

Australian Renewable Energy Agency

Agency resources and planned performance

AUSTRALIAN RENEWABLE ENERGY AGENCY

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AUSTRALIAN RENEWABLE ENERGY AGENCY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Renewable Energy Agency (ARENA) is an independent statutory authority under the *Commonwealth Authorities and Companies Act 1997* that administers approximately \$3.2 billion in Government funding previously administered through the Australian Centre for Renewable Energy, the Australian Solar Institute (ASI) and the Department of Resources, Energy and Tourism (DRET). ARENA commenced operations on 1 July 2012, with the objectives of improving the competitiveness of renewable energy technologies and increasing the supply of renewable energy in Australia.

ARENA responsibilities include providing financial assistance for:

- the research, development, demonstration, deployment and commercialisation of renewable energy and related technologies; and
- the storage and sharing of knowledge and information about renewable energy technologies.

ARENA also collects, analyses, interprets and disseminates information and knowledge relating to renewable energy and related technologies and provides advice to the Minister for Resources and Energy about these technologies and the renewable energy industry in Australia.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Australian Renewable Energy Agency Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013

Source	Estimate of prior + year amounts available in 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Opening balance/Reserves at bank	-	-	-	-
REVENUE FROM GOVERNMENT				
Payments from related entities¹				
Amounts from the portfolio department	202,146	394,904	597,050	330,746
Total	202,146	394,904	597,050	330,746
Total funds from Government	202,146	394,904	597,050	330,746
Total net resourcing for agency	202,146	394,904	597,050	330,746

¹ Amount received from DRET, which receives a Special Appropriation for the purposes of funding ARENA.

1.3 BUDGET MEASURES

There are no budget measures relating to ARENA in 2013-14.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the Australian Renewable Energy Agency in achieving Government outcomes.

Outcome 1: Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about and sharing information and knowledge with regard to, renewable energy and related technologies.

Outcome 1 Strategy

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for outcome 1 by program.

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about and sharing information and knowledge with regard to, renewable energy and related technologies.	2012-13 Estimated actual expenses	2013-14 Estimated expenses
	\$'000	\$'000
Program 1: Supporting Outcome 1		
Revenue from Government		
Payment from related entities	128,600	508,869
Total for Program 1.1	128,600	508,869
Outcome 1 Totals by resource type		
Revenue from Government		
Payment from related entities	128,600	508,869
Total expenses for Outcome 1	128,600	508,869
	2012-13	2013-14
Average Staffing Level (number)¹	2	2

¹ ARENA only has two employees, the CEO and CFO. Under section 62 of the *ARENA Act 2011* all other staff necessary to assist ARENA must be persons employed under the *Public Services Act 1999* who are employed by DRET and made available to ARENA by the Secretary of DRET.

Contributions to Outcome 1

Program 1: Supporting Outcome 1

Program 1 Objective

- Provide financial assistance to projects that advance ARENA's statutory objectives.
- Maintain a strategic plan outlining the priority areas for ARENA investments.
- Provide efficient and effective administration of funding programs.
- Support projects for the collection and dissemination of knowledge and information regarding renewable energy and related technologies.
- Promote collaborative approaches and partnerships.

Program 1 Expenses

The expenditure figures reflect anticipated expenditure over the forward estimates based on commitments at the point in time this document was compiled and are subject to change.

Table 2.2 provides details of program 1 expenses.

Table 2.2 Program 1 Expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Program 1					
Employee expenses ¹	1,000	2,000	2,000	2,000	2,000
Suppliers	3,500	6,000	6,000	6,000	6,000
Grants	124,100	500,869	358,640	251,991	141,550
Total program expenses	128,600	508,869	366,640	259,991	149,550

¹ Employee expenses include expenses for CEO, CFO, Board and other committee members.

Program 1 Deliverables

- Continue to develop a portfolio of strategic, complementary or supporting initiatives that may include individual projects, knowledge management, capacity building, collaboration and research.
- Provide funding support for new meritorious projects.
- Continue to provide funding support for existing projects.
- Provide funding support to allow studies, reports and analysis for key knowledge sharing priorities, such as increasing information about availability, amount and quality of renewable energy resources in Australia.
- Build ARENA profile and maintain supportive relationships with stakeholders from the renewable energy industry and other key industries.
- Identify, design and launch investment strategies (programs) under the General Funding Strategy.
- Annually review the ARENA General Funding Strategy.
- Annually update the ARENA work plan.
- Effectively manage programs and funding agreements for projects in accordance with agreement terms and ARENA's objectives.

Program 1 Key Performance Indicators

Key Performance Indicators	2012-13 Revised budget	2013-14 Budget	2014-15 Forward year 1	2015-16 Forward year 2	2016-17 Forward year 3
- Review the ARENA General Funding Strategy for 2014-15 to 2016-17.		Submit to Minister by June 2014			
- Develop the ARENA work plan for 2014-15.		Submit to Minister by June 2014			
- Design and launch one new investment strategy (program).		June 2014			
- Finalise the assessments of one round of ARENA's new initiative.		April 2014			
- ARENA funding leverages additional funding and in-kind contributions from project partners.		Ongoing			
- Enter agreements to deliver two significant multi-participant knowledge-sharing products.		December 2013			
- Fund a range of knowledge sharing projects.		May 2014			
- Increase the number of ARENA website visitors.		Increase by at least 20 percent from May 2013 to June 2014			
- Conduct a baseline stakeholder survey.		April 2014			

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

This is not applicable to ARENA because it does not have any administered funding.

3.1.2 Special Accounts

This is not applicable to ARENA because it does not administer any Special Accounts.

3.1.1 Australian Government Indigenous Expenditure

ARENA has no indigenous specific expenses to report.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Agency Resourcing and Financial Statements

The differences between the agency resourcing and financial statements relate primarily to the recognition of special account information.

3.2.2 Analysis of Budgeted Financial Statements

The financial framework upon which the financial statements are based has not changed significantly since the 2011-12 Budget.

3.2.2 Budgeted Financial Statements Tables

Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
EXPENSES					
Employee benefits	1,000	2,000	2,000	2,000	2,000
Suppliers	3,500	6,000	6,000	6,000	6,000
Grants	124,100	500,869	358,640	251,991	141,550
Total expenses	128,600	508,869	366,640	259,991	149,550
Net cost of (contribution by) services	128,600	508,869	366,640	259,991	149,550
Revenue from Government	128,600	508,869	366,640	259,991	149,550
Surplus (Deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted Departmental Balance Sheet
(as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	120	120	120	120	120
Total financial assets	120	120	120	120	120
Total assets	120	120	120	120	120
LIABILITIES					
Payables					
Suppliers	50	50	50	50	50
Total payables	50	50	50	50	50
Provisions					
Employee provisions	70	70	70	70	70
Total provisions	70	70	70	70	70
Total liabilities	120	120	120	120	120
Net assets	-	-	-	-	-
EQUITY					
Parent entity interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surplus (accumulated deficit)	-	-	-	-	-
Total parent entity interest	-	-	-	-	-
Total Equity	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2013-14)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	-	-	-	-	-
Adjusted opening balance	-	-	-	-	-
Comprehensive income					
Surplus (deficit) for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
of which:					
Attributable to the Australian Government	-	-	-	-	-
Estimated closing balance as at 30 June 2014	-	-	-	-	-
Closing balance attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	128,480	508,869	366,640	259,991	149,550
Total cash received	128,480	508,869	366,640	259,991	149,550
Cash used					
Employees	930	2,000	2,000	2,000	2,000
Suppliers	3,450	6,000	6,000	6,000	6,000
Grants	124,100	500,869	358,640	251,991	141,550
Total cash used	128,480	508,869	366,640	259,991	149,550
Net cash from (used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Net cash from (used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Net cash from (used by) financing activities	-	-	-	-	-
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Statement of Asset Movements (2013-14)

ARENA hold no assets.

3.2.6 Notes to the Financial Statements

The financial statements have been prepared in accordance with:

- Finance minister's Orders; and
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board.

Assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets and liabilities can be reliably measured.

Revenues and expenses are recognised in the income statement when and only when the flow or consumption or loss of economic benefit has occurred and can be reliably measured.