



## **Cooperative Research Centres Guidelines**

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I, Senator **the Hon Arthur Sinodinos AO**, Minister for Industry, Innovation and Science ('the *Minister*'), issue the following *Program Guidelines*.

Dated: 23 August 2017

A handwritten signature in blue ink, appearing to be 'AS', with a long horizontal flourish extending to the right.

Minister for Industry, Innovation and Science

## Purpose

1. The purpose of these *Program Guidelines* is to provide a framework for the operation and administration of the Cooperative Research Centres (CRC) stream of the CRC Program (the *Program*).
2. These *Program Guidelines* are not an exclusive statement of the Australian Government's requirements for the *Program*, nor do they create any legal, equitable or other relationship between the Commonwealth and an *Applicant*.

## Commencement

3. These *Program Guidelines* commence on the day on which they are signed by the *Minister*.

## Authority for Program Guidelines

4. These *Program Guidelines*:
  - (a) are made by the *Minister*, and
  - (b) may be amended by the *Minister* from time to time.

## Interpretation

5. The definitions outlined in **Appendix A** apply for the purpose of interpreting these *Program Guidelines*. These definitions are not intended to substitute for the defined terms in any *Funding Agreement*.

# Cooperative Research Centres

## Part One: Overview of the CRC Program

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### Introduction

6. The *Program* will assist in:
  - (a) supporting science, research, and commercialisation; and
  - (b) enabling growth and productivity for globally competitive industries.
7. The *Department* is responsible for administering the *Program*.
8. *CRC Program Funds* may be awarded through open competitive funding rounds with compliant applications assessed against the selection criteria outlined in these *Program Guidelines* or as otherwise determined by the Minister.
9. The *Program* contains two funding streams:
  - (a) Cooperative Research Centres (CRCs) to support medium to long term, industry-led collaborations; and
  - (b) Cooperative Research Centres Projects (CRC-Ps) to support short term, industry-led collaborative research.
10. The Program provides funding of \$710 million from 2017-18 to 2020-21 to support both CRCs and CRC-Ps. There is no specified amount allocated to each of the two funding streams and the number of CRCs and CRC-Ps that will be funded in each selection round will depend on the number of applications received, the relative merits of applications, the amount of available funding and the need to ensure sufficient funding is available for future selection rounds.
11. Further information on CRC-Ps is available in the CRC Projects Guidelines.

### Program Objectives

12. The *Program* aims to improve the competitiveness, productivity and sustainability of Australian industries, especially where Australia has a competitive strength, and in line with *Government Priorities*.
13. The *Program* aims to foster high quality research to solve industry-identified problems through industry-led and outcome-focused collaborative research partnerships between *Industry Entities* and *Research Organisations*.
14. The *Program* aims to encourage and facilitate *Small and Medium Enterprise (SME)* participation in collaborative research.

### Program Outcomes

15. In meeting the *Program* objectives, the *Program* outcomes may include:
  - (a) establishing industry-research sector collaborations;
  - (b) *SME* participation in collaborative research;
  - (c) collaborative research results;
  - (d) research results relevant to *Government Priorities*;
  - (e) increased research skills in industry, and increased industry capability in research;

- (f) improved competitiveness and productivity for industry participating in CRCs and CRC-Ps; and
- (g) industry, research and other users valuing the *Program*.

## Part Two: Roles and Responsibilities

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### The Minister and Program Delegate

- 16. The *Minister* has overall responsibility for the CRC stream of the *Program* and makes decisions (taking into account advice from the Program Delegate) including: which CRCs will be funded; the level of funding offered; the conditions of any funding offered; changes to the level of funding; and the termination of agreements.
- 17. The *Program Delegate* is the AusIndustry General Manager in the *Department* authorised by the Minister to exercise certain functions and administer the *Program*.
- 18. The Program Delegate is responsible for ensuring the overall efficient and effective administration of the Program; advising the Minister on the availability of grant funding and the recommendations of *Innovation and Science Australia*; determining the eligibility of applications; entering into and varying Funding Agreements on behalf of the Commonwealth; authorising payments of CRC Program Funds and exercising any other functions as authorised by the Minister.

### Innovation and Science Australia and the CRC Advisory Committee

- 19. *Innovation and Science Australia* will provide strategic oversight of the *Program*.
- 20. *Innovation and Science Australia* will provide advice to the Minister on matters including:
  - (a) strategic oversight of the *Program*; and
  - (b) application assessments and recommendations in relation to selection processes.
- 21. *Innovation and Science Australia* may delegate all or part of these roles and responsibilities to a committee, such as the *CRC Advisory Committee*, pursuant to the *Industry Research and Development Act 1986*.
- 22. Details on the current composition of *Innovation and Science Australia* and its committees including the *CRC Advisory Committee* can be found at [business.gov.au](http://business.gov.au).

### The Department

- 23. The *Department* is responsible for administering the *Program* and carrying out functions as authorised by the *Minister*.
- 24. The *Department* provides secretariat support to *Innovation and Science Australia* and the *CRC Advisory Committee*.
- 25. The *Department* may engage experts for the purpose of supporting the development, delivery, administration or other activity relevant to the *Program*.

## Part Three: Eligibility Requirements

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- 26. The CRC stream of the *Program* is open to all industry sectors and research disciplines and funding is available to organisations from all industry, research and community sectors.

## Applicant Requirements

27. Applications for CRCs will be submitted on behalf of a group of applicants who have agreed to collaborate.
28. A CRC application must have among its applicants at least one:
  - (a) *Industry Entity*; and
  - (b) *Research Organisation*.
29. Applications must demonstrate the ability to at least match (in cash or in-kind) the level of *CRC Program Funding* requested and provided. *Cash Contributions*, particularly from industry, will be viewed favourably and may result in an application for funding being deemed more suitable.
30. Any organisation named by the Workplace Gender Equality Agency as an organisation that has not complied with the *Workplace Gender Equality Act 2012* cannot be part of an application.
31. Applicants who have been *Participants* of a CRC-P that has completed its funding period will not be excluded from applying under the CRC stream. However, where the proposed *Activity* of the CRC, as outlined in the application, would duplicate a *project* funded under a CRC-P, this will not be considered eligible. This does not exclude the consideration of *Activities* based on the outputs or outcomes of a *project* funded under a CRC-P.
32. An application must demonstrate the ability to undertake the *Essential Activities* as outlined in clause 39.

## Part Four: Operational Requirements

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### Participant Requirements

33. Once an application succeeds in obtaining *CRC Program Funding*, the *Applicants* become *Participants* in the relevant CRC and have certain obligations.
34. The *Participants* are required to enter a *Participants Agreement*.
35. A CRC must maintain amongst its *Participants* at least one:
  - (a) *Industry Entity*; and
  - (b) *Research Organisation*.
36. *Participants* from existing or former CRCs may be *Participants* in other CRCs or CRC-Ps.
37. Any organisation named by the Workplace Gender Equality Agency as an organisation that has not complied with the *Workplace Gender Equality Act 2012* cannot be a *Participant*.
38. CRCs may secure additional *Participants* or may substitute *Participants* during the period of their *Funding Agreement*, subject to the conditions of their *Participants Agreement* and the *Funding Agreement*. *Participants* are not required to commit for the full funding period, subject to the requirements of clause 35 being met.

### Essential Activities

39. *Essential Activities* consist of *Commonwealth Funded Activities* and Participant funded activities. A CRC must undertake all *Essential Activities*. However, *CRC Program Funds*

must be spent only on *Commonwealth Funded Activities in accordance with clauses 53-54*. All other Essential Activities must be funded only by *Participant Contributions*.

40. As a minimum, CRCs will undertake all of the following, which constitute the *Activities* of the CRC:
  - (a) medium to long term industry-led high quality collaborative research to solve industry-identified problems and deliver outcomes consistent with *Government Priorities*, improving the competitiveness, productivity and sustainability of Australian industries;
  - (b) an industry-focused education and training program. This must include, but is not limited to, a PhD program that complements the research program and that increases engagement, technology development, skilled employees and R&D capacity within *Industry Entities*;
  - (c) implementation of strategies that build the R&D capacity within *SMEs*; and
  - (d) deployment of research outputs and encouragement of take-up by industry.
41. Where relevant, collaboration formalised through a memorandum of understanding with one or more relevant *Growth Centres* to share knowledge, experience and resources to achieve common goals.

### **International Engagement**

42. CRCs are encouraged to collaborate with international organisations and/or with companies with global supply chains and access to international markets, to provide national benefits to Australia.

## **Part Five: Funding**

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### **Funding Available**

43. There is no specified limit to funding available for each CRC under the *Program*.
44. *Funding Agreements* are for fixed Australian dollar contributions from the Australian Government during the funding period. The Australian Government will not increase funding for cost increases.
45. Existing CRCs are not eligible to apply for additional funding or an extension to the term specified in the *Funding Agreement*.

### **Other Sources of Funding**

46. Other sources of funding (including Commonwealth, state or territory, local level or private sector funding) may be used by CRCs in addition to *CRC Program Funding* (subject to the funding rules or conditions imposed on those funds).
47. *CRC Program Funding* must not be used to fund the same *Activities* previously funded or currently being funded through any other funding scheme. Full details of any financial assistance received for, or in connection with, the *Activities* must be disclosed to the *Department* at the time of application and on an ongoing basis.
48. The Commonwealth may at its sole discretion terminate or reduce its payments to the extent that other funding assistance duplicates *CRC Program Funding* for the same *Activities*.

## Duration of Funding

49. *CRC Program Funds* are the funds provided by the *Department* under the *Funding Agreement*.
50. *CRC Program Funding* is available for varying periods of up to ten years for CRCs.
51. CRCs are funded for a single, specified term to undertake the *Activities* respectively, as specified in the *Funding Agreement* and subject to clauses 53 and 54. There will be no additional funding or extension to the term specified in the *Funding Agreement*.
52. Funding for a CRC may be terminated by the *Minister* who may act upon a recommendation by *Innovation and Science Australia*, which may consider:
  - (a) progress in achieving *Milestones*;
  - (b) quality of research and translation;
  - (c) outcomes of reviews;
  - (d) noncompliance with *Funding Agreement*; and
  - (e) any other relevant information.

## Use of *CRC Program Funds*

53. *CRC Program Funds* must be spent only on *Commonwealth Funded Activities*, for the purposes of undertaking the *Activities* of the CRC as specified in the *Funding Agreement*.
54. *Commonwealth Funded Activities* means:
  - (a) *Commonwealth-Supported Research* and its *Translation*: *CRC Program Funds* may be used to support the direct and indirect costs of carrying out *Commonwealth-Supported Research* and its *Translation*, including salaries of research staff and support staff and capital items needed to carry out research.
  - (b) Student expenses: *CRC Program Funds* may be used to pay scholarships, fellowships, or stipends to students enrolled in formal education or training programs such as PhD programs, or meet other costs of those students associated with participating in formal education or training programs.
  - (c) Capacity Building: *CRC Program Funds* may be used to develop and implement strategies which will directly contribute to the capacity of enterprises to engage in overseas and interstate trade and commerce.
55. *CRC Program Funds* are primarily intended to be spent in Australia. Where *CRC Program Funds* are to be spent overseas, consistent with the *Funding Agreement*, such expenditure must significantly improve the competitiveness, productivity and sustainability of Australian industries, especially in line with *Government Priorities*. *CRC Program Funds* cannot be spent overseas for the *Indirect Support Costs of Research*.
56. Renovation or extension of buildings and facilities using *CRC Program Funds* is only allowed in exceptional circumstances with approval from the *Department* if this is the most appropriate and effective way of supporting a CRC to achieve its objectives. However, the preferred approach is that the *CRC Program Funds* be used to pay for the costs of leasing existing facilities.
57. *CRC Program Funds* must not be used to:
  - (a) pay for activities other than *Commonwealth Funded Activities*;
  - (b) purchase or pay for the construction of facilities such as building, laboratories, etc; or

- (c) pay a *Participant* for the indirect support costs of staff employed by the *Participant*. Such costs should be met by the *Participant*.
58. *CRC Program Funds* must not be used to reimburse *Participants* for the costs associated with existing staff or other resources committed by the *Participants* to the CRC as *In-kind Contributions* under the *Funding Agreement*.

## Participant Contributions

59. All *Participants* in a CRC must contribute resources to the CRC. The total of these resources including cash and in-kind, tied and untied, must at least match the amount of funding sought from the *Program* over the funding period.
60. Proposed cash and in-kind resources from *Participants* are treated equally for determining the 'matching' contributions against the *CRC Program Funding*.
61. Access to non-staff *In-kind Contributions* must be valued proportionally to the usage by the CRC and based on the running costs and depreciation of the *Capital Item* (where applicable).
62. Successful *CRC Participant Contributions* must be provided in accordance with the application for funding.
63. Determination of the proportion of contributions from *Participants* and subsequently their proportion of return from any income or access to *Intellectual Property* is a matter for the *CRC Participants*.
64. Australian Government funds awarded (or contracted) to researchers employed by *Participants*, or to the *Participants* themselves, for specific projects cannot be counted towards a *Participant's* contributions.

## Part Six: Governance

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65. All CRCs must employ a governance model that demonstrates good practice in its design and, after establishment, good practice in its execution.
66. The good governance principles identified by the Australian Stock Exchange (ASX) Corporate Governance Council may assist in developing a sound governance model. More detail on the principles is available from the ASX website ([www.asx.com.au](http://www.asx.com.au)).
67. All CRCs must be established and governed as an incorporated company, limited by guarantee (the *CRC Entity*).
68. *CRC Boards* must include a Chairperson who is independent of the *Participants* with the necessary skills and experience required to lead an organisation with diverse *Participant* needs and outcomes.
69. The composition of the *CRC Board* should include senior figures with general industry experience (not necessarily from the specific industry of the CRC) and reflect skills, experience and expertise relevant to managing the CRC. The majority of Board members should be independent.
70. In order to effectively manage a diverse collaboration, the Chief Executive Officer (*CEO*) of a CRC must commit 100 percent of their time and effort to the CRC unless otherwise agreed by the *Department*. The *CEO* must have experience in project management, business management, commercialisation management (including *Intellectual Property* management) and relevant sector and technology experience.

## Part Seven: Application and Selection Process

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### Applications

71. The *Minister* may call for CRC applications in an open selection round, or otherwise at the Minister's sole discretion.
72. *Applicants* should note that the *Minister*:
  - (a) may suspend or terminate the call for applications;
  - (b) may approve or decline an application for funding at his/her discretion, after considering the advice of *Innovation and Science Australia* and the *Department*; and
  - (c) is not obliged to approve an application for *CRC Program Funding* because an *Applicant* satisfies these *Program Guidelines* or for any other reason (including the advice of *Innovation and Science Australia*).
73. A Probity Advisor may be appointed by the *Department* for each selection round. The Probity Advisor ensures that:
  - (a) all applications are assessed fairly and in accordance with the arrangements set out in these *Program Guidelines*; and
  - (b) conflicts of interest are declared and are addressed in accordance with the CRC Program Code of Conduct, *Conflict of Interest* and Confidentiality Guidelines, as published on [business.gov.au](http://business.gov.au) during a *selection round*.
74. Information for *Applicants* will be made available at [business.gov.au](http://business.gov.au) and [GrantConnect](#) for each CRC selection round.

### Compliant applications

75. A CRC application is compliant if it meets all of the following requirements:
  - (a) it is received on or before the deadline;
  - (b) it is lodged as directed by the *Department* using the correct application forms;
  - (c) it adheres to specified page limits;
  - (d) it provides all information required;
  - (e) it meets all eligibility requirements outlined in these *Program Guidelines*;
  - (f) it meets the requirements for *Participant Contributions* outlined in these *Program Guidelines*;
  - (g) it addresses each of the selection criteria outlined in these *Program Guidelines*; and
  - (h) it is endorsed by the head of each organisation that is a party to the application, or an authorised representative who has authority to commit funds and/or resources to the proposed CRC on behalf of the organisation.
76. An application that has been submitted previously, but has not been successful, must address any issues identified in any feedback provided on the previous application(s). Re-submission, including where feedback is satisfactorily addressed, does not automatically constitute a meritorious application, and funding is not guaranteed.
77. The *Program Delegate* may refuse to accept an application if they deem that it is substantially the same as a previous ineligible or unsuccessful application.

78. The *Program Delegate*'s decision about whether an application is compliant is final. If an application is assessed as non-compliant, it may be excluded from any further consideration. The *Department*, at its sole discretion, may seek additional information, allow *Applicants* to remedy minor errors, or accept late applications, but will not accept responsibility for any misunderstanding arising from the failure by an *Applicant* to comply with the requirements set out in these *Program Guidelines*, or arising from any ambiguity, discrepancy, inconsistency, error or omission contained in an application.
79. Under [Clause 137](#) of the *Criminal Code Act 1995*, giving false or misleading information to a Commonwealth entity is an offence. In addition to prosecution, if the *Department* is satisfied that any statement made in an application for funding is incorrect, incomplete, false or misleading, the *Department* may, at its absolute discretion, take appropriate action. Such action may include: excluding an application from further consideration; withdrawing an offer of funding; and/or terminating any agreement between the Commonwealth and the *Applicant*.

### Selection Criteria

80. Compliant CRC applications will be assessed against the following criteria:
- (a) the expected industry outcomes, including:
    - the industry-identified problem (or problems) to be solved;
    - the tangible industry outcomes expected to be derived from the research activity; and
    - the commercial potential of the expected outputs and any spill-over benefits;
  - (b) the proposed research *Activities*, including:
    - how the proposal would solve the industry-identified problem or problems;
    - the methodology to be applied to achieve outcomes and adoption of new technologies; and
    - the potential *Participants* and their levels of proposed commitment;
  - (c) demonstrated governance and management capability, including:
    - expertise in project management, business management, commercialisation management and in the relevant market sector or technology;
  - (d) the proposed education and/or training program, including:
    - how the proposed *Activities* would contribute to capacity and capability building in related industry and research sectors;
  - (e) value for money, including
    - the level of *CRC Program Funding* requested, the intended term, and how it will be used;
    - demonstrated need for funding – why the industry challenge would not be addressed without *CRC Program Funding*; and
    - why the Australian Government should invest in the CRC;
  - (f) expected national benefits, including:
    - the extent to which the proposal aligns with *Government Priorities*;
    - how the proposal improves Australia's competitiveness in the global economy; and

- anticipated spill-over effects.
81. The selection criteria listed at clause 80 are not equally weighted. Selection criteria (a) and (b) will be weighted at 30 per cent each, and selection criteria (c), (d), (e) and (f) will be weighted at 10 per cent each.
  82. Further information on the selection criteria may be published on [business.gov.au](http://business.gov.au) during a selection round.

## Selection Process

83. Compliant CRC applications as part of an open selection round will be considered in two stages on merit and against all other CRC applications.
84. Stage 1 will involve an online proposal that responds to, and provides a statement of claims against the selection criteria at clause 80.
85. At Stage 1 *Innovation and Science Australia* will advise the *Minister* of the outcome of its assessment of all applications and will make recommendations on which applications are suitable for progression to Stage 2 of the assessment process.
86. Stage 2 will require the applicant to provide a full written business case including:
  - (a) full details of the intended *Activities*;
  - (b) a more detailed statement of claims against the selection criteria;
  - (c) a comprehensive budget including *Participant Contributions*;
  - (d) a completed *Impact Tool*;
  - (e) details of key staff including roles, responsibilities and experience.

The applicant will also be required to present the business case in an interview with *Innovation and Science Australia* and/or *Independent Experts*.
87. *Innovation and Science Australia* may seek expert advice from industry government and the research sector on any aspect of the application.
88. In assessing compliant applications *Innovation and Science Australia* will consider submitted material, interviews, expert advice and any other relevant matters. *Innovation and Science Australia* will make recommendations to the *Minister* at both stages based on:
  - (a) the selection criteria;
  - (b) *Government Priorities*;
  - (c) all other compliant applications; and
  - (d) any other relevant matters.
89. Following the Stage 2 interviews *Innovation and Science Australia* will advise the *Minister* of the outcome of its final assessment of applications and will make recommendations on:
  - (a) which applications are suitable for funding
  - (b) the national benefits to be delivered through funding of the CRC;
  - (c) the level of funding for each successful *Applicant*; and
  - (d) any conditions to apply to any offer of funding.
90. The *Minister* will make decisions:
  - (a) at Stage 1, regarding the applications that will progress to Stage 2; and

- (b) at Stage 2, regarding which applications will be funded, the level of funding offered to each successful *Applicant* and the terms and conditions, if any, of any funding offer.
91. The *Minister's* decisions:
- (a) will take into account the requirements of these *Program Guidelines*;
  - (b) will have regard to the advice of *Innovation and Science Australia*; and
  - (c) may take into account other relevant matters, including the application and related documentation.
92. *Applicants* will be advised in writing whether they have been successful at Stage 1 and will progress to Stage 2. *Applicants* successful at Stage 1 will be advised of the requirements of Stage 2.
93. *Applicants* successful at Stage 2 will be sent a letter of offer setting out funding details and any conditions that must be addressed before the offer can be accepted, or that will otherwise apply to the funding. Unsuccessful *Applicants* at all stages will be provided with feedback and may be offered the opportunity to discuss the application.

## Announcements

94. The *Minister* may make a formal announcement advising which applications have been successful and the level of funding offered. Such public announcements may also include information provided by successful *Applicants*, compiled or obtained during the assessment of applications and negotiation of *Funding Agreements* and following consultation with *Applicants* as required.
95. The *Department* will also report the details regarding the award of grant funds on its website as per the requirements of the *Commonwealth Grants Rules and Guidelines*.

## Part Eight: Administration

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### Legal Agreements

96. The CRC collaboration will be supported by two formal agreements:
- (a) the *Funding Agreement* – an agreement between the *CRC Entity* and the Australian Government setting out the terms on which funding is provided; and
  - (b) a *Participants Agreement* – an agreement between the *Participants* and the *CRC Entity*.

### Funding Agreements

97. The *Funding Agreement* will provide for flexibility in Participant commitment, balanced against the need for stability in the collaboration, the provision of matched funding and the ability of the CRC to undertake its *Activities* to achieve the proposed outputs and outcomes.
98. The *Funding Agreement* will include:
- (a) standard terms and conditions; and
  - (b) schedules which address specific *Activities* and funding.
99. The schedules will reflect the information provided in the successful funding applications and funding offer, and will include:

- (a) the proposed *Activities*, including *Commonwealth Funded Activities*;
  - (b) intended outcomes and outputs;
  - (c) impacts and their expected benefits;
  - (d) *Participants*;
  - (e) the budget, including *Participant Contributions*; and
  - (f) the amount and timing of *CRC Program Funds*.
100. The *Funding Agreement* will refer to the *Participants Agreement*, but the Commonwealth will not be a party to the *Participants Agreement*.
101. The *Funding Agreement* will address *Participant* obligations and Commonwealth rights including:
- (a) the requirement that *CRC Program Funds* may only be used for *Commonwealth Funded Activities*;
  - (b) compliance with relevant national, and where applicable international, research integrity and ethics codes and guidelines;
  - (c) reporting, which is on a quarterly basis at minimum;
  - (d) confidentiality;
  - (e) privacy;
  - (f) insurance and indemnity;
  - (g) *Intellectual Property*;
  - (h) record-keeping requirements;
  - (i) auditing and access rights of the Commonwealth;
  - (j) cooperation with evaluations; and
  - (k) compliance with all applicable Commonwealth, State and Territory laws.
102. The *Funding Agreement* empowers the Commonwealth to recover *CRC Program Funds*, and includes provision for deferral, variation and termination of funding in certain circumstances, including failure to comply with the *Funding Agreement*. The *CRC Entity* may be required to repay *CRC Program Funding* if it has been expended contrary to the terms of the *Funding Agreement*.
103. The *Funding Agreement* also outlines the process by which the *CRC Entity* will deal with any *Conflicts of Interest* that may arise, as well as dispute resolution procedures which must be followed.
104. A *Funding Agreement* may include any other terms that the *Minister* or *Program Delegate* considers necessary to protect the Commonwealth's interests in securing the achievement of the research outcomes, relevant Commonwealth policies, the *Program* policy objectives set out in these *Program Guidelines* and making appropriate use of public monies.
105. The *Funding Agreement* requires that *Participants* commit to showcasing their *Activities* as successful cases of industry-led research collaboration, to demonstrate the value of the *Program* to other Australian industry and *Research Organisations*.
106. A draft *Funding Agreement* template is available at [business.gov.au](http://business.gov.au).
107. The Commonwealth reserves the right to amend the standard terms and conditions of the *Funding Agreement* before finalisation with successful *Applicants*.

108. The *Funding Agreement* may be varied, subject to the *Program Delegate's* agreement, during the funding period to reflect changes in the *Participants*, their contributions, the budget or *Activities* of the CRC. This provides scope for CRCs to respond to new opportunities and the dynamics of their research programs. Requests for variations to increase the agreed amount of *CRC Program Funds* will not be considered.
109. *Innovation and Science Australia* will provide advice to the *Minister* in circumstances where any proposed changes in the *Participants* would materially reduce the CRC's capacity to undertake its proposed *Activities* and to achieve the proposed outputs and impact on the continued viability or otherwise of the CRC.
110. The *Program Delegate* will not vary an approved *Activity* unless that variation would:
  - (a) enhance the ability of the CRC to achieve or improve the outputs or outcomes as identified in the *Funding Agreement*;
  - (b) be consistent with the *Program* policy objectives and purpose set out in these *Program Guidelines* and any relevant policies of the *Department*; and
  - (c) be appropriate in all circumstances.

### **Relationship between Program Guidelines and Funding Agreement**

111. In case of any contradictory information contained in these *Program Guidelines*, and/or the *Participants Agreement* and/or the *Funding Agreement*, the *Funding Agreement* takes precedence.

### **Participants Agreement**

112. The *Participants Agreement* may cover matters such as:
  - (a) the establishment of the *CRC Entity* to govern and manage the CRC;
  - (b) payment of *Participant Contributions*;
  - (c) ownership of *IP*;
  - (d) commercialisation of research results including licensing arrangements;
  - (e) appointments of key staff; and
  - (f) any other matters relevant to an equitable sharing of the costs and benefits of the work of the CRC among *Participants*.
113. A template *Participants Agreement* is available at [business.gov.au](http://business.gov.au). The template *Participants Agreement* is a resource only and its use is not mandatory. The Australian IP Toolkit for Collaboration also provides a useful framework for establishing collaborations. It is designed to facilitate, simplify and improve collaboration between researchers and industry, and the tools and model contracts can also be used as a neutral starting point to a collaboration. It is the responsibility of all *Participants* to ensure that the terms of the *Participants Agreement* are consistent with, and enable them to carry out their obligations under, the *Funding Agreement*.
114. The *Participants Agreement* for CRCs must not be inconsistent with the *Funding Agreement*, the laws of the Commonwealth, a State or Territory or these *Program Guidelines*.
115. *Participants* of CRCs are to negotiate arrangements and procedures for handling all *IP* created through the CRC, in a manner which maximises the benefits to Australia and the *Participants*. These arrangements may include the allocations of *IP* rights, or of the

income from *IP*, between the CRC and its *Participants*, including the allocations upon future wind-up of the CRC. *Participants* may wish to consult the IP Toolkit for Collaboration, which is available at [business.gov.au](http://business.gov.au).

## Offer of Funding

116. A letter of offer will be sent to successful CRC *Applicants*. The offer of funding will remain valid for six months from the date of the letter of offer and may be withdrawn after this time if the *Funding Agreement* has not been executed by both parties.

## Payments

117. The initial payment will be a proportion of the first quarterly payment paid on commencement of the *Funding Agreement* subject to the *Department* being satisfied that significant progress has been made in finalising the *Participants Agreement*. The second payment will be the remaining proportion of the first quarterly payment and will be made in arrears once both the *Funding Agreement* and *Participants Agreement* have commenced subject to provision of a satisfactory quarterly statement to the *Department*.
118. All other payments will be made quarterly in arrears subject to the provision of a satisfactory quarterly statement to the *Department* and compliance with reporting requirements.
119. The quarterly financial statements must contain a certification by the *CEO* or a board member that all funding received was expended for the CRC's *Activities* and in accordance with the *Funding Agreement* and relevant *Milestones*.
120. Continued *CRC Program Funding* through the period of the *Funding Agreement* is subject to:
  - (a) satisfactory progress against agreed research (including education and training) and commercialisation *Milestones*;
  - (b) ongoing support from *Participants*; and
  - (c) ongoing ability to fulfil the *Participant Contributions*, in accordance with the *Funding Agreement*.
121. Before the final payment is made, an independent audit certificate from the CRC will be required. The audit certificate must cover all *Eligible Expenditure*.
122. *Payment of CRC Program Funding* may be deferred, varied, or terminated at the *Program Delegate's* sole discretion.

## Taxation Obligations

123. *CRC Program Funds* attract the *Goods and Services Tax (GST)*. Payments are increased from the contracted GST-exclusive amounts to compensate for the amount of this tax.
124. *CRC Program Funds* under the *Program* are treated as assessable income for taxation purposes, unless specifically exempted. On this basis, *Applicants* are recommended to seek their own independent professional advice on their taxation obligations.
125. R&D Tax Incentive clawback provisions may apply and industry contributions to CRCs may be eligible for the R&D tax offset. Information on the R&D Tax Incentive is available from [business.gov.au](http://business.gov.au) and the [Australian Tax Office](http://www.ato.gov.au).

## Other terms and conditions

126. All applications for funding become the property of the *Department* once lodged. The *Department* may copy, amend, extract or otherwise deal with all or any part of an application for the purpose of conducting the assessment process or for promoting, evaluating or reporting on the *Program*.
127. Notwithstanding any other provision of these *Program Guidelines*, the *Program Delegate* reserves the right to:
  - (a) require additional information or clarification from any or all *Applicants*;
  - (b) allow or not allow a successful *Applicant* to enter into a *Funding Agreement* in the name of a different legal entity from the entity which it used in its application for funding;
  - (c) withdraw an offer to an *Applicant* to enter into a *Funding Agreement* at any time before the *Funding Agreement* is executed if the *Program Delegate* considers, in his or her absolute discretion, that:
    - the *Activities* have materially changed;
    - any aspect of the *Applicant's* application has materially changed; or
    - the *Applicant* is not going to be able to (or does not) comply with any requirement of these *Program Guidelines*.
128. The *Program Delegate* may refuse to approve or enter into a *Funding Agreement* with an *Applicant* where they deem the *Activities* to be inconsistent with Australia's international obligations, including under the World Trade Organisation (WTO).

## Part Nine: Reporting, Monitoring and Evaluation

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### Reporting

129. CRCs must provide reports to the *Department*. The reports must be in the form requested by the *Department* and relate to the time-period specified by the *Department*. Reports requested may include quarterly, annual, end of CRC reporting, and post-completion reporting.
130. Key reporting requirements will be outlined in the *Funding Agreement*, and the *Department* will issue further reporting guidance from time to time, available at [business.gov.au](http://business.gov.au).

### Reviews

131. The *Department* may commission reviews of CRC's performance from time to time. These reviews may include an assessment of the CRC's achievements against specified intended outputs and outcomes in the *Funding Agreement*.
132. *Innovation and Science Australia* will oversee any reviews. An expert review panel, independent of the particular CRC, may be established. The review panel members will be selected on the basis of their relevant expertise and professional standing and will include at least one *CRC Advisory Committee* member, or an *Innovation and Science Australia* nominated *Independent Expert*.
133. The *Department* will issue guidance for such reviews from time to time, to be available at [business.gov.au](http://business.gov.au).

## Additional Reviews

134. The *Department* may commission ad hoc reviews from time to time, including in cases where substantial changes to the CRC are being proposed or the CRC is not meeting outputs and outcomes as specified in the *Funding Agreement*.

## Evaluation

135. CRC performance will be evaluated against agreed outputs and outcomes as specified in the *Funding Agreement*.
136. Information provided by CRCs will be used by *Innovation and Science Australia* and the *Department* as a framework against which a CRC's performance can be evaluated.
137. The *Funding Agreement*, reports and formal reviews will require CRCs to collect and maintain information relevant to assess the achievement of the CRC's outputs and outcomes.
138. The purpose of these evaluations is to maintain rigorous evidence of the benefits delivered to the Australian economy through the *Program*.
139. *Innovation and Science Australia* may, at its sole discretion and at any time, request information within a specified time frame regarding a CRC's performance. This information will be considered by *Innovation and Science Australia* in its evaluation of ongoing performance.

## Other Information

140. The *Department* will from time to time provide additional guidance on the monitoring and evaluation of CRCs.
141. *Innovation and Science Australia* and the *CRC Advisory Committee* may, at their discretion and at any time, request information within a specified time frame regarding a CRC's performance.

## Part Ten: Commonwealth's Other Rights

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142. Nothing in these *Program Guidelines* should be construed to give rise to any contractual obligations or rights, express or implied, by the issue of these *Program Guidelines* or the submission of an application under the *Program*. No contract will be created until a formal written *Funding Agreement* is executed between a successful *Applicant* and the Commonwealth, represented by the *Department*.
143. Notwithstanding any other provision of these *Program Guidelines*, the *Minister* reserves the right, at any time, to:
  - (a) alter, amend or vary these *Program Guidelines*, and the process outlined in these *Program Guidelines*; and
  - (b) act, refrain from acting, or make a decision, that is inconsistent with these *Program Guidelines*.
144. Notwithstanding the approval of any application for *CRC Program Funding*, the provision of *CRC Program Funding* by the Commonwealth, and the amount of any *CRC Program Funding*, is subject to available Australian Government funding and changes in Australian Government policy.

145. Notwithstanding any other provisions in these program guidelines, should there be no legislative authority for supporting the CRC stream of the *Program*, selection rounds would not be conducted and further funding commitments would not be made.
146. From time to time, the *Department* may enter an agreement with another Commonwealth entity to assist with administering a CRC specific to that Commonwealth entity. This agreement may take guidance from these *Program Guidelines* but a CRC administered under such an agreement does not become part of the *Program*.

## Part Eleven: Privacy, Confidentiality and Freedom of Information

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### Privacy

147. The *Department* is bound by the Australian Privacy Principles (APPs) outlined in [Schedule 1](#) of the *Privacy Act 1988* (Privacy Act). The APPs regulate how the *Department* may collect, use, disclose and store *Personal Information*.
148. *Personal Information* under the *Privacy Act 1988* means information or an opinion (whether true or false) about a natural person who is identifiable or reasonably identifiable.
149. *Personal Information* obtained by the *Department* will only be used by the Commonwealth and disclosed to contractors, the Minister and Ministerial office for the purposes of:
  - (a) administering the *Program* and any related purposes, including program and policy evaluation and development; and
  - (b) departmental research, analysis, and evaluation, except where authorised or required by law.
150. You must obtain consent from the individual before providing their *Personal Information* to the *Department* or any other third parties, except where authorised or required by law.
151. For further information as to how the *Department* handles *Personal Information*, please refer to the *Department's* [Privacy Policy](#).

### Confidentiality

152. We will treat your information as Confidential Information if:
  - (a) you clearly identify the information as confidential; and
  - (b) the information has the necessary quality of confidence (that is, it must be significant information which is private and not already in the public domain).
153. Unless we obtain your consent, we will not disclose your Confidential Information other than to:
  - a) Commonwealth employees and contractors; and
  - b) the responsible Commonwealth *Minister*for the purposes of:

- c) administering the *Program* and any related purposes, including program and policy evaluation and development; and
  - d) departmental research, analysis, and evaluation.
154. The name of the CRC provided by *Applicants* may be used to publicly advise the titles of the CRC applications that have been received in a selection round and/or CRC applications that are progressing to Stage 2 of the assessment process.
155. The information provided in an application for *CRC Program Funding*:
- (a) will be used by the *Department* to determine eligibility for *CRC Program Funding*, for the assessment of applications, and for the administration and further development of the *Program*. Any subsequent information provided to the *Department*, its Advisers or other service providers in the course of the *Program* may be used for similar purposes;
  - (b) may be disclosed between the *Department*, its advisers and other contractors and service providers (including *Independent Experts*) for the purposes described above;
  - (c) may be disclosed to other government departments and agencies;
  - (d) may be disclosed for audit purposes to contractors engaged by the *Department* and to other Australian Government agencies for audit, reporting and law enforcement purposes;
  - (e) may be disclosed by the *Department* for other purposes if it obtains the *Applicant's* consent; and
  - (f) may also be disclosed as permitted or required by law, or in response to questions posed by the *Minister*, Parliament or its committees (for example, if the *Department* is required to respond to a resolution of the Parliament, or an order of a court).
156. In addition to anything in these *Program Guidelines*, from time to time the *Department* may be authorised or required by law to disclose information (including *Personal Information* and Confidential Information) to other persons, including but not limited to:
- a) a Commonwealth *Minister* and Ministerial office;
  - b) a House or a Committee of the Parliament of Australia;
  - c) the Auditor-General under the *Auditor-General Act 1997*;
  - d) the Commonwealth Ombudsman under the *Ombudsman Act 1976*; and
  - e) the Privacy Commissioner under the *Privacy Act 1988*.
157. Confidential Information may also be disclosed if the Commonwealth is otherwise required or permitted by law to do so, where the consent of the *Applicant* to the release of information is obtained prior to its disclosure, or where the information enters the public domain due to the actions of someone other than the Commonwealth.
158. *Applicants* concerned about confidentiality should contact the *Department's* Privacy Contact Officer:

Privacy Contact Officer

**Email:** [privacy@industry.gov.au](mailto:privacy@industry.gov.au)

Department of Industry, Innovation and Science

10 Binara Street

Canberra City ACT 2601

### Freedom of Information

159. All documents created or held by the *Department* in relation to the *Program* are subject to the *Freedom of Information Act 1982* (FOI Act). Unless information is exempt, it will be made available to the general public if requested under the FOI Act.
160. All FOI requests are to be referred to the FOI Coordinator in the *Department* ([foi@industry.gov.au](mailto:foi@industry.gov.au)). Decisions regarding requests for access will be made by an authorised officer in accordance with the requirements of the FOI Act.

### Information Storage

161. Any information obtained will be stored and held in accordance with the *Department's* obligations under the *Archives Act 1983*.

### Disclosure of interest

162. The *Department* has procedures for managing disclosure of interest by departmental staff, technical experts and other third parties involved in assessments of applications. *Conflicts of Interest* will be managed in accordance with these procedures.
163. The *Department's* procedures for managing disclosure of interest are in accordance with the requirements of the *APS Code of Conduct* (section 13 (7) of the *Public Service Act 1999*) and are published on the *Department* website.
164. The *Department* will manage potential, perceived and actual *Innovation and Science Australia* or *CRC Advisory Committee* member conflicts of interest through a disclosure of interest process that requires declaration of any *Conflict of Interest* by *Innovation and Science Australia* and *CRC Advisory Committee* Members and exclusion of that member(s) from the application assessment if the *Department* determines that the *Conflict of Interest* is material.

### Complaint Handling Mechanism

165. The *Department* has procedures for the handling of complaints concerning the *Program*, available at [business.gov.au](http://business.gov.au). Complaints concerning assessments and/or decisions will, in the first instance, be directed to the *Program Delegate*.
166. The *Applicant* is also entitled to lodge a complaint with the Commonwealth Ombudsman. Details of how *Applicants* may lodge a complaint are available at [business.gov.au](http://business.gov.au).

# Appendix A

## Definitions of Key Terms

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In these *Program Guidelines* unless the contrary intention applies:

**Activities** means the research, education, commercialisation and other programs undertaken by the CRC.

**Applicant** means an entity referred to in these *Program Guidelines* that submits an *Application* for *CRC Program Funding*.

**Capital Item** means an asset of durable nature, the purchase price of which exceeds \$20,000.

**Cash Contributions** means money, which is not a loan, that is immediately available to the CRC for use for the *Activities*.

**CEO** means the person appointed as the Chief Executive Officer of the CRC (whether known as the Chief Executive Officer or another title such as director or manager).

**Commonwealth Funded Activities** means the activities set out at clause 54.

**Commonwealth Grants Rules and Guidelines** means a legislative instrument issued by the Finance Minister under section 105C of the PGPA Act, which establishes the framework under which entities determine their own specific grants administration processes. All officials performing duties in relation to grants administration must act in accordance with the CGRGs.

**Commonwealth Supported Research** means significant research that inquires into a matter of significance to the nation. It includes significant research into matters identified as *Science and Research Priorities* or significant research about matters of importance for the development of *Growth Sectors*.

**Conflict of Interest** means the exercise of a power or making of a decision by a person in a way that may be, or may be perceived to be, influenced by either a material personal interest (whether financial or non-financial) or a material personal association.

**CRC Advisory Committee** is a committee of *Innovation and Science Australia* established under the *Industry Research and Development Act 1986*.

**CRC Board** means the board of directors of a CRC.

**CRC Entity** means the incorporated company that will govern and manage the CRC (the CRC being the collaboration between the Participants and the CRC Entity).

**CRC Program Funds or Funding** means funds provided by the Australian Government for the *Program* as a whole, and/or financial assistance provided to a CRC for expenditure on *Activities* under a *Funding Agreement*.

**Department** means the department responsible for administering the *Program*.

**Direct Support Costs of Research** means those costs that are specifically related to an individual research activity and do not include *indirect costs of research*.

**Eligible Expenditure** means expenditure that is authorised by the *Funding Agreement*.

**Funding Agreement** means a single agreement for the receipt of a grant under the *Program*. A draft *Funding Agreement* template is available at [business.gov.au](http://business.gov.au).

**Goods and Services Tax (GST)** has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999*.

**Government Priorities** means the Science and Research Priorities, the Industry Knowledge Priorities developed under the Industry Growth Centres Initiative, or any other science, research, industry and innovation priorities identified by the Australian Government from time to time.

**Growth Centre** means a not-for-profit company limited by guarantee responsible for delivering the Industry Growth Centres Initiative.

**Growth Sectors** means the priority industry sectors identified by the Australian Government under the Industry Growth Centres Initiative as areas of competitive strength and strategic priority for Australia and include advanced manufacturing; cyber security; food and agribusiness; medical technologies and pharmaceuticals; mining equipment, technology and services; and oil, gas and energy resources.

**Impact Tool** means a high level, strategic planning tool that supports *Applicants* to identify the type and value of costs, benefits and risks associated with the CRC.

**Independent Experts** means experts appointed by the *Department, Innovation and Science Australia* or the *CRC Advisory Committee* to assist with specific aspects of assessing funding applications and performance reviews.

**Indirect Support Costs of Research** means costs that do not directly support an individual research activity including institutional overheads and administrative charges, infrastructure and facilities such as physical space and all the services associated with it, furniture and consumables that are not specific to the research activity.

**Industry Entity** means an entity with an Australian Business Number, where the majority of its revenue is not derived from any government, capable of deploying research outputs in a commercial context excluding:

- a *Research Organisation*; and
- entities where the primary function is administrative or to provide support services to a CRC-P.

**In-kind Contributions** means non-cash resources contributed by a *Participant* to conduct the *Activities* of the CRC. They may be staff or non-staff resources.

**Innovation and Science Australia** means the independent statutory body established under the *Industry Research and Development Act 1986*. *Innovation and Science Australia* may, by resolution, delegate to a committee (such as the *CRC Advisory Committee*) all or any of its functions and powers.

**Intellectual Property or IP** includes all copyright (including rights in relation to phonograms and broadcasts), and all rights in relation to inventions (including patents), plant varieties, registered and unregistered trademarks, registered designs, confidential information (including trade secrets and know-how) and circuit layouts and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

**Milestones** means activities, targets or performance indicators to be achieved in a given time-frame, which define a CRCs critical path in delivering the proposed outputs.

**Minister** means the *Minister* for Industry, Innovation and Science.

**Participant** means those persons or bodies who provide support (including essential *cash contributions* or *in-kind contributions*) that is integral to the success of the CRC.

**Participants Agreement** means the agreement between the *Participants*. A template *Participants Agreement* is available at [business.gov.au](http://business.gov.au).

**Participant Contributions** means the *cash contributions*, personnel, facilities and services to be provided by a *Participant* to the CRC for the *Activities* from its own resources.

**Personal Information** means the same as in the *Privacy Act 1988*.

**Program** means the Cooperative Research Centres (CRC) Program.

**Program Delegate** means of the AusIndustry General Manager in the *Department* authorised by the *Minister*, to carry out the relevant functions in respect of the *Program*.

**Program Guidelines** means these guidelines, which are given by the *Minister* to the *Department* to provide a framework for the operation and administration of the *Program*, as in force from time to time.

**Publicly Funded Research Organisation** means all higher education providers listed at Table A and Table B of the *Higher Education Support Act 2003* as well as Federal, State and Territory Government departments or agencies which undertake publicly funded research. This includes, but is not limited to, Commonwealth Scientific and Industrial Research Organisation, Defence Science and Technology Organisation, Australian Institute of Marine Science and Australian Nuclear Science and Technology Organisation.

**Research Organisation(s)** means a *Publicly Funded Research Organisation*.

**Science and Research Priorities** means the matters identified by the Australian Government as areas of critical importance for research, and include food, soil and water, transport, cyber security, energy, resources, advanced manufacturing, environmental change and health.

**Small and Medium Enterprises (SMEs)** means firms or industry which employ up to 200 staff.

**Translation** in relation to research, means publication of research and deployment and take-up of research outputs.