

Australian Solar Institute

Agency resources and planned performance

AUSTRALIAN SOLAR INSTITUTE

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AUSTRALIAN SOLAR INSTITUTE

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Solar Institute (ASI) is part of the Government's Clean Energy Initiative program to develop a suite of cost-effective low emission energy technologies. The role of the ASI is to invest in research and development to accelerate to market innovation in photovoltaic and concentrating solar thermal technologies that have the potential to significantly reduce the cost of solar energy compared to other existing energy sources.

The ASI was incorporated in August 2009 as a wholly-owned Commonwealth company under the *Commonwealth Authorities and Companies Act 1997* (CAC Act). The ASI's primary stakeholders are the Australian Government, Australian universities and research institutions, and the global solar industry. The ASI will foster greater collaboration between solar researchers in Australian universities, research institutions and industry, and help forge strong links with peak overseas solar research organisations.

The ASI will also disseminate the results and learnings from solar research for the benefit of the Australian and global solar communities and the Australian public and will act as a catalyst and champion for Australia's leadership strengths in solar research and development. Skills development and knowledge building are also key focus areas of ASI, including dissemination of the knowledge and insights gained from the Australian Government's \$1.500 billion Solar Flagships program.

Key strategic objectives for ASI over the next five years include:

- Fostering and supporting excellent research and development in Australia to accelerate commercial deployment of photovoltaic and solar thermal technologies;
- Driving research that will have a major impact on the efficiency and cost effectiveness of solar technologies to increase their competitiveness with other stationary energy generation;
- Retaining local and attracting international expertise in solar energy research to Australia;
- Supporting growth in skills and capacity in solar technologies for the domestic and international market;

ASI Budget Statements

- Engaging with government, industry and the community to promote, develop and implement solar technologies and the interests of the solar R&D community;
- Providing a forum to discuss ideas and promote multidisciplinary research and institutional collaboration in relation to solar energy technologies; and
- Establishing the ASI as a long term entity with a significant ongoing role in the development of the Australian solar energy industry.

Key priorities for the ASI in 2010-11 will be to:

- Develop a strategic roadmap for solar R&D activities in Australia that accelerate commercial deployment of Australian innovation, in collaboration with research and industrial stakeholders;
- Complete the assessment and decision making process of a second round of ASI funding with the result being a clearly articulated portfolio of excellent R&D, with performance indicators in place to estimate the impact on the efficiency and cost effectiveness of solar technologies to increase their competitiveness with other stationary energy generation;
- Undertake a consultation process with ASI stakeholders, financial industry and philanthropic organisations on possible future sources of ASI revenue to fund sustained R&D, skills development and knowledge building in the field of solar energy in Australia;
- Facilitate, support, and/or host a range of public and stakeholder seminars to provide a forum to discuss ideas and promote multidisciplinary research and institutional collaboration in relation to solar energy technologies;
- Issue a call for application for ASI scholarships in solar R&D that retain and attract talent and build capability and capacity in Australia;
- Develop formal linkages with complementary international organisations;
- Develop and implement a communications plan that assists the ASI to engage with government, industry and the community to promote, develop and implement solar technologies and the interests of the solar R&D community;
- Put in place systems and processes that result in unqualified financial statements with an ongoing continuous improvement plan to attain and retain global and local best practice in the area of managing R&D investment; and
- Implement professional development plans for ASI staff and a means of assisting with their career development and ensuring the ASI is a good place to work.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome, and by administered and departmental classification.

Table 1.1: Australian Solar Institute Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010

Source	Estimate of prior year amounts available in 2010-11 \$'000	Proposed at Budget = 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
Opening balance/Reserves at bank	31,497	-	31,497	-
REVENUE FROM GOVERNMENT				
Payments from related entities¹				
Amounts from the portfolio department	-	25,000	25,000	49,460
Total funds from Government	-	25,000	25,000	49,460
FUNDS FROM OTHER SOURCES				
Interest	-	1,175	1,175	496
Total	-	1,175	1,175	496
Total net resourcing for ASI	31,497	26,175	57,672	49,956

ASI is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Resources, Energy and Tourism, which are then paid to the ASI and are considered 'departmental' for all purposes.

¹ Appropriation Bill (No.1) 2010-11

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

There are no budget measures relating to the ASI in 2010-11.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the ASI in achieving Government outcomes.

Outcome 1: Encourage innovation and cost effective developments in solar energy technologies to accelerate commercial deployment through knowledge building and collaborative research, development and support for Australian industries and research institutions.

Outcome 1 Strategy

Provide grant funding and other support to innovative research and development projects, skills development programs, and knowledge building activities.

Outcome Expense and Resource Statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted Expenses and Resources for Outcome 1

Outcome 1: Encourage innovation and cost effective developments in solar energy technologies to accelerate commercial deployment through knowledge building and collaborative research, development and support for Australian industries and research institutions.	2009-10	2010-11
	Estimated actual expenses \$'000	Estimated expenses \$'000
Program 1: Investment in excellent innovative solar research and development.		
Revenue from Government		
Payment from related entities	9,872	22,134
Revenues from other independent sources	99	1,040
Total for Program 1	9,971	23,174
Program 2: Skills development and capacity building within the Australian solar industry.		
Revenue from Government		
Payment from related entities	775	1,317
Revenues from other independent sources	8	62
Total for Program 2	783	1,379
Program 3: Knowledge building and communication throughout the Australian solar industry.		
Revenue from Government		
Payment from related entities	876	1,549
Revenues from other independent sources	9	73
Total for Program 3	885	1,622
Outcome 1 Totals by resource type		
Revenue from Government		
Payment from related entities	11,523	25,000
Revenues from other independent sources	116	1,175
Total expenses for Outcome 1	11,639	26,175
	2009-10	2010-11
Average Staffing Level (number)	5	5

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 1

Program 1: Investment in excellent innovative solar research and development.

Program 1 Objective

- To invest in excellent **basic research** projects investigating new ideas to increase efficiency and cost effectiveness.
- To invest in excellent **applied research** projects fostering research and industry collaboration to accelerate commercialisation of technologies.
- To invest in excellent **core research** projects within foundation institutions enabling continued world leading research of a longer-term nature.
- To invest in selected **strategic research** projects which assist overall solar energy deployment in Australia, for example solar resource mapping.

Program 1 Expenses

- Majority of ASI funds awarded as grants over next 3 years. Management of grantee projects over subsequent 3-5 years.

Program 1 Expenses

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(‘000)					
Annual departmental expenses:					
Employee benefits	365	513	532	505	430
Suppliers	112	139	137	133	134
Grants	9,494	22,522	14,581	1,419	1,023
Total program expenses	9,971	23,174	15,250	2,057	1,587

Program 1 Deliverables

- The majority of the ASI’s current funds committed to excellent research projects within three years

Program 1 Key Performance Indicators

- Investment in excellent projects identified through a rigorous assessment process informed by the Research Advisory Committee.
- Intellectual property generated with commercialisation potential from a number of ASI projects with royalty return forecasts supported by grantees.
- A suitable return on investment identified and achieved on the portfolio of ASI projects.
- ASI funding leverages additional research and development funding and in-kind contributions from research and development project partners.

Program 2: Skills development and capacity building within the Australian solar industry.

Program 2 Objective

- Retain local expertise, and attract international expertise in solar energy research to Australia.
- Support growth in skills and capacity in solar technologies for the domestic and international market.

Program 2 Expenses

- Majority of ASI funds awarded as grants over next 3 years. Management of grantee projects over subsequent 3-5 years.

Program 2 Expenses

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
('000)					
Annual departmental expenses:					
Employee benefits	365	513	532	505	430
Suppliers	112	139	137	133	134
Grants	306	727	470	46	33
Total program expenses	783	1,379	1,139	684	597

Program 2 Deliverables

- Implementation of a range of skills development and capacity building programs within next three years.

Program 2 Key Performance Indicators

- Net growth in leading researchers undertaking research in Australia.
- Linkages established with complementary international organisations.
- Funding of postgraduate research in solar energy technologies.

Program 3: Knowledge building and communication throughout the Australian solar industry.

Program 3 Objective

- Engage with government, industry and the community to promote, develop and implement solar technologies and the interests of the solar research and development community.
- Promote multidisciplinary research and institutional collaboration and exchange of information in relation to solar energy technologies.

Program 3 Expenses

- Majority of ASI funds awarded as grants over next 3 years. Management of grantee projects over subsequent 3-5 years.

Program 3 Expenses

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
('000)					
Annual departmental expenses:					
Employee benefits	365	513	532	505	430
Suppliers	112	139	137	133	134
Grants	408	969	627	61	44
Total program expenses	885	1,621	1,296	699	608

Program 3 Deliverables

- Implementation of a range of appropriate knowledge building and communication activities within next three years.

Program 3 Key Performance Indicators

- Linkages established with complementary international organisations.
- Funding of Australian participation in international solar energy research programs.
- Learnings from Solar Flagships program made available to government, industry, research and the broader community.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010-11 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

This statement is not applicable because the ASI has no administered funding.

3.1.2 Special Accounts

This statement is not applicable because the ASI has no special accounts.

3.1.3 Australian Government Indigenous Expenditure

The 2010-11 Australian Government Indigenous Statement is not applicable because the ASI has no indigenous specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

The ASI has no significant differences between the resource information presented in the Budget papers and in the Portfolio Budget Statements as a result of differences between whole of government level financial reporting (under Australian Accounting Standard 1049) and entity level financial reporting.

3.2.2 Analysis of budgeted financial statements

The budget estimates and forward estimates contained in these Budget Papers have not substantially changed from the initial five-year program budgets submitted to the Department of Resources, Energy and Tourism upon the establishment of the ASI in early 2010.

3.2.3 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)
(for the period ended 30 June)¹**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	1,095	1,540	1,595	1,514	1,290
Supplier expenses	335	418	411	399	401
Grants	10,209	24,217	15,678	1,526	1,100
Total expenses	11,639	26,175	17,684	3,439	2,791
LESS:					
OWN-SOURCE INCOME					
Revenue					
Interest	496	1,175	1,019	3,439	2,791
Total revenue	496	1,175	1,019	3,439	2,791
Total own-source income	496	1,175	1,019	3,439	2,791
Net cost of (contribution by) services	11,143	25,000	16,665	-	-
Revenue from Government	49,460	25,000	16,665	-	-
Surplus (Deficit)	38,317	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	38,317	-	-	-	-
Total comprehensive income attributable to the Australian Government	38,317	-	-	-	-

Prepared on Australian Accounting Standards basis.

The surplus funds in 2009-10 are committed to the grants programs across the forward years. The profile is subject to change but currently indicates expenditure of the 2009-10 surplus in the following manner:

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Expenditure of 2009-10 surplus	38,317	-	(13,459)	(11,635)	(7,597)

3.2.3 Budgeted financial statements tables (continued)

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and equivalents	31,497	39,022	14,920	8,626	3,535
Trade and other receivables	9,539	6,086	24,087	30,297	35,239
Total financial assets	41,036	45,108	39,007	38,923	38,774
Total assets	41,036	45,108	39,007	38,923	38,774
LIABILITIES					
Payables					
Other	2,519	6,529	425	375	263
Total payables	2,519	6,529	425	375	263
Provisions					
Employee provisions	199	208	210	176	142
Other	1	54	55	55	52
Total provisions	200	262	265	231	194
Total liabilities	2,719	6,791	690	606	457
Net assets	38,317	38,317	38,317	38,317	38,317
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	38,317	38,317	38,317	38,317	38,317
Total parent entity interest	38,317	38,317	38,317	38,317	38,317
Total equity	38,317	38,317	38,317	38,317	38,317

* 'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

3.2.3 Budgeted financial statements tables (continued)

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	-	-	-	-	-
Adjusted opening balance	-	-	-	-	-
Comprehensive income					
Surplus (deficit) for the period	38,317	-	-	-	38,317
Total comprehensive income recognised directly in equity	38,317	-	-	-	38,317
Estimated closing balance as at 30 June 2011	38,317	-	-	-	38,317

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	417	1,168	1,017	3,230	2,848
Other	40,000	28,460	18,665	4,000	-
Total cash received	40,417	29,628	19,682	7,230	2,848
Cash used					
Employees	896	1,531	1,592	1,548	1,324
Suppliers	334	365	410	400	402
Grants	7,690	20,207	41,782	11,576	6,213
Total cash used	8,920	22,103	43,784	13,524	7,939
Net cash from (used by) operating activities	31,497	7,525	(24,102)	(6,294)	(5,091)
Net increase (decrease) in cash held	31,497	7,525	(24,102)	(6,294)	(5,091)
Cash and cash equivalents at the beginning of the reporting period	-	31,497	39,022	14,920	8,626
Cash and cash equivalents at the end of the reporting period	31,497	39,022	14,920	8,626	3,535

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

ASI's budget statements have been prepared on an accrual basis, in accordance with the Finance Minister's Orders and Australian Accounting Standards.

At the date of preparation of these Budget Papers there are no known current matters, activities, actions, or liabilities that could significantly impact on the projected results.