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Australian Government
Clean Energy Regulator



25 May 2023

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Clean Energy Regulator Submission – Nature Repair Market Bill 2023 and the Nature Repair Market (Consequential Amendments) Bill 2023

I am pleased to provide a submission to the Environment and Communications Senate Committee in response to the call for submissions on the Nature Repair Market Bill 2023 (the NRM Bill) and the Nature Repair Market (Consequential Amendments) Bill 2023. This letter is intended to provide the Committee with information about the careful attention the Clean Energy Regulator (CER) applies to administering the ACCU Scheme and how this will translate to its administration of the Nature Repair Market (NRM).

The Australian Carbon Credit Unit (ACCU) Scheme (the ACCU Scheme) is underpinned by the *Carbon Credits (Carbon Farming Initiative) Act 2011* (the CFI Act), and offers landholders, communities and businesses the opportunity to run new projects aimed to reduce emissions or remove and sequester carbon from the atmosphere. Through conducting eligible activities under the ACCU Scheme, project proponents can earn ACCUs which can be sold to generate income, either to the Australian Government through carbon abatement contracts, or to companies and other private buyers in the secondary market.

The CER assesses each application for ACCU project registration and ACCU issuance in accordance with the requirements of the legislation and the applicable method supported by robust systems and processes. These have been developed through a continuous improvement program to utilise big data and sophisticated analysis. The CER uses remote sensing tools using geospatial (GIS) (satellite) imagery equipped with machine learning, to check that projects are performing in accordance with method requirements and scheme rules.

The NRM Bill has been designed based on the CFI Act. This enables opportunities for the NRM to operate in parallel to the carbon market. Project proponents and landholders can benefit from the ability to receive reward and recognition, including co-benefits, from both carbon and biodiversity projects on their land, as well as alignment of administration by the CER. The CER is well placed to administer the new market, drawing on 12 years of experience administering the CFI Act. The regulatory framework already established under the ACCU Scheme, and subject to continuous improvement, can be applied to the NRM, providing a head start to the regulation of a newly established market. In particular, the CER's sophisticated systems and processes can easily be adapted to administer the NRM Bill. The technology that is used in application and



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assessment processes to register, vary and credit ACCU Scheme projects will be leveraged to support scheme participation and the CER's administrative responsibilities. A range of supporting systems and functions, such as client enrolment and account management, geospatial data management and registry publication, are also readily adaptable to meet the CER's proposed legislated functions under the NRM Bill. This will facilitate the timely and cost-effective implementation of the NRM.

While the CER has sophisticated tools and a strong regulatory framework, there may be some gaps in our current skills and toolset to monitor compliance for some NRM methods. For example, it is likely that some biodiversity projects will require significant on-ground compliance monitoring using skills specific to biodiversity measurement and monitoring. As it stands the CER will need to develop/acquire relevant capabilities to perform this compliance function.

I hope the Committee finds the information in this submission useful. I would be happy to appear before the Committee at one of its hearings if that would be of assistance.

Yours sincerely



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