

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 ADDITIONAL ESTIMATES HEARING

Outcome 3
Output Group: 3.2 – Assistance for collaboration and innovation

DEST Question No. E959_07

Senator Crossin asked on 14 February 2007, EWRE Hansard page 81-82.

Question:

Cooperative Research Centre guidelines

Senator CROSSIN—In that first guideline, has that been the same since 2002 and 2004?

Ms Emery—My understanding is that each of those criteria is the same as between 2004 and 2006, but I have to take that on notice.

Senator CROSSIN—What is the difference between 2002 and 2004?

Ms Emery—In 2002, I understand that there were nine selection criteria. That has now been reduced to four selection criteria.

Senator CROSSIN—Can you take on notice for me the difference, then, in those 2002, 2004 and 2006 guidelines.

Ms Emery—Yes, certainly.

Senator CROSSIN—I want to know exactly what it is that has changed.

Ms Emery—In terms of the selection criteria?

Senator CROSSIN—Both—and the guidelines.

Ms Emery—So in terms of process?

Senator CROSSIN—Yes. Everything. I want to know why the process is different and why the guidelines are different. I want to track what has changed from 2002 to now.

Answer:

Cooperative Research Centre guidelines

Changes introduced in the 2004 Selection Round

Following an extensive independent evaluation of the Programme in 2003, a significant change in focus was introduced for the 2004 selection round.

The main changes between the 2002 and 2004 selection rounds were:

- A much stronger focus on the commercialisation and utilisation of research outcomes and the CRC's contribution to Australia's economic growth;
- The number of selection criteria was reduced from nine to four;

- Introduction of a two stage application process (Stage 1 – Business Concept Case and Stage 2 – Full Business Case for those invited to participate in Stage 2);
- Applications were lodged electronically rather than by hard copy;
- Applicants were required to include specific milestones for the research and commercialisation/ utilisation activities;
- Applicants were to provide the number of in-kind staff contributions, rather than the dollar value of the in-kind staff;
- In addition to members with a research background, the Appraisal Panels included members with significant industry and investment background; and
- Successful CRCs were required to become incorporated with the Company and its Directors being required to act in accordance with the *Corporations Act 2001*. Previously, the CRC could be established as an unincorporated joint venture.

Changes introduced in the 2006 Selection Round

After the 2004 Selection Round, the Department received feedback from a number of stakeholders, including the Group of Eight universities, CSIRO, representatives from successful CRCs and representatives of State government agencies.

As a result of that feedback, a number of changes were introduced to the 2006 selection round, while still retaining the focus on contributing to growth in the Australian economy. The main changes between the 2004 and 2006 selection rounds were:

- Removal of the Notification of Intent to Apply stage;
- The amount of detail required to be provided was eased considerably, particularly for the Business Concept Case (Stage 1);
- Applicants needed to provide an indication in their Business Concept Case of the level of resources that would be contributed to the CRC. In the 2004 round, applicants had to provide an absolute commitment at that stage;
- Applicants were also given more time to prepare their Full Business Case (Stage 2), should they be invited to lodge a Stage 2 application;
- Appraisal Panels were expanded to include a member of the CRC Committee; and
- The Commonwealth Agreement for successful 2006 round applicants will be solely between the CRC Company and the Commonwealth – core participants will no longer be required to sign this agreement.

The attached table provides details of the key elements of the CRC Programme Selection Guidelines and Process utilised in the 2002, 2004 and 2006 CRC Selection Rounds.

Key elements of the CRC Programme Selection Guidelines and Process used in 2002, 2004 and 2006.

2002 CRC Selection Round	
Programme Objective	<p>The Government objectives for the Programme are:</p> <ul style="list-style-type: none"> ▪ To enhance the contribution of long-term scientific and technological research and innovation to Australia's sustainable economic and social development; ▪ To enhance the transfer of research outputs into commercial or other outcomes of economic, environmental or social benefit to Australia; ▪ To enhance the value to Australia of graduate researchers; and ▪ To enhance collaboration among researchers, between researchers and industry or other users, and to improve efficiency in the use of intellectual and other research resources.
Selection Criteria	<ol style="list-style-type: none"> 1. The proposed CRC has well defined objectives that address a specific community and/or industry need. 2. The proposed outcomes of the CRC will make a significant contribution to Australia's sustainable economic and social development. 3. The proposed research programme is of high quality and is well defined, with clear outputs that are achievable over the life of the CRC. The outputs are relevant to the stated objectives under selection criterion 1. 4. The proposed CRC has a well structured, feasible and practicable strategy for the commercialisation, technology transfer or utilisation of the research outputs to achieve the proposed outcomes identified under selection criterion 2. The strategy should specifically address SME involvement in the CRC through direct or indirect participation and through involvement in the application of research outputs through commercialisation, technology transfer or utilisation, including where appropriate the spin-off of new SME companies. Milestones should be identified as a basis for performance monitoring. 5. The proposed CRC has a well developed graduate education and training programme oriented to research user and industry needs. The education and training programme will demonstrably enhance the employment prospects and the value of the graduates of the programme in the industry and user environment. 6. The collaborative arrangements reflect a strong commitment by participants to build links between the research groups and organisations, and between research groups and user and industry participants. The

	<p>collaborative arrangements will integrate and enhance the CRCs research and educational programmes. The proposed CRC is required to address the issue of international linkages and indicate how proposed linkages would contribute to the objectives of the CRC.</p> <p>7. The budgeted resources, cash and in-kind support, including time allocation of key personnel, from all participants clearly demonstrate their commitment to the CRC and is adequate to support the proposed research and education programmes.</p> <p>8. The proposed CRC has an effective management structure, including financial, operational and research management arrangements, to ensure that the objectives of the CRC are realised.</p> <p>9. The proposed CRC has a performance monitoring and evaluation strategy appropriate for the internal assessment of research and education programmes, and for commercialisation, technology transfer or utilisation. The strategy will also meet the reporting requirements of the Commonwealth.</p>
<p>Selection Process</p>	<ul style="list-style-type: none"> ▪ Submission of Notification of Intent to Apply. ▪ Submission of full application. ▪ Applications were reviewed and short listed. ▪ Assessment reports for each remaining application were obtained from referees. ▪ Appraisal Panels reviewed each application and provided advice to the CRC Committee. ▪ CRC Committee reviewed each application and the assessments and applications were short listed for interview. ▪ Interviews conducted for the short listed applications. ▪ The CRC Committee recommended to the Minister the applications to be funded and any conditions that should be applied to the offer of funding. ▪ The Minister makes the final decision on the applications to be funded and the level of funding and any conditions that should be applied to the offer of funding.

<p>2004 CRC Selection Round</p>	
<p>Programme Objective</p>	<p>The objective of the CRC Programme is:</p> <p>“to enhance Australia’s industrial, commercial and economic growth through the development of sustained, user-driven, cooperative public-private research centres that achieve high levels of outcomes in adoption and commercialisation”.</p>
<p>Selection Criteria</p>	<p>1. The outcomes will contribute substantially to Australia’s industrial, commercial and economic growth.</p>

	<ol style="list-style-type: none"> 2. The path to adoption (commercialisation/ utilisation) will achieve the identified outcomes. 3. The collaboration has the capability to achieve the intended results. 4. The funding sought will generate a return and represents good value for the taxpayer.
Selection Process	<ul style="list-style-type: none"> ▪ Submission of Notification of Intent to Apply. ▪ Submission of Preliminary Business Case. ▪ Preliminary Business Case applications were reviewed and short listed. Selected applicants invited to submit a Full Business Case. ▪ Submission of Full Business Case. ▪ Assessment reports for each remaining application were obtained from referees and independent assessors. ▪ Appraisal Panels reviewed each application and provided advice to the CRC Committee. ▪ CRC Committee reviewed each application and the assessments and applications were short listed for interview. ▪ Interviews conducted for the short listed applications. ▪ The CRC Committee recommended to the Minister the applications to be funded and any conditions that should be applied to the offer of funding. ▪ The Minister makes the final decision on the applications to be funded and the level of funding and any conditions that should be applied to the offer of funding.

2006 CRC Selection Round	
Programme Objective	<p>The objective of the CRC Programme is:</p> <p>“to enhance Australia’s industrial, commercial and economic growth through the development of sustained, user-driven, cooperative public-private research centres that achieve high levels of outcomes in adoption and commercialisation”.</p>
Selection Criteria	<ol style="list-style-type: none"> 1. The outcomes will contribute substantially to Australia’s industrial, commercial and economic growth. 2. The path to adoption (commercialisation/ utilisation) will achieve the identified outcomes. 3. The collaboration has the capability to achieve the intended results. 4. The funding sought will generate a return and represents good value for the taxpayer.

Selection Process

- Submission of Business Concept Case (a simplified version of the 2004 Preliminary Business Case).
- Business Concept Case applications were reviewed and short listed. Selected applicants invited to submit a Full Business Case.
- Submission of Full Business Case.
- Assessment reports for each remaining application were obtained from independent assessors.
- Appraisal Panels reviewed each application and provided advice to the CRC Committee.
- CRC Committee reviewed each application and the assessments and applications were short listed for interview.
- Interviews conducted for the short listed applications.
- The CRC Committee recommended to the Minister the applications to be funded and any conditions that should be applied to the offer of funding.
- The Minister makes the final decision on the applications to be funded and the level of funding and any conditions that should be applied to the offer of funding.