

AUSTRALIAN RENEWABLE ENERGY AGENCY BILL 2011

Portfolio	Resources and Energy, the Hon Martin Ferguson AM MP
Legislation	<i>Australian Renewable Energy Agency Bill 2011</i>
Content	<p>The <i>Australian Renewable Energy Agency Bill 2011</i> establishes the Australian Renewable Energy Agency (ARENA) as a statutory Commonwealth Authority under the <i>Commonwealth Authorities and Companies Act 1997</i>. The bill confers powers and functions for ARENA to provide financial assistance to projects to: promote innovation in, improve the competitiveness of and to increase the supply of renewable energy and related technologies, including enabling technologies. The bill also confers functions to ARENA to allow sharing of knowledge from projects it funds, to take over the advisory role of the Australian Centre for Renewable Energy and to promote collaboration on renewable energy technology innovation with state and territory governments and other institutions.</p> <p>The bill gives powers to ARENA to independently administer existing Australian Government funding for renewable energy technology innovation from the Department of Resources, Energy and Tourism and the Australian Solar Institute and the ability to make binding funding decisions regarding expenditure of its uncommitted funds.</p> <p>The bill also establishes the positions of the members of the ARENA Board and the ARENA Chief Executive Officer, and sets out ARENA's governance, financial and operational arrangements.</p>
Background	<p>ARENA is a key part of the Australian Government's clean energy future package, which includes introducing a carbon price, promoting innovation and investment in renewable and low emissions energy, encouraging energy efficiency, and creating opportunities in the land sector. This is in addition to the established 20 per cent by 2020 Renewable Energy Target.</p> <p>ARENA will be tasked with managing over \$3.2 billion in Australian Government funding, with around \$1.7 billion of this funding currently uncommitted and available for ARENA to use to promote renewable energy technology innovation.</p> <p>ARENA's role in renewable energy technology innovation will be complemented by the \$10 billion commercially oriented Clean Energy Finance Corporation, which will drive innovative solutions to businesses seeking funds to launch clean energy and energy efficiency proposals and technologies.</p> <p>The Bill is submitted in conjunction with the <i>Australian Renewable Energy Agency (Consequential Amendments and Transitional Provisions) Bill 2011</i>.</p>
Expected Outcome	<p>The Bill will:</p> <ul style="list-style-type: none"> (a) Establish ARENA as a CAC Act authority; (b) Establish the ARENA Board and task it to develop ARENA's funding strategy, program guidelines and a work plan; (c) Establish the ARENA CEO and task the CEO to manage ARENA's day to day operations; (d) Enable ARENA to make funding decisions and provide financial assistance for the research, development, demonstration and

	<p>commercialisation of renewable energy and related technologies;</p> <p>(e) Enable ARENA to share knowledge and information from projects it funds;</p> <p>(f) Enable ARENA to provide advice to the Minister for Resources and Energy (the Minister) relating to renewable energy technologies;</p> <p>(g) Establish the processes for appointment, remuneration, resignation and termination of the ARENA Board and CEO</p> <p>(h) Establish the processes for staffing of ARENA;</p> <p>(i) Determine the governance and meeting arrangements for the ARENA board;</p> <p>(j) Allow the Board to establish advisory committees to support ARENA;</p> <p>(k) Determine the process for remunerating ARENA's advisory committees;</p> <p>(l) Determine the Minister's powers with respect to ARENA and its Board;</p> <p>(m) Establish ARENA's funding arrangements;</p> <p>(n) Prescribe the funding amounts available to ARENA in each year;</p> <p>(o) Exempt ARENA from Commonwealth or State taxation;</p> <p>(p) Allow the ARENA Board and its CEO to delegate functions; and</p> <p>(q) Specify ARENA's reporting requirements.</p>
Issues	This initiative was agreed by the Multi Party Climate Change Committee (MPCCC), and the legislation has been drafted consistent with the MPCCC Agreement.
Financial Impact	Neutral - the Australian Government has already re-allocated funding from existing programs in anticipation of ARENA's establishment, and the funding was settled as part of the Clean Energy Future package.
Timing	Introduction of the Bill in the 2011 spring sitting period will allow the Bill to be considered by Parliament alongside the other legislative Bills being considered in that sitting period that are part of the agreement between the members of the Multi Party Climate Change Committee.
Caucus Committee	Economic, Productivity, Innovation and Industry.
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