Commonwealth of Australia

Industry Research and Development Act 1986

Commercial Ready Program Directions No 1 of 2007

I, Ian Elgin Macfarlane, Minister for Industry, Tourism and Resources, acting under subsections 18 (A), 19 (1) and 20 (1) of the Industry Research and Development Act 1986, issue the following explanatory statement on the directions to the Industry Research and Development Board (the Board).

Dated

Minister for Industry, Tourism and Resources

__________

Explanatory Statement

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

Industry Research and Development Act 1986

Commercial Ready Program Directions

No 1 of 2007

General Outline and Legislative Authority

The Commercial Ready program is a competitive merit based grants program delivered by AusIndustry. It aims to stimulate greater innovation and productivity growth in the private sector by providing matching grants to small and medium-sized businesses (SMEs). Projects can be supported for research and development (R&D), proof of concept, and early-stage commercialisation activities.

Under Commercial Ready, eligible applications are assessed and ranked by the Industry Research and Development Board (the Board), which then provides the merit ranking of eligible applications to the Commercial Ready Program Delegate (the Program Delegate). After receiving a merit ranking from the Board, the Program Delegate may approve an application for grant funding. In doing so, the Program Delegate must take into account the merit ranking provided by the Board.

The Commercial Ready Program Directions No 1 of 2007 (the Directions) update the current Commercial Ready Program Directions No 1 of 2004 to incorporate the new Commercial Ready Plus component of Commercial Ready.

The object of this legislative instrument is to give directions to the Board. These directions are in relation to the provision of assessments and merit ranking of eligible applications under the Commercial Ready program and the policies and practices to be followed by the Board in the performance of this function.
The Directions include the merit criteria for the assessment and merit ranking of Commercial Ready applications, directions for the assessment of proposals for variation to the agreed project, other assessments that may be required of the Board, and the provision of advice on policies and operations of the Commercial Ready program by the Board.

**Legislative Authority**

Minister Macfarlane, Minister for Industry, Tourism and Resources, acting under subsections 18 (A), 19 (1) and 20 (1) of the *Industry Research and Development Act 1986*, signed the Directions on 16 August 2007.


**Financial Implications**

The Directions have no financial impact. The Directions provide a framework by which the Board provides 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 a Commercial Ready grant.

**Consultation**

The Board was consulted and agreed with the Directions.

Stakeholder consultations on Commercial Ready Plus were held in June 2007.

**Date of Effect**

The Directions will be published in the Gazette on 30 August and will commence on 1 September 2007 when the particulars of the Directions have been lodged with the Federal Register of the Legislative Instruments (FRLI).
**Note on Provisions of the Directions**

**PART 1 - PRELIMINARY**

**Name of Directions**

**Section 1**

The Directions constitute the *Commercial Ready Program Directions No.1 of 2007*. These Directions replace the *Commercial Ready Program Directions No.1 of 2004*.

**Commencement**

**Section 2**

The Directions will be gazetted on 30 August 2007 and will commence on 1 September 2007 when the particulars of the Directions have been lodged with the Federal Register of the Legislative Instruments (FRLI).

**Object of these Directions**

**Section 3**

The object of the Directions is to give direction to the Board in relation to an additional function of the Board, namely the provision of assessments and merit ranking of eligible applications under Commercial Ready, and the policies and practices to be followed by the Board in the performance of this additional function.

**Interpretation**

**Section 4**

Section 4 defines key terms used within the Directions.

**PART 2 - ASSESSMENT AND MERIT RANKING OF APPLICATIONS**

**Procedure**

**Section 5**

Section 5 states that the Board will undertake assessments and merit rankings of eligible applications and provide the Program Delegate with the merit ranking. Once an application has been referred, the Board will consider the application as soon as practicable.
Board may decline to provide merit ranking

Section 6

This section states that the Board may decide not to provide a merit ranking in respect of a particular application that it considers does not show sufficient merit for one or more of the criteria or is not satisfied that the activities in the application are eligible activities or for an eligible project.

Assessment of eligible applications

Section 7

This section states that the Board must assess each application against the merit criteria outlined in the Directions, subject to the operation of section 6.

Merit criteria

Section 8

Section 8 sets out the 5 merit criteria against which eligible applications must be assessed. These merit criteria are:
(1) Management capability of the applicant;
(2) Commercial potential of the project;
(3) Technical strength of the project, and technical capability and resources available to the applicant;
(4) Extent to which the project is likely to provide National Benefits; and
(5) Need for funding.

The Merit Criteria are used to assess and rank the applications.

PART 3 - ASSESSMENT OF PROPOSAL FOR VARIATION TO THE GRANT PROJECT

Section 9

This section states that if a grant recipient submits a proposal to the Department to vary its project, the Program Delegate may refer the request to the Board for its assessment of the proposal.

Section 10

This section states that the Board must assess the proposal as soon as practical and provide the assessment to the Program Delegate.

Section 11

This section sets out the matters the Board must determine when considering such a request for variation.
PART 4 – OTHER TECHNICAL ASSESSMENTS

Section 12
This section states that the Program Delegate may request the Board to provide an assessment of any technical matter associated with applications, activities and any other matter relevant to a merit criterion.

Section 13
This section states that in carrying out a technical assessment, the Board will take into account any relevant policies or guidance relating to the administration of Commercial Ready that are issued under the Guidelines.

Section 14
This section states that the Board must undertake the assessment 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

Section 15
This section states that the Board may advise the Minister or the Minister may request advice from the Board on non-financial matters relating to Commercial Ready, including program administration and the extent to which Commercial Ready is meeting its Program Objectives.

Section 16
This section states that the Board may collect and analyse data on the performance of Commercial Ready and provide advice to the Minister on such performance, and must cooperate with any independent evaluation of Commercial Ready.