

Commonwealth of Australia

Industry Research and Development Act 1986

Green Car Innovation Fund Directions No 1 of 2009

EXPLANATORY STATEMENT

I, Kim John Carr, Minister for Innovation, Industry, Science and Research, acting under subsections 18A, 19(1) and 20(1) of the *Industry Research and Development Act 1986*, issue the following explanatory statement on the *Green Car Innovation Fund* Directions No 1 of 2009 to Innovation Australia (the Board).

Dated: 24 04 09

KIM CARR

Minister for Innovation, Industry, Science and Research

General Outline and Legislative Authority

The Green Car Innovation Fund is a competitive, merit based grants program delivered by AusIndustry. It aims to enhance research and development and the commercialisation of Australian technologies that significantly reduce fuel consumption and/or greenhouse gas emissions of passenger motor vehicles.

The program will support projects which are engaged in:

- (a) *research and development (R&D) activities*; and/or
- (b) *proof-of-concept activities*; and/or
- (c) *early-stage commercialisation activities*; and/or
- (d) *pre-production development activities*;

that are carried out in Australia and directly relate to the creation, acquisition, application or commercialisation of knowledge, technology, processes, materials or products which:

- (a) are new or additional to the grantee; and
- (b) significantly improve the fuel-efficiency and/or greenhouse gas emissions of passenger motor vehicles.

Under the Green Car Innovation Fund, AusIndustry assesses the eligibility of applications. Eligible applications are then assessed and ranked by a committee of Innovation Australia (the Board), which provides a merit ranking of eligible applications to the Green Car Innovation Fund 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 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

Green Car Innovation Fund 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 Green Car Innovation Fund 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 Green Car Innovation Fund by the Board.

Legislative Authority

The Directions are issued by the Minister for Innovation, Industry, Science and Research (the Minister) acting under subsections 18A, 19(1) and 20(1) of the *Industry Research and Development Act 1986*.

The *Industry Research and Development Act 1986* may be found at:

[http://www.comlaw.gov.au/ComLaw/Legislation/ActCompilation1.nsf/0/A8C791605A1D9995CA257370007DECEF/\\$file/IndResDevel1986_WD02.pdf](http://www.comlaw.gov.au/ComLaw/Legislation/ActCompilation1.nsf/0/A8C791605A1D9995CA257370007DECEF/$file/IndResDevel1986_WD02.pdf)

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 Green Car Innovation Fund grant with consideration for current and future years financial commitments.

Consultation

Public consultations on the program were conducted in Brisbane, Sydney, Melbourne, Adelaide and Perth in February 2009 and 92 written submissions were received from industry and the public. These were considered in the development of the Directions.

The Board was consulted on the Directions on 25 February 2009 and provided written comment to the Minister.

Date of Effect

The Directions will commence on the day after the day that they are registered on the Federal Register of the Legislative Instruments.

The Directions are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Note on Provisions of the Directions

PART 1 - PRELIMINARY

Name of Directions

Section 1

The Directions constitute the *Green Car Innovation Fund Directions No 1 of 2009*.

Commencement

Section 2

The Directions will commence on the day after the day that they are registered on the Federal Register of the Legislative Instruments.

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 the Green Car Innovation Fund, 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.

Assessment of applications

Section 7

This section states that the Board must assess each eligible 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 and ranked. These merit criteria are:

- (1) The extent of the reduction in passenger motor vehicle fuel consumption and/or greenhouse gas emissions arising from the proposed project;
- (2) The technical merit and extent and calibre of innovation generated in Australia by the proposed project;
- (3) The capacity and capability of the applicant to undertake the project, including management capability;
- (4) The commercialisation potential of the proposed project to the benefit of Australia; and
- (5) The contribution of the proposed project to a sustainable and internationally competitive Australian automotive industry, and the benefits to the broader Australian economy.

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 the Green Car Innovation Fund 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 the Green Car Innovation Fund, including program administration and the extent to which the Green Car Innovation Fund is meeting its Program Objectives.

Section 16

This section states that the Board may collect and analyse data on the performance of the Green Car Innovation Fund and provide advice to the Minister on such performance, and must co-operate with any independent evaluation of the Green Car Innovation Fund.