



Clean Energy Regulator (Human-Induced Regeneration Projects) Direction 2023

I, Chris Bowen, Minister for Climate Change and Energy, make the following direction.

Dated 3 May 2023

Chris Bowen
Minister for Climate Change and Energy

Contents

Part 1—Preliminary	1
1 Name.....	1
2 Commencement	1
3 Authority.....	1
4 Definitions	1
5 Object.....	2
Part 2—Direction to the Regulator	3
6 Direction on administering the HIR methodology	3
7 Direction to publish HIR project information	3
8 Direction to prioritise compliance audits of HIR project proponents	3
9 Direction on appointing auditors for audits of HIR project proponents	3
10 Application of this direction	4

Part 1—Preliminary

1 Name

This instrument is the *Clean Energy Regulator (Human-Induced Regeneration Projects) Direction 2023*.

2 Commencement

This instrument commences on the day after it is registered on the Federal Register of Legislation.

Note: Section 42 (disallowance) and Part 4 of Chapter 3 (sunsetting) of the *Legislation Act 2003* do not apply to this instrument: see regulations made for the purposes of paragraphs 44(2)(b) and 54(2)(b) of that Act.

3 Authority

This instrument is made under subsection 41(1) of the *Clean Energy Regulator Act 2011*.

4 Definitions

Note: Some expressions used in this instrument are defined in section 4 of the Act, including the following:

- (a) offsets project;
- (b) Regulator.

In this instrument:

Act means the *Clean Energy Regulator Act 2011*.

Audit Determination means the *National Greenhouse and Energy Reporting (Audit) Determination 2009*.

CFI Act means the *Carbon Credits (Carbon Farming Initiative) Act 2011*.

CFI Rule means the *Carbon Credits (Carbon Farming Initiative) Rule 2015*.

eligible offsets project has the same meaning as in the CFI Act.

Final Report of the Independent Review of ACCUs means the Final Report of the Independent Review of ACCUs by Professor Ian Chubb, the Hon Dr Annabelle Bennett, Ariadne Gorring and Dr Steve Hatfield-Dodds, dated December 2022.

Note: At the commencement of this instrument, the Final Report of the Independent Review of ACCUs could be viewed on the Department's website (<https://www.dceew.gov.au/climate-change/emissions-reduction/independent-review-accus>).

HIR methodology means the *Carbon Credits (Carbon Farming Initiative) (Human-Induced Regeneration of a Permanent Even-Aged Native Forest—1.1) Methodology Determination 2013* and any earlier version of that determination

applicable to a project for a reporting period in accordance with section 125, 126, 127 or 130 of the CFI Act.

HIR project means a project for which the HIR methodology is the applicable methodology determination.

HIR project proponent means a project proponent of an eligible offsets project that is an HIR project.

NGER Regulations means the *National Greenhouse and Energy Reporting Regulations 2008*.

5 Object

The object of this direction is to ensure that, to the extent legally practicable, and recognising the priority given to ensuring the integrity of carbon abatement, the Regulator implements recommendation 8 of the Final Report of the Independent Review of ACCUs.

Note: Recommendation 8 concerns project administration for the HIR methodology.

Part 2—Direction to the Regulator

6 Direction on administering the HIR methodology

The Regulator must, to the extent permitted by law, administer the HIR methodology consistently with recommendations 8.1 and 8.2 of the Final Report of the Independent Review of ACCUs.

Note: The HIR methodology applies to an HIR project (short for human induced regeneration project) and sets out requirements that must be met for an HIR project to be an eligible offsets project.

7 Direction to publish HIR project information

The Regulator must, to the extent permitted by law, publish the information recommended to be published by recommendation 8.3 of the Final Report of the Independent Review of ACCUs.

8 Direction to prioritise compliance audits of HIR project proponents

In its approach to initiating compliance audits under subsection 215(1) of the CFI Act, the Regulator must give priority to audits of the compliance of HIR project proponents with their obligations under the CFI Rule, particularly the eligibility requirements under section 9AA of the CFI Rule, taking into account project risk.

Note: The Regulator has a power under section 215 of the CFI Act to appoint a registered greenhouse and energy auditor as an audit team leader to carry out an audit of a person's compliance with one or more aspects of the Act, the CFI Rule, and relevant sections of the Criminal Code.

9 Direction on appointing auditors for audits of HIR project proponents

- (1) This section applies in relation to an audit initiated by the Regulator under subsection 215(1) of the CFI Act, where the person whose compliance with the Act or associated provisions is to be audited is an HIR project proponent.
- (2) Before appointing a registered greenhouse and energy auditor as an audit team leader to carry out the audit, the Regulator must be satisfied that:
 - (a) the auditor has appropriate skills and experience as necessary to carry out the audit; and
 - (b) either:
 - (i) the auditor has skills and experience in relation to ecological assessment; or
 - (ii) the auditor will select one or more audit team members with skills and experience in relation to ecological assessment to assist in carrying out the audit; and
 - (c) in carrying out the audit, the auditor will comply with the requirements of Subdivisions 6.6.2 to 6.6.4 of the NGER Regulations and the requirements of the Audit Determination.

Note: Subdivisions 6.6.2 to 6.6.4 of the NGER Regulations deal respectively with the Code of Conduct for registered greenhouse and energy auditors, general independence requirements and other independence requirements.

10 Application of this direction

This direction applies subject to the Act, the CFI Act, the CFI Rule, the NGER Regulations, the Audit Determination and the HIR methodology.