EXPLANATORY STATEMENT

Issued by the authority of the Assistant Minister for Climate Change and Energy

Future Made in Australia (Guarantee of Origin Charges) Act 2024

Future Made in Australia (Guarantee of Origin Charges) Regulations 2025

Section 18 of the *Future Made in Australia (Guarantee of Origin Charges) Act 2024* (GO Charges Act) provides that the Governor-General may make regulations prescribing matters required or permitted by that Act or necessary or convenient for carrying out or giving effect to that Act.

Part 2 of the GO Charges Act provides for regulations to be made prescribing the amounts of charges under that Act. Under subsection 16(2) of that Act, before the Governor-General makes the regulations, the Minister must be satisfied that the effect of the regulations will be to recover no more than the Commonwealth's likely costs in connection with the administration of the *Future Made in Australia (Guarantee of Origin) Act 2024* (GO Act).

Purpose and Operation

The GO Charges Act is part of a package of three Acts, including the GO Act and the *Future Made in Australia (Guarantee of Origin Consequential Amendments and Transitional Provisions) Act 2024*. These Acts provide the framework for the establishment of a voluntary Guarantee of Origin (GO) scheme to track and verify attributes associated with low-emissions products and establish an enduring certification mechanism for renewable electricity.

The GO scheme is to be fully cost recovered over time, with fees and levies being included from commencement. Consistent with the Australian Government Cost Recovery Policy, the GO Charges Act provides for the imposition of charges that may be considered cost recovery levies. These charges are to recover the costs of providing services that benefit groups of scheme participants. This includes activities such as monitoring compliance, investigations, and enforcement.

The purpose of the Future Made in Australia (Guarantee of Origin Charges) Regulations 2025 (GO Charges Regulations) is to prescribe the amounts of the annual charges, and methods for calculating the amounts of annual charges, imposed by the GO Charges Act. Part 6 of the *Future Made in Australia (Guarantee of Origin) Rules 2025* (GO Rules) prescribe other matters relevant to the payment of these charges, such as who is liable to pay charges, how and when payments are to be made, as well as the phasing in of charges to support nascent industries.

The GO Scheme will be administered by the Clean Energy Regulator (Regulator). The charges prescribed in the GO Charges Regulations are intended to recover the efficient costs of the Regulator providing services to classes of scheme participants, as opposed to fees that are intended to recover the cost of providing fee-bearing activities to individuals.

The charges are imposed on a financial year basis for each year that a relevant profile or facility is registered in the GO scheme. The intention is that the imposition of charges

through the GO Charges Act would be similar to an annual registration fee for each profile. These charges are not intended to represent the cost of providing specific services to individual persons for the financial year.

Impact Analysis

The Department of Climate Change, Energy, the Environment and Water (the department) prepared an Impact Analysis (IA) for the GO scheme. The IA was deemed adequate by the Office of Impact Analysis (OIA) and is available on the OIA website at:

https://oia.pmc.gov.au/published-impact-analyses-and-reports/implementing-guarantee-origin-scheme

The OIA has confirmed that additional analysis is not required for the GO Charges Regulations as they do not propose any change in policy from what was included in the IA for the GO scheme (OBPR21-01354).

Consultation

The GO Rules include provisions relating to the charges, including detail on when the charges become due and payable, how they are to be paid and by whom. The department undertook a public consultation process on the GO Rules and the GO Charges Regulations between 23 June 2025 to 18 July 2025. The draft Rules and Regulations were published on the Department's website, with interested persons invited to make written submissions. A total of 62 submissions from industry, government, academics, consultants, and the general public.

The Regulator undertook a separate consultation process on the detailed Cost-Recovery Implementation Statement (CRIS) for the GO Scheme. The CRIS set out the overall costs of administering the scheme, a related cost-model, and proposed amounts of charges that will be imposed on scheme participants to recover these costs. This consultation also occurred from 23 June 2025 to 18 July 2025 with a total of 15 submissions received from industry stakeholders, and the general public.

Overall, feedback received through both consultation processes was broadly supportive of the proposed cost-recovery arrangements for the GO scheme. No specific concerns were raised on the GO Charges Regulations or the cost recovery provisions of the GO Rules. Similarly, no feedback required amendments to the charging model or pricing arrangements outlined in the CRIS for the first year of the scheme.

The Australian Government Cost Recovery Policy requires the Regulator to "review and update their CRIS at least annually to ensure transparency and accountability, and to reflect any changes in costs, activities, or revenue." The Regulator will continue to revise their CRIS as the scheme develops. The annual CRIS review will ensure that cost recovery arrangements remain appropriate, costs and pricing are accurate and up to date and stakeholders are informed and consulted on any proposed cost-recovery changes.

Details

The GO Charges Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*.

The GO Charges Regulations commence either on the start of the day after registration or immediately after the commencement of the GO Charges Act – whichever is later.

Details of the GO Charges Regulations are set out in Attachment A.

The GO Charges Regulations are compatible with the human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011.* A full statement of compatibility is set out in Attachment B.

ATTACHMENT A

Details of the *Future Made in Australia (Guarantee of Origin Charges) Regulations 2025*

PART 1 – PRELIMINARY

Clause 1 – Name

1. This clause specifies the name of the Regulations is the *Future Made in Australia (Guarantee of Origin Charges) Regulations 2025* (GO Charges Regulations).

Clause 2 – Commencement

2. This clause provides that the GO Charges Regulations will commence either on the start of the day after registration or immediately after the commencement of the *Future Made in Australia (Guarantee of Origin Charges) Act 2024* (GO Charges Act) – whichever is later.

Clause 3 – Authority

3. This clause provides that the GO Charges Regulations are made under the GO Charges Act.

Clause 4 – Definitions

4. This item 'Act' to mean the *Future Made in Australia (Guarantee of Origin Charges) Act 2024.*

PART 2 – CHARGES

Clause 5 – Charge payable in relation to production profile

5. This clause prescribes the amount of $8,166 as the charge payable for a registered production profile. A production profile represents information about how a product (such as hydrogen or ammonia) is made in accordance with a production pathway (such as hydrogen production via electrolysis), and the entities involved in that production.

6. Registered persons that hold a production profile are liable to pay the amount of charge that is prescribed in the GO Charges Regulations for each financial year (paragraph 5(1)(a)) or part thereof (paragraph 5(1)(b)) for which they hold a profile. The charge is to be imposed for each financial year ending on or after 30 June 2026. If a production profile becomes a registered profile after the commencement of a financial year, the charge would be calculated for part of the financial year using a pro-rata formula (specified in subsection 5(2)) rounded to the nearest cent (subsection 5(3)).

7. As charges are collected by the Regulator in advance, where a profile is surrendered or cancelled during a financial year, the registered person is entitled to a refund of any amount paid in excess of the amount properly payable for the period during which the profile was registered. Section 62 of the *Future Made in Australia (Guarantee of Origin) Rules 2025* provides for the refund of charges where the amount paid is in excess of the amount owed.

Clause 6 – Charge payable in relation to delivery profile

8. This clause sets out the amount of $8,166 as the charge payable for a registered delivery profile. A delivery profile provides details about the delivery of a product from a production gate to a delivery gate and the entity or entities that are involved in it. This may include entities that are engaged in activities such as product transport or product storage.

9. Registered persons that hold a delivery profile are liable to pay the amount of charge that is prescribed in the GO Charges Regulations for each financial year (paragraph 6(1)(a)) or part thereof (paragraph 6(1)(b)) for which they hold a profile. The charge is to be imposed for each financial year ending on or after 30 June 2026. If a delivery profile becomes a registered profile after the commencement of a financial year, the charge would be calculated for part of the financial year using a pro-rata formula (specified in subsection 6(2)) rounded to the nearest cent (subsection 6(3)).

Clause 7 – Charge payable in relation to consumption profile

10. This clause sets out the amount of $8,166 as the charge payable for a registered consumption profile. A consumption profile records details about the consumption of relevant products and the entity or entities associated with that consumption. Consumption profiles would include details of where the product was consumed (i.e. the facility), who consumed it, and the nature of the consumption (e.g. used, combined, transformed).

11. Registered persons that hold a consumption profile are liable to pay the amount of charge that is prescribed in the GO Charges Regulations for each financial year (paragraph 7(1)(a)) or part thereof (paragraph 7(1)(b)) for which they hold a profile. The charge is to be imposed for each financial year ending on or after 30 June 2026. If a consumption profile becomes a registered profile after the commencement of a financial year, the charge would be calculated for part of the financial year using a pro-rata formula (specified in subsection 7(2)) rounded to the nearest cent (subsection 7(3)).

Clause 8 – Charge payable in relation to accredited power station

12. This clause sets out the amount of the charge payable for renewable electricity facilities that are registered as accredited power stations under section 78 the GO Act. It also specifies the formula to calculate the amount of the charge if a facility becomes a registered renewable electricity facility after the commencement of a financial year (subsections 8(2) and (3)).

13. A charge of nil will be payable at the commencement of the GO scheme.

Clause 9 – Charge payable in relation to electricity generation system other than an accredited power station

14. This clause sets out the amount of the charge payable for renewable electricity facilities that are registered as electricity generation systems that are not accredited power stations under section 79 of the GO Act. It also specifies the formula to calculate the amount of the charge if a facility becomes a registered renewable electricity facility after the commencement of a financial year (subsections 9(2) and (3)).

15. A charge of nil will be payable at the commencement of the GO scheme..

Clause 10 – Charge payable in relation to energy storage system

16. This clause sets out the amount of the charge payable for renewable electricity facilities that are registered as energy storage systems under section 80 of the GO Act. It also specifies the formula to calculate the amount of the charge if a facility becomes a registered renewable electricity facility after the commencement of a financial year (subsections 10(2) and (3)).

17. A charge of nil will be payable at the commencement of the GO scheme.

Clause 11 – Charge payable in relation to aggregated system

18. This clause sets out the amount of the charge payable for renewable electricity facilities that are registered aggregated systems under section 81 of the GO Act. It also specifies the formula to calculate the amount of the charge if a facility becomes a registered renewable electricity facility after the commencement of a financial year (subsections 11(2) and (3)).

19. A charge of nil will be payable at the commencement of the GO scheme.

ATTACHMENT B

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Future Made in Australia (Guarantee of Origin Charges) Regulations 2025

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The *Future Made in Australia (Guarantee of Origin Charges) Regulations 2025* (GO Charges Regulations) prescribe the amounts of annual charges, or methods for calculating the amounts of annual charges, imposed by the *Future Made in Australia (Guarantee of Origin Charges) Act 2024* (GO Charges Act).

The Guarantee of Origin scheme, which is a voluntary scheme, is to be fully cost recovered over time, with fees and levies being included from commencement. Consistent with the Australian Government Cost Recovery Policy, the GO Charges Act provides for the imposition of charges that may be considered cost recovery levies. These charges, prescribed by the GO Charges Regulations, are to recover the costs of providing services that benefit groups of scheme participants. This includes activities such as monitoring compliance, investigations, and enforcement.

Human rights implications

The GO Charges Regulations do not engage any of the applicable rights or freedoms.

Conclusion

The GO Charges Regulations are compatible with human rights as they do not raise any human rights issues.

The Hon Josh Wilson MP

Assistant Minister for Climate Change and Energy