

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry and Science Portfolio
2015-16 Budget Estimates
3-4 June 2015

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY AND SCIENCE

TOPIC: ARENA funding

REFERENCE: Question on Notice (Hansard, 4 June 2015, page 17)

QUESTION No.: BI-33

Senator WATERS: Perhaps on notice, given the time, could you provide me with as much detail as you can about those plans and projects and their time frames and any effective recent policy decisions on your ability to continue that work. That would be great. Moving now to funding issues, are you having to use any of your investment funds to cover operational expenses, or are you getting a separate provision from government for operational expenses?

Mr Frischknecht: Under the ARENA Act the department is required to make staff available to ARENA for our operations, and in fact the department does do that. We effectively have a division from the Department of Industry and Science that works on ARENA. In addition, we have the ability and indeed the requirement to appoint specialists for very specialised work, and that comes out of the ARENA project funding bucket, if you like. Yes, we do appoint such people where necessary.

Senator WATERS: Again, if you could take on notice for me the quantum of that. I am also interested in how the loss of the \$717 million from your funding due to the repeal of the carbon price has affected your operations and your investments.

Mr Frischknecht: Just to clarify, there was a reduction of \$435 million and then there was a profiling of \$370 into the out years. The effect of those reductions was to reduce funding quite dramatically for two years—in fact, next year and the following year. Because of the rollover provision in our act, which allows unspent funding from prior years to roll over to future years, it actually has not had very much of an impact in terms of the projects that we can do.

Senator WATERS: I am pleased to hear about that provision, then.

ANSWER

The total quantum of the ARENA Agency forecasted expenditure for 2014-15 is \$253 million.

This consists of \$242 million of project related payments and \$11 million of payments for expenses incurred by ARENA in the performance of its functions, including for procurement of knowledge-related reports and specialist work, legal services, due diligence and transaction services, technical advice and remuneration and allowances payable under the Act.

Separately, the Department of Industry and Science provides ARENA with staff at its own expense in accordance with subsection 62 of the ARENA Act.