

Commonwealth of Australia

Industry Research and Development Act 1986

CLEAN TECHNOLOGY INVESTMENT PROGRAM

PROGRAM DIRECTIONS

Direction No. 1 of 2012

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

Dated 28 February 2012

The Hon Greg Combet AM MP

Minister for Industry and Innovation

PART 1 - PRELIMINARY

Name of Direction

1. This Direction is the *Clean Technology Investment Program* Direction No. 1 of 2012.

Commencement

2. This 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

3. The object of this instrument is to give direction to *Innovation Australia* in relation to:
 - (a) an additional function of *Innovation Australia*, namely the provision of merit assessments of Eligible Applications referred by the *Program Delegate* under the *Clean Technology Investment Program*; and
 - (b) the policies and practices to be followed by *Innovation Australia* in the performance of the function.

Introduction

4. 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.

The *Clean Technology Investment Program* is a competitive, merit based, grants program.

Innovation Australia to have regard to policy objectives

5. *Innovation Australia* must have regard to the following policy objective in giving effect to this Direction:

The policy objective of the *Clean Technology Investment Program* is to assist Australian *Manufacturing* businesses to invest in energy efficient capital equipment and low emissions technologies, processes and products in order to maintain the competitiveness of Australian *Manufacturing* businesses in a carbon constrained economy.

6. The objective of the *Clean Technology Investment Program* will be achieved by providing grants to existing Australian *Manufacturing* businesses to invest in energy efficient capital equipment and low emissions technologies, processes and products. These grants will provide practical transitional assistance to Australian *Manufacturing* businesses.

Program Outcomes

7. The outcome of the *Clean Technology Investment Program* will be maintained competitiveness of Australian *Manufacturing* businesses in a carbon constrained economy by leveraged capital investment in energy efficient and low emissions technologies, plant and equipment to reduce *Carbon* emissions intensity, including through improvements in energy efficiency.

Interpretation

8. In this Direction:

“**Act**” means the *Industry Research and Development Act 1986 (Cth)*.

“**Agreement**” means an agreement entered into by the *Recipient* and the Commonwealth for the provision, by the Commonwealth, of *Grant Funds*.

“**Applicant**” means an entity that makes an application for funding under the *Clean Technology Investment Program*.

“**AusIndustry**” means the division of the same name within the *Department*.

“Customer Guidelines” means the guidelines formulated by the *Program Delegate* under the relevant clauses of the *Program Guidelines*, and in accordance with the Commonwealth Grant Guidelines issued by the Minister for Finance and Deregulation under Regulation 7A of the *Financial Management and Accountability Act 1997 (Cth)*. The Customer Guidelines will be published for the benefit of potential *Applicants* and other interested parties.

“Department” means the Department of Industry, Innovation, Science, Research and Tertiary Education administered by the *Minister*.

“Eligible Activity” means an activity that satisfies the requirements of clauses 36 to 38 of the *Program Guidelines*.

“Eligible Applicant” means an *Applicant* that satisfies the requirements of clauses 21 to 27 of the *Program Guidelines*.

“Eligible Application” means an application that satisfies the requirements of clause 48 of the *Program Guidelines*.

“Eligible Expenditure” means the expenditure incurred by an *Applicant* in relation to a *Project* that satisfies the requirements of clause 39 of the *Program Guidelines* and is deemed eligible for funding support by the *Program Delegate*, in accordance with the *Customer Guidelines*.

“Eligible Project” means a *Project* that meets the requirements within clauses 28 to 35 of the *Program Guidelines*.

“Government Grant Sources” includes, but is not limited to, grants from Federal, State, Territory, local or international government programs, including funding under the *Clean Technology Investment Program*.

“Grant Funds” means the funds awarded to *Recipients* of the *Clean Technology Investment Program*.

“Innovation Australia” means the body of that name established by section 6 of the *Act*.

“Manufacturing” means the physical or chemical transformation of materials or components into new products.

“Minister” means the *Minister* administering the *Act*.

“Program Delegate” means an employee of the *Department* who has been empowered by the *Minister*, or is otherwise duly authorised, to carry out the relevant functions in respect of the *Clean Technology Investment Program*.

“Program Directions” means the Directions that are given by the *Minister* under the *Act* to *Innovation Australia* concerning its functions in relation to the *Clean Technology Investment Program*, as in force from time to time.

“Program Funding” or **“Program Funds”** means the funding made available by the Commonwealth for the *Clean Technology Investment Program* in any

given financial year, being the funding specified in the Portfolio Budget Statement (as varied by any Portfolio Additional Estimates Statement or by the *Minister*) for that year.

“**Program Guidelines**” means the guidelines that are given by the *Minister* to the *Department* to provide a framework for the operation and administration of the *Clean Technology Investment Program*, as in force from time to time.

“**Project**” means the set of activities that is the subject matter of the *Applicant’s* application for funding.

“**Recipient**” means an entity that is awarded funding under the *Clean Technology Investment Program*.

PART 2 – ASSESSMENT OF APPLICATIONS

Procedure

9. Subject to clause 15, *Innovation Australia* will assess the merit of each *Eligible Application* referred by the *Program Delegate*, and provide its recommendation to the *Program Delegate* or, pursuant to clause 10, the Cabinet of the Australian Government.
10. *Eligible applications* for grants of \$10 million or more, that have been merit assessed by *Innovation Australia* and recommended for funding, will be referred to the Cabinet of the Australian Government for consideration prior to final approval by the *Program Delegate*.
11. *Innovation Australia* must consider *Eligible Applications* as soon as practicable after those applications have been provided to *Innovation Australia*.
12. In considering *Eligible Applications*, *Innovation Australia* must take into account advice provided by the *Department* on policy issues that are relevant to, or impact on, any of the merit criteria.
13. *Innovation Australia* may request additional information from an applicant after the lodgement of an application.
14. In providing the *Program Delegate* or the Cabinet of the Australian Government with an assessment for an application *Innovation Australia* may include advice as to whether the relative merits of an application would warrant:
 - (a) an amount of funding that varies from the amount the applicant has applied; and/or
 - (b) that any approval be subject to particular conditions.

***Innovation Australia* may decline to complete a merit assessment**

15. *Innovation Australia* may decide to decline to complete a merit assessment in respect of a particular application if it is not satisfied:

- (a) with the level of merit of an *Eligible Application* in relation to one or more of the merit criteria;
- (b) that the activities described in the eligible application are *eligible activities*; or
- (c) without limiting the generality of subclause (a) above, with the overall level of merit of an *Eligible Application* having regard to all applicable merit criteria.

Merit Criteria

- 16. *Innovation Australia* must base its assessment of each *Eligible Application* on the merit criteria requirements specified in clauses 50 to 53 of the *Program Guidelines*.
- 17. *Innovation Australia* must have regard to the *Customer Guidelines* formulated by the *Program Delegate*, specifically:
 - (a) which merit criteria apply to particular categories of grant applications;
 - (b) what indicators will be considered in relation to each merit criterion; and
 - (c) any weighting for each merit criterion.
- 18. The *Program Delegate* may request that *Innovation Australia* provide advice on indicators of merit for some or all of the merit criteria.
- 19. The *Program Delegate* may request that *Innovation Australia* provide advice on setting out any differences in the relative level of importance of merit criteria.

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

- 20. If a *Recipient* has submitted a proposal to the *Department* for approval of changes to an agreed *Project*, the *Program Delegate* may request that *Innovation Australia* assess the proposal.
- 21. If *Innovation Australia* receives a request under clause 20 it must assess the proposal as soon as is practicable and provide the assessment to the *Program Delegate*.
- 22. In undertaking an assessment of a proposal to change a *Project Innovation Australia* will consider:
 - (a) the extent to which the changed *Project* meets the merit criteria;
 - (b) the impact on the outcomes of the *Project*; and
 - (c) whether the change to the *Project* would:
 - (i) be consistent with the policy objectives set out in the *Program Guidelines*; and
 - (ii) otherwise be appropriate in all the circumstances.

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

23. The *Program Delegate* may request *Innovation Australia* to provide assessments of technical matters associated with applications, activities and projects, or on any other matter relevant to or impacting on a merit criterion, including:
- (a) matters relating to the eligibility of applications, activities or projects against the definitions contained in these Directions or the *Program Guidelines*;
 - (b) the progress reported by a *Recipient* against the milestones for a *Project* or compliance with *Agreement* conditions;
 - (c) matters pertaining to energy efficiency or carbon emissions intensity of *Projects*;
 - (d) matters pertaining to the business competitiveness case of *Projects*; and
 - (e) any other matter that pertains to merit assessment or compliance with the terms and conditions of the *Clean Technology Investment Program* or an *Agreement*.
24. In carrying out assessments pursuant to 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*.
25. If *Innovation Australia* receives a request under clause 23 it must conduct the assessment within a reasonable time and provide the assessment to the *Program Delegate*.
26. The *Program Delegate* may request advice from *Innovation Australia* on other matters relevant to the administration of the program, including but not limited to:
- (a) additional requirements for the application and assessment process;
 - (b) the scope of the Australian *Manufacturing* industry for the purposes of clause 21(a) of the *Program Guidelines*;
 - (c) the scope of *Eligible Activities*; and
 - (d) the scope of *Eligible Expenditure*.

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

27. *Innovation Australia* may advise the *Minister*, or the *Minister* may request advice, on non-financial administration matters relating to the *Clean Technology Investment Program*, including program administration and the extent to which the program is meeting its objectives.
28. *Innovation Australia* may collect and analyse data on the performance of the *Clean Technology Investment Program* and provide advice to the *Minister* on such performance, and will cooperate with any independent evaluation of the program.