



# ARENA

**CORPORATE PLAN  
2023-24 – 2026-27**



Australian Government  
Australian Renewable  
Energy Agency

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*ARENA acknowledges the traditional custodians of Country across Australia and their continuing connection to land, sea and community. We pay our respects to elders past and present.*

# 01

## FROM THE CHAIR

*Scientists continue to warn of the damage we are doing to our climate through continued use of fossil fuels leading to record levels of carbon dioxide and other greenhouse gases in our atmosphere.*

The Intergovernmental Panel on Climate Change in its March 2023 synthesis report says we need to take urgent action to reduce emissions if we are to stay within 1.5°C of warming.

The positive news is that the substantial progress we have made in renewable energy technologies over the past decade means that we know what the solution is to a significant portion of the challenge.

Renewable energy can dramatically reduce the use of fossil fuels throughout the global economy. And there is growing confidence this can be done at a reasonable cost. In fact, solar is the cheapest form of energy ever, and has the potential to become significantly cheaper again over the coming years.

We need to continue addressing the technical challenges of integrating renewables into our energy system and transition the hard to abate sectors including heavy industry and long-distance transport.

*The past year has seen great volatility globally, much related to, or affecting, the energy transition and the world's decarbonisation challenge.*

The war in Ukraine has continued, and the effects of European energy requirements and supply shortages have led to a ripple effect across the world impacting coal, oil and gas prices, and subsequently, electricity and fuel prices.

Australia is not immune to these events - we have experienced unprecedented increases in the costs of gas, electricity and petrol.

The US passed the Inflation Reduction Act and the EU followed closely after with its own response; both strong signs of action from two of the most significant players in the global north. These are strong and welcome signals to large industrials and renewable energy players on the opportunities in these jurisdictions.

*Domestically, the Federal and state governments have been busy on the energy transition front.*

The Government has set ambitious targets and started to deliver policy interventions to achieve these outcomes

The Government launched the Driving the Nation program and announced its National Electric Vehicle Strategy. The Government also kicked off two funding streams (Safeguard Transformation Stream and Industrial transformation Stream) within the Powering the Regions Fund. The National Reconstruction Fund was set up to diversify and transform Australia's industry and will support renewables and low emission technologies as one of its priority funding areas. The Safeguard Mechanism will help drive further decarbonisation across our economy.

Most state governments are forging a path ahead too, announcing programs and other types of support for renewable and clean energy technology deployment.

*We continue to see compelling research making progress on the path to commercialisation.*

ARENA has growing confidence in the development of technologies that will tackle the challenges of the energy transition including process heat electrification, green hydrogen and battery electric vehicles. Recent experience gives us confidence that through technology innovation we can solve these seemingly intractable problems.

In the past twelve months, ARENA has supported inspiring innovation across our strategic priorities: ENGIE and Yara's 10 MW electrolyser to provide green hydrogen to Yara's Pilbara ammonia plant, Team Global Express' trial of 60 electric delivery trucks at their Bungarribee depot in Western Sydney, Intellihub's trial of on-street electric vehicle charging stations, MGA Thermal's demonstration of their innovative thermal storage technology using graphite-based blocks and Infravision's demonstration of next generation transmission line monitoring technology. These are just a few examples amongst dozens of innovative, ground-breaking technologies and business models that ARENA is supporting.

*ARENA continues to step up to the challenge at hand.*

2022-23 was a record year for ARENA, in which we approved over \$540 million of project funding to approximately 50 projects, while maintaining the high merit bar we set for our projects.

ARENA will continue to support our four strategic priorities from 2023-24. We also look forward to continuing to deliver the budget programs the Government has entrusted to us, including Community Batteries, Regional Microgrids Program and Driving the Nation.

We welcome the trust placed in the Agency to deliver the Industrial Transformation Stream of the Powering the Regions Fund, and to support the design of the Hydrogen Headstart initiative working closely with the Department of Climate Change, Energy, the Environment and Water.

As we move towards supporting even harder to abate sectors, we recognise that the decarbonisation challenge becomes more challenging, and ARENA's role becomes even more important.

With over 10 years of experience and our excellent track record, we are ideally placed to help Australia reach net zero by unlocking the technologies needed for the next phase of the energy transition.

Yours sincerely



**Justin Punch**  
Chair

**Statement of preparation**

I, as Chair of the Board of the Australian Renewable Energy Agency (the accountable authority) present our four-year Corporate Plan as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.

**Justin Punch**  
Chair, August 2023

**Period of coverage**

The Corporate Plan is prepared for the reporting period 2023-24 to 2026-27.

# 02

## OUR PURPOSE, VISION AND MISSION

### ABOUT ARENA

*The Australian Renewable Energy Agency (ARENA) was established on 1 July 2012 by the Australian Renewable Energy Act 2011 (Cth) (ARENA Act). ARENA is a Commonwealth corporate entity under the Public Governance, Performance and Accountability Act 2013 (Cth) (PGPA Act).*

The ARENA Act is supported by the Australian Renewable Energy Agency Regulation 2016, which extends ARENA's functions with respect to renewable energy technologies to include electrification and energy efficiency technologies.

Through our role in improving the competitiveness and increasing the supply of renewable energy in Australia, ARENA is helping to achieve the Government's climate change and energy objectives, anchored by emissions reduction goals of 43 per cent by 2030 and net zero by 2050.

Based on the functions set out in the ARENA Act and the priorities contained in our General Funding Strategy, ARENA provides financial assistance for:

- research into and development of early-stage technologies that are world-leading or address specific Australian requirements
- demonstration of the feasibility of new technologies or supporting business models that are novel in application
- pre-commercial deployment of technologies where this is expected to improve the competitiveness of future projects.

## PURPOSE

Our purpose is to support improvements in the competitiveness of renewable energy and enabling technologies, increase the supply of renewable energy in Australia, and to facilitate the achievement of Australia's greenhouse gas emissions targets by providing financial assistance and sharing knowledge to accelerate innovation that benefits all Australians.

## VISION

Our vision is a prosperous Australia that is a renewable energy superpower in a net zero world.

## MISSION

Our mission is to support the global transition to net zero emissions by accelerating the pace of pre-commercial innovation, to the benefit of Australia.

## OUR VALUES

**Respectful of people** - We support and respect each other. We cultivate a diverse team to access the best talent, broaden our thinking and foster a culture of innovation.

**Collaborative** - We collaborate across teams and with our partners to achieve our goals.

**Stakeholder-focused** - We deliver excellent service. Our approach is marked by responsiveness, clarity and flexibility.

**Accountable** - We are accountable to each other and, in following our processes, to the Minister, the Parliament and the Australian public. We work transparently to ensure public funds are spent in a responsible and efficient manner.

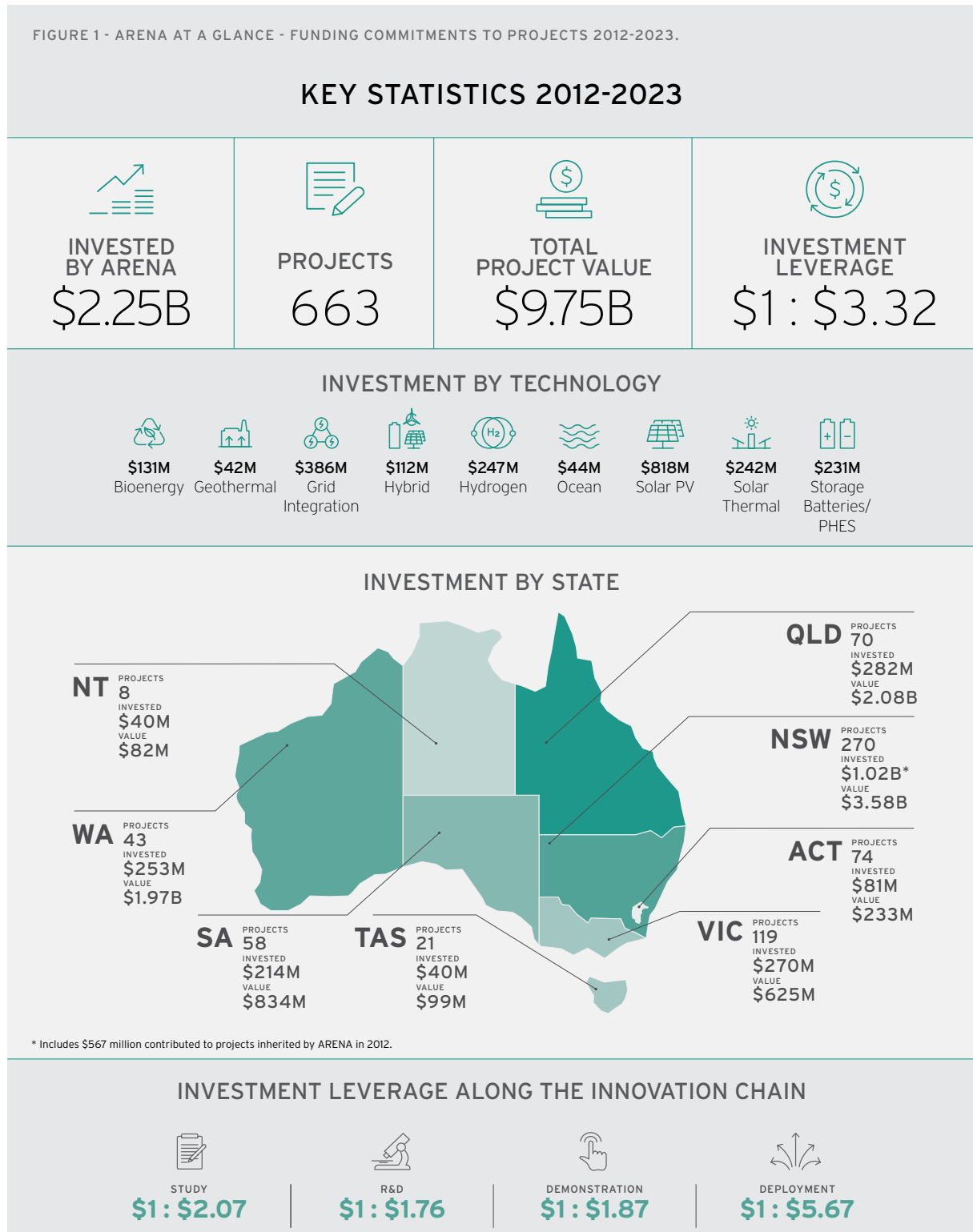
**Impact-driven** - We make a significant positive impact on Australia's energy sector, economy, environment and society. We take a bold, innovative approach to give us the best chance of achieving our goals.



The impact of our work is significant. Since 2012, we have been instrumental in building the foundation of the renewable energy ecosystem in Australia. ARENA has committed over **\$2.25** billion in grants to **663** renewable energy projects to date, with a total project value of **\$9.75** billion, meaning that for every dollar of Commonwealth funding third parties have invested **\$3.32**<sup>1</sup>.

<sup>1</sup>Investment leverage ratio is calculated and updated at the end of each quarter, based on the current ARENA amount committed and the current total project cost.

FIGURE 1 - ARENA AT A GLANCE - FUNDING COMMITMENTS TO PROJECTS 2012-2023.



AS AT 30 JUNE 2023



*In September 2020, the Australian Government extended ARENA's funding, committing baseline funding of \$1.43 billion to 2032. Since then, ARENA has also received upwards of \$990 million additional funding to deliver targeted programs and initiatives such as the Driving the Nation Program, the Regional Microgrids Program and the Industrial Transformation Stream of the Powering the Regions Fund.*

ARENA supports innovation and the commercialisation of renewable energy technologies in Australia. We also play a broader role in Australia's emissions reduction journey, using our expertise in grant funding to support renewable energy (including enabling technologies), energy efficiency and electrification projects that align with our strategic priorities or the objectives of the Budget programs that ARENA is responsible for delivering.

This Corporate Plan is ARENA's primary planning document and is required under the PGPA Act. It sets out our overall strategy including our operating context, key activities and approach to delivery, performance reporting and risk management for the next four years.

You can also read about ARENA's:

- principal objectives and priorities for ARENA's key activity of providing financial assistance in our **General Funding Strategy**
- strategic priorities and funding programs, as well as how to apply for funding in our **Investment Plan**
- achievements and outcomes to date in our latest **Annual Report**.

These can be found at [arena.gov.au/about/publications](https://arena.gov.au/about/publications)



## OUR OPERATING ENVIRONMENT

ARENA's strategic priorities are guided by our vision, mission and purpose, to achieve the main object of the ARENA Act, which are to:

- improve the competitiveness of renewable energy technologies
- increase the supply of renewable energy in Australia
- facilitate the achievement of Australia's greenhouse gas emissions reduction targets.

We operate in a complex and rapidly changing environment shaped by global and local forces. Our strategic plan, priorities and in turn our approach to delivery and decision making are influenced by this context.

### A changing world

Our world is changing faster and with greater consequences than ever before.

Significant policy shifts such as the US Inflation Reduction Act and the European Green Deal are driving a new wave of investment in clean energy technology and creating ripples around the world.

The war in Ukraine has had far-reaching impact on global energy markets and highlighted the challenges of a rapid reduction in fossil fuel use.

Consumers across the globe are increasingly demanding climate action from their leaders and a growing proportion of businesses and organisations are committing to net zero in response to pressure from their customers and a heightened focus on corporate responsibility.

### Australia's progress

In 2022 and 2023, a series of domestic and global political and economic events ushered Australia into its next phase of decarbonisation. New climate targets, new policy reforms, increased funding and focused programs are all driving a renewed focus on net zero with targeted responses for the largest emitters and sectors with significant decarbonisation challenges.

The emissions reduction targets, along with the Safeguard Mechanism, will create momentum to accelerate Australia's decarbonisation and energy transition. The Safeguard Mechanism focuses on driving industrial decarbonisation of the largest emitters, and up to \$1.9 billion in funding has also been announced to support industrial facilities under the Powering the Regions Fund.

In the 2023-24 Federal Budget, ARENA was allocated \$400 million to fund the Industrial Transformation Stream of the Powering the Regions Fund, which focuses on industrial decarbonisation in Australia's regions, and almost \$350 million has now been made available for ARENA to support transport decarbonisation through the Driving the Nation program.

ARENA was also funded to contribute to the consultation and design of Hydrogen Headstart, a \$2 billion program to scale up large scale renewable hydrogen in Australia through the provision of grant funding provided over the 10-year operational period of a project as a "production credit".

Beyond the programs ARENA is supporting, there is significant focus at the federal, state and territory levels to significantly increase the level of renewable energy and electric vehicle (EV) use in Australia. The Federal and state governments are upgrading the electricity network through the \$20 billion Rewiring the Nation Program, there is progress on a national Capacity Investment Scheme, and the National Electric Vehicle Strategy identifies a path for transitioning away from fossil fuel powered vehicles.

After a period of policy complexity in which state and territory governments set varying targets and developed a variety of decarbonisation programs, 2023 has seen increased coordination and collaboration in the energy sector across the nation. This changed policy environment has created exciting opportunities for the Australian energy transition.

### Accelerating global and local innovation

It has become increasingly clear that innovation is essential as we face the challenges of weaning our modern world off fossil fuels and removing carbon from our economies. ARENA is constantly on the lookout for renewable energy innovation that will meet our strategic priorities and deliver the greatest impact to Australia and the world.

**Australia's electricity system is rapidly evolving and more work is needed to ensure its successful transition.** Solar PV is largely commercial but further innovation is needed to drive down its cost to enable cheap hydrogen production and electrification of heavy industry. Australian universities and startups are continuing to focus on low-cost solar by driving up cell efficiencies and improving how solar farms are designed and built.

Energy storage also continues to advance with the emergence of new battery chemistries and alternative technologies to serve a wide range of end users and address the need for longer-duration electricity storage as coal retires. Thermal energy storage is also gaining traction given the need for renewable heat and an increasing focus on decarbonisation of industry.

**Renewable hydrogen continues to develop in Australia; however, the industry remains at an early stage with technology and commercial barriers to be overcome.** The high cost of borrowing funds to build hydrogen projects adds to the challenge. The governments of many countries, including Australia, have announced hydrogen production credits or revenue underwriting mechanisms to give industry the confidence to proceed with projects by providing certainty on the ability to bridge the commercial gap between production cost and an offtakers' willingness to pay.

**Progress is being made in the traditionally hard to abate metals sectors as new decarbonisation technologies are being trialled.** The Australian alumina sector has identified a technology solution that has the potential to reduce up to 98 per cent of its emissions, and new innovations are being developed for low carbon aluminium, iron and steel. The energy transition also requires a significant ramp-up in value chains of critical minerals such as lithium, cobalt and nickel over a short timeframe and with a low emissions footprint, which will bring its own innovation and scaling challenges.

**Decarbonisation of light passenger transport is accelerating locally and globally with momentum building in other transport sectors.** Australia is seeing a significant uptick in EV use, with the percentage of new EV sales hitting seven per cent in the first quarter of 2023. Zero emissions heavy road transport is gaining momentum, but significant innovation and testing is still required before its adoption becomes widespread. Early progress is evident in aviation technologies along with the emergence of potential solutions for decarbonising rail and maritime transport.

### **Taking our social responsibilities seriously**

ARENA has a responsibility to manage social challenges related to the energy transition. A wide range of issues impact the work of ARENA, from the interests and rights of First Nations communities to the need to manage modern slavery risks in clean energy supply chains along with demonstrating integrity in all aspects of our organisation and the work we do.

It is crucial to acknowledge that Australia's path towards clean energy traverses First Nations lands subject to Indigenous land rights, native title or cultural connection. Prioritising the interests of First Nations communities in this transition is a core objective for the Government, led by its commitment to the First Nations Clean Energy Strategy.

ARENA has commenced work on our first Reconciliation Action Plan and will continue engaging with the First Nations Clean Energy Network, the Clean Energy Council and industry to explore opportunities to address energy poverty and improve engagement with First Nations organisations and communities on clean energy projects.

Sustainable supply chains are critical to achieving the energy transition. The rapid growth of the renewable energy technology sector and its diverse supply chains has presented tremendous opportunity for nations and businesses but is not immune to the risks of modern slavery. Various stages of the renewable energy production process, from the extraction of critical raw materials to the manufacturing of key components, can involve practices associated with modern slavery.

ARENA is committed to applying ethical practices within our operations, activities and supply chains. We acknowledge that modern slavery risks can exist in our project portfolios. Through our modern slavery policy and compliance efforts, ARENA is committed to working with funding applicants to identify and manage those risks.

As a granting agency responsible for the allocation of Commonwealth funds, ARENA recognises that it is critical our processes and decision-making are fair, transparent, robust and defensible from an integrity perspective. Integrity, probity and professionalism have always been critical to our work, and these values are reinforced under our Integrity Framework. A strong integrity approach supports our accountability to the Minister, the Parliament and the Australian public.

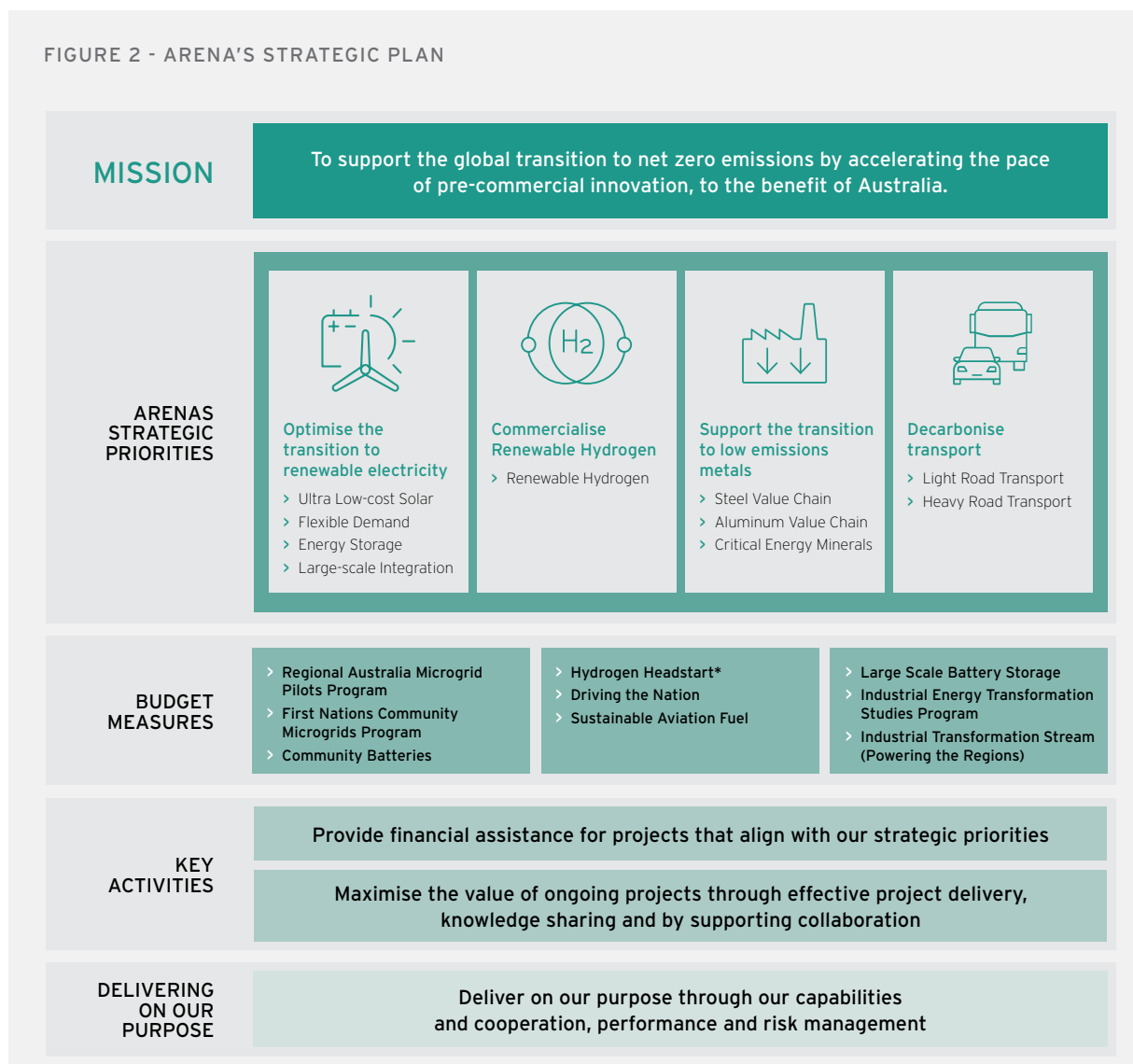
## OUR STRATEGIC PLAN

*Our strategic priorities focus on the next phase of technology research, development, deployment and commercialisation.*

ARENA will support:

- The transition to an electricity system powered by renewables through investment in technologies that enable ultra low-cost generation, unlock new flexible demand, improve the economics of energy storage and optimise large-scale integration of renewable energy.
- The unlocking of a viable renewable hydrogen industry in Australia by investing in the commercialisation of renewable hydrogen production and delivery and proving the viability of the most prospective end uses.
- The transition to low emissions metals focusing on the steel, aluminium and other critical energy mineral value chains.
- The development of transport decarbonisation pathways, focusing on light and heavy road transport.

FIGURE 2 - ARENA'S STRATEGIC PLAN



\*ARENA supporting design phase of the program in collaboration with DCCEE

# 03

## OUR KEY ACTIVITIES

*Provide financial assistance to Australian researchers, innovators and businesses for projects that align with our strategic priorities*

ARENA's financial assistance is commercially focused and provided to advance technologies or business models towards commercial readiness. We seek to provide the minimum financial assistance needed to achieve an outcome, and in the most appropriate form, maximising value for public investment.

ARENA provides financial assistance in the form of grants. Where there is the possibility of upside from a project in the future, ARENA may negotiate a recoupment mechanism that sees some or all grant funding returned if the upside scenario eventuates. In so doing, ARENA ensures that funding continues to represent value for the Australian taxpayer.

ARENA's strategic priorities are to:

- Optimise the transition to renewable electricity.
- Commercialise renewable hydrogen.
- Support the transition to low emissions metals.
- Decarbonise transport.

Our mission is to support the global transition to net zero emissions by accelerating the pace of pre-commercial innovation, to the benefit of Australia.

**These priorities reflect our mission - to support the global transition to net zero emissions** - by lowering the cost and increasing the availability of renewable energy, growing the

share of renewables in the electricity mix, supporting fuel-switching, energy efficiency and electrification where possible, becoming more flexible in when we use electricity, and supporting the development of technology solutions for hard-to-abate sectors where a pathway to lower emissions is expensive or currently not feasible.

ARENA's **baseline** funding is provided through a number of programs:

- The Advancing Renewables Program (ARP) funds renewable energy projects at various stages of development and is continuously open for applications.
- Specific research and development programs and strategic research initiatives are available periodically to support research projects.

In addition to committing baseline funding to eligible projects, ARENA will use its expertise in grant funding to deliver targeted programs funded by the Australian Government including the recently announced Industrial Transformation Stream as part of the Powering the Regions Fund and supporting the design of the Hydrogen Headstart program with the Department of Climate Change, Energy, the Environment and Water.

More details on how ARENA drives impact through our funding can be found in our Investment Plan. See [arena.gov.au/about/publications/funding-investment-plan](https://arena.gov.au/about/publications/funding-investment-plan).

## MAXIMISE THE VALUE OF ONGOING PROJECTS THROUGH EFFECTIVE PROJECT DELIVERY, KNOWLEDGE SHARING AND BY SUPPORTING COLLABORATION



We share what we learn so that governments, industry and the public are better informed to navigate the energy transition. All recipients of ARENA funding are obliged to share knowledge throughout the life of their projects. We build on these project lessons by identifying and communicating portfolio-level trends and insights that, in turn, help to accelerate the pace of pre-commercial innovation in renewable energy technologies in Australia.

ARENA's approach to maximising the value of ongoing projects has a positive impact on industry:

- 83 per cent of funding recipients agree that ARENA's knowledge sharing has helped the renewable energy sector to grow and mature.
- 77 per cent of funding recipients agree that ARENA's knowledge sharing has contributed to the adoption of renewable energy technologies and helped to improve the performance of these technologies.<sup>2</sup>

### **We provide quality portfolio insights to industry through data analysis, targeted studies and reports.**

Our access to a broad range of cutting-edge projects places ARENA in a unique position to bring valuable insights to industry. For example, all ARENA-funded projects that involve implementation of a hydrogen electrolyser are obliged to share detailed operating data with ARENA. We will analyse this real-world data to produce valuable insights that will be shared with a range of stakeholders in this emerging industry.

### **We bring together industry stakeholders, researchers and policymakers through targeted events and collaboration networks.**

Such events and networks allow us to share outcomes, insights and trends from our projects. They also enable us to work with industry to identify and address barriers to commercially competitive renewable energy technologies and contribute to the development of future standards and regulatory frameworks that support the advancement of these technologies in Australia.

<sup>2</sup>Results are from 2023 May survey of 86 ARENA funding recipients.

# 04

## DELIVERING ON OUR PURPOSE

### CAPABILITIES AND COOPERATION

ARENA has a highly specialised workforce for providing funding to a rapidly growing innovative sector. We have a complex workforce model and are committed to developing ARENA as the most compelling place to work in the energy transition in Australia. Noting that our people and their skills, experience and capabilities are at the centre of ARENA's success, our focus is on continuing to improve the attraction and experience of working at ARENA:

- by embedding our Capability Framework to support a centralised and targeted approach to learning and capability development across ARENA
- through strategic recruitment for ARENA's Specialist Capability Groups (Contract Management, Strategy, Knowledge Sharing, and Business Development and Transactions)
- through leadership development.

### RIGOROUS PROJECT ASSESSMENT AND SELECTION

We apply a rigorous approach when assessing projects for funding, based foremost on merit and taking into account risk and the ability of the project to deliver value for money. Our assessment and selection processes ensure that we don't fund projects that would proceed without ARENA support. We aim to provide

funding where it will reduce risk, accelerate the project or share knowledge that otherwise would not be made public.

### RISK-BASED AND PORTFOLIO APPROACH TO PROJECT MANAGEMENT

Our team of experienced client managers is focused on managing projects to success. Our people are strongly customer and outcome focused. We work closely with funding recipients to ensure that each project delivers value for money. Our project portfolio is risk rated and managed accordingly. This enables us to balance rigour and efficiency, maximise the chance of success and efficiently vary or terminate non-performing projects. Portfolio management of funding agreements also allows us to monitor technology areas to appropriately identify broader risks and issues and to inform new program design.

### INCREASING IMPACT THROUGH KNOWLEDGE SHARING

With extensive networks, established forums and media and social media channels, we share knowledge broadly with the Australian community including industry, to help them navigate the energy transition. These activities are made possible by our strong analytical, engagement and communication capabilities.



We continue to build ARENA's 'Insights' brand, focusing on targeted knowledge sharing to informed industry audiences. We also connect and inform industry, researchers, scientists and businesses through reports and newsletters, events, webinars and other online forums including podcasts, videos, the ARENAWire Blog, website and social media channels that presents content in an engaging and accessible way. This allows us to reach a broader public audience and amplify our work.

## CONTINUOUS IMPROVEMENT

We continuously refine our performance framework and grant management processes. We also undertake evaluations that demonstrate the extent to which our programs are delivering on our purpose. Recognising the ever-growing importance of high-quality data, ARENA has established a specialised data function that is responsible for both data management and performance reporting. Improving how we measure and report allows us to improve our performance.

## BRINGING TOGETHER PEOPLE AND IDEAS

ARENA brings together the right innovators, regulators, policy makers, researchers, industry participants and consumer bodies to drive change in the energy sector.

Collaboration networks such as the Distributed Energy Integration Program (DEIP) have created a space for strategic discussion and coordination of complex, multi-stakeholder challenges related to distributed energy resources. Building on the success of this program will ensure that behind-the-meter devices such as rooftop solar, home batteries, electric vehicles and smart appliances benefit all users of the energy system and are integrated efficiently into networks and markets.

Through A-Lab, ARENA's innovation program, we have created cross-sector partnerships and world-first projects that draw on a network of people with the expertise and passion to drive systemic change in the energy sector. A-Lab is focused on supporting stakeholders from across the energy sector to build new connections so that they may come up with collaborative and innovative solutions to some of the most complex and urgent challenges facing the energy transition. Following a pause in A-Lab activities, ARENA is intending to re-launch a new A-Lab program in 2023.

ARENA will also continue to bring promising startups and entrepreneurs in renewable energy technologies together with investors as part of the fourth year of our partnership with Innovation Bay to host the Renewable Energy Founder Forum.

## COLLABORATION ACROSS THE INNOVATION CHAIN

As an Australian Government agency, ARENA assists in delivering the Government's support for innovation and energy sector reform.

We also liaise with and strive to complement other organisations across the innovation chain to share critical knowledge and invest in Australia's net zero future.

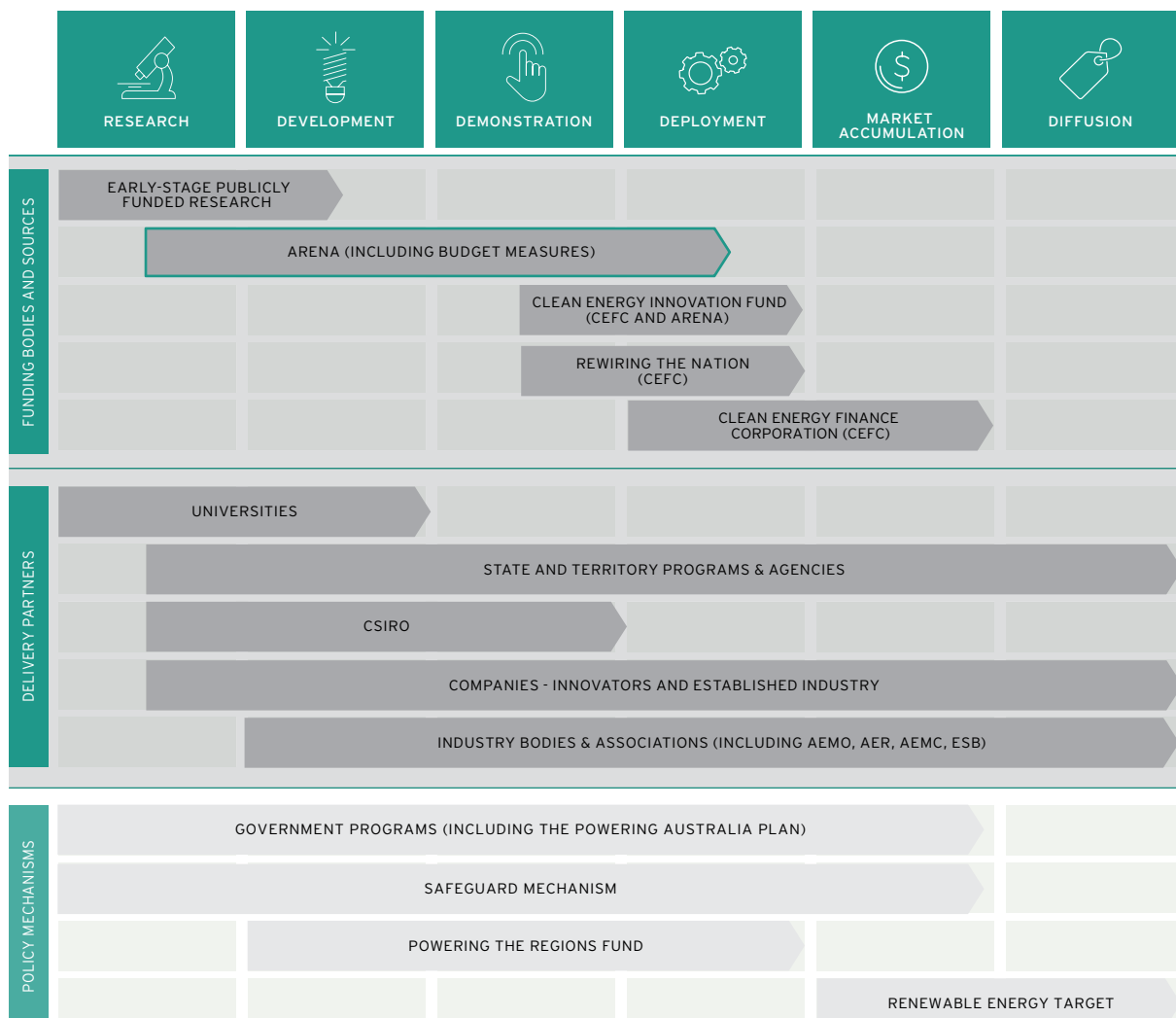
Those organisations include the Clean Energy Finance Corporation (CEFC), CSIRO, Clean Energy Regulator, Australian Energy Market Operator (AEMO), Australian Energy Market Commission (AEMC), co-operative research centres and innovators in industry (see Figure 2).

In particular, we work with the CEFC to administer the Clean Energy Innovation Fund (Innovation Fund). ARENA has two representatives on the investment committee of the Innovation Fund and we provide technical and commercial advice as required. More information on the Innovation Fund is available at [cefc.com.au/innovation-fund](http://cefc.com.au/innovation-fund).

We stay connected with our portfolio Department - the Department of Climate Change, Energy, the Environment and Water - as well as all state and territory governments, and continuously look for opportunities to collaborate, share knowledge and co-invest in innovation.

As more Government agencies ramp up their activity in support of Australia's net zero goal, this collaborative approach will be more important than ever.

FIGURE 3 - COLLABORATION ACROSS THE INNOVATION CHAIN





## PERFORMANCE

ARENA's performance measures and targets outline what we aim to achieve through our key activities to deliver on our purpose. In selecting each performance measure, ARENA has considered its relevance to the key activity or outcome, its influence and ability to measure, and the provision of a mix of performance measures and targets to give a complete view of performance.

FIGURE 4 - ARENA'S PERFORMANCE FRAMEWORK

KEY ACTIVITIES	PERFORMANCE MEASURES	2023-24 TARGETS	EXPECTED OUTCOMES
Provide financial assistance to Australian researchers, innovators and business for projects that align with our strategic priorities.	<b>ARENA commits and approves funding</b> that supports renewable energy technologies.	Funds approved - \$540.6 million Funds committed - \$408.2 million	More competitive renewable energy technology choices for Australian consumers and businesses. Increased supply of renewable energy in Australia.
	<b>ARENA funding catalyses increased private sector and other third-party investment</b> in renewable energy technologies.	Leverage ratio of ARENA to private sector funding of between 1:2 and 1:3 across the portfolio	
	<b>ARENA-funded projects advance the technological and commercial readiness</b> of renewable energy technologies.	80 per cent of completed projects achieve advance in Technology Readiness Level or Commercialisation Readiness Index indicators over the life of the project.*	
	<b>ARENA-funded projects increase the supply</b> of renewable energy in Australia.	Contractually commits to at least 10 deployment and demonstration projects that increase the supply of renewable energy or renewable energy storage.*	
Maximise the value of ongoing projects through effective project delivery, knowledge sharing and by supporting collaboration.	<b>ARENA produces and shares knowledge</b> to enhance the competitiveness of renewable energy technologies.	Publishes a minimum of 8 Insights newsletters.	Industry learns more quickly. Government, regulatory bodies and the public are better informed to navigate the energy transition.
		Delivers a minimum of 4 knowledge sharing events.	
		At least 50 per cent of stakeholders surveyed report that knowledge shared by ARENA has informed part of their decision-making processes.*	
	<b>The public is better informed about renewable energy technologies</b> and the role they can play in Australia's energy transition.	1 per cent increase from the prior year in visitor traffic (unique page views) to ARENA website.	
<b>ARENA performs its functions to a high standard</b> , as judged by its stakeholders.	85 per cent of survey respondents rate ARENA's performance as "good" or better		

\*included in PBS 2023-24

## RISK OVERSIGHT AND MANAGEMENT

**ARENA has embedded risk management into our culture to support well-informed investment decision making and project management.** As a taxpayer-funded entity, we seek to maximise the value of the financial assistance that we provide. This is achieved when our activities strike the optimal balance between risks and opportunities, and when we effectively and efficiently deploy resources.

Our Risk Management Framework is based on the International Standard for Risk Management (ISO 31000:2018). We have adopted five principles for managing risks, which apply to all risk management decisions made at ARENA. According to those principles, ARENA's risk management activities must be proportionate, aligned, embedded, dynamic and comprehensive.

We embrace innovation through new solutions and ideas that will transform Australia's energy markets. We acknowledge that some of the projects we invest in may not fully achieve their original objectives, which is one reason why knowledge sharing is an important part of ARENA's activities. Technology and commercialisation failures will occur and we accept this as a risk. With robust project management processes and the due diligence conducted on every project, we mitigate the project risks to ARENA.

Risks are identified and assessed through a consistently applied and replicable methodology. This follows a structured approach that encompasses the context, identification, assessment, analysis and treatment of risks. The risk management framework also features effective communication and monitoring of the portfolio risk profile including risk management activities.

**Our strategic risk management including reporting addresses the highest level of risk that would impact us achieving our purpose and deliver on our strategies.** In line with risk management practices, these risks are monitored and managed throughout the year by the ARENA Board with support from the Risk and Audit Committee. ARENA's risk appetite (the total impact of risk an organisation is prepared to accept in the pursuit of its strategic priorities) is reviewed annually.

## ARENA CURRENTLY HAS 3 IDENTIFIED STRATEGIC RISKS.

### 1. ARENA does not maximise its impact

ARENA complements other funding bodies and provides financial assistance to research, development, demonstration and deployment projects. This necessarily requires us to have a positive risk appetite. We do not seek to manage all risks in the Australian energy sector or impose overly burdensome conditions on funding recipients that would stifle creativity, innovation or research.

### 2. ARENA experiences a loss of effectiveness or efficiency

We are a small government entity with a highly specialised workforce that provides funding to a rapidly growing and innovative sector. We continually monitor causes that may lead to a reduction in our effectiveness or efficiency. This involves strategic workforce planning and pursuing organisational improvements to business processes and investment in systems.

### 3. ARENA is not aligned with stakeholders

Value from the financial assistance that we provide to market participants is maximised when there is strong alignment between ARENA and its stakeholders. We consult widely and continually review and adjust our strategy, including our strategic priorities, to maintain close alignment with the needs of the sector.

*ARENA is regularly reviewing the strategic risks to ensure they align with our operating environment and are reflective of changes, both domestically and internationally. This allows us to be focused on what matters, allocating resources accordingly and ensure that risks, including strategic risks, remain within our tolerance.*

## Australian Renewable Energy Agency

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Canberra ACT 2601

Location  
2 Phillip Law Street  
New Acton ACT 2601

Further information is available  
at [arena.gov.au](http://arena.gov.au)

### Engage with us

**ARENAWIRE**



### Images

Front cover: stock image.

Page 5: Solar array at Energy Developments Limited (EDL) Coober Pedy Hybrid Renewable Energy project.

Page 6: Laing O'Rourke's SunSHIFT redeployable solar modules.

Page 8: Harrisdale, one of the sites for Western Power's Distributed Energy Resources Orchestration Pilot (Project Symphony).

All other inside page images: stock images.

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