Explanatory Statement

Issued by the authority of the Minister for Industry, Tourism and Resources

Industry Research and Development Act 1986

Industry Cooperative Innovation Program Ministerial Directions
No 1 of 2005

General Outline and Legislative Authority

The Industry Cooperative Innovation Program (ICIP) is a $25 million merit-based, competitive funding program aimed at supporting business-to-business cooperation on innovation projects that enhance the productivity, growth and international competitiveness of Australian industries. The purpose of the Industry Cooperative Innovation Program Ministerial Directions No 1 of 2005 (the Directions) is to confer functions on the Industry Research & Development Board (the Board) in relation to ICIP and to set out the policies and practices that the Board must follow in assessing and merit ranking ICIP applications.

Under ICIP, eligible applications are assessed by the Board, which then provides a merit ranking of eligible applications to the ICIP Program Delegate (the Program Delegate). After receiving a merit ranking from the Board, the Program Delegate may approve an application. In doing so, the Program Delegate must take into account the merit ranking provided by the Board.

The Directions refer to the Industry Cooperative Innovation Program (ICIP): Program Guidelines. The Minister for Industry, Tourism and Resources has issued these guidelines to the Department of Industry, Tourism and Resources for the delivery of ICIP. The Directions were gazetted on 2 June 2005 (Commonwealth of Australia Gazette No. S91, 2 June 2005).

The Directions do not affect the rights of a person (other than the Commonwealth) as at the date of registration so as to disadvantage that person or impose liabilities on that person (other than the Commonwealth) in respect of anything done or omitted to be done before the date of registration.

Consultation

The Minister for Industry, Tourism and Resources consulted the Board during the development of the Directions, as required under subsection 20 (2) of the Industry Research and Development Act 1986. Public consultation in relation to the program was undertaken from October 2004 to January 2005 which included workshops on the design of ICIP in a number of capital cities in December 2004, and a call for submissions in response to the discussion paper issued in relation to the program.
Legislative authority
The Directions are issued to the Board by the Minister for Industry, Tourism and Resources acting under section 18A and subsections 19 (1) and 20 (1) of the Industry Research and Development Act 1986.

Financial Implications
The Directions have no financial impact. The Directions provide a framework by which the Board provides technical assessments and merit ranking of eligible applications to the Program Delegate. The Program Delegate has the final decision in determining the quantum, terms and conditions of an ICIP grant.

Date of effect
The Directions commence on 2 June 2005 or on the day on which they are published in the Gazette, whichever is the later. The Directions were published in Special Gazette No S91 on Thursday, 2 June 2005.

Notes on Provisions of the Directions

PART 1 – PRELIMINARY

Name of Directions

Section 1
This section provides that the name of the Directions is the Industry Cooperative Innovation Program Directions No 1 of 2005.

Commencement

Section 2
Section 2 provides that the Directions commence on 2 June 2005 or on the day on which they are published in the Gazette, whichever is the later.

Object of these Directions

Section 3
Section 3 provides that the object of the Directions is to give Directions to the Board in relation to an additional function of the Board – namely the provision of technical assessments and merit rankings of ICIP applications - and the policies and practices that the Board must follow in the performance of this additional function.

Interpretation

Sections 4-5
Sections 4 and 5 define key terms used in the Directions.
PART 2 – ASSESSMENT AND MERIT RANKING OF APPLICATIONS

Procedure

Sections 6-7

Section 6 sets out that the Board will assess eligible applications referred to it by the Program Delegate and then provide the Program Delegate with a merit ranking.

Section 7 sets out that the Board will, once an application has been referred to it, consider the application as soon as practicable.

The Board may decline to provide merit ranking

Section 8

Section 8 sets out that the Board may decide to refuse to provide a merit ranking in respect of applications that it considers are either ineligible or show unsatisfactory merit.

Assessment of eligible applications

Sections 9-10

Sections 9-10 set out that the Board must assess each application against the merit criteria and must take into account advice provided to it by the Department of Industry, Tourism and Resources on ICIP policy issues that are relevant to, or impact on, the merit criteria.

Merit Criteria

Section 11

Section 11 sets out that different merit criteria apply to Stream A projects and Stream B projects.

Stream A project merit criteria

Section 12

Section 12 sets out the merit criteria for Stream A projects.

Stream B project merit criteria

Section 13

Section 13 sets out the merit criteria for Stream B projects.
PART 3 – ASSESSMENT OF PROPOSALS FOR VARIATION TO THE AGREED PROJECT

Sections 14-16

Section 14 provides that, should a proposal be submitted to vary a project supported by ICIP or to materially vary the consortium membership responsible for the project, the Program Delegate may refer the proposal to the Board for assessment.

Section 15 sets out that the Board will assess such proposals as soon as practicable and provide the assessment to the Program Delegate.

Section 16 sets out the matters that the Board must determine in considering such proposals.

PART 4 – OTHER TECHNICAL ASSESSMENTS

Sections 17-19

Section 17 provides that the Program Delegate may request the Board to provide an assessment of technical matters associated with ICIP applications, activities and projects.

Section 18 states that, in carrying out such assessments, the Board must take into account relevant policies issued under the Industry Cooperative Innovation Program (ICIP): Program Guidelines.

Section 19 states that the Board must conduct such assessments within a reasonable time and provide the assessment to the Program Delegate.

PART 5 – BOARD TO PROVIDE ADVICE ON POLICIES AND OPERATIONS OF THE PROGRAM

Sections 20-21

Section 20 provides that the Board may advise the Minister on non-financial administration matters relating to ICIP, including program administration and the extent to which ICIP meets its policy objectives.

Section 21 provides that the Board may collect and analyse data related to ICIP’s performance, provide advice to the Minister on such performance, and must cooperate with any independent evaluation of ICIP.