

Commonwealth of Australia

Industry Research and Development Act 1986
Clean Technology Investment Program
Direction No. 1 of 2012

I, **GREG COMBET**, Minister for Industry and Innovation, acting under Sections 18(A), 19 and 20(1) of the *Industry Research and Development Act 1986*, issue the following explanatory statement on the Direction to *Innovation Australia*.

Dated 28 February 2012

The Hon Greg Combet AM MP

Minister for Industry and Innovation

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Industry and Innovation

Industry Research and Development Act 1986

Clean Technology Investment Program Direction No. 1 of 2012

General Outline

The Australian Government has committed to reducing Australia's *Carbon* emissions by between 5 and 25 per cent from 2000 levels by 2020, depending on the scale of global action. The Government has also adopted a new long-term target of reducing Australia's *Carbon* emissions by 80 per cent from 2000 levels by 2050.

On 10 July 2011 the Government announced its plan for a Clean Energy Future (the plan). The plan has four elements: a carbon price, renewable energy, energy efficiency and action on land (the Land Sector Package). The plan also details how the Government will support Australian households, businesses and communities to transition to a clean energy future. Further details on the plan can be found on the Clean Energy Future website at: www.cleanenergyfuture.gov.au.

The *Clean Technology Investment Program* is a central element of the Government's comprehensive plan to move Australia to a clean energy future.

The Department is responsible for administering the \$800 million *Clean Technology Investment Program*. The Program will operate over 7 years from 2011-12 to 2017-18. It is a competitive merit based grants program.

The reason for the *Direction* is to give *Innovation Australia* an additional function in relation to this new program. *Innovation Australia* will assess the merit of eligible applications against merit criteria outlined in the *Direction* and will make its recommendation to the Program Delegate. Applications for grants of \$10 million or more that are recommended by *Innovation Australia* for approval will also be assessed by the Cabinet. Final approval of an application is made by the Program Delegate who, in making the decision, must take into account the recommendation made by the relevant body.

The Clean Technology Investment Program Guidelines, given by the Minister to the Department, provide the framework for the operation and administration of the program.

Legislative authority

The *Direction* is issued to *Innovation Australia* by the Minister for Industry and Innovation (the Minister) acting under sections 18A, 19 and 20 (1) of the *Industry Research and Development Act 1986*.

Consultation

Innovation Australia was consulted during the development of the *Direction*, as required under section 20 (2) of the *Industry Research and Development Act 1986*.

Financial Implications

The *Direction* has no financial impact. It provides a framework by which *Innovation Australia* is to assess the merit of eligible applications. The Program Delegate makes the final decision in approving applications, and in determining the terms and conditions of funding agreements entered into under the Clean Technology Investment Program.

Date of effect

The *Direction* commences the day on which particulars of the *Direction* is published in the Gazette and registered in the Federal Register of Legislative Instruments.

Notes on Provisions of the Direction

PART 1 – PRELIMINARY

Name of Direction

Clause 1

The *Direction* constitutes the *Clean Technology Investment Program Direction No. 1 of 2012*.

Commencement

Clause 2

The *Direction* commences on the day on which particulars of the *Direction* are published in the Gazette and registered in the Federal Register of Legislative Instruments.

Object of this Direction

Clause 3

The object of the *Direction* is to give *Innovation Australia* directions in relation to an additional function, namely the merit assessment of applications under the Clean Technology Investment Program, and includes the policies and practices that *Innovation Australia* must follow in the performance of this function.

Introduction

Clause 4

This clause provides an outline of the administration of the Clean Technology Investment Program.

Innovation Australia to have regard to policy objectives

Clauses 5 to 6

These clauses set out the policy objective of the Clean Technology Investment Program. *Innovation Australia*, in carrying out its function under the *Direction*, must take into account this policy objective.

Program Outcomes

Clause 7

This clause provides for the outcome of the Clean Technology Investment Program and how it is to be achieved.

Interpretation

Clause 8

This clause defines key terms used in the *Direction*.

PART 2 – ASSESSMENT OF APPLICATIONS

Procedure

Clause 9

Innovation Australia must assess each eligible application against the merit criteria set out in the *Direction*, except where clause 15 applies.

Clause 10

If an application recommended by *Innovation Australia* for approval is for a grant of \$10 million or more, the Cabinet of the Australian Government will be responsible for its final merit assessment.

Clause 11

Innovation Australia must consider eligible applications as soon as practicable after those applications have been provided to *Innovation Australia*.

Clause 12

Innovation Australia must consider policy issues relevant to the merit criteria when assessing applications.

Clause 13

Innovation Australia may request additional information from an applicant after the lodgement of an application, where such information is needed to assist in assessing merit or clarify issues of eligibility.

Clause 14

On the basis of the merit of an application, *Innovation Australia* may recommend to the Program Delegate that the amount of funding be varied from what the applicant has applied for, and/or that approval of the application be subject to particular conditions.

Clause 15

Innovation Australia may decide not to assess an application that has low merit against one or more of the merit criteria, or where it considers the activities relating to the application to be ineligible.

Clause 16

Innovation Australia's assessment of applications must be based on the merit criteria specified in the Program Guidelines.

Clause 17

Merit indicators for each merit criterion will be provided in the Customer Guidelines. These indicators assist applicants in preparing a claim against each merit criterion, and they provide a more detailed assessment framework for *Innovation Australia*. In its merit assessment of applications, *Innovation Australia* must take into account the weighting of merit criteria provided in the Customer Guidelines.

Clause 18

Innovation Australia may be asked to provide advice on the development of, or any amendment to, the indicators for the merit criteria.

Clause 19

Innovation Australia may be asked to provide advice on the weighting of merit criteria.

PART 3 – ASSESSMENT OF PROPOSALS FOR VARIATION TO THE AGREED PROJECT

Clause 20

Innovation Australia may be asked to assess a proposal to make changes to an approved project, such as an extension of time to complete the project or change of project milestones.

Clause 21

Innovation Australia must assess proposals to make changes to an approved project as soon as is practicable and provide the assessment to the Program Delegate.

Clause 22

This clause lists the matters to be considered by *Innovation Australia* when making an assessment under clause 20.

PART 4 – OTHER ADVICE RELATED TO THE ADMINISTRATION OF THE CLEAN TECHNOLOGY INVESTMENT PROGRAM

Clause 23

Innovation Australia may be asked to provide assessments of technical matters in relation to applications, activities and projects. The clause lists these matters.

Clause 24

In carrying out technical assessments under clause 23, *Innovation Australia* will take into account any relevant policies or guidelines relating to the administration of the Clean Technology Investment Program that are issued under the Program Guidelines.

Clause 25

Innovation Australia, on receiving a request under clause 23, is to conduct the assessment within a reasonable time.

Clause 26

The Program Delegate may request *Innovation Australia's* advice on other matters relevant to the administration of the Clean Technology Investment Program, including, but not limited to, the ones listed in this clause.

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

Clause 27

Innovation Australia may advise the Minister, or the Minister may request its advice, on non-financial administration matters relating to the Clean Technology Investment Program, including the extent to which the program is meeting its objective.

Clause 28

Innovation Australia may collect and analyse data on the performance of the Clean Technology Investment Program and provide advice to the Minister on that performance, and must cooperate with any independent evaluation of the program.