

19 October 2011  
Jenny Goddard, Chair of the Board



**Inquiry into the provisions of the Australian Renewable Energy Agency Bill 2011 and the Australian Renewable Energy Agency (Consequential Amendments and Transitional Provisions) Bill 2011 [*the Bills*]**

The Australian Solar Institute (ASI) is supportive of the establishment of the Australian Renewable Energy Agency (ARENA) whereby existing Australian Government renewable energy programs across different renewable technologies and at different stages across the innovation chain and existing decision making, advisory and administering entities are brought together within a single governance, funding and administering framework and operation. This should allow a more strategic approach to setting priorities for government support across all renewable energy technologies and better connected and coordinated administration and program delivery in any one area of technology, e.g. solar, across the innovation chain from early stage R&D through to venture capital and large scale demonstration. The establishment of ARENA will also include welcome longer term funding certainty and increased total funding for renewable programs.

The ASI supports the provision in the Bills for the ASI to be wound up and incorporated into ARENA by 31 December 2012, up to 6 months after the formal commencement of ARENA on 1 July 2012. This is to allow adequate time for various successful ASI grants programs either in train or in the advanced stages of planning to be completed and associated funding contracts to be finalised, as well as sufficient time for undertaking the subsequent work required to wind up the ASI Company and transfer its then staff and its then expected R&D and related investments portfolio of \$100 to \$150m into ARENA.

The ASI considers that it is important that, consistent with the Bills, either the Bills or the detailed establishment arrangements to be finalised consequent to any passage of legislation incorporate the following features based on learnings from the establishment and operations of the ASI over the past 2 to 3 years:

- Clear expectations, focused role and defined accountabilities set by the Government with an excellent shareholder/key stakeholder relationship at all levels;
- Independent, skills-based Board governance structure and organisation to allow rapid roll out of programs and therefore funding without sacrificing on robust processes, high quality of decision making and appropriate Government accountability for large expenditure decisions;
- CEO and staff to be accountable to the Board. CEO must have the ability to deliver on Board decisions by being able to direct staff and CEO should have means to recruit staff and procure specialist advice if required;
- Staff collectively should have a broad range of policy, commercial and technology domains skills required to act as a catalyst between Industry and the R&D (in the case of the ASI) and

also venture capital/energy utilities/energy market communities (in the case of ARENA), which are key to delivering good outcomes and to establishing external stakeholder credibility; and

- ARENA as a CAC Act body, rather than an FMA body, will signal more independence to external stakeholders and involves less compliance burden.

The ASI would encourage a broad *interpretation* of the ARENA Board skills required as they are included in the Bills, to encompass finance and accounting skills (vital for an effective Audit and Risk Committee) and energy markets knowledge (important for a systems wide perspective).

Finally, the ASI Board places a high priority on ensuring that ASI staff either have meaningful ongoing roles in ARENA after the ASI is wound-up (facilitated by the foreshadowed Section 72 staff transfer included in the Bills) or are otherwise supported to find suitable new positions elsewhere.

Yours sincerely

**Ms Jenny Goddard**  
**Chair of the Board**  
**Australian Solar Institute Limited**