Commonwealth of Australia

Industry Research and Development Act 1986

Re-tooling for Climate Change Program Ministerial Directions No 1 of 2008

I, Kim John Carr, Minister for Innovation, Industry, Science and Research, acting under sections 18A, 19 and 20(1) of the Industry Research and Development Act 1986, give the following Directions to Innovation Australia.

Dated 29 August 2008

Senator the Hon Kim Carr
Minister for Innovation, Industry, Science and Research

Purpose

1. The purpose of this instrument is to give Directions to Innovation Australia (the Board) in relation to:

   (a) an additional function of the Board, namely the provision of technical assessments and merit ranking of eligible applications under the Program; and

   (b) the policies and practices to be followed by the Board in the performance of the function.

2. These Directions take effect on 8 September 2008 or the day that the directions are published in the Gazette, whichever is the later.

Interpretation

3. In these Directions, unless the contrary intention applies:

   Agreement Means a legal binding document between the Commonwealth and a recipient of funding under the Program, having as a minimum the terms described in the Program Guidelines.

   Applicant Means an entity that submits an application for funding.

   Board Means Innovation Australia.

   Department Means the Commonwealth Department of Innovation, Industry, Science and Research (DIISR).

   Eligible application Means an application for funding that is determined by the Program Delegate to be eligible for assessment in accordance with the Program Guidelines.
**Eligible Project**
Means a project directed towards the improvement of energy and/or water efficiency of one or more production processes, by a company undertaking manufacturing activities in Australia.

**Innovation Australia**
Means the *Board* that assists the *Department* under the *Industry Research and Development Act 1986* and subsequent Ministerial Directions.

**Manufacturing**
Means the physical or chemical transformation of materials or components into new products.

**Minister**
Means the Minister for Innovation, Industry, Science and Research.

**Production Process**
Means the process required to manufacture new products, including raw materials storage and finished goods warehousing, but excluding administration.

**Program**
Means the *Re-tooling for Climate Change* program.

**Program Delegate**
Means an employee of the *Department*, who has been empowered by the Minister or otherwise duly authorised, to administer the *Program*.

**Program Guidelines**
Means those instructions issued to the *Department* by the *Minister* for the delivery of the *Program*.

4. In these Directions:
   (a) ‘may’ is permissive and not mandatory
   (b) a reference to the singular includes the plural, and vice versa
   (c) if a word or phrase is defined its other grammatical forms have corresponding meanings
   (d) ‘includes’ and ‘including’ do not limit the words which precede them or to which they refer, and
   (e) any reference to a clause is a reference to a clause in these.

**Assessment of Applications**

5. Subject to clause 7, the *Board* will assess *eligible applications* referred by the *Program Delegate* and provide a merit ranking of those applications to the *Program Delegate*.

6. The *Board* must consider *eligible applications* as soon as practicable after those applications have been provided to the *Board*.
7. The Board may decide to refuse to provide a merit ranking in respect of a particular eligible application if it is not satisfied:
   (a) with the level of merit of the eligible application in relation to one or more of the merit criteria, or
   (b) that the project is an eligible project.

8. Subject to clause 7, the Board must assess each eligible application on its merit and rank against all eligible applications according to the extent to which the application meets the merit criteria.

9. In considering eligible applications, the Board must take into account advice provided by the Department on policy issues that are relevant to, or impact on, any of the merit criteria.

10. The merit of an eligible application must be assessed against the following criteria:

    **Criterion 1 – Potential for reduction of environmental footprint**

    The applicant may indicate merit by demonstrating:
    - improved energy efficiency of the production process (reduced energy consumption or reduced energy waste);
    - conversion to a renewable or co-generated energy source for use in the production process;
    - improved water efficiency of the production process (reduced water consumption or reduced water waste);
    - reduced carbon emissions;
    - that there is appropriate evidence to verify the rationale for the proposed project, and projected energy and/or water savings and/or reduced carbon emissions.

    **Criterion 2 – Scope and impact of process improvement**

    The applicant may indicate merit by demonstrating:
    - the extent to which the project is above what could be seen as routine;
    - the extent to which the project will have a long term, sustainable impact on the ability of the manufacturing operation to respond to climate change;
    - that the positive impact of the project on addressing climate change extends beyond the individual firm, for example through changes to the supply chain;
• the demonstration potential of the project, and/or extent to which it results in innovative transferable technology.

**Criterion 3 – Organisational capacity/capability to undertake the project**

The applicant may indicate merit by demonstrating:

• an appropriate level of expertise in project management and business management;

• the technical capacity to undertake the project, including appropriately skilled staff and/or subcontractors;

• a well articulated project plan, including methodologies and milestones linked to a feasible timeframe.

**ASSESSMENT OF VARIATIONS AND OTHER TECHNICAL ASSESSMENTS**

11. If at any time after an application has been approved by the Program Delegate, or an agreement has been executed, and a proposal is submitted to the Department to vary the project, including by way of the addition of new activities, discontinuation of planned activities, the project timeframe or planned project outcomes, the Program Delegate may refer the request to the Board for the Board’s assessment.

12. If the Board receives a request under clause 11, it must assess the proposal as soon as practicable and provide the assessment to the Program Delegate.

13. In undertaking an assessment of a proposal referred under clause 11 the Board will determine:

(a) the extent to which the variation impacts on any of the merit criteria; and

(b) whether the variation, if accepted, would:

(i) enhance the ability of the applicant to achieve or improve the project outcomes;

(ii) be consistent with the Program Policy Objectives as outlined in the Program Guidelines and any relevant policies of the Department; and

(iii) whether the proposal is appropriate in all circumstances.

14. The Program Delegate may request the Board to provide an assessment of technical matters associated with applications, activities and projects, or on any other matter relevant to or impacting on a merit criterion.

15. In carrying out assessments pursuant to clause 14, the Board will take into account any relevant policies relating to the administration of the Program that are issued under the Program Guidelines.
16. If the Board receives a request under clause 14 it must conduct the assessment within a reasonable time and provide the assessment to the Program Delegate.

BOARD TO PROVIDE ADVICE

17. The Board may advise the Minister or the Minister may request advice on non-financial administration matters relating to the Program, including program administration and the extent to which the Program meets the Program Policy Objectives.

18. The Board may collect and analyse data on the performance of the Program, provide advice to the Minister on such performance, and will cooperate with any independent evaluation of the Program.