

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio
Additional Budget Senate Estimates
10 February 2010

Question: AR10
Topic: Australian Solar Institute
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Senator McGauran asked:

Senator McGAURAN—Following on from Senator Milne's expose of the Global Carbon Capture and Storage Institute and its seeming utter lack of accountability for \$100 million, I see we have had another institute established, the Australian Solar Institute. In the time given, I will ask these questions: what are the mandate, nature and structure of the Australian Solar Institute; what is the accountability of its \$100 million; how much has been spent and on what projects has it been spent, and what is the check and balance of the Australian Solar Institute? It strikes me we are setting up a lot of institute-whatever that is—with a lack of accountability. That is another \$100 million just being thrown out there. I leave those questions on notice because of time. I think we have uncovered a lot of climate change expenditure being sloshed around and, yet again, wasted.

Mr Pierce—We are happy to take that on notice.

Answer:

The Australian Solar Institute is an important component in the Government's clean energy strategy.

Mandate, Nature and Structure of the ASI

The Australian Solar Institute has been established to:

- advance and accelerate innovation in solar thermal and solar photovoltaic technologies in Australia;
- drive research capable of improving the efficiency and cost-effectiveness of solar technologies;
- increase the competitiveness of solar technologies;
- retain local and attract international expertise in solar energy research; and
- establish Australia as a key player in the development of solar energy technologies in the Asia-Pacific region.

Since August 2009, the ASI has been run as a wholly Australian Government owned not-for-profit company, subject to the Commonwealth Authorities and Companies Act 1997. It has a Board of 7 Directors and is chaired by Ms Jenny Goddard. It has a staff of five, led by Executive Director, Mr Mark Twidell.

Accountability for Expenditure on the ASI program to date

Early in 2009 Minister Ferguson announced \$15 million in core funding for three ASI Foundation Projects, which will provide essential solar energy research and development facilities at UNSW, ANU and CSIRO. Each project is governed by a funding deed, with payments linked to the achievement of project milestones. They are all on track for completion by mid 2011.

On 17 December 2009 the ASI announced the results of its first round of competitive grant funding. Five projects totalling \$11.1m were selected on merit by the ASI Board, on the advice of the ASI's Research Advisory Committee. Details of the projects are available on the ASI website www.australiansolarinstitute.com.au. Each successful project will be required to enter into a contract with the ASI.

Checks and Balances for ASI

The ASI is a company under Commonwealth Authorities and Companies Act 1997 and must comply with all regulations and reporting requirements under that Act. The ASI is managed by an independent Board, which must operate within the ASI's constitution. Payments to the ASI are managed through a funding deed between the ASI and the Department of Resources, Energy and Tourism.

The funding deed is a contract between the ASI and the Department of Resources, Energy and Tourism (DRET). Payments are made to the ASI as set out in the contract. Funding for the three foundation projects is now managed by the ASI with funding provided through the DRET-ASI contract. Rigorous financial management procedures have been followed in the establishment of the ASI.

The ASI will be required to produce an annual report, which is tabled in the Parliament. The Australian National Audit Office is the auditor for the ASI. In addition, the Chair of the ASI Board, Ms Jenny Goddard, provides regular reports to the Government on ASI activities.