

## **EXPLANATORY STATEMENT**

Issued by the authority of the Minister for Finance and Deregulation

### **The Determination to which this Explanatory Statement relates**

This Explanatory Statement relates to the determination named *ARENA Act Subsection 64(3) Determination 2013/01*. The determination is made under subsection 64(3) of the *Australian Renewable Energy Agency Act 2011* (ARENA Act).

Subsection 64(3) of the ARENA Act provides that the Finance Minister may determine by legislative instrument, in the 2012-2013 financial year, an amount. 'Finance Minister' is defined in section 4 of the ARENA Act to be the Minister who administers the *Financial Management and Accountability Act 1997*, being the Minister for Finance and Deregulation. Subsection 64(4) of the ARENA Act provides that the amount determined by the Finance Minister under subsection 64(3) is debited from the Clean Energy Initiative Special Account (CEI Special Account) and that the table in subsection 64(1) has effect as if the amount for the 2012-2013 financial year were increased (or further increased) by the amount determined.

The determination is for the amount of \$278,892,619.29. At the time of making the determination, this amount does not exceed the balance of the CEI Special Account.

### **Purpose and operation of the Determination**

The determination will enable the amount available to ARENA during the 2012-2013 financial year, under subsection 64(1) of the ARENA Act, to be increased by \$278,892,619.29. Amounts available for payment to ARENA are set out in the table in subsection 64(1) of the ARENA Act.

The determination is a legislative instrument subject to section 42 (disallowance) and Part 6 (sunsetting) of the *Legislative Instruments Act 2003*.

ARENA was established on 1 July 2012 as a Commonwealth authority to support innovations that improve the competitiveness of renewable energy technologies and increase the supply of renewable energy in Australia.

The CEI Special Account was established under section 20 of the *Financial Management and Accountability Act 1997*. The purposes of the Special Account are to meet expenses related to initiatives that support the growth of clean energy generation, the growth of related new technologies and the reduction of carbon emissions.

### **Statement of Compatibility with Human Rights**

Legislative instruments provided for under the ARENA Act by the Finance Minister are subject to the rights or freedoms relevant to the *Human Rights (Parliamentary Scrutiny) Act 2011* and require a Statement of Compatibility with Human Rights. That Act applies to legislative instruments that are subject to disallowance under section 42 of the *Legislative Instruments Act 2003*.

The main object of the ARENA Act is to improve the competitiveness of renewable energy technologies and increase the supply of renewable energy in Australia. This legislative instrument, however, only deals with the movement of an appropriation. Accordingly, it is not seen as engaging, or otherwise affecting, the rights or freedoms relevant to the *Human Rights (Parliamentary Scrutiny) Act 2011*.

### **Consultation**

The Department of Resources, Energy and Tourism was consulted in the preparation of this determination.