023. It is hoped the Australian Carbon Exchange will reduce transaction costs and increase price transparency as the market grows.

We prepared our first *Corporate Emissions Reduction Transparency* report during 2021-22 (published 9 July 2022), providing an avenue for companies with a significant emissions profile to provide transparency to shareholders and the community on their net emissions and steps towards meeting their stated emissions reduction targets.

The National Greenhouse and Energy Reporting (NGER) scheme, incorporating the Safeguard Mechanism, provides the infrastructure for emissions reporting and gathers essential data to inform progress against Australia's emissions reduction targets. The CER is working closely with the Department on supporting the Government's policy to strengthen the operation of the Safeguard Mechanism. We look forward to working with the facilities covered by the mechanism on this important ongoing piece of work.

Improving our tools and technology to make compliance easier and reduce the cost burden on scheme participants is key to our efficiency as a regulator. As we do so, we are working with businesses large and small, researchers and government partners to co-design new methods and build participant capability.

Renewable energy investment is starting to gather speed after the slowdown from the investment boom to meet the 2020 Renewable Energy Target, despite a global backdrop of significant supply constraints related to the COVID-19 pandemic, the war in Ukraine and other geopolitical issues.

In 2021-22, an additional 2.5 gigawatts of large-scale renewable capacity and 2.8 gigawatts of small-scale capacity was accredited, mainly from rooftop solar. With the large-scale renewable generation target met in 2021, private demand for large-scale generation certificates continues to grow, as corporations strive to reach their own targets for emissions reduction.



David Parker, Chair, Clean Energy Regulator

As action to reduce emissions intensified across the globe and the CER progressively transitions from an active participant in the ACCU market to more of an enabling and assuring role, we moved to stabilise the market by removing some restrictions on contract trading.

The price resilience following the eased restrictions on trading showed the ongoing appetite for a vibrant carbon market in Australia and we expect further increases in the ambitions of private sector organisations to reduce their emissions.

Our Emissions Reduction Fund (ERF) work this year focused on the development of new methods and assuring the integrity of the ERF as we continued to step away from the demand side of the ACCU market.

We continued to focus on integrity in the Small-scale Renewable Energy scheme and the creation of small-scale technology certificates, with an ongoing review of accreditation. Where necessary we have taken the required action, including through the courts, to ensure that Australia's status as the world leader in rooftop solar continues to be protected with best-practice compliance.

Carbon abatement associated with the schemes we administer continued the record of new highs, achieving 59.1 million tonnes of carbon dioxide equivalent (CO₂-e) in 2021-22.

In between all of this, the CER managed to move premises, and I applaud the flexibility and resilience of our staff as they handled the transition to our new address at Discovery House seamlessly during such a busy time for the agency.

April 2022 also saw the 10th anniversary of the creation of the CER, an important milestone not just for those who work for the agency, but for the many people involved in its creation and development over those 10 years. We are undoubtedly forward-looking – our remit requires it – but it is important that we recognise the hard work and achievements that have gone into supporting the growth of renewable energy and carbon markets since 2012.

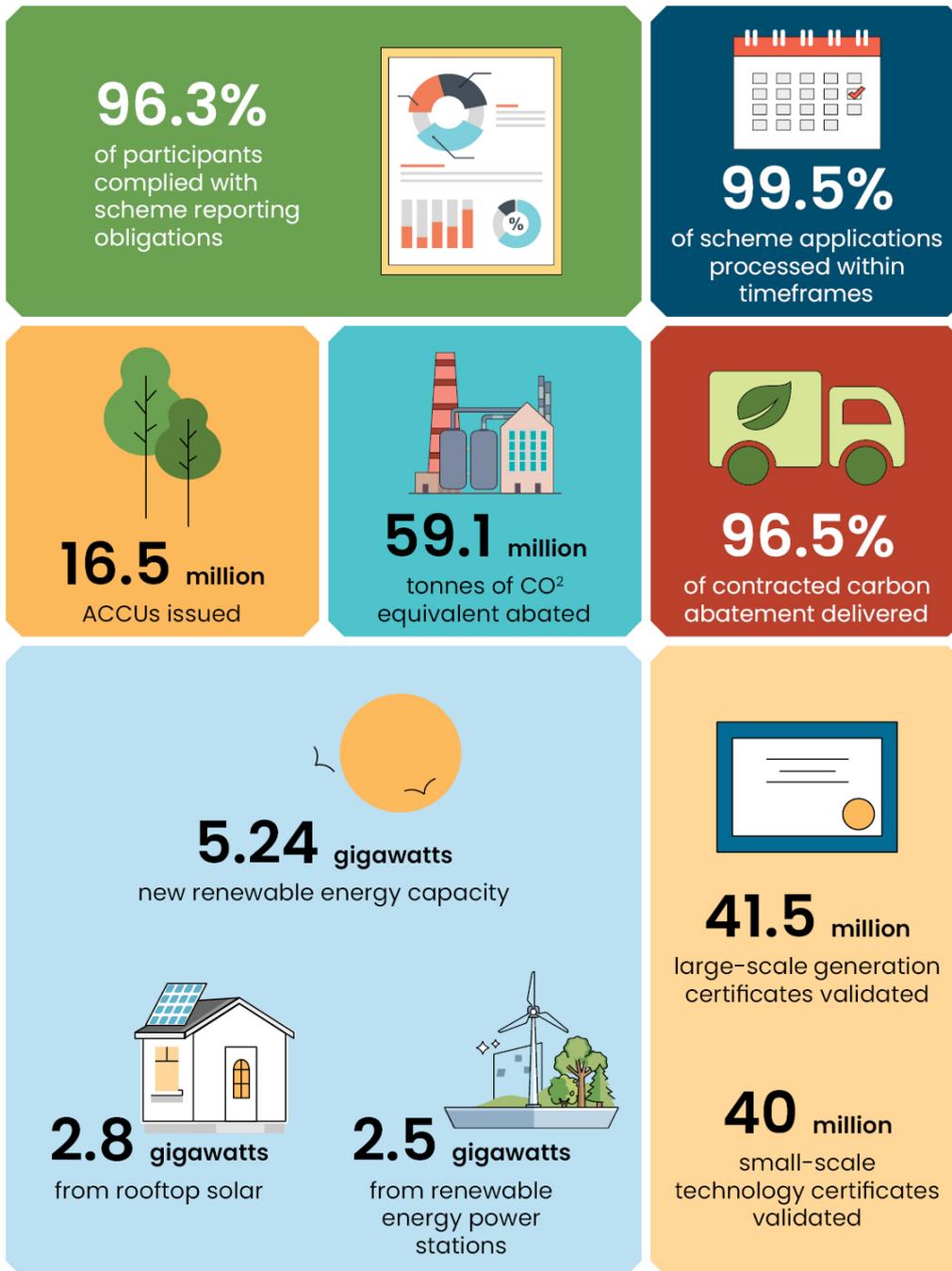
That 10 years of hard work, including the important reforms commenced in 2021-22, stands the CER in an excellent position to support the further acceleration of renewable energy adoption in Australia and the rapid growth of carbon markets. We are looking forward to the transformative years ahead.



David Parker AM
Chair, Clean Energy Regulator

2021-22 highlights

FIGURE 1: 2021-22 HIGHLIGHTS



Scheme and carbon market data is regularly updated and included on the [Clean Energy Regulator website](#) and in the [Quarterly Carbon Market Report](#).

Agency overview

Our role and functions

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

Our purpose is to accelerate carbon abatement for Australia. This purpose is distilled from the stated objectives of the legislation that we administer. We achieve our purpose by administering the following schemes, which measure, manage, reduce or offset Australia's carbon emissions and encourage investment in renewable energy:

- **Emissions Reduction Fund (ERF)** – Established under the *Carbon Credits (Carbon Farming Initiative) Act 2011*, the ERF provides incentives for organisations and individuals to adopt new practices and technologies to reduce their emissions or store carbon. Since November 2020, we have taken on the additional responsibility of developing and drafting technical legislation – methodology determinations – to allow new activities to become eligible for the ERF.
- **National Greenhouse and Energy Reporting (NGER) scheme** – Established under the *National Greenhouse and Energy Reporting Act 2007*, NGER is a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production and energy consumption. It also establishes the Safeguard Mechanism to limit emissions growth by providing a framework for Australia's largest emitters to measure, report and manage their emissions.
- **Renewable Energy Target (RET)** – Established under the *Renewable Energy (Electricity) Act 2000*, the RET encourages additional electricity generation from renewable sources to reduce emissions in the electricity sector and ensure that renewable energy sources are ecologically sustainable.

We are also responsible for administering systems and registries to enable scheme and market participants to securely and conveniently register, report and receive carbon credits or renewable energy certificates, acquit liabilities, and participate in the carbon market. These systems and registries include the:

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

Outcomes and programs

We are responsible for delivering one outcome to the Australian Government. Table 1 describes the outcome and program structure as set out in the *Industry, Science, Energy and Resources Portfolio Budget Statements 2021-22*.

TABLE 1: OUTCOME AND PROGRAM STRUCTURE, 2021-22

Outcome	Program
Outcome 1: Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market-based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.	Program 1.1: Effective and efficient regulation of greenhouse and energy reporting and market-based schemes that contribute to a reduction in Australia's net greenhouse gas emissions and promote investment in renewable energy.

We deliver program 1.1 by:

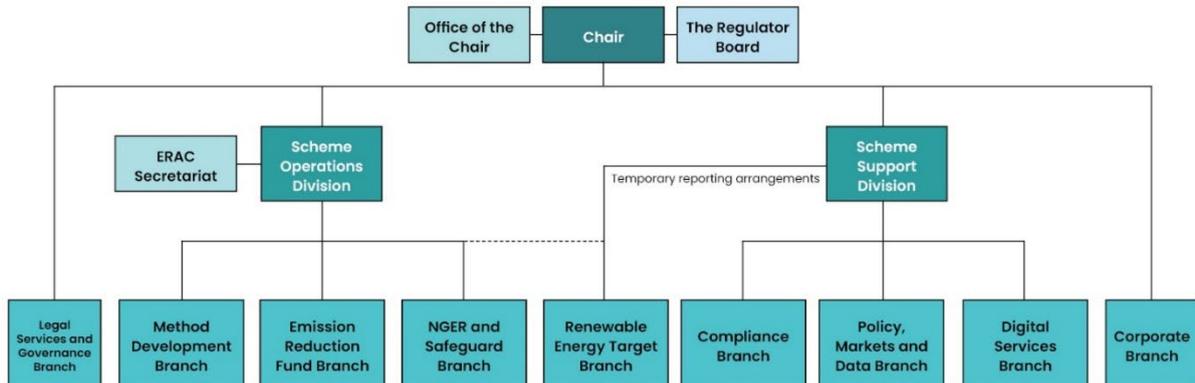
- collecting, analysing, assessing, providing and publishing emissions and energy data to inform government policy and the Australian public, meet international reporting obligations and support Australia's emissions and energy data needs
- operating the Australian National Registry of Emissions Units and the REC Registry for market participants
- monitoring, facilitating and enforcing compliance by clients for the schemes we administer
- issuing Australian carbon credit units (ACCUs) to organisations and individuals for approved projects that reduce greenhouse gas emissions
- conducting auctions and managing contracts
- accrediting greenhouse and energy auditors to undertake audit activities under our schemes
- working with other Commonwealth, state and territory law enforcement and regulatory bodies
- providing education and information to current and potential scheme participants on the schemes we administer and how they work.

Our structure

The term Clean Energy Regulator refers to:

- the government-appointed Regulator Board, which comprises the Chair and up to four Members – the Regulator Board sets the strategic direction for the agency and is accountable for regulatory decisions
- the agency, which is a non-corporate Commonwealth entity for the purposes of the *Public Governance, Performance and Accountability Act 2013* that carries out day-to-day operations and supports the Regulator Board to perform its responsibilities. The agency is led by the Chair.

FIGURE 2: ORGANISATIONAL STRUCTURE AT 30 JUNE 2022



The Strategic Leadership Team

The Chair, David Parker, was the agency's Accountable Authority for the 2021-22 reporting period. At 30 June 2022, the Strategic Leadership Team comprised:

- David Parker, Chair
- Shayleen Thompson, Executive General Manager, Scheme Operations
- Mark Williamson, Executive General Manager, Scheme Support
- Geoff Purvis-Smith, General Counsel
- Karen Najjar, Chief Operations Officer

Portfolio and minister

From 1 June 2022, the Clean Energy Regulator operates within the Climate Change, Energy, Environment and Water Portfolio, reporting to the Hon Chris Bowen MP as Minister for Climate Change and Energy. From 1 July 2021 to 21 May 2022 the Clean Energy Regulator operated within the Department of Industry, Science, Energy and Resources, reporting to the Hon Angus Taylor MP, Minister for Energy and Emissions Reduction.

Annual performance statement

Introductory statement

I, David Parker, as the Accountable Authority of the Clean Energy Regulator, present the agency's 2021-22 annual performance statement, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

This statement reports our performance in 2021-22, including results against the performance measures in our Corporate Plan 2021-25 and the *Industry, Science, Energy and Resources Portfolio Budget Statements 2021-22*, and analysis against our purpose.

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



David Parker AM
Chair, Clean Energy Regulator
27 September 2022

Analysis of our performance against our purpose

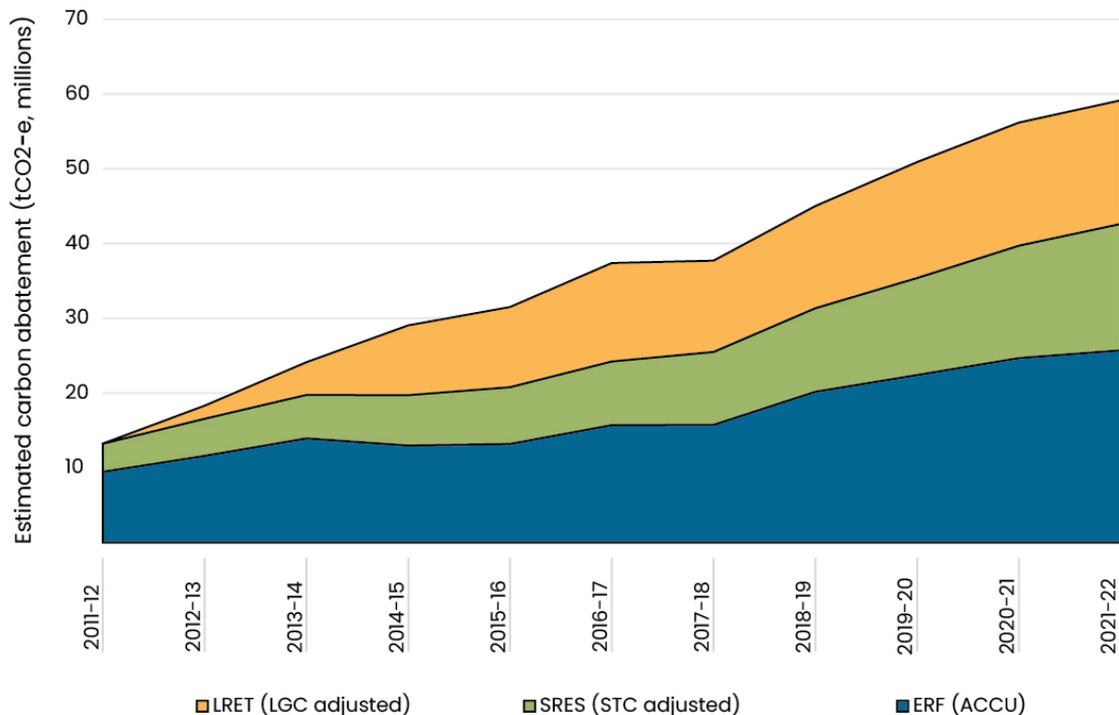
Our purpose is to accelerate carbon abatement for Australia. We have continued to deliver against our purpose through the administration of our schemes to measure, manage, reduce and offset Australia's carbon emissions.

We aim to meet the three principles of regulator best practice – pursuing continuous improvement and building trust, being risk-based and data driven, and seeking collaboration and engagement.

Carbon abatement from the schemes we administer has continued to rise, reaching 59.1 million tonnes of carbon dioxide equivalent (CO₂-e) in 2021-22, up from 56.2 million tonnes in 2020-21.

- Through the Emissions Reduction Fund (ERF), 16.5 million Australian carbon credit units (ACCUs) were issued in 2021-22, three per cent higher than our estimate of 16 million for the year. This equates to 16.5 million tonnes of abatement.
- For renewables, 25.7 million tonnes of abatement was delivered from the Large-scale Renewable Energy Target (LRET) and 16.9 million tonnes from the Small-scale Renewable Energy Scheme in 2021-22, an increase of four per cent and 13 per cent, respectively, from 2020-21.

FIGURE 3: TOTAL CARBON ABATEMENT FROM SCHEMES WE ADMINISTER, 2021-22



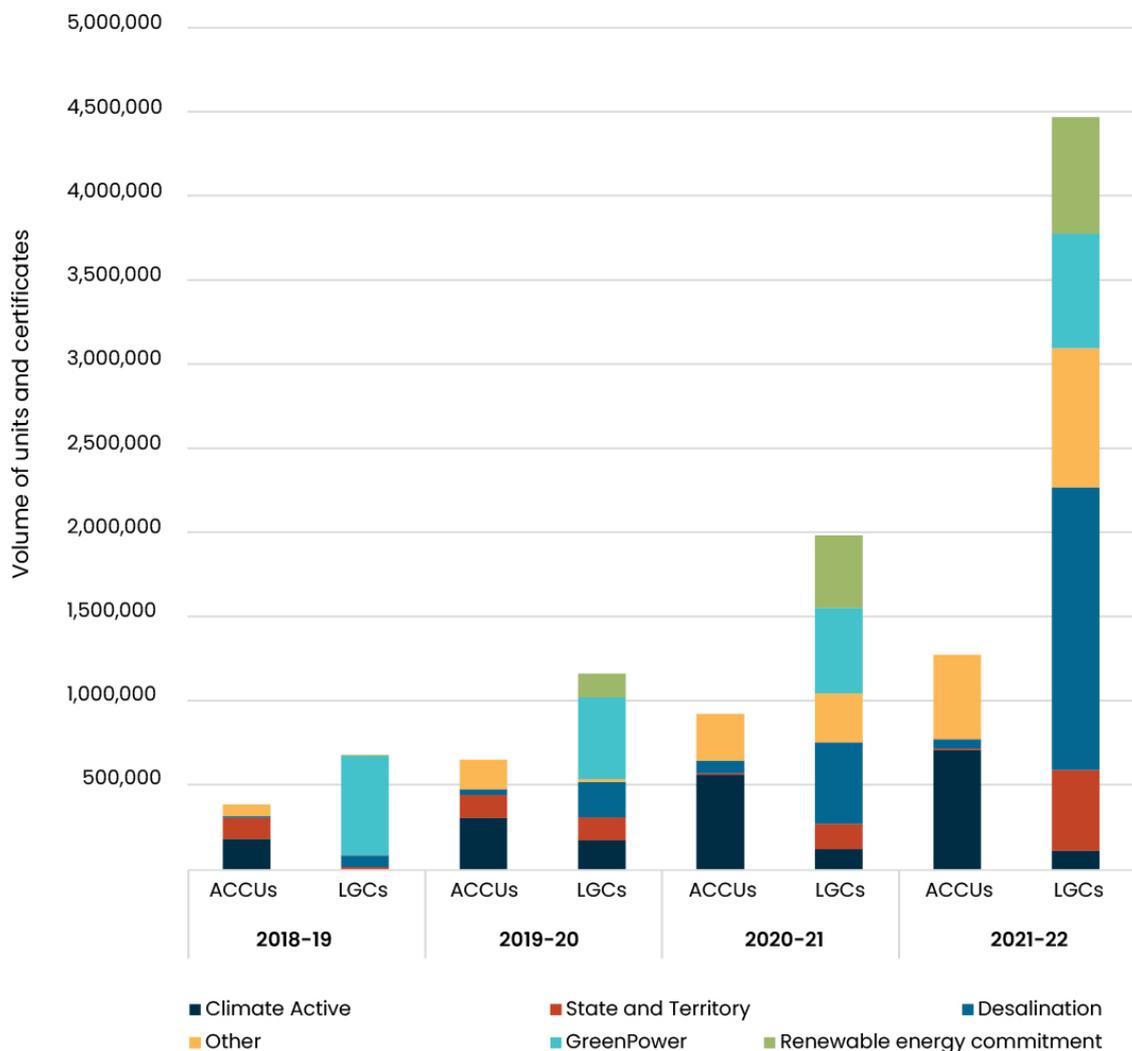
Note: Carbon abatement is estimated based on the time of issuance for ACCUs, LGCs and an estimate of generation from rooftop solar, regardless of the source of demand for the units and certificates. In order to convert the renewable generation into a carbon abatement equivalent value, each MWh is multiplied by the emissions intensity factor of the Australian electricity network. This is considered a conservative estimate. An alternative approach would use the weighted average emissions intensity of the coal and gas generation displaced by renewables, including self-generation of rooftop solar, which would be higher. Further details on the calculation methodology for abatement estimation are set out in the [Quarterly Carbon Market Report – March Quarter 2021 workbook](#).

The total eligible generation from renewable sources in 2021-22 under the LRET was 40,203 gigawatt hours (GWh), a 15 per cent increase from 35,040 GWh in 2020-21.

Demand for units and certificates for voluntary emissions reduction commitments by state and territory governments and businesses reached record levels in 2021-22.

- 4.5 million large-scale generation certificates (LGCs) were voluntarily cancelled in 2021-22, more than double the 2 million cancelled in 2020-21 (excluding the ACT Government cancellation). The ACT Government cancelled an additional 2.2 million LGCs towards its 100 per cent renewable energy target in 2021-22, a similar volume to that cancelled for 2020-21.
- A tripling of demand from desalination and state and territory governments were key contributors to the growth in voluntary LGC cancellations.
- 1,272,874 ACCUs were voluntarily cancelled in 2021-22, an increase of 38 per cent from the 921,544 ACCUs cancelled in 2020-21. Key industries including financial services, resources, and airlines surrendered a combined 744,577 units in 2021-22. 56 per cent of total volume cancelled was linked to the Climate Active initiative that supports and guides businesses as they account for and reduce carbon emissions.

FIGURE 4: VOLUNTARY PRIVATE AND STATE AND TERRITORY GOVERNMENT DEMAND FOR ACCUS AND LGCS, 2018–19 TO 2021-22



Note: The above graph does not include 4.5 million LGCs surrendered by the ACT Government against its 100 per cent renewable electricity target.

New renewable energy capacity delivered across Australia totalled 5.2 gigawatts (GW) in 2021-22, down from 5.6 GW in 2020-21. This is mostly attributed to fewer installations of rooftop solar PV under the small-scale renewable energy scheme.

For 2021-22, renewable energy capacity delivered included:

- 2.5 GW of approved new renewable energy power stations (0.4 GW from wind and 2.1 GW from solar), up 3 per cent from the 2.4 GW approved in 2020-21.
- 2.8 GW of rooftop solar capacity – a decrease of 14 per cent from 3.2 GW in 2020-21. Factors that may have contributed to this decline are household expenditure shifting from home improvement to discretionary spending as pandemic restrictions eased, and general increases in the cost of living.

The Clean Energy Regulator’s pipeline of new large-scale renewable generation projects reached 8.8 GW at 30 June 2022.

The annual large-scale renewable energy power station capacity reaching a final investment decision now averages around 3 GW. The pace of transmission upgrades will determine any upside opportunities, or downside risks to the level of capacity that is delivered annually.

Summary of results

OBJECTIVE: A TRUSTED, RELEVANT AND EXPERT INSTITUTION

Planning priority 1: Pursue relevant initiatives as directed by government and support other government priorities as required, building on the administration of our legislated schemes and supporting the evolution of an effective and vibrant carbon market.

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

Performance measures	Result
Level of participant satisfaction with the quality and timeliness of market information	Target met
No significant breaches of government, administrative, legal or policy requirements	Target met
Partnering to implement relevant recommendations from the King Review ¹	Target met
Improvements to the way we use and share data	Target met

¹The 2020 report of the expert panel examining additional sources of low cost abatement. The panel was chaired by former Business Council of Australia president Grant King, and explored ways to improve the ERF, incentivise voluntary action and unlock low-emissions technologies.

OBJECTIVE: EFFICIENT AND EFFECTIVE ADMINISTRATION

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

Performance measures	Result
Proportion of applications processed within statutory or agreed timeframes	Target met
Level of participant satisfaction with agency processes and systems	Target met
Strategies and investment in our people enable us to be efficient and effective	Target met
Number of Australian carbon credit units issued	Target met
Proportion of contracted carbon abatement delivered ¹	Target met
Development of new methods for the ERF	Target met
Method tracker document on website and updated quarterly	Target met
Level of participant satisfaction with method development process	Target met
Number of renewable energy certificates (LGCs and STCs) validated	Estimate not met ²

Our actions are proportionate to the regulatory risk being managed	Target met
--	------------

¹This refers to fixed delivery contracts.

²Solar PV is a consumer product and installations can materially change over a year.

OBJECTIVE: ENGAGED, ACTIVE AND COMPLIANT PARTICIPANTS

Planning priority 4: Strengthening our capability to detect, communicate and respond to the activities of our regulated entities including non-compliance

Performance measures	Result
Compliance levels by regulated and liable entities	Target met
Proportion of investigations completed within timeframes	Target met
Level of participant satisfaction with engagement and guidance provided	Target met
Proportion of participant contacts resolved at first interaction	Target met
Continuous improvement approaches to compliance and outcomes.	Target met
Practical and timely guidance and outreach activities with our participants	Target met

OBJECTIVE: SECURE AND ENDURING REGULATORY INFRASTRUCTURE

Planning priority 5: Driving innovation and agility in our people, systems and processes

Performance measures	Result
Availability of online systems	Target met
Cyber awareness and training is delivered to staff (IT security induction); Phriendly phishing training	Target not met ¹
System and administration practices are compliant with the government's Essential 8 strategies	Target met
Azure Cloud services are protected and secure	Target met
Level of employee engagement score as measured through the annual APS Employee Census	Target met
Flexibility and adaptability in our staff to meet current and future requirements	Target met

¹Phriendly phishing target not met due to COVID-19 training pause.

Performance results

Objective: A trusted, relevant and expert institution

Planning priority 1: Pursue relevant initiatives as directed by government and support other government priorities as required, building on the administration of our legislated schemes and supporting the evolution of an effective and vibrant carbon market.

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

Source: Corporate Plan 2021-25

Overall, the agency has effectively worked towards the targets supporting these two planning priorities, investing in a significant program of technology changes that will ensure the CER can continue to deliver as a trusted, relevant and expert institution.

The performance measures supporting these planning priorities assess the quality and timeliness of our market information, compliance against Australian Government administrative, legal and policy boundaries, activities related to the implementation of recommendations from the King Review and improving the way we use and share data.

Each year, we seek feedback from our participants about their satisfaction with our market information. Our 2022 Stakeholder Survey reported 95 per cent net satisfaction with the quality and timeliness of market information we provide. This information supports the growing interest in and effective operation of Australia's carbon abatement schemes and markets.

Our [Quarterly Carbon Market Reports](#) continued to be published throughout the year, providing detailed information on markets and their drivers. Regular carbon market reporting makes it easier for those participating or intending to participate in our schemes to understand supply and demand dynamics.

Information from the Quarterly Carbon Market Reports is regularly presented to industry, government and overseas stakeholders to increase awareness of Australia's rapidly emerging carbon market and how the market supports government priorities such as the 2030 emissions reduction target.

We developed the *Corporate Emissions Reduction Transparency* (CERT) report during 2021-22, with the initial report released on 7 July 2022. The report gives eligible companies the opportunity to present a snapshot of their climate-related commitments, progress and net emissions position to stakeholders and the community in one place, using a standardised framework.

We continued to implement our change program, including recommendations from the 2020 King Review. This included:

- approaching commercial providers to support development of an online trading platform for ACCUs – the Australian Carbon Exchange, as a critical foundation to help carbon markets grow rapidly
- progressing the development of a Guarantee of Origin scheme to provide a recognised measure for the carbon intensity of low-emissions products produced in Australia, such as hydrogen.

In 2021-22, we recorded no significant breaches of government, administrative, legal or policy requirements, demonstrating our ongoing compliance with governance and control frameworks.

As the CER passed its ten-year anniversary, we commenced significant updates to our technology and systems to ensure we continue to provide effective regulation and services to support our purpose, and ensure we are agile and prepared for rapidly developing markets and evolving technology requirements.

Performance measure	Level of participant satisfaction with the quality and timeliness of market information <i>Source: Corporate Plan 2021-25</i>	
Rationale	Providing information increases transparency and confidence in the operation of markets and underpins our role as a trusted, relevant and expert institution.	
Target	Result: 2021-22	Result: 2020-21
80%	95%	98%

Performance measure	No significant breaches of government, administrative, legal or policy requirements <i>Source: Corporate Plan 2021-25</i>	
Rationale	In operating for the public good, we must operate within Australian Government administrative, legal and policy boundaries.	
Target	Result: 2021-22	Result: 2020-21
0 breaches	0 breaches	0 breaches

Performance measure	Partnering to implement relevant recommendations from the King Review <i>Source: Corporate Plan 2021-25</i>	
Rationale	We focus on implementing relevant recommendations from the King Review.	
Target	Result: 2021-22	Result: 2020-21
Qualitative	Qualitative measures detailed in the 2021-22 Annual Performance Statement under 'Objective: A trusted, relevant and expert institution'	Qualitative measures detailed in the 2020-21 Annual Performance Statement under 'Objective: A trusted, relevant and expert institution'

Performance measure	Improvements to the way we use and share data <i>Source: Corporate Plan 2021-25</i>	
Rationale	We continually look for ways to improve our approach to using and sharing data.	
Target	Result: 2021-22	Result: 2020-21
Qualitative	Qualitative measures detailed in the 2021-22 Annual Performance Statement under 'Objective: A trusted, relevant and expert institution'	N/A – new measure

Objective: Efficient and effective administration

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

Source: Corporate Plan 2021-25

The markets which we regulate grew strongly in 2021-22, as we continued to demonstrate our efficient and effective administration and worked towards significant systems improvements.

The performance measures supporting this planning priority focus on our existing scheme delivery - assessing the timely processing of applications and participant satisfaction with processes, the volume of renewable energy certificates and ACCUs issued to compliant participants, ACCU purchasing management of ERF contracts, technical work to develop methods as well as our overall risk approach.

In 2021-22 we processed 99.5 per cent of scheme applications within statutory or administrative timeframes.

There has been continued support and uptake in the use of the [Solar Panel Validation \(SPV\) initiative](#), which remains an important control for the SRES. Over 75 per cent of STC claims continue using SPV. STC claims that use SPV are processed within 24 hours subject to all scheme requirements being met.

We began the rollout of the [solar irradiance methodology](#) to eligible solar Photovoltaic (PV) power stations under the LRET. The methodology automates LGC processing for power stations that opt in, delivering significant time savings for participants and improving efficiency for the CER. We will continue the rollout during 2022-23, encouraging interested solar PV power stations to opt in and experience the benefits.

Under the National Greenhouse and Energy Reporting scheme, we have continued to use targeted, risk-based assessments of facilities' emissions and energy reports. This approach has enabled timely rectification of reporting errors and the publication of accurate greenhouse gas emissions and energy summaries. We have also implemented a risk-based approach to the assessment of applications for baselines under the Safeguard Mechanism, to ensure that baseline determinations are both appropriate and issued in a timely manner.

The proportion of contracted carbon abatement delivered under ERF fixed delivery contracts was 96 per cent. Deliveries were above KPI expectations, with some milestones due to be delivered between 4 March and 30 June rescheduled to 31 August to enable participation in the exit arrangement.

The agency leads the technical work to develop ERF methods prioritised by the Minister through a co-design process involving scientists, technical experts and scheme participants. Five 2021 priority methods: the soil carbon method, carbon capture and storage method, plantation forestry method, blue carbon method and biomethane method package variations were made as a result of this work and extensive broader public consultation in 2021-22. Two other methods were made (the landfill gas (generation) method and industrial and commercial emissions reduction method) and an extensive method review program of five other methods was also completed on time. We have received positive feedback from stakeholders on the method development process. We have also made good progress in developing the five 2022 priority methods, which are on track to be completed within 12 months of work commencing.

To facilitate transparency and accountability of our progress, we publish a [method development tracker](#) on our website, which charts progress for each priority method. The tracker identifies the current stage of development for each method and the expected timeframes for completion. The method tracker was first published in early 2021 and is updated quarterly. We also publish an issues register for each method being developed, providing greater transparency on how we are responding to key issues being raised by stakeholders.

Respondents to our 2022 Engagement Survey reported 84 per cent satisfaction with the agency's processes and 87 per cent satisfaction with our online systems across all schemes. High ratings were reported for providing accessible and inclusive engagement through our online systems. The updates to our technology and streamlining of processes currently underway will help us maintain a high level of support.

Active Development Plans (ADPs) demonstrate our ongoing commitment to developing our people. Our dedicated learning and development system, LearnHub, records the percentage of Clean Energy Regulator employees with ADPs. In 2021-22, this number was 50 per cent, up from 36 per cent the previous financial year.

We also offer employees formal, informal and on-the-job training opportunities. These target core capabilities to support professional development while also building the agency's collective capacity. Employees are encouraged to identify learning opportunities that align with our People Capability Framework. We also use the framework to map learning offerings to the agency's larger capability needs – the process is not static and will be further adapted to meet evolving needs.

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

The policy (and underpinning framework) is consistent with the *ISO 31000:2018 Risk Management – Guidelines*.

Performance measure	Proportion of applications processed within statutory or agreed timeframes	
	<i>Source: Corporate Plan 2021-25</i>	
Rationale	Effective scheme administration is supported by the efficient processing of applications by the agency to meet statutory or administrative timeframes, streamline participant experience and achieve participants' expectations.	
Target	Result: 2021-22	Result: 2020-21
99.5%	99.5%	99.8%

Performance measure	Level of participant satisfaction with agency processes and systems	
	<i>Source: Corporate Plan 2021-25</i>	
Rationale	We provide efficient and effective processes and systems to ease interaction for our participants	
Target	Result: 2021-22	Result: 2020-21
80%	Satisfaction with agency processes: 84% Satisfaction with agency systems: 87%	Satisfaction with agency processes: 89% Satisfaction with agency systems: 91%

Performance measure	Strategies and investment in our people enables us to be efficient and effective <i>Source: Corporate Plan 2021-25</i>	
Rationale	We design and implement strategies to enhance the capability of our staff, for the benefit of the agency and our participants.	
Target	Result: 2021-22	Result: 2020-21
Active Development Plan: 80% (multi-year target)	Active Development Plans submitted in LearnHub: 50%	Active Development Plans submitted in LearnHub: 36%

Performance measure	Number of Australian carbon credit units issued <i>Source: Corporate Plan 2021-25</i>	
Rationale	The number of ACCUs that were issued this financial year indicate the level of carbon abatement achieved and show the growing supply of these units for the carbon market and to meet emissions reduction objectives.	
Estimate	Result: 2021-22	Result: 2020-21
16,000,000	16,508,527	16,466,275

Performance measure	Proportion of contracted carbon abatement delivered <i>Source: Corporate Plan 2021-25 and Industry, Science, Energy and Resources Portfolio Budget Statements 2021-22</i>	
Rationale	This indicates the effectiveness of our administration of the ERF's fixed delivery contract management function.	
Target	Result: 2021-22	Result: 2020-21
90%	96%	101%

Performance measure	Development of new methods for the Emissions Reduction Fund <i>Source: Corporate Plan 2021-25 and Industry, Science, Energy and Resources Portfolio Budget Statements 2021-22</i>	
Rationale	Developing new methods within 12 months of work commencing on them so that industry, businesses and landholders can access a broader range of abatement opportunities as quickly as possible.	
Target	Result: 2021-22	Result: 2020-21
Methods are to be developed within 12 months	100%	Not rated ¹

¹ Given that the 12-month timeframe for finalising or co-designing methods had not elapsed at 30 June 2021, we used qualitative analysis to demonstrate our performance against this measure in that year.

Performance measure	Method tracker document on website and updated quarterly <i>Source: Corporate Plan 2021-25</i>	
Rationale	The agency's method design process is transparent so that stakeholders can track progress and there is accountability for the method development process.	
Target	Result: 2021-22	Result: 2020-21
100%	100%	100%

Performance measure	Level of participant satisfaction with method development process <i>Source: Corporate Plan 2021-25</i>	
Rationale	The agency co-designs priority methods with key stakeholders to ensure methods are fit-for-purpose.	
Target	Result: 2021-22	Result: 2020-21
80%	85%	N/A – new measure

Performance measure	Number of renewable energy certificates (LGCs and STCs) validated <i>Source: Corporate Plan 2021-25</i>	
Rationale	This indicates the volume of electricity generated in the year from renewable energy sources (LGCs) and the deemed electricity generated to 2030 (STCs).	
Estimate	Result: 2021-22	Result: 2020-21
LGCs: 39,500,000	LGCs: 41,480,490	LGCs: 35,945,844
STCs: 49,400,000¹	STCs: 39,856,604	STCs: 49,044,180

¹Solar PV is a consumer product and installations can materially change over a year.

Performance measure	Our actions are proportionate to the regulatory risk being managed. <i>Source: Corporate Plan 2021-25</i>	
Rationale	As a regulator, it is critical that we manage risks associated with administering our schemes, including maintaining scheme and market integrity. However, in managing these risks, we will respond appropriately and proportionately to participants based on the risk they pose.	
Target	Result: 2021-22	Result: 2020-21
Positive	Refer to 'Efficient and effective administration' commentary section	N/A – new measure

Objective: Engaged, active and compliant participants

Planning priority 4: Strengthening our capability to detect, communicate and respond to the activities of our regulated entities including non-compliance

Source: *Corporate Plan 2021-25*

Overall, the agency has met the targets that support this planning priority, and continues to focus on competent, capable and compliant participants.

The performance measures supporting this planning priority assess our activities related to monitoring and encouraging compliance with the schemes we administer along with engagement, guidance and outreach activities with our participants.

96 per cent of entities complied with their reporting obligations for the RET and the NGER schemes.¹ Requirements to surrender certificates for the RET, or for Safeguard Mechanism entities to keep their emissions at or below pre-set baselines, were also met. We have worked to support reporting compliance through planning, strategic engagement and clear communication about reporting deadlines.

During 2021-22, we completed 88 per cent of investigations within required timeframes. This included the completion of complex investigations within 365 days and routine investigations within 180 days.

During 2021-22, we published 150 news updates and held 34 interactive webinars to provide targeted and timely guidance for participants in the schemes we administer. We also published 20 case studies to demonstrate a range of available opportunities and the benefits that may be achieved by investing in reducing emissions and increasing the use of renewable energy.

Our contact centre resolved 85 per cent of telephone enquiries at first interaction, well above our target of 70 per cent and an improvement on 2020-21 results. We also analysed enquiry data to identify areas with consistently lower resolution rates and then designed targeted resources and training to build the capabilities of contact centre operators to resolve those enquires at first interaction.

TABLE 2: CONTACT CENTRE RESOLUTION

Reporting year	Resolved at first interaction	Transferred
2021-22	85%	15%
2020-21	77%	23%
2019-20	68%	32%

We use an intelligence-led, risk-based approach to manage compliance across the schemes we administer. We aim to help program participants understand how to comply, and to educate those who want to do the right thing. We are committed to deterring, detecting and responding to misconduct to ensure ongoing program compliance. We take a proportionate response to non-compliance in line with our published [Compliance policy for education, monitoring and enforcement activities](#). Our performance against the qualitative measure is demonstrated through the following case studies.

¹ NGRS reporting refers to the 2020-21 year, reported in October 2021.

Targeting non-compliant installers to strengthen the Small-scale Renewable Energy Scheme

In 2021-22, we targeted entities benefiting from the improper creation of STCs for solar photovoltaic (PV) installations where the responsible Clean Energy Council (CEC) accredited installer has not met the on-site requirements.

All accredited installers must meet [document requirements](#) for the installation of small-scale solar PV systems and make accurate written statements of STC eligibility. The agency uses an intelligence-led approach to monitor and investigate claims using specific verification technology and take action against those entities that submit false claims.

Through this intelligence led approach we have completed a number of investigations into those benefiting from the improper creation of STCs. These investigations have resulted in:

- STC claims being refused
- issuance of warning letters
- feedback and guidance on the adequacy of participants' compliance processes
- independent inspection of solar PV installations to ensure they meet STC creation requirements
- refusal of inspector appointments
- referral of non-compliance to other regulators, including the Clean Energy Council, who have suspended CEC installer accreditations
- execution of four search warrants
- permanent suspension of three registered agents who were found to no longer be fit and proper persons
- referral of matters to the Commonwealth Director of Public Prosecutions (CDPP) for potential criminal proceedings.

Court action outcomes

In 2021-22, our investigations of non-compliant installers resulted in two active criminal cases. The first case centred on the conduct of Canberra-based electrical retail company B and J Finnigan, trading as A1 Electrical. Our investigation showed that the company's director had been falsely recorded as the responsible CEC accredited installer for multiple solar PV systems when he had been overseas at the time. The agency subsequently referred this matter to the CDPP.

The prosecution was commenced in early 2022 and in July 2022 the ACT Magistrates Court found that on 14 occasions between March 2019 and July 2019, the company provided STC assignment forms to an agent who then relied on that information to create STCs. Each STC assignment form falsely recorded the company's director, the responsible CEC-accredited installer, was on site for the solar-panel installations. B and J Finnigan Pty Ltd was subsequently convicted in the ACT Magistrates Court and received a \$9,000 fine, reduced from \$12,000 due to an early guilty plea.

The second case led to the successful prosecution of a 49-year-old Tasmanian solar panel installer in the Launceston Magistrates Court. Robert Camplin was convicted of providing false or misleading information for providing a false system owner signature on a Small-scale Technology (STC) Certificate assignment form.

Mr Camplin was sentenced on Wednesday 9 February 2022. Mr Camplin received a conviction for providing false or misleading information, entered into a recognisance of \$1,000 to be of good behaviour for two years and was to pay court costs of \$335. Mr Camplin's accreditation as an installer was cancelled by the Clean Energy Council.

These cases demonstrate our commitment to taking enforcement action against those benefiting from the improper creation of STCs and in particular, those found to be making false statements regarding their attendance at PV installations.

Through our robust compliance approaches, the agency aims to improve overall participant behaviour and deter non-compliance.

Supporting participants to be compliant with SRES reforms

In December 2021, amendments to the Renewable Energy (Electricity) Regulations 2001 became law, including new eligibility requirements for scheme participants that came into effect 1 April 2022. We delivered webinars, sample forms, videos, Q&As and system guidance to assist solar industry scheme participants to meet their new obligations. We also focused on assessing STC claims for compliance with the new eligibility requirements during April and May 2022. Our assessments indicated industry was well prepared, with a number of scheme participants responding positively and most remaining compliant with the new obligations.

NGER Reporters with a history of non-compliance

Consistent with our enduring compliance priority to act against reporters who have a history of submitting inaccurate, incomplete or late reports, two investigations have resulted in the acceptance of Enforceable Undertakings. Both NGER participants had a history of submitting inaccurate or incomplete data. It is expected that the undertakings will improve the quality and accuracy of both parties' NGER reports and provide a deterrence to other NGER reporters.

Performance measure	Compliance levels by regulated and liable entities	
	<i>Source: Corporate Plan 2021-25 and Industry, Science, Energy and Resources Portfolio Budget Statements 2021-22</i>	
Rationale	Compliance levels are an indicator of participant behaviour and the effectiveness of the CER as a regulator. We aim to be viewed as a trusted and relevant expert by government, participants and the community.	
Target	Result: 2021-22	Result: 2020-21
≥ 95%	96%	98%

Performance measure	Proportion of investigations completed within timeframes	
	<i>Source: Corporate Plan 2021-25</i>	
Rationale	Timely completion of investigations helps resolve and correct non-compliance.	
Target	Result: 2021-22	Result: 2020-21
80%	88%	100%

Performance measure	Level of participant satisfaction with engagement and guidance provided	
	<i>Source: Corporate Plan 2021-25</i>	
Rationale	Providing accurate, timely and relevant guidance and engagement helps our participants to understand their obligations and/or entitlements when participating in our schemes.	
Target	Result: 2021-22	Result: 2020-21
80%	84%	90%

Performance measure	Proportion of participant contacts resolved at first interaction <i>Source: Corporate Plan 2021-25</i>	
Rationale	The ability to efficiently resolve participants' queries through our contact centre enables existing and prospective participants to successfully participate in our schemes and meet their obligations.	
Target	Result: 2021-22	Result: 2020-21
70%	85%	77%

Performance measure	Continuous improvement approaches to compliance and outcomes <i>Source: Corporate Plan 2021-25</i>	
Rationale	We continually look for ways to improve our approach to compliance and outcomes, including our intelligence-led strategy to stop the harm, improve participant behaviour and deter future non-compliance across the schemes.	
Target	Result: 2021-22	Result: 2020-21
Qualitative	See compliance case studies in Planning Priority 4 commentary	N/A - new measure

Performance measure	Practical and timely guidance and outreach activities with our participants <i>Source: Corporate Plan 2021-25</i>	
Rationale	Our provision of targeted and timely guidance and outreach activities enables our participants to successfully participate in the schemes we administer.	
Target	Result: 2021-22	Result: 2020-21
Qualitative	Activities undertaken to achieve this performance measure - see Planning Priority 4 commentary	Activities undertaken to achieve this performance measure - see Planning Priority 4 commentary

Objective: Secure and enduring regulatory infrastructure

Planning priority 5: Driving innovation and agility in our people, systems and processes

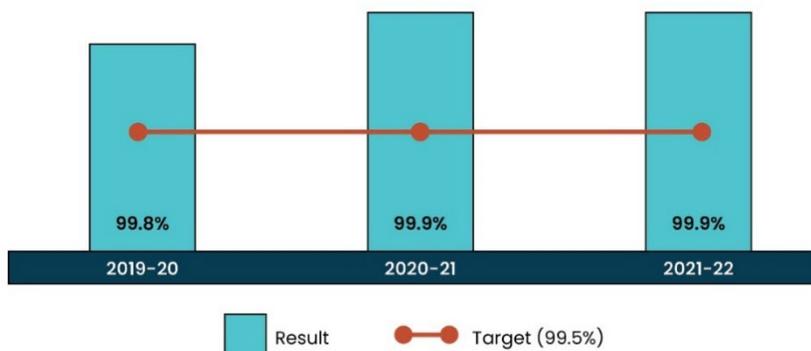
Source: Corporate Plan 2021-25

Overall, the agency has met or substantially met all targets that support this planning priority. This demonstrates that we continue to invest and maintain resilient and adaptable people, systems, and processes.

We align our service design and delivery processes with best-practice principles and standards published by the Digital Transformation Agency, including the [Digital Service Standard](#), [the Service Design and Delivery Process](#), and the [National API Design Standard \(NAPIDS\)](#). Our aim is to build and deliver digital products and services that are simple, standardised, and efficient.

In 2021-22, our online systems were available for 99.9% of the time, excluding planned maintenance. This reflects the reliability and resilience of our online systems.

FIGURE 5: AVAILABILITY OF ONLINE SYSTEMS



During 2021-22, the Australian Signals Directorate revised the Essential Eight Strategies to Mitigate Cyber Security Incidents (known as the Essential 8) and Australian Government organisations were asked to re-assess their maturity against the new standard.

Our maturity level scores initially reduced against the new criteria. But by the end of the 2021-22 reporting year we had regained a high degree of maturity against the Essential 8 with a score of 19 out of a possible 24 (79%). We also completed our rollout of multi-factor authentication for all people that access our systems, including scheme participants. This has lifted our multi-factor authentication Essential 8 score to 3 out of 3.

We continue to enhance our cyber monitoring and alert capability following our migration to Azure Cloud services by using a managed services partnership to bring greater depth and expertise to our cyber threat monitoring and automation services.

Our cyber capability is measured against two maturity scores: the Essential 8 score, and the Azure benchmark against the Centre for Internet Security (CIS) score.

Our Azure CIS score continues to be strong – 88 out of 111 (79%). This is a slight decrease from last year's reported score of 85%, due to the continuing evolution of the CIS score to manage the changing cyber threat landscape – an additional 36 controls were added during 2021-22.

Augmenting our system-level cyber resilience, we continue to focus on the capability of our people. In 2021-22, 99% of new employees completing cyber security induction training and 47% completed phishing training. Completion of the phishing training is down from 79% last year, due to a broad agency-wide pause on the completion of mandatory training due to COVID-19. Our cyber security team continue to review – and where necessary revise – cyber security training to ensure employees are kept abreast of the increasing sophistication of phishing techniques.

We achieved an Employee Engagement score of 73% – as measured in our annual Australian Public Service staff feedback survey. The engagement score is based on answers to 10 questions that cover employees’ attitudes when it comes to recommending the agency as a great place to work, goals, and individual commitment to ‘go the extra mile’.

This year we have focused on supporting our people to adapt and transition to new ways of working, including both hybrid and remote working options where appropriate, as part of our ongoing response to the changing work environment brought about by COVID-19.

Performance measure	Availability of online systems <i>Source: Corporate Plan 2021-25</i>	
Rationale	Our ability to create and foster participant confidence in the market is through reliable operations of our online systems and registries.	
Target	Result: 2021-22	Result: 2020-21
99.5%	99.9%	99.9%

Performance measure	Cyber awareness and training are delivered to staff (IT security induction; phishing training) <i>Source: Corporate Plan 2021-25</i>	
Rationale	Agency staff must be provided with the necessary training to combat potential IT security risks.	
Target	Result: 2021-22	Result: 2020-21
100%	IT security induction training: 99% ‘Phriendly Phishing’ training: 47%	IT security induction training: 95% ‘Phriendly phishing’ training: 79%

Performance measure	System and administration practices are compliant with the government's Essential 8 strategies <i>Source: Corporate Plan 2021-25</i>	
Rationale	The whole-of-government Essential 8 strategies provide a measure of the agency's cyber security maturity.	
Target	Result: 2021-22	Result: 2020-21
92%	Maturity score: 19/24 ¹	Maturity score: 23/24

¹The reporting framework for the Essential 8 changed in July 2021, redefining the number of maturity levels and what they represent, with a move to a stronger risk-based approach to implementation.

Performance measure	Azure Cloud services are protected and secure <i>Source: Corporate Plan 2021-25</i>	
Rationale	Azure cloud services are essential to the agency's IT security and health.	
Target	Result: 2021-22	Result: 2020-21
100%	Maturity score: 88/111	Maturity score: 64/75

Performance measure	Level of employee engagement score as measured through the annual APS Employee Census. <i>Source: Corporate Plan 2021-25</i>	
Rationale	The Engagement Score in the APS Employee Census asks 10 questions focusing on what employees' 'say' about the agency; whether they intend to 'stay' working with the agency; and if they would 'strive' or go the extra mile.	
Target	Result: 2021-22	Result: 2020-21
Above or in line with medium sized APS agencies	73% In line with APS score	Not a measure

Performance measure	Flexibility and adaptability in our staff to meet current and future requirements <i>Source: Corporate Plan 2021-25</i>	
Rationale	Continuing to invest in our people and develop our workforce ensures we have the right mix of capabilities and aptitudes to meet current and future requirements.	
Target	Result: 2021-22	Result: 2020-21
Qualitative analysis	We continued to invest in developing our people through training delivered virtually or in a hybrid work environment	Activities undertaken to achieve this performance measure displayed through case study

Management and accountability

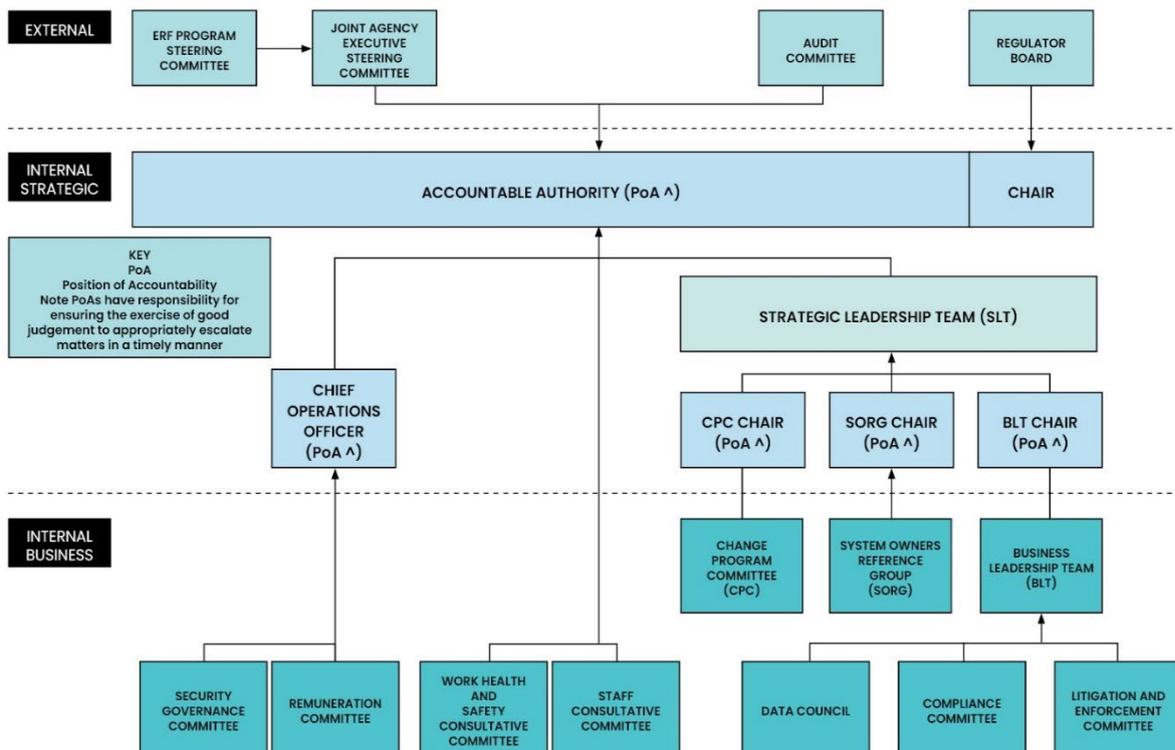
Corporate governance

Our corporate governance framework and governance structure support us to deliver on the agency’s purpose to accelerate carbon abatement for Australia.

The framework puts in place effective planning, risk management and accountability mechanisms that enable us to deliver on relevant legislation in line with legal requirements and the expectations of government, scheme participants and the public. It also articulates lines of authority, direction and controls to ensure all employees understand corporate and personal accountabilities, while providing clear and transparent decision-making procedures and practices.

Our governance structure and processes comply with all statutory requirements and are regularly reviewed to ensure they remain effective. Our governance committee structure is shown in Figure 6.

FIGURE 6: OUR GOVERNANCE COMMITTEE STRUCTURE AT 30 JUNE 2022



The *Corporate Plan 2021-25*, an important component within our corporate governance framework, sets out our purpose, objectives and strategic priorities, and the key activities we will pursue to achieve those purposes and objectives. Business

plans for our organisational units provide a clear line of sight between the agency's purpose and objectives and the contribution of each individual section, branch and division.

Our performance is monitored by the Strategic Leadership Team, Regulator Board and Audit Committee. The Emissions Reduction Fund Program Steering Committee and Joint Agency Executive Steering Committee are inter-agency forums for collaboration on issues and provide strategic oversight of the schemes we administer.

Regulator Board and executive committees

Regulator Board

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

Members of the Regulator Board are appointed under the *Clean Energy Regulator Act 2011* by the Minister and are each required to have substantial experience or knowledge and significant standing in a relevant field. The Chair holds office on a full-time basis. All other Members hold office on a part-time basis. The Regulator Board Members for 2021-22 were:

- Mr David Parker AM, Chair
- Dr Peter Davis (served until 17 July 2021)
- Mr Michael D'Ascenzo AO (served until 25 February 2022)
- Ms Katherine Vidgen (appointed to a three-year term commencing 21 May 2021)
- Mr Charles Kiefel AM (appointed to a three-year term commencing on 24 November 2021)
- Mr John Kettle, appointed to a (three-year term commencing on 4 April 2022).

The Regulator Board met nine times during 2021-22.

Audit Committee

The Audit Committee provides independent advice and assurance to the Chair, as the Accountable Authority, on the appropriateness of the agency's risk oversight and management systems, internal control systems and financial and performance reporting. The [Audit Committee Charter](#) is available on the Clean Energy Regulator website.

The Audit Committee met six times during 2021-22 and comprised of three Members: an independent Chair and two external Members. The Chief Operation Officer, Chief Risk Officer, Chief Financial Officer, Internal Audit Manager and representatives from the Australian National Audit Office also attend every meeting of the Audit Committee. Appendix E provides details on the Audit Committee Membership.

Strategic Leadership Team

The Strategic Leadership Team meets for the purpose of discussing, considering and advising the Chair on strategic and performance matters in relation to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Service Act 1999* (PS Act). Members include the Chair (as the Accountable Authority under the PGPA Act and Head of Agency under the PS Act), the Executive General Managers, the Chief Operations Officer and the General Counsel. The Strategic Leadership Team is chaired by the Chair of the CER and meets weekly.

Emissions Reduction Fund Program Steering Committee

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

Joint Agency Executive Steering Committee

The Joint Agency Executive Steering Committee provides an inter-agency forum for high-level strategic oversight of the schemes we administer. The committee considers the implications of significant developments in policy and regulatory functions, and options for managing emerging trends, issues and risks within the policy and regulatory environment.

This committee comprises the Chair, a Regulator Board Member and SES officers from the CER and our portfolio department.

Managing risk and fraud

Our risk management framework enables us to engage with risk in a positive and transparent way, consistent with the Commonwealth Risk Management Policy. The framework aims to support risk-informed decision-making and apply a consistent and effective approach to risk management. The framework also encourages innovation and ultimately assists all employees to identify and manage risks that may undermine our ability to achieve the agency's objectives and meet statutory obligations.

During 2021-22, our risk management activities focused on streamlining our processes and systems for risk reporting, targeting resources towards areas of highest risk and undertaking regular reviews of our strategic and operational risks and controls. Our activities have broadened to support the delivery of the agency's change initiatives. Underpinning our activities is a risk report that is provided to the Regulator Board and Audit Committee each quarter. The agency recorded an overall risk maturity of 'advanced' in the 2021 Comcover Risk Management Benchmarking Program.

Our fraud and corruption control plan provides assurance that we are managing identified fraud risks and complying with the agency's obligations under section 10 of the Public Governance, Performance and Accountability Rule 2014 and the Commonwealth fraud control framework. The plan details strategies to prevent, detect, respond to, monitor and report fraud.

All employees are informed of their obligations to declare any material personal interests under the *Public Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013*. They are informed at induction and throughout the year. The obligation requires them to avoid actual, perceived or potential conflicts of interests through the declaration and management of any actual, potential or perceived conflicts of interest. All employees and Regulator Board Members are required to complete an annual declaration of interest form.

This year we further standardised the form used by employees, which has improved record-keeping and simplified completion, resulting in improved employee completion and management rates. Compliance with this requirement is reported to the Audit Committee. It is also standard practice at all Regulator Board and governance committee meetings for Members to declare any conflicts of interest before committee proceedings commence.

Internal audit

The internal audit function provides independent and objective assurance that the agency is operating in an efficient, effective, economical and ethical manner. The Manager of Internal Audit is responsible for the efficient and effective operation of our internal audit function, reporting to the Chair through the Manager of Risk, Audit and Fraud, General Counsel (Chief Risk Advisor) and the Audit Committee. The agency's internal audit service provider is O'Connor Marsden & Associates.

Compliance with finance law

In 2021-22, there were no significant issues of non-compliance with finance law reported to the Minister.

External scrutiny

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

In 2021-22, there were no judicial decisions, decisions of administrative tribunals or decisions by the Australian Information Commissioner that impacted the agency's operations.

Our operations were not subject to any parliamentary committee or the Commonwealth Ombudsman, and no capability reviews of the agency were released.

The Auditor-General conducted a performance audit on the CER's leave entitlements as part of the *Management of Staff Leave in the Australian Public Service* audit tabled on 30 June 2022.

We appeared before the Senate Environment and Communications Legislation Committee on three occasions during 2021-22.

Information Publication Scheme

The Information Publication Scheme (IPS) aims to transform the freedom of information framework from one that responds to individual requests for access to documents to one that requires agencies to take a proactive approach to publishing information.

The scheme requires that we ensure certain information is easily found on our website. Each webpage provides a mechanism for visitors to provide feedback on the usefulness of the information on the page. We review feedback and regularly update our website to ensure that information is useful and easily found by users.

A [plan showing published information in accordance with the IPS](#) is available on our website.

Asset management

We manage assets in accordance with our asset management framework, Accountable Authority Instructions and relevant accounting standards. During 2021-22 we undertook:

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

Outcomes of these activities are reported in the financial statements.

Purchasing and procurement

Purchasing

Our approach to purchasing and procurement is consistent with the Commonwealth Procurement Rules and is designed to promote fairness, equity and value for money.

The rules are applied to our operations through the Accountable Authority Instructions, procurement policies, and operational guidance available to all employees via the agency's intranet and centralised procurement team.

Our Annual Procurement Plan provides information on planned procurement activities expected to be undertaken in 2022–23, providing prospective suppliers with an opportunity to prepare for potential work with the agency. This plan is available on the [AusTender website](#) and is updated as required.

Reportable Consultancy Contracts

Decisions to engage consultants during 2021-22 were made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies.

The agency selects consultants using panel arrangements or by making an open approach to market.

The agency engages consultants when it requires specialist expertise on policy design, financial viability, information technology or strategic planning. Independent evaluations on the agency's outcomes are also required.

TABLE 3: EXPENDITURE ON REPORTABLE CONSULTANCY CONTRACTS

Reportable consultancy contracts 2021-22	Number	Expenditure \$
New contracts entered into during the reporting period	2	27,506.00
Ongoing contracts entered into during a previous reporting period	1	5,700.00
Total	3	33,206.00

During 2021-22 two new reportable consultancy contracts were entered into involving total actual expenditure of \$27,506. In addition, one ongoing reportable consultancy contract was active during the period, involving total actual expenditure of \$5,700.

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

TABLE 4: ORGANISATIONS RECEIVING A SHARE OF CONSULTANCY EXPENDITURE

Organisations receiving a share of reportable consultancy contract expenditure 2021-22	Expenditure (\$)	Proportion of 2021-22 total spend (%)
North Security	17,000.00	51
CSIRO	10,506.00	32
Orima	5,700.00	17
Total	33,206.00	100

Reportable non-Consultancy Contracts

TABLE 5: EXPENDITURE ON REPORTABLE NON-CONSULTANCY CONTRACTS

Reportable non-consultancy contracts 2021-22	Number	Expenditure (\$)
New contracts entered into during the reporting period	249	25,382,410.04
Ongoing contracts entered into during a previous reporting period	185	28,390,447.42
Total	434	53,772,857.46

During 2021-22, 249 new reportable non-consultancy contracts were entered into involving total actual expenditure of \$25.4 million. In addition, 185 ongoing reportable non-consultancy contracts were active during the period, involving total actual expenditure of \$28.4 million.

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

TABLE 6: ORGANISATIONS RECEIVING A SHARE OF NON-CONSULTANCY EXPENDITURE

Organisations receiving a share of reportable consultancy contract expenditure 2021-22	Expenditure (\$)	Proportion of 2021-22 total spend (%)
Jones Lang LaSalle (ACT) Pty Ltd	3,510,653.40	7
Fujitsu Australia Pty Ltd	3,136,652.47	6
NTT Australia Digital Pty Ltd	3,005,883.71	6
Pragma Partners	2,449,143.27	4
APIS Group Pty Limited	2,327,040.69	4
Total of the largest shares	14,429,373.54	27

Exempt contracts

In 2021-22, the Chair did not exempt any standing offer or contract in excess of \$10,000 (inclusive of GST) from being published on AusTender. ERF carbon abatement contracts are exempt.

Australian National Audit Office access clauses

All contracts of \$100,000 (inclusive of GST) or more awarded during 2021-22 included a provision for the Auditor-General to have access to the contractor's premises.

Procurement initiatives to support small business

The Clean Energy Regulator supports small business participation in the Australian Government procurement market. Small and medium enterprises (SMEs) and small enterprise participation statistics are available on the [Department of Finance website](#).

We adopted the following initiatives and practices to support SMEs and small enterprise:

- using the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000 (inclusive of GST)
- using credit cards for procurements valued under \$10,000
- using Australian Industry Participation Plans in whole-of-government procurement, where applicable
- adopting the Small Business Engagement Principles (outlined in the Australian Government's Industry Innovation and Competitiveness Agenda), such as communicating in clear, simple language and presenting information in an accessible format
- using electronic systems or other processes to facilitate on-time payment performance.

Advertising and market research

We did not undertake any market research or advertising campaigns in 2021-22.

Regulator Performance Framework

In 2021-22, the CER worked to meet the three principles of regulator best practice – continuous improvement and building trust, being risk-based and data-driven, and seeking collaboration and engagement. The work we undertook in meeting these principles is detailed in the annual performance statement section of this report.

Environmental performance

Our tenancy in 2021-22 was across two locations in Canberra. From July 2021 to the end of April 2022 we were located at 5 Farrell Place, Canberra, which held a National Australian Built Environment Rating System (NABERS) Energy Tenancy Rating of 6 stars. From the end of April 2022, we were subtenants to Discovery House at 47 Bowes Street in Phillip which has a NABERS rating of 4.5.

The NABERS rating measures the building's environmental performance across the areas of energy, water, waste and the indoor environment (tenancy). We undertook the following initiatives across both locations to minimise our environmental impact:

- purchasing electricity from 100 per cent renewable sources
- using battery, ink cartridge, organic waste, paper and cardboard recycling services and practising communal collection of these materials
- installing energy-efficient lighting, technology and workplace equipment.

Compliance and enforcement

Our approach to regulation starts from the premise that responsibility for complying with scheme obligations rests with the individual or organisation to whom the relevant legislation, policy or contract applies. We adopt an intelligence-led, risk-based approach that considers the behaviour and motivation of scheme participants to help determine the appropriate response to non-compliance. We take a proportionate approach to non-compliance in line with our published [Compliance policy for education, monitoring and enforcement activities](#).

To support compliance with the requirements of schemes the agency administers, we take a comprehensive approach to assist scheme participants to understand how to comply. We also deter, detect and respond to non-compliance and misconduct to ensure ongoing scheme integrity. In addition, our well-established monitoring, audit and assessment processes protect against fraud and non-compliance across all our schemes. Our compliance and enforcement activities

include assessing submitted reports; using smart algorithms and large dataset analysis to identify trends, anomalies and behaviours; and conducting audits, site visits and inspections.

Where necessary, we initiate investigations with a view to pursuing administrative sanctions, civil proceedings or, in more serious instances of deliberate non-compliance, criminal prosecutions.

Our compliance priorities and outcomes

Each year, we publish compliance and enforcement priorities on our website to increase the transparency and accountability of our activities. These priorities aim to increase our participants' awareness and willingness to comply voluntarily to meet the agency's objectives. The priorities highlight areas that we will focus on for each of the schemes we administer. Our continuing expectations, and outcomes in relation to these compliance priorities, are summarised in Table 7

We also publish information concerning our expectations and compliance outcomes quarterly.

TABLE 7: COMPLIANCE AND ENFORCEMENT PRIORITIES AND OUTCOMES, 2021-22

Scheme	Focus areas	Activities and outcomes
Emissions Reduction Fund (ERF)	<p>Carbon service providers</p> <p>Entities that provide carbon services, as a project proponent or authorised representative, must ensure that they remain fit and proper to participate in the ERF. The CER's determination as to whether a person is fit and proper involves consideration of factors including the person's compliance with industry standards and codes and the nature of their contractual relationship with landholders. More information on the agency's Fit and Proper person posture test can be found on our website.</p> <p>A failure to remain fit and proper may result in the revocation of projects and/or the suspension of a person's Australian National Registry of Emissions Units account.</p>	<p>The outcomes of a recent fit and proper person assessment conducted by the agency are likely to result in projects being revoked, or project proponents exiting the ERF and new project proponents stepping in to replace them.</p>
	<p>Accuracy of Australian Carbon Credit Units claims</p> <p>The agency will take compliance action, in the form of administrative sanction or civil proceedings, against participants who have made claims for ACCUs based on false or misleading information.</p>	<p>To ensure adherence to the rules, we continue to use a range of compliance tracking tools, including geospatial imagery, supported by a comprehensive set of audit requirements.</p>
	<p>Project proponents who submit inaccurate or late reports to support claims for Australian Carbon Credit Units.</p> <p>Ensuring ACCUs are generated for genuine and additional abatement means the carbon industry is supported to grow and the ERF continues to contribute to Australia meeting its 2030 emissions reduction targets. Scheme participants that submit late or inaccurate reports will be subject to further compliance action, such as having their applications for ACCUs refused, being required to relinquish ACCUs, or having</p>	<p>Continuous improvements to our compliance systems and processes mean applications for ACCUs can be processed more quickly while maintaining the integrity of carbon credits.</p> <p>If inaccurate claims for ACCUs are submitted, those claims and future claims will be subjected to a more detailed assessment, meaning the assessment process will take longer to complete. Where deliberate non-compliance has been identified, compliance action will be taken.</p>

to undergo a reassessment of their fit and proper person status to continue to participate in the scheme.

National
Greenhouse and
Energy Reporting
(NGER) scheme
and Safeguard
Mechanism

Registration of correct controlling corporations.

Where a participant in the NGER scheme comprises more than one company, the participant must ensure that the correct controlling corporation reports under the NGER scheme. We will continue to verify data and in instances of deliberate and consistent incorrect reporting will seek court-ordered civil penalties.

Our aim is to bring non-compliant NGER corporations back into voluntary scheme compliance, while taking stronger action to discourage non-compliance.

We continue to tighten our resubmission policy and strengthen our regulatory responses in relation to reporters that repeatedly submit inaccurate, incomplete or late data, particularly where the data underpins Safeguard Mechanism obligations.

All entities met their Safeguard Mechanism obligations for the 2020-21 compliance period by ensuring their emissions didn't exceed their baselines on or after 1 March 2022. 12 Safeguard Mechanism facilities were required to surrender a total of 284,063 ACCUs to reduce their emissions below their baselines. A further 135,252 ACCUs were surrendered, under the deemed surrender provisions, before the statutory deadline.

Reporters with a history of non-compliance.

The agency will take actions, including instigating civil proceedings or enforceable undertakings, against the small number of reporters who have a history of submitting inaccurate, incomplete or late reports, particularly where data underpins safeguard applications. The agency will also recognise voluntary disclosures and the rectification of errors.

For the 2020-21 NGER reporting period, five per cent of reporters were required to resubmit their data to return to compliance and one per cent were selected for reasonable assurance audit under section 74 of the National Greenhouse and Energy Reporting Act 2007.

Two reporters entered into Enforceable Undertakings to improve the accuracy and completeness of reporting.

Renewable Energy
Target

Accredited installer on-site checks

All accredited installers must meet their on-site attendance obligations for the installation of small-scale solar PV systems and make accurate written statements of STC eligibility. The agency will monitor and investigate false claims using technology to verify claims, and take action against installers who submit false claims. Installers who submit false claims may have their accreditation cancelled or face civil proceedings or criminal prosecution.

Investigations into false claims includes investigations into the conduct of retailers or registered persons who are knowingly involved in the improper creation of certificates.

We communicated the requirement for installers to collect evidence of their on-site obligations across multiple channels throughout the year and used a variety of tools and methods to identify installers that were unlikely to have been on site as per the installation requirements. Several Solar Panel Validation initiative app providers have also developed tools to support industry to demonstrate installer on-site attendance according to requirements. We commenced auditing installer on-site evidence as part of routine compliance checks and failed claims that did not meet these requirements.

Accuracy of creations of Renewable Energy Certificates

The agency will take action against agents and nominated persons who make false or misleading claims for RECs. Action will include the suspension of registered persons from the RET, commencing civil proceedings for civil penalty orders, or seeking the prosecution of persons.

The agency has taken compliance action against scheme participants that have provided false and misleading information.

This action included suspending three registered persons from participating in the scheme, and an investigation that led to the successful prosecution of a solar installer for providing a false system owner signature on an STC assignment form.

We continued to work closely with regulatory partners, including Commonwealth, state and territories'

		regulators, along with other authorities. For example, following referral, the Clean Energy Council removed some panels from the list of approved solar modules. As a result, the solar panels removed were not eligible for STCs.
Auditors	Non-compliant auditors The agency will deregister or suspend auditors who are non-compliant – or who are identified through review of audit reports as performing poorly – through the annual auditor inspection program. Where appropriate, we will publish the fact of the deregistration or suspension.	Two Category 2 greenhouse and energy auditors were deregistered in 2021-22. One was for poor performance and the other for not meet ongoing participation requirements.

Compliance action

We monitor the activity of scheme participants to identify possible fraud and non-compliance through data analytics, enhanced data-matching capabilities, audits and investigations. Where substantive non-compliance is identified, our investigators collect evidence and recommend a compliance and enforcement response. These responses are outlined in our [Compliance policy for education, monitoring and enforcement activities](#) and can include, but are not limited to, the suspension of a person's registration, the acceptance of enforceable undertakings, the commencement of civil proceedings, or the referral of a matter to the Commonwealth Director of Public Prosecutions for criminal prosecution. All investigations are conducted in accordance with the Australian Government Investigation Standards.

In 2021-22, we assessed 113 compliance allegations – a 50 per cent increase from 2020-21. We have extensively publicised our focus on individuals and businesses profiting from solar PV installations where accredited installers have not met on-site attendance requirements. This, combined with stronger relationships with other regulators and the release of a new online reporting tool, Whispli, resulted in an increase in allegations of scheme fraud or non-compliance.

This year we commenced 11 new investigations and closed 21 investigations. 20 investigations remained open at 30 June 2022. All except two investigations were finalised within our required timeframe. Compliance actions and outcomes undertaken in 2021-22 are summarised in Table 8.

TABLE 8: COMPLIANCE ACTION, 2021-22

Compliance action	2021-22	2020-21
Allegations assessed	113	73
Investigations opened	11	20
Investigations closed	21	7
Disclosures to partner agencies	66	184
Notices to produce issued to third parties	36	54
Suspensions of registered persons	3	4
Enforceable undertakings executed	2	4
Enforceable undertakings finalised	1	3
Inspector appointments revoked	0	0
Search warrants executed	4	0

Audit framework

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

In 2021-22, 336 audits were completed under the framework, including 14 audits initiated at our cost under our risk-based approach. Of those audits:

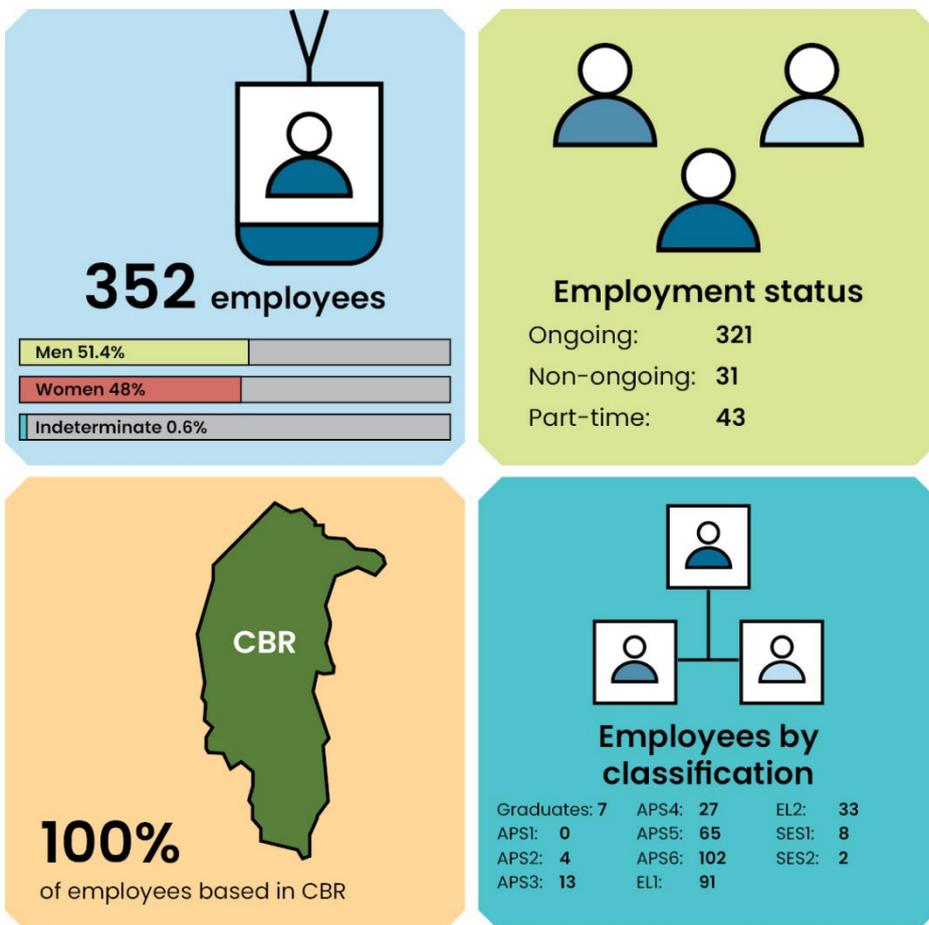
- 94 per cent returned a clean opinion, indicating the participant was compliant with scheme requirements audited
- five per cent returned a qualified opinion, indicating the participant was largely compliant
- less than one per cent returned an adverse finding, where at least one material issue of significant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

At 30 June 2022, the agency had 78 registered greenhouse and energy auditors. We conducted five inspections during 2021-22 to monitor auditor performance and compliance. A decision was made to deregister one Category 2 greenhouse and energy auditor for performance issues identified from their inspection. A second Category 2 greenhouse and energy auditor was deregistered for failing to meet their ongoing participation requirements.

Managing our people

At 30 June 2022, we had 352 employees, of which 321 were ongoing and 31 were non-ongoing. One hundred per cent of employee positions were based in the Australian Capital Territory during 2021-22. Appendix C provides details of our workforce profile.

FIGURE 7: OUR WORKFORCE 2021-22



Building capability

We continue to invest in our people and build our collective capacity to drive innovation and adapt to policy and workforce requirements – now and into the future.

Underpinned by our People Capability Framework, all employees had access to a range of formal and informal professional development opportunities during 2021-22. Employees were encouraged to identify their own professional development needs and target solutions through an Active Development Plan.

During 2021-22, we also offered learning programs across a range of topics and formats – online self-paced, virtual and face-to-face.

- We delivered the induction program to 89 new employees – this included the two-day graduate development program induction for seven graduates and their managers.
- We delivered regulatory practitioner training to 13 employees, strengthening our regulatory capability.
- We delivered foundational management training to emerging leaders across the agency, and training to build engagement and coaching skills for executive-level managers.
- We provided financial support and study leave to 15 employees to undertake further studies aligned with each employee's development, contributing to building the capability of the agency and the Australian Public Service (APS) more broadly.
- We hosted five virtual events as part of our environmental, people, insights and capability (EPIC) speaker series, which invited influential speakers to share industry insights and discuss challenges and opportunities relating to government policy, carbon markets and energy sectors. The EPIC speaker series was open to all employees to attend.

We recognised the efforts made by our employees through our annual Awards of Excellence program. Through this program, teams and individuals are recognised for delivering quality outcomes that embody the agency's culture and APS values. In November 2021, we presented six awards to recognise excellence in leadership, innovation, diversity and collaboration, as well as the Regulator Board Outstanding Achievement Award.

Our learning and development program was modified to ensure the complete suite of training could be delivered using a hybrid approach or remotely. This included our induction program, regulatory practitioner training and mandatory training modules. We offered our employees training and tools to develop resilience to support them through change and assist them to adapt in challenging times. We introduced targeted masterclass sessions for managers to empower them with the tools needed to manage staff in new ways, with a reinvigorated managers' network providing opportunities to share successful management approaches.

Work health and safety

We are committed to providing a safe work environment for all employees. We acknowledge that both office-based and off-site (home-based) health and safety hazards may be physical or psychological and that we have a duty of care to ensure the health and safety of all employees by meeting our legal obligations under the *Work Health and Safety Act 2011*.

In 2021-22, our continued commitment to employee health and safety was demonstrated through the following initiatives:

- We undertook 27 workstation assessments to ensure the correct set-up and safe use of equipment.
- The Work Health and Safety Consultative Committee provided a means of consultation and cooperation between employees and the agency.
- The Health and Wellbeing Committee continued to help build a workplace culture that supports healthy lifestyles and encourages participation in health and wellbeing initiatives that have assisted employees in managing the impacts of COVID-19 and foster personal resilience.
- We provided all employees with access to flu vaccinations.

- All employees and their families had access to free and confidential counselling services through the agency's employee assistance program.
- Our network of trained mental health first-aid officers, first-aid officers, health and safety representatives and workplace harassment contact officers, represented the work health and safety interests of all employees.
- We provided employees with regular information, training and supervision to help them understand and fulfil their responsibilities under the *Work Health and Safety Act 2011* and support safe work practices.

We continue to provide complex case management support in partnership with third-party providers, employees and managers for non-compensation cases, and continue to review work health and safety policies and guidelines with our consultative committee.

We have provided holistic support for employees to safely work from home, return to the office, or adopt a hybrid approach to work. This includes adapting our home-based work policies, delivering training programs to increase proficiency in using new technologies and build employee confidence working in a virtual or hybrid work environment. We have also piloted interstate home-based work arrangements for staff working outside the Canberra region.

During 2021-22, there were no notifiable incidents reported to Comcare under section 38 of the *Work Health and Safety Act 2011* and no notices issued under part 10 of the Act.

Diversity and inclusion

We value diversity and are committed to fostering a diverse and inclusive workplace, free of discrimination. We aim to create an environment that values and utilises the contributions of people from different backgrounds, experiences and perspectives.

Our policies and practices reflect the principles of the [Australian Public Service Disability Employment Strategy 2020–25](#) and the [Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–24](#). In June 2022 our [Diversity and Inclusion Action Plan](#) was published to highlight the ongoing work of creating a diverse and inclusive workplace.

Our policies are supported by our diversity and inclusion community groups – the Disability Ability Wellbeing network, the Indigenous network, the Pride network, the Gender Equity network and our Cultural and Linguistic Diversity network. These networks:

- provide advocacy support for employees
- raise awareness of diversity and inclusion through initiatives including International Day Against Homophobia, Biphobia, Intersexism and Transphobia; National Reconciliation Week; National Autism Awareness; and Harmony Week
- provide support and training for managers with reasonable adjustments for employees
- work closely with other government agencies and stakeholder groups to improve diversity and inclusion outcomes
- build social connections and community
- support the agency to implement culturally appropriate strategies.

Disability reporting mechanisms

The National Disability Strategy is Australia's overarching framework for disability reform. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and their carers.

All levels of government will continue to be held accountable for the implementation of the strategy through biennial progress reporting to the Council of Australian Governments. Progress reports can be found on the [Department of Social Services website](#). Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au.

Employment conditions

The Clean Energy Regulator Enterprise Agreement 2019–2022 sets out the terms and conditions of employment for all non-Senior Executive Service (SES) employees. In September 2021, 85% of non-SES employees voted to put in place a Determination under s24(1) of the *Public Service Act 1999* to provide pay adjustments on top of the existing Enterprise Agreement. The Clean Energy Regulator Determination 2022 came into effect 26 June 2022 and governs employee salaries and allowance increases. As at 30 June 2022, 342 employees were covered by the Enterprise Agreement. Of these, 12 non-SES employees had an individual flexibility agreement in place.

Employment conditions for 10 SES officers are outlined by individual determinations made under section 24(1) of the *Public Service Act 1999*. The position of Chair is a statutory appointment with conditions of employment determined by the Remuneration Tribunal.

Details of non-salary benefits available to our employees are in the Enterprise Agreement *Clean Energy Regulator Enterprise Agreement 2019–2022*. In accordance with the terms of the *Clean Energy Regulator Determination 2022*, salaries for non-SES employees range from \$50,070 (APS1.1) to \$153,947 (EL2.3) (see Table 9).

In 2021-22, no performance payments in the form of one-off bonuses were awarded to SES officers. Non-SES officers who achieve a performance outcome of ‘meets expectations’ or ‘exceeds expectations’ are recognised by incremental salary advancement consistent with conditions outlined in the Enterprise Agreement.

TABLE 9: SALARY RANGES APS1 TO EL2, AS AT 30 JUNE 2022

	Minimum salary	Maximum salary
APS1	\$50,070	\$56,790
APS2	\$59,633	\$63,631
APS3	\$66,367	\$71,843
APS4	\$74,580	\$78,684
APS5	\$81,422	\$85,528
APS6	\$88,950	\$101,264
EL1	\$109,474	\$124,527
EL2	\$130,686	\$153,947

Finances

Financial overview

We continued the successful delivery of the Emissions Reduction Fund, Australian National Registry of Emissions Units, National Greenhouse and Energy Reporting Scheme, and the Renewable Energy Target.

To ensure scheme delivery and to maximise performance we continued our strong focus on budget management and resource allocation. We manage our finances and resources to remain financially sustainable into the forward estimates and continue to implement operational efficiencies.

Summary of financial performance

Departmental finances

Overview of financial performance and future financial viability

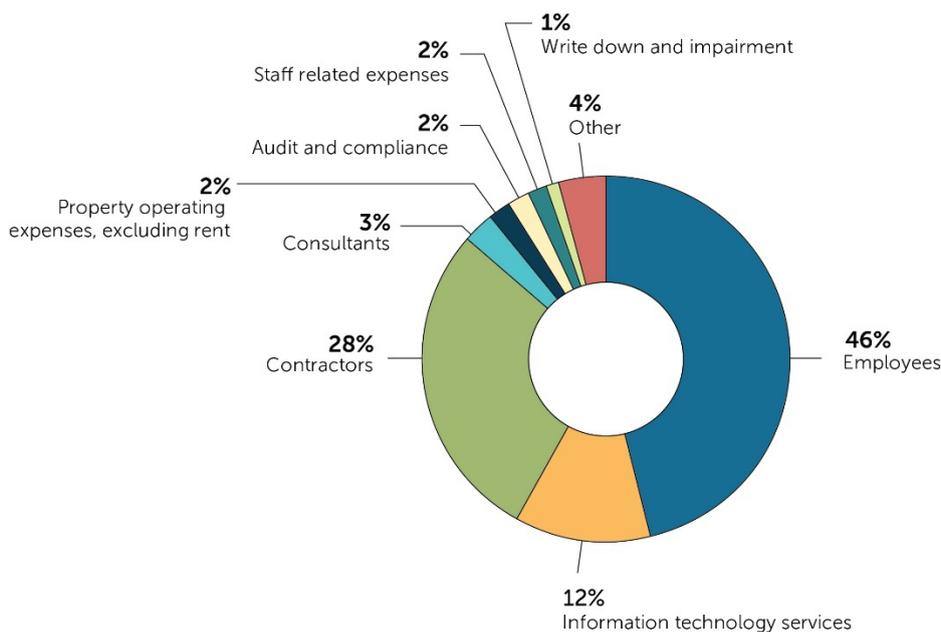
The CER reported a total comprehensive loss of \$3.3 million in 2021-22. Excluding the impact of depreciation and operating lease repayments, our result for the 2021-22 financial year was an operating loss of \$0.5 million.

Our work is mainly funded by Government appropriation. Government revenue from departmental appropriations increased to \$86.9 million from \$76.5 million with additional funding provided to continue our streamlining initiatives under the deregulation agenda.

Own source revenue in 2021-22 was \$4.1 million, an increase from 2020-21 due to contributions received for development of the Guarantee of Origin prototype from the former Department of Industry, Science, Energy and Resources.

Operating expenditure for 2021-22 was \$87.9 million excluding depreciation and amortisation.

FIGURE 8: OPERATING EXPENDITURE 2021-22



We spend most of our budget on employee-related expenses and contractors (74% in total). We commenced 2021-22 with an average staffing level of 318 and end the year at 317. Our ASL was consistently 5% lower than our approved cap of 334 throughout the year.

In 2021-22, funding was provided to support our ongoing program of change and transformation of products and IT solutions. This has resulted in an increase in reported contractor expenses in 2021-22 compared to prior years.

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

Financial position and future financial viability

The CER remains in a sound financial position. As at 30 June 2022, we had total equity of \$24.6 million, represented by \$78.7 million of assets offset by \$54.1 million of liabilities.

The majority of assets relate to appropriation and other receivables (\$34.6 million), leasehold improvements (\$35.4 million) and intangibles (\$5.1 million). The majority of liabilities relate to employee provisions (\$11.2 million) and leases (\$33.1 million).

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

Capital investment

Capital investment for 2021-22 was \$7.0 million.

In accordance with the whole of government property management strategy, we entered into an arrangement with IP Australia to sub-let surplus office space at their Discovery House premises. We invested \$3.5 million in leasehold fitout and \$1.4 million in ICT network and Audio Visual equipment as part of our move to the new premises in May 2022.

We also continued to invest in the development of client systems to further improve the client experience leading to reduced client burden and improved efficiencies.

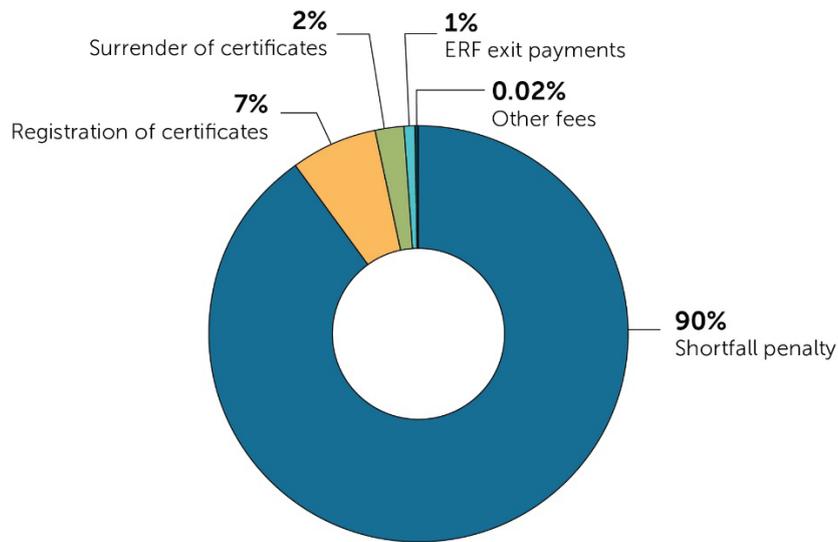
Administered finances

We administered the Emissions Reduction Fund and Renewable Energy Target on behalf of the Government in 2021-22.

Administered Income

Administered income was \$306.0 million and predominantly came from the administration of the Renewable Energy Target. During the year, changes around the administration of fixed delivery carbon abatement contracts came into effect. These changes meant that eligible sellers were able to make an exit payment to be released from delivery of an upcoming milestone. The first date for exit was determined to be 31 August 2022, and as at 30 June 2022 \$3.3 million had been received by entities approved to exit from an upcoming milestone.

FIGURE 9: ADMINISTERED INCOME, 2021-22



Refer to the Administered Schedule of Comprehensive Income and Note 2.2 of the financial statements.

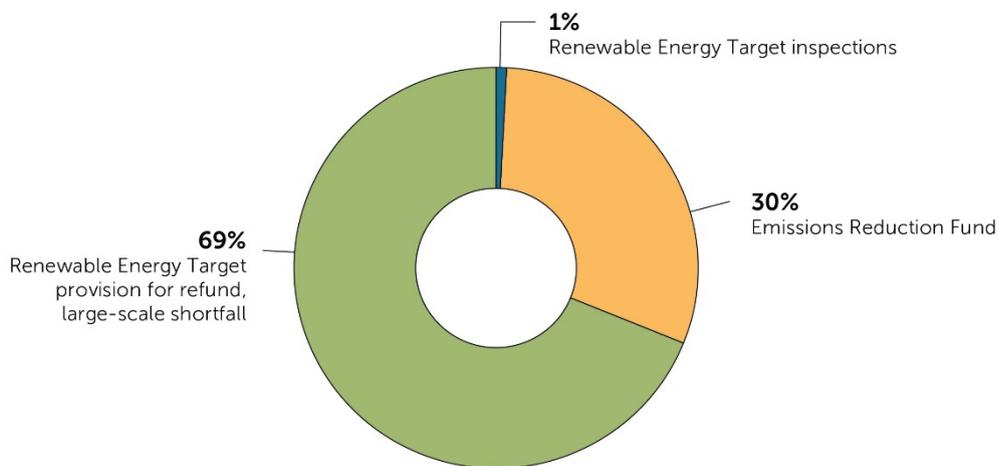
Administered Expenses

Administered expenses were \$398.1 million predominantly due to the continuing recognition of a provision for refund – large-scale shortfall and the payment for contracts under the Emissions Reduction Fund.

During 2021-22 we re-assessed our accounting policy for the recognition of liabilities and associated expenditure for the Emissions Reduction Fund.

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

FIGURE 10: ADMINISTERED EXPENSES, 2021-22



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

Entity resource statement

The entity resource statement provides additional information about the various funding sources that we may draw upon during the year. Appendix B details the resources available to us during 2021-22 and sets out our summary of total expenses for Outcome 1.

Financial statements

We received an unqualified audit report from the Australian National Audit Office for its 2021-22 financial statements.

Our 2021-22 financial statements start with the Statement of comprehensive income following the independent auditor's report and statement by the Accountable Authority and Chief Financial Officer.



INDEPENDENT AUDITOR'S REPORT

To the Minister for Climate Change and Energy

Opinion

In my opinion, the financial statements of the Clean Energy Regulator (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

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

Basis for opinion

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

Accountable Authority's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Australian National Audit Office



Bradley Medina
Executive Director
Delegate of the Auditor-General

Canberra
27 September 2022

**CLEAN ENERGY REGULATOR
STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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



David Parker
Accountable Authority

27 September 2022



Sue Knox
Chief Financial Officer

27 September 2022

CLEAN ENERGY REGULATOR
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	2022 Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee Benefits	1.1A	40,735	41,171	41,732
Suppliers	1.1B	45,970	26,168	41,088
Depreciation and Amortisation	3.2A	6,389	6,243	6,795
Finance Costs		241	45	89
Write-Down and Impairment of Non-Financial Assets	3.2A	987	1,174	-
Losses from Asset Sales		-	103	-
Total expenses		94,322	74,904	89,704
Own-Source Income				
Own-source revenue				
Other Revenue	1.2A	4,095	680	-
Total own-source revenue		4,095	680	-
Gains				
Other Gains		17	-	425
Total gains		17	-	425
Total own-source income		4,112	680	425
Net cost of services		(90,210)	(74,224)	(89,279)
Revenue from Government	1.2B	86,914	76,511	86,503
(Deficit) surplus on continuing operations		(3,296)	2,287	(2,776)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in Asset Revaluation Reserve		(11)	-	-
Total comprehensive (loss) income		(3,307)	2,287	(2,776)

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

CLEAN ENERGY REGULATOR
STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	2022 Original Budget \$'000
ASSETS				
Financial assets				
Cash and Cash Equivalents	3.1A	383	335	391
Trade and Other Receivables	3.1B	34,581	30,095	17,360
Total financial assets		34,964	30,430	17,751
Non-financial assets¹				
Leasehold Improvements	3.2A	35,397	4,237	37,543
Plant and Equipment	3.2A	1,479	748	1,797
Intangibles	3.2A	5,078	4,572	14,577
Prepayments		1,744	568	642
Total non-financial assets		43,698	10,125	54,559
Total Assets		78,662	40,555	72,310
LIABILITIES				
Payables				
Suppliers	3.3A	8,930	3,223	2,366
Other Payables	3.3B	1,018	813	653
Total payables		9,948	4,036	3,019
Interest bearing liabilities				
Leases	3.4A	33,078	3,041	36,461
Total interest bearing liabilities		33,078	3,041	36,461
Provisions				
Employee Provisions	6.1A	11,067	13,426	12,368
Total provisions		11,067	13,426	12,368
Total liabilities		54,093	20,503	51,848
Net assets		24,569	20,052	20,462
EQUITY				
Contributed Equity		96,338	88,514	96,338
Asset Revaluation Reserve		9,587	9,598	9,598
Retained Accumulated Deficit		(81,356)	(78,060)	(85,474)
Total equity		24,569	20,052	20,462

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

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

CLEAN ENERGY REGULATOR
STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2022

	Accumulated Retained Deficit			Asset Revaluation Reserve		Contributed Equity			Total Equity		
	2022	2021	Original Budget	2022	2021	Original Budget	2022	2021	Original Budget	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	(78,060)	(80,347)	(82,698)	9,598	9,598	9,598	88,514	84,416	88,514	20,052	13,667
Comprehensive income											
(Deficit) surplus for the period	(3,296)	2,287	(2,776)	-	-	-	-	-	-	(3,296)	2,287
Other comprehensive loss	-	-	-	(11)	-	-	-	-	-	(11)	-
Total comprehensive (loss) income	(3,296)	2,287	(2,776)	(11)	-	-	-	-	-	(3,307)	2,287
Transactions with owners											
Contributions by owners											
Equity injection - Appropriations	-	-	-	-	-	-	6,681	2,950	6,681	6,681	2,950
Departmental capital budget	-	-	-	-	-	-	1,143	1,148	1,143	1,143	1,148
Total transactions with owners	-	-	-	-	-	-	7,824	4,098	7,824	7,824	4,098
Closing balance as at 30 June	(81,356)	(78,060)	(85,474)	9,587	9,598	9,598	96,338	88,514	96,338	24,569	20,052

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

Accounting Policy

Equity Injections

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

CLEAN ENERGY REGULATOR
CASH FLOW STATEMENT
for the period ended 30 June 2022

	2022	2021	2022 Original Budget
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	92,773	69,361	88,503
Other revenue	3,685	232	-
Net GST received	4,715	2,691	2662
Total cash received	101,173	72,284	91,165
Cash used			
Employees	42,110	39,777	41,732
Suppliers	46,300	27,560	43,325
Interest payments on lease liabilities	241	45	89
Net GST paid	702	214	-
Section 74 receipts transferred to OPA	5,854	1,264	-
Total cash used	95,207	68,860	85,146
Net cash from operating activities	5,966	3,424	6,019
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment	55	35	-
Other	1,000	-	-
Total cash received	1,055	35	-
Cash used			
Purchase of property, plant and equipment and intangibles	7,015	2,137	9,824
Total cash used	7,015	2,137	9,824
Net cash used by investing activities	(5,960)	(2,102)	(9,824)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	3,687	2,137	7,824
Total cash received	3,687	2,137	7,824
Cash used			
Principal payments of lease liabilities	3,645	3,515	4,019
Total cash used	3,645	3,515	4,019
Net cash from (used by) financing activities	42	(1,378)	3,805
Net increase (decrease) in cash held	48	(56)	-
Cash and cash equivalents at the beginning of the reporting period	335	391	391
Cash and cash equivalents at the end of the reporting period¹	383	335	391

¹As shown in the Statement of Financial Position.

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

CLEAN ENERGY REGULATOR

for the period ended 30 June 2022

BUDGET VARIANCES COMMENTARY

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

Statement of Comprehensive Income

Expenses: Suppliers Expense

Suppliers expense is higher than budget due to the increased cost of contractors engaged for the funded ICT change program.

Expenses: Write-down and Impairment of Other Assets expense

A number of internally developed software work-in-progress assets were impaired as a result of the application of cloud capitalisation financial reporting clarification and guidance released in 2021-22. The budget was prepared on the basis that there would be no impairment expenses incurred during the year.

Revenue: Own-Source Income

The CER received funding to collaboratively design a prototype Guarantee of Origin scheme with the Department of Industry, Science and Resources (previously the Department of Industry, Science, Energy and Resources). This funding was not included in the budget estimates as it was unknown at the time of preparation.

The CER also receives resources free of charge from the Australian National Audit Office. This item was budgeted against other gains however the actual amount is disclosed in the financial statements as own-source revenue – other revenue.

Statement of Financial Position

Assets: Trade and Other Receivables

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

Assets: Plant and Equipment

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

Assets: Intangibles

The CER received equity injections to invest in new technology under several budget initiatives. The planning and implementation of the technology solution is progressing at a slower pace than anticipated due to difficulties in sourcing ICT contractors over the financial year.

Liabilities: Suppliers Payable

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

Liabilities: Other Payables

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

Statement of Changes in Equity and the Cash Flow Statement

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

**CLEAN ENERGY REGULATOR
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**

for the period ended 30 June 2022

	Notes	2022 \$'000	Restated 2021 \$'000	2022 Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Suppliers		3,753	3,721	4,299
Purchase of Australian Carbon Credit Units	2.1A	120,754	160,104	291,570
Renewable Energy Target Refunds	2.1B	273,572	405,559	-
Impairment of taxation receivables	7.3B	-	20,244	-
Total expenses		398,079	589,628	295,869
Income				
Revenue				
Taxation revenue				
Renewable Energy Target Shortfall Charges and Interest	2.2A	275,693	432,881	1,234
Total taxation revenue		275,693	432,881	1,234
Non-taxation revenue				
Fees	2.2B	30,293	30,648	28,632
Total non-taxation revenue		30,293	30,648	28,632
Total revenue		305,986	463,529	29,866
Gains				
Other Gains		-	47	-
Total gains		-	47	-
Total income		305,986	463,576	29,866
Net cost of services and comprehensive loss		(92,093)	(126,052)	(266,003)

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

**CLEAN ENERGY REGULATOR
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES**

as at 30 June 2022

	Notes	2022 \$'000	Restated 2021 \$'000	2022 Original Budget \$'000
ASSETS				
Financial assets				
Cash and Cash Equivalents	4.1A	7,037	68	167
Taxation Receivables	4.1B	27	1,042	394
Trade and Other Receivables	4.1C	7,616	103	114
Total financial assets		14,680	1,213	675
Non-financial assets				
Prepayments		124	69	-
Total non-financial assets		124	69	-
Total assets administered on behalf of Government		14,804	1,282	675
LIABILITIES				
Payables				
Suppliers	4.2A	608	111	781
Other Payables	4.2B	15,932	5,448	91,553
Total payables		16,540	5,559	92,334
Provisions				
Renewable Energy Target Shortfall	4.3A	949,672	979,817	1,044,038
Purchase of Australian Carbon Credit Units	4.3A	54,662	41,649	-
Total provisions		1,004,334	1,021,466	1,044,038
Total liabilities administered on behalf of Government		1,020,874	1,027,025	1,136,372
Net liabilities		(1,006,070)	(1,025,743)	(1,135,697)

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

CLEAN ENERGY REGULATOR
ADMINISTERED RECONCILIATION SCHEDULE
for the period ended 30 June 2022

	2022 \$'000	<i>Restated</i> 2021 \$'000
Opening assets less liabilities as at 1 July	(1,025,743)	(791,628)
Adjustment for change in accounting policies	-	43,366
Adjusted opening assets less liabilities	(1,025,743)	(748,262)
Net cost of services		
Income	305,986	463,576
Expenses		
Payments to entities other than corporate Commonwealth entities	(398,079)	(589,628)
Transfers (to)/from the Australian Government		
Appropriation transfers from Official Public Account		
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	115,586	166,007
Special appropriations (unlimited)		
Renewable Energy (Electricity) Act 2000, section 157 refunds	306,253	126,455
Refund of administered receipts - section 77 PGPA Act	10,129	336
Appropriation transfers to OPA		
Transfers to OPA	(320,202)	(444,227)
Closing assets less liabilities as at 30 June	(1,006,070)	(1,025,743)

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

Accounting Policy

Administered cash transfers to and from the Official Public Account

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

CLEAN ENERGY REGULATOR
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2022

	Notes	2022 \$'000	Restated 2021 \$'000
OPERATING ACTIVITIES			
Cash received			
Taxes (Renewable Energy Target shortfall charges and interest)		279,244	412,780
Fees		30,435	30,513
Net GST received		745	518
Total cash received		310,424	443,811
Cash used			
Suppliers		4,532	4,834
Purchase of Australian Carbon Credit Units		111,405	161,191
Renewable Energy Target refunds		306,253	126,455
Net GST paid by the special account		7,559	-
Total cash used		429,749	292,480
Net cash (used by) from operating activities		(119,325)	151,331
FINANCING ACTIVITIES			
Cash received			
Special account – receipts from buyers	5.2	153,612	4,322
Total cash received		153,612	4,322
Cash used			
Special account – payments to sellers	5.2	139,084	4,323
Total cash used		139,084	4,323
Net cash from (used by) financing activities		14,528	(1)
Cash from Official Public Account			
Appropriations		431,968	292,798
Total cash from official public account		431,968	292,798
Cash to Official Public Account			
Appropriations		(320,202)	(444,227)
Total cash to official public account		(320,202)	(444,227)
Net increase (decrease) in cash held		6,969	(99)
Cash and cash equivalents at the beginning of the reporting period		68	167
Cash and cash equivalents at the end of the reporting period¹	4.1A	7,037	68

¹As shown in the Statement of Financial Position.

This schedule should be read in conjunction with the accompanying notes.

CLEAN ENERGY REGULATOR*for the period ended 30 June 2022***BUDGET VARIANCES COMMENTARY - ADMINISTERED**

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

Administered Schedule of Comprehensive Income*Expenses: Suppliers Expense*

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

Expenses: Purchase of Australian Carbon Credit Units

A change in accounting policy for the recognition of the purchase of Australian Carbon Credit units was implemented subsequent to the budget being finalised.

The budget allocation reflects the best estimate for ACCU purchases at the time of preparation. This estimate is then subject to auction results and movement between years of existing contract deliverables (as allowed for in ERF contracts). The estimate has since been updated in line with the known pattern of commitments and with the change in accounting policy for the recognition of ACCU liabilities.

Expenses: RET Refunds

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

During 2021-22 a number of entities paid a large-scale generation shortfall charge to meet their large-scale renewable energy target obligations rather than to surrender Renewable Energy Certificates. Entities can receive a refund of their shortfall payments if they meet certain requirements under the legislation within the 'allowable refund period'. The CER has raised a provision for entities that may become entitled to a refund of their shortfall payments net of an administration fee, subject to satisfying legislative requirements. The budget assumes a low level of non-compliance with obligations to surrender Renewable Energy Certificates. As such, shortfall revenue and corresponding recognition of expense and provision for refund of shortfall payments are not reflected in the 2021-22 budget position.

Revenue: Other taxes (RET Shortfall Charges and Interest)

The budget assumes a low level of non-compliance with obligations to surrender Renewable Energy Certificates.

In 2021-22 a large number of entities elected to pay a shortfall charge rather than surrender Renewable Energy Certificates.

CLEAN ENERGY REGULATOR*for the period ended 30 June 2022***BUDGET VARIANCES COMMENTARY – ADMINISTERED (continued)****Administered Schedule of Assets and Liabilities***Assets: Cash and Cash Equivalents*

The CER operates the small-scale technology certificate clearing house to facilitate the purchase and sale of certificates between liable entities and individuals or agents installing small-scale solar, wind and hydro systems. The budget was prepared assuming that the clearing house would have sufficient seller certificates to meet buyer demand. In 2021-22, the clearing house experienced a certificate deficit which was not forecast in the budget. As a result of the legislative requirements, the CER had to generate certificates to meet demand. The CER generated certificates in effect are retired as new public certificates are created. The closing balance for cash represents the cash value of certificates yet to be replaced.

Assets: Trade and Other Receivables

The closing balance reflects the GST receivable on clearing house certificates.

Liabilities: Other payables

The budget was prepared prior to a change in accounting policy that impacted the calculation of the Purchase of Australian Carbon Credit Units liability balance, which also resulted in a re-classification of the majority of the remaining liability balance from other payables to provision – purchase of Australian Carbon Credit Units. The overview note provides further detail of the change in accounting policy.

The Other payables balance also includes an amount relating to the Small-scale technology certificate clearing house that was not budgeted for. Refer *Assets: Cash and Cash Equivalents*.

Provisions: Purchase of Australian Carbon Credit Units

The change in accounting policy for the recognition of this provision has resulted in a reduced overall ACCU liability balance, now disclosed as a combination of other payables and provision. The previous accounting policy disclosed all liability as Liability – Other payables. Refer *Liabilities: Other Payables*.

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview

Objectives of the CER

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

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

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

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

The Basis of Preparation

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

The financial statements have been prepared in accordance with:

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

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

New Accounting Standards

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

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the CER.

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview (continued)

Taxation

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

Significant Accounting Judgements and Estimates

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

- Employee leave provisions involve assumptions based on the expected tenure of existing staff, pattern of leave claims and payouts, future salary movements and future discount rates; and
- The fair value of plant and equipment is assessed at market value or depreciated replacement cost as determined by an independent valuer, with the last valuation being performed on 30 June 2022. Fair value is subject to management assessment in between formal valuations.

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

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview (continued)

Reporting of Administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Emissions Reduction Fund (ERF) change in accounting policy - restatement of prior period disclosures

During 2021-22 the CER re-assessed its accounting policy for the recognition of liabilities and associated expenditure for the Emissions Reduction Fund (ERF). The CER has historically recognised a liability for all ACCUs issued until such time as they are surrendered. The liability was classified as *other payables*.

Over the past several years, the ACCU market has matured, and the nature of contracts offered by the CER now includes both fixed and optional delivery contracts. ACCU voluntary holdings by entities that don't have contracts with the CER have also increased along with trading of ACCUs within the secondary market. These changes required the CER to reassess its recognition of liabilities and associated expenditure for the ERF.

Under the new accounting policy the CER will only recognise a liability where there is evidence an issued ACCU will be purchased under an ERF contract and will result in a liability for the CER. The liability will be classified as *Other Payables*, or as *Provisions - Purchase of Australian Carbon Credit Units* where there is uncertainty in the timing and amount of the liability. The application of the new accounting policy will ensure that reported liabilities align with the purchases generated under ERF contracts.

The CER has restated a number of 2020-21 disclosures in accordance with the requirements of AASB 108 - *Accounting Policies, Changes in Accounting Estimates and Errors*. The table below details the financial statement line items and amounts adjusted:

Financial Statement Line Item	2021 \$'000 (Original)	Adjustment \$'000	2021 \$'000 (Restated)
<i>Administered Schedule of Comprehensive Income</i>			
Expenses			
Purchase of Australian Carbon Credit Units	183,757	(23,653)	160,104
Total expenses	613,281	(23,653)	589,628
Net cost of services and comprehensive loss	(149,705)	23,653	(126,052)
<i>Administered Schedule of Assets and Liabilities</i>			
Liabilities			
Payables			
Other payables	114,116	(108,668)	5,448
Total payables	114,227	(108,668)	5,559
Provisions			
Purchase of Australian Carbon Credit Units	-	41,649	41,649
Total provisions	979,817	41,649	1,021,466
Total liabilities administered on behalf of Government	1,094,044	(67,019)	1,027,025
Net liabilities	(1,092,762)	(67,019)	(1,025,743)
<i>Administered Reconciliation Schedule</i>			
Opening assets less liabilities as at 1 July	(791,628)	43,366	(748,262)

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview (continued)

Administered significant accounting judgements and estimates

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

Emissions Reduction Fund (ERF)

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

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

- the CER will recognise a liability under the ERF where it has a present obligation arising from a past event; and
- the obligating event is on Australian Carbon Credit Unit (ACCU) issued and there is evidence the ACCU will be purchased under an ERF contract.

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

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

Provision for Renewable Energy Target Shortfall refunds

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

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

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

**CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Overview (continued)****2020-21 Comparative Amendments**

Adjustments have been made to comparatives where necessary to ensure consistency with 2021-22 disclosures.

Events After the Reporting Period**Departmental**

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

Administered

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

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Financial Performance

This section analyses the financial performance of the CER for the year ended 2022.

1.1 Expenses

	2022	2021
	\$'000	\$'000
1.1A: Employee Benefits		
Wages and salaries	32,279	30,540
Superannuation		
Defined contribution plans	4,159	3,842
Defined benefit plans	1,616	1,725
Leave and other entitlements	2,395	4,737
Separation and redundancies	239	289
Other	47	38
Total employee benefits	40,735	41,171

Accounting Policy

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

1.1B: Suppliers

Goods and services supplied or rendered

Contractors	24,637	8,621
Information technology services	10,469	9,176
Consultants	2,779	2,126
Audit and compliance	1,817	1,318
Property operating expenses	1,598	1,267
Staff related expenses	1,351	1,202
Legal expenses	827	397
Subscriptions	489	75
Remuneration of auditors	430	430
Industry contributions	313	770
Finance charges	141	173
Travel and accommodation	128	80
Other goods and services	586	295
Total goods and services supplied or rendered	45,565	25,930
Goods supplied	172	96
Services rendered	45,393	25,834
Total goods and services supplied or rendered	45,565	25,930
Other suppliers		
Workers compensation expenses	405	238
Total other suppliers	405	238
Total suppliers	45,970	26,168

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.1 Expenses (continued)

1.1B: Suppliers (continued)

The CER had no short-term lease commitments or leases of low-value assets (less than \$10,000) as at 30 June 2022. The above lease disclosures should be read in conjunction with the accompanying notes 3.2A and 3.4A.

Accounting Policy

Short-term leases and leases of low-value assets

The CER has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The CER recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.2 Own-Source Revenue and gains

	2022	2021
	\$'000	\$'000
Own-Source Revenue		
1.2A: Other Revenue		
Resources received free of charge - Remuneration of auditors	430	430
Contribution for Guarantee of Origin prototype	3,600	-
Emission Reduction Fund method development contributions	-	250
Other	65	-
Total other revenue	4,095	680

Accounting Policy

Resources Received Free of Charge

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

1.2B: Revenue from Government

Accounting Policy

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

Appropriations receivable are recognised at their nominal amounts.

CLEAN ENERGY REGULATOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Income and Expenses Administered on Behalf of the Government

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

2.1 Administered -Expenses

2.1A: Purchase of Australian Carbon Credit Units

Accounting Policy

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

ACCUs are earned by participants through eligible projects for each tonne of carbon dioxide equivalent (tCO₂-e) stored or avoided.

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

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

The CER's accounting policy for ERF transactions is:

- A liability will be recognised under the ERF where it has a present obligation arising from a past event; and
- The obligating event is on ACCU's issued and where there is evidence the ACCU will be purchased under an ERF contract.

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

2.1B: Renewable Energy Target Refunds

Accounting Policy

The Large-scale Renewable Energy Target creates a financial incentive for the establishment and growth of renewable energy power stations through the creation of large-scale generation certificates.

Refunds are made to external providers on the basis of:

- surrender of large-scale generation certificates during the 'allowable refund period'; and/or
- a downward reassessment of a liable entity's certificate liability resulting in an overpayment.

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

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

CLEAN ENERGY REGULATOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2.2 Administered - Income

2.2A: Renewable Energy Target Shortfall Charges and Interest

Accounting Policy

Liabe entities who acquit less of their total large-scale or short-scale generation certificate surrender liability for an assessment year will incur a shortfall charge. Shortfall charges must be paid on time and will attract interest charges when they become overdue. Renewable Energy Target Shortfall charges and any associated interest are recognised at the time they are imposed.

	2022	2021
	\$'000	\$'000
Non-taxation revenue		
<u>2.2B: Fees</u>		
Renewable energy fees	26,972	30,573
Emission Reduction Fund exit fees	3,268	-
Other	53	75
Total fees	30,293	30,648

Accounting Policy

Renewable energy fees

Renewable energy revenue is generated through the creation and surrender of Renewable Energy Certificates and from application fees by renewable energy target participants. Revenue is recognised when the underlying transaction occurs.

Emission Reduction Fund exit fees

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

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Financial Position

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

3.1 Financial Assets

3.1A: Cash and cash equivalents

Accounting Policy

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

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

	2022 \$'000	2021 \$'000
3.1B: Trade and Other Receivables		
Services receivables		
Services	116	54
Total services receivables	116	54
Appropriations receivables		
Appropriation receivable	33,803	29,671
Total appropriations receivables	33,803	29,671
Other receivables		
GST receivable	673	382
Total other receivables	673	382
Total trade and other receivables (gross)	34,592	30,107
Less impairment loss allowance	(11)	(12)
Total trade and other receivables (net)	34,581	30,095

Trade and other receivables (net) are expected to be recovered in no more than 12 months. Credit terms for goods and services were within 30 days (2021: 30 days).

Accounting Policy

Financial assets

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

CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.2 Non-Financial Assets

3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Leasehold improvements \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2021				
Gross book value	15,716	2,521	37,273	55,510
Accumulated depreciation, amortisation and impairment	(11,479)	(1,773)	(32,701)	(45,953)
Total as at 1 July 2021	4,237	748	4,572	9,557
Additions				
Purchase or internally developed	3,342	1,225	2,548	7,115
Right-of-use-asset	32,682	-	-	32,682
Revaluations recognised in other comprehensive income	-	(11)	-	(11)
Impairments recognised in net cost of services	-	-	(987)	(987)
Depreciation and amortisation	(1,087)	(473)	(1,055)	(2,615)
Depreciation on right-of-use-assets	(3,774)	-	-	(3,774)
Other movements				
Disposals	(3)	(10)	-	(13)
Total as at 30 June 2022	35,397	1,479	5,078	41,954
Total as at 30 June 2022 represented by				
Gross book value	36,023	1,673	38,834	76,530
Accumulated depreciation, amortisation and impairment	(626)	(194)	(33,756)	(34,576)
Total as at 30 June 2022	35,397	1,479	5,078	41,954
Carrying amount of right-of-use assets	32,114	-	-	32,114

Accounting Policy - Property, plant and equipment

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

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

Asset recognition threshold

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

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles (continued)

Lease Right of Use (ROU) Assets

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

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

Revaluations

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

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

An independent valuer conducted a revaluation of all asset classes as at 30 June 2022 in accordance with AASB 13 *Fair Value Measurement*.

Fair Value

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

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

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

Depreciation

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

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

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

	2022	2021
Leasehold improvements	lease term	lease term
Plant and equipment	2 to 9 years	2 to 9 years

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

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles (continued)

Impairment

All assets were assessed for impairment at 30 June 2022. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

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

Accounting policy - Intangibles

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

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the CER's software are 2 to 10 years (2021: 2 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2022.

**CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

3.3 Payables

	2022	2021
	\$'000	\$'000

3.3A: Suppliers

Settlement of supplier payables is usually made within 20 days (2021: 20 days).

3.3B: Other Payables

Salaries and wages	883	706
Superannuation	135	107
Total other payables	1,018	813

3.4 Interest Bearing Liabilities

3.4A: Leases

Lease liability	33,078	3,041
Total interest bearing liabilities	33,078	3,041

Maturity analysis - contractual undiscounted cash flows

Within 1 year	3,239	3,052
Between 1 to 5 years	14,045	-
More than 5 years	20,900	-
Total leases	38,184	3,052

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

The CER in its capacity as lessee, entered into a sub-lease arrangement with IP Australia for a period of 10 years and 4 months (with one option of 5 years) commencing from 26 April 2022 in relation to 47 Bowes Street office premises. The rent is increased on 1July of each year by 3.25%.

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

Accounting Policy

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

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

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

CLEAN ENERGY REGULATOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Assets and Liabilities Administered on Behalf of the Government

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

4.1 Administered - Financial Assets

	2022	<i>Restated</i> 2021
	\$'000	\$'000
4.1A: Cash and Cash Equivalent		
Cash in special accounts	7,037	68
Total cash and cash equivalents	7,037	68
4.1B: Taxation Receivables		
Other taxes		
Renewable energy - shortfall charges and interest	27	1,042
Total taxation receivables	27	1,042
4.1C: Trade and Other Receivables		
Other receivables		
Fees	-	70
GST receivable	24	33
GST receivable - special account	7,592	-
Total other receivables	7,616	103

Trade and other receivables (net) are expected to be recovered in no more than 12 months. Credit terms for goods and services were within 30 days (2021: 30 days).

Accounting Policy

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

4.2 Administered - Payables

4.2A: Suppliers

Settlement of supplier payables is usually made within 20 days (2021: 20 days).

	2022	<i>Restated</i> 2021
	\$'000	\$'000
4.2B: Other Payables		
Purchase of Australian Carbon Credit Units	1,839	5,448
Special account seller payables	14,093	-
Total Other Payables	15,932	5,448

Accounting Policy

Purchase of Australian Carbon Credit Units

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

CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4.3 Administered - Provisions

<u>4.3A: Provisions</u>	Renewable energy target shortfalls \$'000	Purchase of Australian Carbon Credit Units \$'000	Total \$'000
As at 1 July 2021	979,817	41,649	1,021,466
Additional provisions made	273,572	122,344	395,916
Amounts used	(303,717)	(109,331)	(413,048)
Total at 30 June 2022	949,672	54,662	1,004,334

Accounting Policy

Renewable energy target shortfalls

Refer note 2.1B.

Purchase of Australian Carbon Credit Units

Refer note 2.1A.

CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Funding

This section identifies the CER's funding structure.

5.1 Appropriations

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

Annual Appropriations for 2022

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

-
- 1. Adjustments to appropriations includes adjustments to current year annual appropriations for PGPA Act section 74 receipts.
- 2. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.
- 3. The variance of \$180.181m reflects changes in the profile of contracted payments under the Emissions Reduction Fund.

**CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

5.1 Appropriations (continued)

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

Annual Appropriations for 2021

	Annual Appropriation \$'000	Adjustments to appropriation ¹ \$'000	Total appropriation \$'000	Appropriation applied in 2021 \$'000	Variance \$'000
Departmental					
Ordinary annual services ²	76,511	1,264	77,775	69,417	8,358
Capital Budget ³	1,148	-	1,148	735	413
Other services					
Equity Injections	2,950	-	2,950	1,402	1,548
Total departmental	80,609	1,264	81,873	71,554	10,319
Administered					
Ordinary annual services					
Administered items ⁴	245,940	-	245,940	165,666	80,274
Total administered	245,940	-	245,940	165,666	80,274

-
- 1. Adjustments to appropriations includes adjustments to current year annual appropriations for PGPA Act section 74 receipts.
- 2. The variance of \$8.358m reflects the appropriation applied in current and prior years being less than the available appropriation.
- 3. Departmental Capital Budget are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.
- 4. The variance of \$80.274m reflects changes in the profile of contracted payments under the Emissions Reduction Fund.

**CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

5.1 Appropriations (continued)

5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2022 \$'000	2021 \$'000
Departmental		
Appropriation Act (No. 1) 2020-2021	-	28,079
Supply Act (No. 2) 2020-2021	-	436
Appropriation Act (No. 2) 2020-2021	522	1,491
Appropriation Act (No. 1) 2021-2022	27,507	-
Appropriation Act (No. 3) 2021-2022	411	-
Appropriation Act (No. 2) 2021-2022	5,746	-
Total departmental	34,186	30,006
Administered		
Appropriation Act (No. 1) 2018-2019	-	79
Supply Act (No. 1) 2020-2021	-	88,609
Appropriation Act (No. 1) 2020-2021	-	83,943
Appropriation Act (No. 1) 2021-2022	172,751	-
Total administered	172,751	172,631

The Appropriation Act (No. 1) 2020-2021 prior years unspent administered annual appropriations had \$0.648m withheld under s51 of the PGPA Act.

**CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

5.1 Appropriations (continued)

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

Authority		Appropriation applied	
		2022	2021
		\$'000	\$'000
<i>Renewable Energy (Electricity) Act 2000</i> , section 157, Administered, Unlimited amount	To enable payments in respect of: a) section 50 refunds of overpaid amounts b) section 98 refund of charge where certificates are surrendered c) section 121 compensation from damage to electronic equipment.	306,253	126,455
<i>Public Governance, Performance and Accountability Act 2013</i> , section 77, Administered, Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and the Finance Minister is satisfied that, apart from this section, there is no specific appropriation for the repayment.	10,129	336
<i>Clean Energy Act 2011</i> , section 116, Administered, Unlimited amount	To provide an appropriation for the buy-back of certain free carbon units specified by section 116 of the <i>Clean Energy Act 2011</i> .	-	-
<i>Clean Energy Act 2011</i> , section 132, Administered, Unlimited amount	To provide an appropriation for the refund of surplus surrender specified by section 132 of the <i>Clean Energy Act 2011</i> .	-	-
Total special appropriations applied		316,382	126,791

CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.2 Special Accounts

	Renewable Energy Special Account (Administered)¹	
	2022	<i>Restated</i> 2021
	\$'000	\$'000
(Recoverable GST exclusive)		
Balance brought forward from previous period	68	82
Opening balance adjustment²	(15)	(13)
Adjusted balance brought forward from previous period	53	69
Increases - receipts from buyers	153,612	4,322
Available for payments	153,665	4,391
Decreases - payments to sellers	(139,084)	(4,323)
Total balance carried to the next period	14,581	68
Balance represented by:		
Cash held in the CER bank accounts ³	7,037	68
Net GST receivable	7,544	-
Total balance carried to the next period	14,581	68

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

The purposes of the Renewable Energy Special Account are as follows:

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

Transactions related to the small-scale technology certificates (STC) Clearing House are reported in the Administered Schedule of Assets and Liabilities as Cash and cash equivalents and Supplier payables. This is because the CER is facilitating transactions between buyers and sellers through the STC Clearing House and any net cash resulting is not revenue for Government.

² Opening balance adjustments relate to GST timing differences.

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

CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.3 Regulatory Charging Summary		
	2022	2021
	\$'000	\$'000
External Revenue		
Administered	27,025	30,648
Total external revenue	27,025	30,648
Regulatory charging activities		
To participate in the Renewable Energy Target schemes and access the REC Registry, users are required to pay a fee when they create and surrender small-scale technology certificates (STCs) and large-scale generation certificates (LGCs). These fees are payable in accordance with the <i>Renewable Energy (Electricity) Regulations 2011</i> .		

5.4 Net Cash Appropriation Arrangements		
	2022	2021
	\$'000	\$'000
Total comprehensive (loss) income – as per the Statement of Comprehensive Income	(3,296)	2,287
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and /or equity injections) ¹	2,615	2,745
Plus: depreciation right-of-use assets ²	3,774	3,498
Less: lease principal repayments ²	(3,645)	(3,515)
Net Cash Operating (Deficit) Surplus	(552)	5,015

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

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

CLEAN ENERGY REGULATOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

People and relationships

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

6.1 Employee Provisions

	2022 \$'000	2021 \$'000
6.1A: Employee Provisions		
Leave	11,067	13,245
Separations and redundancies	-	181
Total employee provisions	11,067	13,426

Accounting policy

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

Leave

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

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

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

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The CER recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

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

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

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

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

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

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

6.2 Key Management Personnel Remuneration

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

	2022	2021
	\$'000	\$'000
Short-term employee benefits	1,775	1,813
Post-employment benefits	261	264
Other long-term employee benefits ¹	(168)	29
Total key management personnel remuneration expenses²	1,868	2,106

The total number of key management personnel that are included in the above table are 13 (2021: 14).

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

¹ The reduction in other long-term employee benefits is due to the change in the long-term discount rate.

² The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio and Cabinet Ministers. Ministerial remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the CER.

6.3 Related Parties

Related party relationships

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

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

Transactions with related parties

Significant transactions with related parties can include:

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

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

CLEAN ENERGY REGULATOR NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Managing uncertainties

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

7.1A Contingent Assets and Liabilities

Quantifiable Contingencies

There were no quantifiable contingent assets or liabilities as at 30 June 2022 (2021: Nil).

Unquantifiable Contingencies

There were no unquantifiable contingent assets or liabilities as at 30 June 2022 (2021: Nil).

Accounting Policy

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

7.1B Administered - Contingent Assets and Liabilities

	2022 \$'000	2021 \$'000
Contingent assets		
Balance from previous period	-	-
New contingent assets recognised	237	-
Total contingent assets	237	-

Quantifiable Administered Contingencies

The above table contains \$0.237m of contingent assets in respect to ERF contractual obligations. Carbon abatement contract holders may elect to make an exit payment to the CER to release them from their contractual obligations. Emission reduction fund exit fee contingent assets are recognised where the CER assesses an exit fee application as eligible. The CER provides conditional approval for the exit fees to be paid dependent upon the exit fee being paid in full by the milestone delivery date.

There were no quantifiable contingent liabilities as at 30 June 2022 (2021: Nil).

Unquantifiable Administered Contingencies

There were no unquantifiable contingent assets or liabilities as at 30 June 2022 (2021: Nil).

CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7.2 Financial Instruments

	2022 \$'000	2021 \$'000
7.2A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	383	335
Trade receivables	116	54
Total financial assets at amortised cost	499	389
Total financial assets	499	389
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	8,930	3,223
Total financial liabilities measured at amortised cost	8,930	3,223
Total financial liabilities	8,930	3,223

Accounting Policy

Financial assets

The CER classifies its financial assets as measured at amortised cost.

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

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

Financial Assets at Amortised Cost

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

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

Amortised cost is determined using the effective interest method.

Effective Interest Method

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

Impairment of Financial Assets

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

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

CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7.2 Financial Instruments (continued)

7.2A: Categories of Financial Instruments (continued)

Financial liabilities

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

Financial Liabilities at Amortised Cost

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

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

7.3 Administered - Financial Instruments

	2022	<i>Restated</i> 2021
	\$'000	\$'000
7.3A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash on hand or on deposit	7,037	68
Total financial assets at amortised cost	7,037	68
Total financial assets	7,037	68
Financial Liabilities		
Financial liabilities measured at amortised cost		
Supplier payables	608	111
Purchase of Australian Carbon Credit Units	1,839	5,448
Other payables	14,093	-
Total financial liabilities measured at amortised cost	16,540	5,559
Total financial liabilities	16,540	5,559
7.3B: Net Losses on Financial Assets		
Financial assets at amortised cost		
Impairment of taxation receivables	-	20,244
Net losses on financial assets at amortised cost	-	20,244

CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Other information		
8.1 Current/non-current distinction for assets and liabilities		
	2022	2021
	\$'000	\$'000
8.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	383	335
Trade and other receivables	34,581	30,095
Leasehold improvements	-	4,237
Plant and equipment	179	65
Prepayments	1,489	550
Total no more than 12 months	36,632	35,282
More than 12 months		
Leasehold improvements	35,397	-
Plant and equipment	1,300	683
Intangibles	5,078	4,572
Prepayments	255	18
Total more than 12 months	42,030	5,273
Total assets	78,662	40,555
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	8,930	3,223
Other payables	1,018	813
Leases	2,359	3,041
Employee provisions	4,513	4,719
Total no more than 12 months	16,820	11,796
More than 12 months		
Leases	30,719	-
Employee Provisions	6,554	8,707
Total more than 12 months	37,273	8,707
Total liabilities	54,093	20,503

CLEAN ENERGY REGULATOR
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

8.1B: Administered - Current/non-current distinction for assets and liabilities		
	2022	<i>Restated</i> 2021
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	7,037	68
Taxation receivables	27	1,042
Trade and other receivables	7,616	103
Prepayments	-	69
Total no more than 12 months	14,680	1,282
More than 12 months		
Prepayments	124	-
Total more than 12 months	124	-
Total Assets	14,804	1,282
Liabilities expected to be recovered in:		
No more than 12 months		
Suppliers	608	111
Other payables	15,932	5,448
Provision – Purchase of Australian Carbon Credit Units	54,662	41,649
Provision – Renewable Energy Target shortfall	274,512	169,341
Total no more than 12 months	345,714	216,549
More than 12 months		
Provision – Renewable Energy Target shortfall	675,160	810,476
Total more than 12 months	675,160	810,476
Total Liabilities	1,020,874	1,027,025

Appendices

Appendix A: List of requirements

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

TABLE 10: LIST OF REQUIREMENTS

PGPA Rule reference	Page	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	3	A copy of the letter of transmittal signed and dated by the Accountable Authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	Aids to access		
17AJ(a)	2	Table of contents.	Mandatory
17AJ(b)	112	Alphabetical index.	Mandatory
17AJ(c)	108	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	89	List of requirements.	Mandatory
17AJ(e)	2	Details of contact officer.	Mandatory
17AJ(f)	2	Entity's website address.	Mandatory
17AJ(g)	2	Electronic address of report.	Mandatory
17AD(a)	Review by Accountable Authority		
17AD(a)	4	A review by the Accountable Authority of the entity.	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	7	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	9	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	8	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	7	A description of the purposes of the entity as included in the corporate plan.	Mandatory
17AE(1)(aa)(i)	9	Name of the Accountable Authority or each member of the Accountable Authority.	Mandatory
17AE(1)(aa)(ii)	9	Position title of the Accountable Authority or each member of the Accountable Authority.	Mandatory
17AE(1)(aa)(iii)	9	Period as the Accountable Authority or member of the Accountable Authority within the reporting period.	Mandatory
17AE(1)(b)	N/A	An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory

17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, mandatory
17AD(c) Report on the performance of the entity			
<i>Annual performance statements</i>			
17AD(c)(i); 16F	10	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii) Report on financial performance			
17AF(1)(a)	42	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	94	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, mandatory.
17AD(d) Management and accountability			
<i>Corporate governance</i>			
17AG(2)(a)	30	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	3	A certification by the Accountable Authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	3	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	3	A certification by the Accountable Authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	28	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	30	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, mandatory
<i>Audit Committee</i>			
17AG(2A)(a)	29	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	105	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	105	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	105	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	105	The remuneration of each member of the entity's audit committee.	Mandatory
<i>External scrutiny</i>			

17AG(3)	31	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	31	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, mandatory
17AG(3)(b)	31	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, mandatory
17AG(3)(c)	31	Information on any capability reviews on the entity that were released during the period.	If applicable, mandatory
Management of human resources			
17AG(4)(a)	38	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	96	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location	Mandatory
17AG(4)(b)	96	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: (a) statistics on staffing classification level (b) statistics on full-time employees (c) statistics on part-time employees (d) statistics on gender (e) statistics on staff location (f) statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	41	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	41	Information on the number of Senior Executive Service (SES) and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	41	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	41	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	41	Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments.	If applicable, mandatory

Assets management			
17AG(5)	31	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory
Purchasing			
17AG(6)	31	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
Reportable consultancy contracts			
17AG(7)(a)	32	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	32	A statement that "During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]".	Mandatory
17AG(7)(c)	32	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	32	A statement that "Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."	Mandatory
Reportable non-consultancy contracts			
17AG(7A)(a)	33	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	33	A statement that "Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."	Mandatory
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	31	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
Australian National Audit Office access clauses			
17AG(8)	33	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, mandatory
Exempt contracts			
17AG(9)	33	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, mandatory

Small business			
17AG(10)(a)	33	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory
17AG(10)(b)	33	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	N/A	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory
Financial statements			
17AD(e)	45	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
Executive remuneration			
17AD(da)	100	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory
17AD(f)	Other mandatory information		
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, mandatory
17AH(1)(a)(ii)	34	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, mandatory
17AH(1)(b)	N/A	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, mandatory
17AH(1)(c)	40	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	31	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	106	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	N/A	Information required by other legislation	Mandatory

Appendix B: Entity resource statement and expenses by outcome

TABLE 11: CLEAN ENERGY REGULATOR RESOURCE STATEMENTS, 2021-22

	Actual available appropriation for 2021-22 \$'000 (a)	Payments made 2021-22 \$'000 (b)	Balance remaining 2021-22 \$'000 (a) – (b)
Departmental			
Annual appropriations - ordinary annual services ^{1, 2}	121,990	94,073	27,917
Annual appropriations - other services - non-operating ³	8,608	2,339	6,269
Total departmental annual appropriations	130,598	96,412	34,186
Total departmental resourcing	130,598	96,412	34,186
Administered			
Annual appropriations - ordinary annual services ¹	295,387	115,206	
Total administered annual appropriations	295,387	115,206	
Administered special appropriations			
Public Governance, Performance and Accountability Act 2013 – section 77	10,129	10,129	
Renewable Energy (Electricity) Act 2000 – section 157	306,253	306,253	
Total administered special appropriations	316,382	316,382	
Total administered resourcing	611,769	431,588	
Total resourcing and payments for the Clean Energy Regulator	742,367	528,000	

¹ Appropriation Act (No. 1) 2021-22 and Appropriation Act (No. 3) 2021-22. This may also include prior-year departmental appropriation and section 74 external revenue.

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

³ Appropriation Act (No. 2) 2020-21 and Appropriation Act (No. 2) 2021-22.

TABLE 12: SUMMARY OF TOTAL EXPENSES BY OUTCOME 1, 2021-22

Expenses for outcome 1			
Outcome 1: To contribute to a reduction Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.	Budget* 2021-22 \$'000	Actual expenses 2021-22 \$'000	Variation 2021-22 \$'000
	(a)	(b)	(a) – (b)
Program 1.1: Clean Energy Regulator			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1)	295,387	124,507	170,880
Special appropriations	482	273,572	(273,090)
Administered total	295,869	398,079	(102,210)
Departmental expenses			
Departmental appropriation	86,914	91,277	(4,363)
Expenses not requiring appropriation in the Budget year ¹	3,201	3,045	156
Departmental total	90,115	94,322	(4,207)
Total expenses for Program 1.1	385,984	492,401	(106,417)
Total expenses for Outcome 1	385,984	492,401	(106,417)
	2021-22	2020-21	
Average staffing level (number)	317	318	

* Full-year budget, including any subsequent adjustment made to the 2021-22 budget at Additional Estimates.

¹ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

Appendix C: Workforce statistics

TABLE 13: ONGOING AND NON-ONGOING EMPLOYEES BY EMPLOYMENT TYPE AND GENDER, AT 30 JUNE 2022

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
Ongoing	147	13	160	135	24	159	2	0	2	321
Non-ongoing	18	3	21	7	3	10	0	0	0	31
Total	165	16	181	142	27	169	2	0	2	352

TABLE 14: ONGOING AND NON-ONGOING EMPLOYEES BY EMPLOYMENT TYPE AND GENDER, AT 30 JUNE 2021

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
Ongoing	147	10	157	128	28	156	2	0	2	315
Non-ongoing	8	2	10	8	0	8	0	0	0	18
Total	155	12	167	136	28	164	2	0	2	333

TABLE 15: ONGOING EMPLOYEES BY LEVEL AND GENDER, AT 30 JUNE 2022

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	1	0	1	1	0	1	0	0	0	2
SES 1	3	0	3	5	0	5	0	0	0	8
EL 2	17	0	17	13	3	16	0	0	0	33
EL 1	42	4	46	30	6	36	1	0	1	83
APS 6	47	6	53	38	8	46	1	0	1	100
APS 5	23	3	26	33	3	36	0	0	0	62
APS 4	8	0	8	9	3	12	0	0	0	20
APS 3	0	0	0	1	1	2	0	0	0	2
APS 2	1	0	1	2	0	2	0	0	0	3
APS 1	0	0	0	0	0	0	0	0	0	0
Graduates	4	0	4	3	0	3	0	0	0	7
Total	146	13	159	135	24	159	2	0	2	320

TABLE 16: NON-ONGOING EMPLOYEES BY LEVEL AND GENDER, AT 30 JUNE 2022

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	0	0	0	0	0	0	0
EL 1	7	0	7	1	0	1	0	0	0	8
APS 6	1	0	1	1	0	1	0	0	0	2
APS 5	2	0	2	1	0	1	0	0	0	3
APS 4	4	0	4	2	1	3	0	0	0	7
APS 3	5	3	8	1	2	3	0	0	0	11
APS 2	0	0	0	1	0	1	0	0	0	1
APS 1	0	0	0	0	0	0	0	0	0	0
Graduates	0	0	0	0	0	0	0	0	0	0
Total	19	3	22	7	3	10	0	0	0	32

TABLE 17: ONGOING AND NON-ONGOING EMPLOYMENT TYPE BY LEVEL, AT 30 JUNE 2022

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

TABLE 18: ONGOING AND NON-ONGOING EMPLOYMENT TYPE BY LEVEL, AT 30 JUNE 2021

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	0
SES 2	2	0	2	0	0	0	2
SES 1	8	0	8	0	0	0	8
EL 2	30	2	32	1	0	1	33
EL 1	71	12	83	3	0	3	86
APS 6	76	15	91	5	0	5	96
APS 5	48	5	53	0	0	0	53
APS 4	29	3	32	6	1	7	39
APS 3	4	1	5	1	1	2	7
APS 2	5	0	5	0	0	0	5
APS 1	0	0	0	0	0	0	0
Graduates	4	0	4	0	0	0	4
Total	277	38	315	16	2	18	333

TABLE 19: ABORIGINAL AND TORRES STRAIT ISLANDER EMPLOYEES, 2021-22 AND 2020-21

	2021-22	2020-21
Ongoing	4	8
Non-ongoing	0	0
Total	4	8

Appendix D: Executive remuneration

The categories of officials covered by the disclosure are:

- Key management personnel
- Senior executives
- Other highly paid staff, whose total remuneration exceeds the threshold remunerations amount of \$235,000 for the reporting period

Key management personnel

During the reporting period ended 30 June 2022, the Clean Energy Regulator had 13 executives who meet the definition of key management personnel. Their names and length of term as key management personnel are summarised below:

TABLE 20: KEY MANAGEMENT PERSONNEL, 2021-22

Name	Position	Period in Position
David Parker	Chair/Accountable Authority	1 July 2021 - 30 June 2022
Shayleen Thompson	Executive General Manager	1 July 2021 - 30 June 2022
Mark Williamson	Executive General Manager	1 July 2021 - 30 June 2022
Geoffrey Purvis-Smith	General Counsel	1 July 2021 - 30 June 2022
Karen Najjar	Chief Operating Officer	1 July 2021 - 30 June 2022
Katherine Vidgen	Regulator Member	1 July 2021 - 30 June 2022
Charles Kiefel	Regulator member	24 November 2021 - 30 June 2022
John Kettle	Regulator member	4 April 2022 - 30 June 2022
Michael D'Ascenzo	Regulator Member	1 July 2021 - 25 February 2022
Peter Davis	Regulator Member	1 July 2021 - 17 July 2021
Piet Powell	Ag Executive General Manager	17 January 2022 - 28 January 2022
Sue Knox	Ag Chief Operating Officer	22 December 2021 - 9 January 2022
Leigh McFarlane	Ag General Manager	11 July 2021 - 25 July 2021

In the notes to the financial statements for the period ended 30 June 2022, we have disclosed the following key management personnel expenses on an accruals basis (Table 21).

TABLE 21: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD

Note 6.2: Key management personnel remuneration for the reporting period	2022
	\$
Short-term benefits	
Base Salary	1,759,954
Bonus	-
Other benefits and allowances ¹	15,122
Total short-term benefits	1,775,076
Superannuation	260,597
Total post-employment benefits	260,597
Other long-term benefits	
Long service leave	(168,033)
Total other long-term benefits	(168,033)
Termination benefits	-
Total key management personnel remuneration	1,867,640

¹ Other benefits and allowances relate to car parking.

This information has been further disaggregated in Table 22.

TABLE 22: TOTAL REMUNERATION BY KEY MANAGEMENT PERSONNEL 2021-22

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits	Termination Benefits	Total Remuneration
		Base salary	Bonuses	Other benefits and allowances including FBT	Superannuation contributions	Long service leave ^{1,2}	\$	\$
		\$	\$	\$	\$	\$		
David Parker	Chair/Accountable Authority	502,531	-	4,688	70,879	(93,021)	-	485,077
Shayleen Thompson	Executive General Manager	308,350	-	2,554	56,604	(41,255)	-	326,253
Mark Williamson	Executive General Manager	306,992	-	2,554	42,409	(7,706)	-	344,249
Geoffrey Purvis-Smith	General Counsel	253,110	-	2,554	41,328	(17,060)	-	279,932
Karen Najjar	Chief Operating Officer	234,588	-	2,554	29,449	(8,347)	-	258,244
Katherine Vidgen	Regulator member	55,422	-	-	5,573	-	-	60,995
Charles Kiefel	Regulator member	33,364	-	-	3,404	-	-	36,768
John Kettle	Regulator member	13,601	-	-	1,972	-	-	15,573
Michael D'Ascenzo	Regulator member	27,413	-	-	4,658	-	-	32,071

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

²The negative long service leave expense represents the change in accrual balance resulting from the employee benefit on-costs and discounting of long service leave provisions.

Note: Some of the figures are impacted by duration of service as key management personnel. Table 20 provides details of the length of service for officers that were classified as key management personnel.

TABLE 22: TOTAL REMUNERATION BY KEY MANAGEMENT PERSONNEL 2021-22 (CONTINUED)

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits	Termination Benefits	Total Remuneration
		Base salary	Bonuses	Other benefits and allowances including FBT	Superannuation contributions	Long service leave ^{1,2}	\$	\$
		\$	\$	\$	\$	\$		
Peter Davis	Regulator member	2,550	-	-	260	-	-	2,810
Piet Powell	Ag Executive General Manager	5,874	-	84	1,120	(263)	-	6,815
Sue Knox	Ag Chief Operating Officer	9,619	-	133	1,599	(253)	-	11,098
Leigh McFarlane	Ag General Manager	6,541	-	-	1,342	(128)	-	7,755
Total		1,759,955	-	15,121	260,597	(168,033)	-	1,867,640

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

²The negative long service leave expense represents the change in accrual balance resulting from the employee benefit on-costs and discounting of long service leave provisions.

Note: Some of the figures are impacted by duration of service as key management personnel. Table 20 provides details of the length of service for officers that were classified as key management personnel.

TABLE 23: REMUNERATION PAID TO SENIOR EXECUTIVES, 2021-22

Remuneration band	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits	Avg termination benefits	Average total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	\$	\$ ^{1,2}
		\$	\$	\$	\$	\$ ³		
\$0 - \$220,000	12	51,284	-	456	8,901	(2,298)	-	58,343
\$245,001 - \$270,000	3	237,310	-	2,554	35,556	(14,929)	-	260,491
\$270,001 - \$295,000	1	251,539	-	2,554	41,890	(7,236)	-	288,747
\$295,001 - \$320,000	1	264,930	-	2,554	33,970	3,136	-	304,589
Total	17							

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

²Those Senior Executives that have been classified as key management personnel (as per Table 20) have not been included in this table disclosure. Remuneration for Senior Executives that was incurred whilst acting in a key management personnel position is also not included in this table. The remuneration band \$0-220,000 includes eight short-term acting arrangements and one senior executive who left the CER during the year.

³The negative long service leave expense represents the difference between the cash payment and the accrual balance resulting from the employee benefit on-costs and discounting of long service leave provisions.

Remuneration paid to other highly paid staff, 2021-22

Staff are classified as other highly paid staff if their average total remuneration exceeds \$235,000. There were no staff meeting the definition of other highly paid staff in 2021-22.

Appendix E: Audit Committee membership

TABLE 24: AUDIT COMMITTEE MEMBERSHIP, 2021-22

Member name	Position	Qualifications, knowledge, skills or experience	Number of meetings attended/number of eligible meetings	Total annual remuneration (excluding GST)
Mr Geoff Knuckey	Chair	<p>Mr Knuckey has extensive experience as an audit committee member and chair and is currently serving on audit committees for numerous government entities. He also has extensive experience as a director and serves on boards and audit committees of multiple private sector entities.</p> <p>Mr Knuckey has been a full-time company director and audit committee member since 2009, following a 32-year career with Ernst & Young, specialising in audit and assurance services in both the public and private sectors across a range of industries.</p>	5/5	\$12,059
Ms Josephine Schumann	External member	Ms Schumann has extensive experience in the public sector across a broad range of areas including risk management, governance and assurance, finance, human resources, information technology, media and communications. Ms Schumann currently sits on other Commonwealth audit committees.	5/5	\$7,650
Ms Anne T Brown	External member	Ms Brown has substantial knowledge and practical experience of Australian and international exchange traded financial markets, risk management, related infrastructure and regulatory environments.	5/5	\$10,800

Appendix F: Corrections to previous annual reports

Correction to Clean Energy Regulator Annual Report 2020-21

The printed version of the 2020-21 Clean Energy Regulator Annual Report contained an error in Appendix B: Entity resources statement and expenses by outcome.

The correct information for Table 11: Entity resource statement, 2020–21 is below.

	Actual available appropriation for 2020-21	Payments made 2020–21	Balance remaining 2020-21
	\$'000	\$'000	\$'000
	(a)	(b)	(a) - (b)
Departmental			
Annual appropriations - ordinary annual services ^{1,2}	98,232	70,152	28,080
Annual appropriations - other services - non-operating ³	3,330	1,402	1,928
Total departmental annual appropriations	101,562	71,554	30,008
Total departmental resourcing	101,562	71,554	30,008
Administered			
Annual appropriations - other services - non-operating ³	245,940	165,666	
Total administered annual appropriations	245,940	165,666	
Administered special appropriations			
<i>Public Governance, Performance and Accountability Act 2013 – s77</i>	336	336	
<i>Renewable Energy (Electricity) Act 2000 – section 157</i>	126,455	126,455	
Total administered special appropriations	126,791	126,791	
Total administered resourcing	372,731	292,457	
Total resourcing and payments for the Clean Energy Regulator	474,293	364,011	

¹ Supply Act (No. 1) 2020-21 and Appropriation Act (No. 1) 2020-21. This may also include prior-year departmental appropriation and section 74 external revenue.

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

³ Appropriation Act (No. 4) 2019-20, Supply Act (No. 2) 2020-21 and Appropriation Act (No. 2) 2020-21.

Appendix G: Legal expenditure 2021-22

This is a statement of legal services expenditure by the Clean Energy Regulator, published in compliance with paragraph 11.1(ba) of the Legal Services Directions 2017.

TABLE 25: LEGAL SERVICES EXPENDITURE SUMMARY, 2021-22

Description	Amount (exclusive of GST)
Total (external + internal) expenditure	\$2,445,687
Total internal legal services expenditure	\$1,614,402
Total external legal services expenditure	\$831,285
Summary external legal services	
Number of Counsel briefed	2
Total value of brief to Counsel (A)	\$42,146
Total value of disbursements (excluding Counsel) (B)	\$327
Total value of professional fees paid (C)	\$788,812
Total external legal services expenditure (A + B + C)	\$831,285

Reference material

Glossary

ACCU	Australian carbon credit unit.
ANREU	Australian National Registry of Emissions Units.
APS	Australian Public Service.
Australian Carbon Exchange	Will facilitate the online purchase, clearing and settlement of Australian carbon credit units (ACCUs) and potentially other types of carbon units and certificates.
Carbon dioxide equivalent (CO ₂ -e)	A measure of greenhouse gas emissions. Carbon dioxide equivalence is estimated by multiplying the amount of gas by the global warming potential of the gas.
CEC	Clean Energy Council.
CERT	Corporate Emissions Reduction Transparency report.
Crediting	Participants receive one Australian carbon credit unit for each tonne of CO ₂ -e stored or avoided through registered Emissions Reduction Fund projects.
Delivery under the Emissions Reduction Fund	This transaction refers to Australian carbon credit units transferred in the Australian National Registry of Emissions Units to make a delivery under a carbon abatement contract.
ERF	Emissions Reduction Fund.
Gigawatt (GW)	A measurement of power. Power is the rate at which the energy is generated or used. One gigawatt is equal to 1,000 megawatts.
Gigawatt hour (GWh)	A measurement of electrical energy equivalent to power consumption of one gigawatt or 1,000 megawatts for one hour.
Guarantee of Origin (GO)	A program to measure and display key attributes of how and where a low emissions product is produced including its carbon intensity.
Greenhouse gas emissions	Gases produced from human activity, such as carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O). These emissions alter the natural greenhouse effect and encourage atmospheric warming.
LGC	Large-scale generation certificate.
Megawatt (MW)	A measurement of power. Power is the rate at which the energy is generated or used. One megawatt equals to 1,000 kilowatts.

Megawatt hour (MWh)	A megawatt hour is a measure of electrical energy equivalent to a power consumption of one megawatt or 1,000 kilowatts for one hour.
NGER Act	National Greenhouse and Energy Reporting Act 2007.
NGER	National Greenhouse and Energy Reporting scheme.
Non-ongoing employee	An employee who is engaged for a specified term or for the duration of a specified task.
PGPA Act	Public Governance, Performance and Accountability Act 2013.
Photovoltaic (PV) system	A power system designed to convert sunlight into usable electrical power by means of photovoltaic cells. Also known as a solar PV system or PV system.
REC Registry	Renewable Energy Certificate Registry.
Renewable energy certificates	Refers to both large-scale generation certificates and small-scale technology certificates.
RET	Renewable Energy Target.
Safeguard mechanism	Provides a framework for Australia's largest emitters to measure, report and manage their emissions.
SES	Senior Executive Service.
SPV	Solar panel validation.
SRES	Small-scale Renewable Energy Scheme.
STC	Small-scale technology certificate.
Surrender	This transaction allows eligible units to be surrendered from an ANREU account.

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