

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Additional Estimates

15 February 2012

Question: AR4
Topic: Solar Flagships - Forward Estimates
Proof Hansard Page: 100

Senator Bushby asked:

Senator BUSHBY: With regard to Solar Flagships, I will not touch on a lot of the stuff that you have touched on before. Senator Milne will get into that in a minute. I am interested in looking at some of the budget figures. It is hard to get my head around this myself. The program was introduced with the 2009 budget. Funding was \$1.5 billion over six years from 2009-10 to 2014-15. An amount of \$220 million of that was deferred to 2015-16 and 2016-17 as a 2011 budget measure. The minister then released a statement on 12 May 2011 denying program cuts and confirmed that \$1.15 billion would be available in the forward estimates period that is the key and \$370 million in out years. The DRET 2011 budget statement at page 38 shows \$67.8 million plus \$201.2 million plus \$210.7 million and \$113.5 million in the forward estimates period. That only adds up to \$593 million for that period, not the \$1.15 billion that the minister was talking about on 12 May. Can you explain that disparity to me, please?

Ms Rose: There are also unpublished numbers in the out years.

Senator BUSHBY: The minister said that there will be \$1.15 billion available in the forward estimates, but what shows up in the budget papers does not add to that. It adds up to \$593 million for the forward estimates.

Ms Rose: Beyond the published forward estimates there is additional funding. So the current published forward estimates are to 2014-15, I believe. There is funding in the Solar Flagships Program going out to 2019-20.

Senator BUSHBY: And that is not inconsistent with what the minister said. He said there would be \$1.15 billion available in the forward estimates and another \$370 million available in those out years. But that is not the way that it has ended up in the departments budget that break-up. I am talking about the split between that.

Ms Rose: So the other balance that is not visible in the appropriation numbers is the cash balances available in the clean energy initiative special account. So they are funds that were appropriated in prior years that remain unspent for the program.

Senator BUSHBY: So when the minister talks about \$1.15 billion, he is not just including the stuff that shows up in the budget papers as per Solar Flagships; he is also including what you have just referred to?

Ms Rose: That is right. Because that bucket of money remains available to the program. I want to clarify one more thing. There is also a bucket of money available in the Department of Industry, Innovation, Science, Research and Tertiary Education out of the CEP bucket.

Senator BUSHBY: Can you provide figures for both those buckets of money on notice for me, please.

Ms Rose: Yes, absolutely.

Senator BUSHBY: Thank you.

CHAIR: And you might use the word accounts, not buckets.

Answer:

The Minister's statement of 12 May 2011 stated:

“There has been no reduction in funding for the Government's *Solar Flagships* Program – it remains a **\$1.5 billion** program with \$1.15 billion available to be spent up to 30 June 2015 and a further \$370 million is available beyond 30 June 2015...”

Appropriation for Solar Flagship

Appropriation prior to 2011-12	113 million	(special account balance \$95 million)
DIISRTE EIF funding ¹	200 million	
2011-12	163 million	
2012-13	163 million	
2013-14	239 million	
2014-15	282 million	
2015-16 onwards	370 million	
TOTAL	1,530 million	

The profile reported on page 36 of the Portfolio Additional Estimates Statements represents the anticipated expenditure for the Solar Flagships program. This varies from the actual funding profile as any unspent funds in a year will be available for use in future years.

Note 1 DIISRTE - Department of Industry, Innovation, Science, Research and Tertiary Education
EIF – Education Innovation Fund