



NOTICE UNDER SUBSECTION 19A(2) AND 20(3) OF THE
INDUSTRY RESEARCH AND DEVELOPMENT ACT 1986

**Directions to *Innovation Australia* under sections 18A, 19 and 20(1) of the
*Industry Research and Development Act 1986***

I, CHRISTOPHER PYNE, Minister for Industry, Innovation and Science, direct pursuant to sections 18A, 19 and 20(1) of the *Industry Research and Development Act 1986*:

Part 1: Preliminary

Commencement

1. These directions commence on 26 January 2016.

Object of these Directions

2. The object of these directions is to give direction to *Innovation Australia* to:
 - (a) provide *Technical Assessments* to the *Minister* in relation to the *Cooperative Research Centres Programme* under section 18A of the *Act*, including, but not limited to, the merit ranking of *Compliant Applications* under the *Cooperative Research Centres Programme*; and
 - (b) undertake the additional function under section 19 of the *Act* to provide strategic oversight of the *Cooperative Research Centres Programme*, including advice to the *Minister* in relation to the delivery and performance of the *Cooperative Research Centres Programme*; and
 - (c) the policies and practices to be followed by *Innovation Australia* in the performance of the activities set out in paragraphs (a) and (b) in accordance with subsection 20(1) of the *Act*.

Introduction

3. The *Cooperative Research Centres Programme* will improve the competitiveness, productivity and sustainability of Australian industries, especially where Australia has a competitive strength, and in line with government priorities.

Innovation Australia will assess and prioritise applications against the selection criteria and provide *Technical Assessments* to the *Minister*. *Innovation Australia* will conduct *Technical Assessments* in relation to *Compliant Applications* for *Grant Funds*. The application process will be competitive, based on selection criteria and other information as identified under these directions and the *Programme Guidelines*.

The *Minister* will consider the advice of *Innovation Australia* and select applicants to whom grants will be offered under the *Cooperative Research Centres Programme*. Participants will be monitored closely and on-going support under the *Cooperative Research Centres Programme* will depend on successfully achieving agreed performance criteria and compliance with the *Funding Agreement*.

Additional Function

4. As set out in these directions, *Innovation Australia* will be responsible for the strategic oversight of the *Cooperative Research Centres Programme*.
5. The *Department* will be responsible for administering the *Cooperative Research Centres Programme* and assisting *Innovation Australia* with its strategic oversight of the *Cooperative Research Centres Programme*.

Innovation Australia to have regard to policy objectives

6. *Innovation Australia* must have regard to the following policy objectives in giving effect to these directions:

The policy objectives of the *Cooperative Research Centres Programme* are to:

- improve the competitiveness, productivity and sustainability of Australian industry, especially where Australia has a competitive strength, and in line with government priorities;
- foster high quality research to solve industry problems through industry-led and outcome-focused collaborative research partnerships between industry entities and research organisations; and
- encourage and facilitate Small and Medium Enterprise (SME) participation in collaborative research.

Part 2: Technical Assessment of applications

Procedure

7. *Innovation Australia* will assess the merit of each *Compliant Application* referred by the *Minister* and provide its recommendation to the *Minister*.
8. *Innovation Australia* must consider *Compliant Applications* as soon as practicable after those applications have been provided to *Innovation Australia*.
9. In considering *Compliant Applications*, *Innovation Australia* must take into account advice provided by the *Department* on policy issues that are relevant to, or impact on, any of the selection criteria.
10. *Innovation Australia* may request additional information from an applicant that is relevant to the *Compliant Application* after its lodgement.
11. In providing the *Minister* with an assessment for a *Compliant Application*, *Innovation Australia* may include advice as to whether the relative merits of an application would warrant that any approval be subject to particular conditions.

Assessment against Selection criteria

12. *Innovation Australia* may decide to decline to complete an assessment in respect of a particular application if it is not satisfied:
 - (a) with the level of merit of an *Compliant Application* in relation to one or more of the selection criteria; or
 - (b) that the activities described in the compliant application are *Eligible Activities*; or

- (c) without limiting the generality of subclause (a) above, with the overall level of merit of an *Compliant Application* having regard to all applicable selection criteria.
- 13. *Innovation Australia* must base its assessment of each *Compliant Application* on the selection criteria requirements specified in the *Programme Guidelines*.
- 14. The *Minister* may request that *Innovation Australia* provide advice on indicators of merit for some or all of the selection criteria.

Part 3: Technical Assessment of proposals for variation to a Funding Agreement

- 15. If a *Recipient* has submitted a proposal to the *Department* for approval of changes to an agreed *Funding Agreement*, including the addition of new activities, the discontinuance of activities, the substitution of new activities in the place of discontinued activities, a variation to milestones, a variation to funding, or a variation to the *Funding Agreement's* timeframe, the *Minister* may request that *Innovation Australia* assess the proposal.
- 16. If *Innovation Australia* receives a request under clause 15 it must assess the proposal as soon as is practicable and provide the assessment to the *Minister*.
- 17. In undertaking an assessment of a proposal to change a *Funding Agreement*, *Innovation Australia* will consider:
 - (a) the extent to which the changed *Funding Agreement* meets the selection criteria;
 - (b) the impact on the outcomes of the *Funding Agreement*; and
 - (c) whether the change to the *Funding Agreement* would:
 - (i) be consistent with the policy objectives set out in the *Programme Guidelines*; and
 - (ii) otherwise be appropriate in all the circumstances.

Part 4: Other advice related to the administration of the Cooperative Research Centres Programme

- 18. The *Minister* may request *Innovation Australia* to provide assessments of technical matters associated with applications, activities and projects, or on any other matter relevant to or impacting on a merit criterion, including:
 - (a) matters relating to the eligibility of applications, activities or projects against the definitions contained in these directions or the *Programme Guidelines*;
 - (b) the progress reported by a *Recipient* against the milestones under a *Funding Agreement* or compliance with *Funding Agreement* conditions;
 - (c) any other matter that pertains to merit assessment or compliance with the terms and conditions of the *Cooperative Research Centres Programme*.

19. In carrying out assessments pursuant to clause 18, *Innovation Australia* will take into account any relevant policies or guidelines relating to the administration of the *Cooperative Research Centres Programme* that are issued under the *Programme Guidelines*.
20. If *Innovation Australia* receives a request under clause 18 it must conduct the assessment within a reasonable time and provide the assessment to the *Programme Delegate*.
21. The *Programme Delegate* may request advice from *Innovation Australia* on other matters relevant to the administration of the programme, including but not limited to:
 - (a) additional requirements for the application and assessment process;
 - (b) the scope of *Eligible Activities*; and
 - (c) the scope of *Eligible Expenditure*.

Part 5: Innovation Australia to provide advice on policies and operations of the Programme

22. *Innovation Australia* may advise the *Minister*, on non-financial administration matters relating to the *Cooperative Research Centres Programme*, including programme administration and the extent to which the programme is meeting its objectives.
23. *Innovation Australia* may collect and analyse data on the performance of the *Cooperative Research Centres Programme*, and provide advice to the *Minister* on such performance, and will cooperate with any independent evaluation of the programme.

Interpretation

24. In these directions:

“**Act**” means the *Industry Research and Development Act 1986* (Cth).

“**Applicant**” means an entity that makes an application for funding under the *Cooperative Research Centres Programme*.

“**Commonwealth**” means the Commonwealth of Australia.

“**Compliant Application**” means an application that satisfies the requirements of clause 77 and clauses 24 to 31 of the *Programme Guidelines*.

“**Cooperative Research Centres Programme**” means the Programme of the same name which is administered by the Department.

“**Department**” means the Department of the *Minister* responsible for administering the *Act*.

“**Eligible Activity**” means an activity that satisfies the requirements of the *Programme Guidelines*.

“**Eligible Applicant**” means an *Applicant* that satisfies the requirements of the *Programme Guidelines*.

“Eligible Expenditure” means the expenditure incurred by an *Applicant* in relation to a *Funding Agreement* that satisfies the requirements of the *Programme Guidelines* and is deemed eligible for funding support by the *Minister*.

“Funding Agreement” means a single agreement for the receipt of *Grant Funds* under the *Cooperative Research Centres Programme* signed between the Commonwealth and a Cooperative Research Centre or Lead Participant of a CRC-Project as set out in the *Programme Guidelines*.

“Grant Funds” means the funds awarded to *Recipients* under the *Cooperative Research Centres Programme* as set out in a *Funding Agreement*.

“Innovation Australia” means the body established by section 6 of the *Act*.

“Minister” means the *Minister* that administers the *Act*.

“Programme Delegate” means an employee of the *Department* who has been empowered by the Minister, or is otherwise duly authorised, to carry out the Minister’s functions and powers in relation to the administration of the *Cooperative Research Centres Programme*.

“Programme Guidelines” means the guidelines that are given by the *Minister* to the *Department* to provide a framework for the operation and administration of the *Cooperative Research Centres Programme*, as in force from time to time.

“Project” means the set of activities that is the subject matter of the *Applicant’s* application for funding.

“Recipient” means an entity that is awarded funding under the *Cooperative Research Centres Programme*.

“Technical Assessment” has the meaning given to it in section 4 of the *Act*.

CHRISTOPHER PYNE

The Hon Christopher Pyne

Minister for Industry, Innovation and Science

Dated: 26 January 2016