



Australian Government
Department of Agriculture



Rural Research and Development (R&D) for Profit programme

Round one applicant guidelines

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Rural R&D for Profit

1. Programme overview

The \$100 million *Rural R&D for Profit* programme will provide grants to rural research and development corporations (RDCs) for collaborative research which enhances farm-gate profitability and supports the continued innovation of Australia's primary industries. The programme implements the Australian Government's 2013 election commitment to provide additional funding to the RDCs to fund research which focuses on delivering cutting edge technologies and making research accessible for primary producers, while better leveraging coordination and cooperation between stakeholders.

Australia's primary industries have a strong tradition of innovation and adapting to change. Today, our agriculture, fisheries and forestry sectors face a number of national and global challenges including rising input costs, growing world food demand, the threat of pests and diseases and climate variability. Recent studies also suggest the growth rate of productivity in Australian agriculture has slowed. The Australian Government is responding to this with additional investment in nationally coordinated, strategic research that delivers real outcomes for primary producers.

Evidence shows that research and development (R&D) makes a significant contribution to growth in agricultural productivity. Since the 1930s, the Australian Government and industry have jointly invested in research for the benefit of industry and the community, most recently through the RDCs. The government also works with the state and territory governments, universities and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) through the National Primary Industries Research Development and Extension (RD&E) Framework to encourage greater collaboration and coordination in the investment of RD&E resources nationally. The current level of government funding for RDCs is approximately \$250 million per year (in addition to the funding provided through industry levies).

The Rural R&D for Profit programme will be administered by the Department of Agriculture. Grants will be provided to the RDCs, as established national R&D funding bodies, to provide national industry benefits as well as benefits to the wider community. The Financial Management and Accountability Regulations 1997 provide legislative authority for expenditure under this programme.

For the purposes of this programme, 'primary producers' and 'primary industries' refer respectively to producers and industries in the agriculture, fisheries and forestry sectors.

2. Objective of the programme

The objective of the Rural R&D for Profit programme is to realise productivity and profitability improvements for primary producers, through:

- Generating knowledge, technologies, products or processes that benefit primary producers.
- Strengthening pathways to extend the results of rural R&D, including understanding the barriers to adoption.

- Establishing and fostering industry and research collaborations that form the basis for ongoing innovation and growth of Australian agriculture.

3. How will the programme operate?

Rural R&D for Profit is a \$100 million competitive grants programme. Funding is available over four financial years (2014-15 to 2017-18) with approximately \$19.2 million to be paid in 2014-15. There are expected to be two or more rounds of funding. It is anticipated that no more than \$30 million will be allocated in the first round, across multiple financial years. This will help to ensure there are sufficient programme funds available for allocation in future funding rounds.

This is a co-investment programme—the applicant and/or partner organisation(s) must provide cash co-investment contributions to the project. In-kind contributions will also be accepted. The total contribution should be at least equal to the requested Commonwealth grant funding. Where in-kind contributions are used, these must not exceed 50 per cent of applicant/partner contributions. In-kind costs must be specified, justified and reasonable within the context of the proposed project.

Projects may run over multiple years. For projects approved in the first round of the programme, the Commonwealth expects to provide the majority of its grant funding in the first year of the project. This may assist applicants and partner organisations who have already committed their 2014–15 budgets. There are no restrictions on the year-by-year funding profile of contributions provided by the applicant and/or partners. The department may release further guidance on Commonwealth preferences for project funding profiles in the second and subsequent rounds.

Where research gaps have been identified and/or priorities have not been met after running an application process for an individual round, the Minister for Agriculture may consider other forms of financial arrangements such as commissioned projects or targeted processes to further the objective of the programme. It is expected that, in these cases, the assessment criteria and processes outlined in these guidelines will remain applicable.

See Section 12 of these guidelines for information about how applications are assessed and Section 13 for information about the selection process.

4. What are the programme priorities for round one?

For each funding round, the department will release updated priorities, determined by the Minister. The priorities for the second and any subsequent funding rounds will be informed by the outcomes of the Agricultural Competitiveness White Paper, and will be made available before future funding rounds are opened for application.

In round one, applications must address one or more of the following RD&E priorities:

1. Increase the profitability and productivity of primary industries

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| Priority 1(a) | help producers increase yields and/or reduce costs by applying <u>innovative technologies</u> and/or technologies from other industries. |
|---------------|--|

- Priority 1(b) research the potential for cost effective infrastructure to assist producers boost profits and break barriers to increased enterprise infrastructure investment.
- Priority 1(c) help producers manage natural resources in an integrated way at enterprise or regional level for long-term use and profit.

2. Increase the value of primary products

- Priority 2(a) add value to primary products by creating supply-chain efficiencies, extending the shelf life of products, developing new or improved products or demonstrating product provenance or integrity.
- Priority 2(b) provide information to producers about markets and consumer preferences to better inform producer business decisions, or improve their access to new and existing markets.

3. Strengthen primary producers' ability to adapt to opportunities and threats

- Priority 3(a) integrate data and deliver information to help producers manage risk, benchmark performance and make production decisions for greatest profit.
- Priority 3(b) improve biosecurity surveillance systems and tools to help producers plan for and respond to pests and disease.

4. Strengthen on-farm adoption and improve information flows

- Priority 4(a) consolidate knowledge of extension and adoption to better deliver practical results to primary producers, founded on what producers want from extension services.
- Priority 4(b) identify practical proposals to stimulate private sector extension services, particularly to fill current gaps.
- Priority 4(c) identify practical means to co-ordinate extension services for producers, including the development of tools and/or platforms.

The intent of the fourth priority is to examine Australia's rural extension and support planning and design for future delivery options and infrastructure requirements. The fourth priority is not intended to replace state or privately provided extension services. Priority 4 project proposals are to be guided by consultation with the department and may involve a consortium of RDCs.

5. Who is eligible to apply for funding?

Only the 15 rural RDCs are eligible to apply for funding under the programme. The RDCs are:

- Australian Egg Corporation Limited
- Australian Grape and Wine Authority
- Australian Livestock Export Corporation Limited
- Australian Meat Processor Corporation Limited
- Australian Pork Limited

- Australian Wool Innovation Limited
- Cotton Research and Development Corporation
- Dairy Australia Limited
- Fisheries Research and Development Corporation
- Forest and Wood Products Australia Limited
- Grains Research and Development Corporation
- Horticulture Australia Limited
- Meat and Livestock Australia Limited
- Rural Industries Research and Development Corporation
- Sugar Research Australia Limited

RDCs must partner with one or more researchers, research agencies, RDCs, funding bodies, businesses, producer groups or not-for-profit organisations. Partners may be international organisations, however programme funding must expect to achieve demonstrable benefits for Australian primary industries.

For each project, the department will only enter into a grant agreement with a single RDC. Where two or more RDCs seek funding as a consortium, a member of the consortium must be appointed as the applicant. The applicant will submit the application and be the legal entity that, if successful, enters into a grant agreement with the department.

The applicant must have the agreement of the other project partner(s) to submit the application, including agreement to partners' roles and responsibilities and any confirmed cash and/or in-kind contributions committed to the project. Project partners will be treated as subcontractors for the purposes of the grant agreement.

6. What qualifies for funding?

To be eligible, a project must meet the following criteria:

- The applicant must partner with one or more researchers, research agencies, RDCs, funding bodies, businesses, producer groups or not-for-profit organisations.
- The applicant and/or partner organisation(s) must provide cash co-investment contributions to the project. In-kind contributions will also be accepted. The total contribution should be at least equal to the requested Commonwealth grant funding. Where in-kind contributions are used, these must not exceed 50 per cent of applicant/partner contributions. In-kind costs must be specified, justified and reasonable within the context of the proposed project.
- All project applicants and/or partners must confirm in writing the cash contribution they are committing to the project.
- Research must address one or more programme priorities.
- Research must outline pathways to adoption by primary producers of the outcomes of projects.

Only costs that are directly incurred in carrying out or administering the project are eligible for funding. These include (but are not limited to):

- Costs of laboratory and/or field analyses, including non-capital equipment and costs of running equipment.
- Data analysis.
- Field work costs.
- Travel where it is directly related to carrying out the project.
- Development of communications material as required to make project information available.

7. What does NOT qualify for funding?

The following projects will not be funded under the programme:

- Projects that duplicate or replicate activities for which the applicant or a project partner is already receiving, or has previously received, funding from the Commonwealth or from another source (e.g. a state or local government or private sector programme).
- Projects that deliver extension services that are not directly related to research or development undertaken as part of this programme.

Costs incurred that are not directly related to carrying out or administering the project are ineligible for funding. These include (but are not limited to):

- Preparation of application materials.
- Protecting or patenting intellectual property.
- Activities of a distinctly commercial or proprietary nature that are aimed at selling or attracting investment.
- Developing, building or producing commercial prototypes to commercialise a research project outcome.
- Creation of new institutions.
- Establishing new commercial ventures.
- Core business expenses not directly related to carrying out the project, including administrative, overhead and infrastructure costs, staff salaries and relocation costs, living allowances, and travel.
- Financial support for feasibility studies.
- Hospitality or catering beyond reasonable costs for providing refreshments at project workshops or field days.
- Purchasing of infrastructure, major equipment or activities that could be considered part of normal business or ongoing operations, unless integral to delivery of the project.

8. How to apply

An application form (in Microsoft Word format) can be obtained by contacting the department via email at RuralR&D@agriculture.gov.au or by phone on 02 6272 5603. Applications must be submitted via email to RuralR&D@agriculture.gov.au. Applications must be received by the department by 11:59 pm (AEST) on 15 December 2014. All applications will be registered and acknowledged by email.

Applications that do not meet the advertised closing date may not be accepted. The department may consider the submission of late applications under extenuating circumstances provided an alternative timeframe has been agreed prior to the closing date or the delay is a result of an issue with the Department's email system. Requests for an extension of time to lodge an application must be made in writing to the programme manager by email to RuralR&D@agriculture.gov.au. Any decision by the department to accept or not accept a late application will be final. Further details on the application process may be posted on the department's website at agriculture.gov.au/rd4profit.

9. Corrections

It is the responsibility of the applicant to ensure their application is complete and correct. The department will not accept responsibility for any misunderstanding arising from the failure by an applicant to comply with the guidelines, or arising from any discrepancies, ambiguities, inconsistencies or errors in an application.

If an applicant discovers any material discrepancy, ambiguity, inconsistency or errors in their application, they must immediately bring it to the attention of the department by emailing the programme manager at RuralR&D@agriculture.gov.au. The department may request clarification information from an applicant and allow them to remedy any discrepancy, ambiguity, inconsistency or errors in an application. The department may consider information submitted by an applicant after the closing date for the purpose of resolving any material discrepancy, ambiguity, inconsistency or errors in an application provided that no new information has been added, which has not been referred to in the original application. The department's decision will be final and will be made at its absolute discretion.

10. False and misleading information

Applicants should be aware that the giving of false or misleading information is a serious offence under the *Criminal Code Act 1995 (Cth)*.

11. Conflict of Interest

A conflict of interest arises where a person makes a decision or exercises a power in a way that may be, or may be perceived to be, influenced by either material personal interest (financial or non-financial) or material personal associations.

Applicants are required to advise whether any actual or potential or perceived conflicts of interest exist in relation to their application.

If a conflict of interests arises, or appears likely to arise, the applicant must:

- make full disclosure of all relevant information relating to the conflict in their application; or

- bring it to the attention of the department in writing if the conflict arises after the application has been received; and
- outline the steps the applicant intends to take to resolve or otherwise deal with the conflict.

The department reserves the right to reject an application if it is not satisfied that there are arrangements in place to appropriately address or manage a perceived or actual conflict of interest.

A register of notified conflicts of interest will be maintained by the department throughout the application and assessment process. The register will include applicant's conflicts of interest as well as those of the expert assessment panel and departmental officers.

All persons involved in the assessment of applications will be required to:

- sign and up date as needed conflict of interest declarations which will ensure the appropriate identification and management of any conflicts of interest, and
- comply with the Australian Public Service Code of Conduct.

The department will manage identified conflicts of interest in accordance with the programme's conflict of interest management plan.

12. How are applications assessed?

Each application must clearly address one or more of the research priorities identified in Section 4 of these guidelines. Applications will be scored and ranked against all other applications received. Assessment criteria will be used to determine a project's relative ranking and suitability for funding and relevance to achieving the programme objective. Applications that meet the assessment criteria to a high level are more likely to be funded.

The assessment criteria are outlined below. All five assessment criteria (a to e below) are to be equally weighted and scored. In addition to the sub-points listed under each criterion, assessors may consider other matters they consider relevant to that criterion.

a) Contribution to programme objective

Assessors may consider:

- Alignment with the Rural R&D for Profit programme objective.
- How the project will deliver clear and measurable achievements against the selected priority or priorities.
- Plan for extending, communicating and sharing project outcomes, and the likelihood of adoption.

b) Scientific or technical basis

Assessors may consider:

- Demonstrated need for the project including understanding of published literature relating to the proposed research and any assumptions and the strengths and weaknesses of previous work.
- Extent the proposed research and/or development is new and innovative; builds on existing research and/or development; addresses a research gap associated with the identified research need.

c) Risk management

Assessors may consider:

- How the applicant will deliver project outputs on time and within budget.
- Governance arrangements for the project, including the applicant's capacity for reporting and project management and the way in which partnerships will operate, both administratively and practically.
- Detailed risk mitigation and data management strategies.
- Demonstration of industry support for the project.

d) Value for money

Assessors may consider:

- Budget items are eligible, reasonable and relevant to the project activities, recognising the project and a sense of its scale.
- Total budget is comparable with the outputs of the overall project, taking into account the expected public benefit to be derived from the project.
- The value and composition of the cash co-investment and/or in-kind contribution of applicants and project partners, which should at least equal the proposed programme funding to be expended over the life of the project.

e) Additional considerations

Assessors may consider whether projects:

- Have potential benefits for more than one primary industry.
- Form new collaborations.
- Demonstrate quantifiable expected returns on investment.
- Would not otherwise be undertaken. This may consist of new research or utilise or build on existing research and/or development.

13. What is the selection process?

Successful projects will be selected through a competitive merit-based process and approved by the Minister based on the recommendations of the department, informed by an expert assessment panel (the panel).

The department will appoint a panel of up to 8 members to provide industry, technical and scientific expertise in the assessment of applications. Panel members will have relevant experience in science, research and development programmes, innovation and rural industries. The department will provide secretariat support to the panel.

Applications will be examined initially by departmental officers to ensure that the application meets eligibility requirements as outlined in these guidelines and that the application form has been fully completed. All eligible applications will be provided to the panel. Only eligible applications will be assessed by the panel.

The panel will make recommendations to the department on projects which:

- could be funded without change

- could be funded subject to certain conditions being met
- should not be pursued further.

In cases where a project could be funded subject to conditions, and the application is approved for funding, the department will negotiate with the applicant based on the conditions of funding approval. A grant may not be provided where the applicant is unable or unwilling to meet the conditions of the recommendation.

Following assessment by the panel, applications will be ranked in order of merit. In making its overall recommendations on projects that are ranked highly, the panel will consider availability of funding and the mix of applications to be recommended to achieve the programme objective for each round.

The Minister will make the final decisions on which applications are successful and approved for funding. All decisions made by the Minister about applications are final and there is no right of appeal. Feedback will be provided to those applicants or project partners who request it.

14. Notification of funding decisions

The department reserves the right to negotiate with applicants on any aspect of the grant prior to the execution of the grant agreement, including supporting fewer projects/activities, offering less funding than the amount for which applicants applied, or seeking further outputs.

Successful applicants will receive a letter of offer outlining the approved grant amount and any conditions of the approval. The letter of offer does not constitute a grant agreement and successful applicants must not begin a project until a grant agreement has been negotiated and executed between the department and the successful applicant.

Where an application is unsuccessful, applicants will be notified in writing by the department. Feedback on unsuccessful applications will be available on request by contacting the programme manager at RuralR&D@agriculture.gov.au.

15. Funding conditions

Successful applicants will be required to sign a grant agreement with the Commonwealth. A template of the grant agreement can be viewed at agriculture.gov.au/rd4profit. A hard copy of the grant agreement can be made available by contacting the department via email to RuralR&D@agriculture.gov.au or by phone 02 6272 5603.

The grant agreement template contains the terms and conditions of the grant. Applicants should read the draft grant agreement before submitting their application and should seek independent legal advice before entering into a grant agreement. No legally binding relationship exists until a grant agreement is signed by all parties.

The grant agreement will outline the work to be delivered in the project and the reporting requirements.

Successful applicants may not include expenditure of funds received from the Commonwealth under this programme as eligible R&D expenditure for which they claim matching funding from the Commonwealth.

If a successful applicant fails to comply with any requirements in the grant agreement, the applicant may be required to repay some or all of the grant money received.

16. Personal information and disclosure of information in application

The department may collect personal information from applicants for the purposes of administration, evaluation and assessment of an application and as authorised by the Commonwealth Grant Rules and Guidelines. If the relevant personal information is not provided by applicants, the department will be unable to assess the application for funding.

Personal information may be disclosed to other Australian Government agencies and may be published on the department's website, provided disclosure is consistent with relevant laws, including the *Privacy Act 1988*. Personal information will be used and stored in accordance with the Privacy Principles.

The department's Privacy Policy is available on the department's website. Applicants may contact the department about their personal information or to make a complaint using the following contact details:

Telephone: Switchboard +61 2 6272 3933

Post: Privacy Contact Officer, Department of Agriculture, GPO Box 858 Canberra ACT 2601

Applicants should note that basic information for awarded grants will be published on the department's website in accordance with the Commonwealth Grant Rules and Guidelines. This includes:

- name of the person or entity receiving the grant
- project title and purpose
- amount of funding received
- term of the grant
- funding location.

17. Project reporting

As a recipient of public money, all successful applicants must report on the completion and outcomes of the project undertaken with the funds received. All reporting requirements will be detailed in the grant agreement. These may include:

- Milestone reports, annual reporting, financial acquittals and audited financial statements.
- A statutory declaration declaring that funds have been expended as outlined in the project application, and in accordance with the grant agreement.
- A final report on the project's outcomes against the programme objective, including quantitative information on outcomes achieved and independent expert analysis of expected and or demonstrated quantifiable returns on investment.
- Evidence of receipt and use of project partner cash and/or in-kind contributions.

18. Programme evaluation

The department will conduct an internal review of the programme at the end of each round of funding, before initiating further rounds. The review will refine existing grants administration processes, practices and requirements. An initial review will also ensure future programme

priorities are informed by the outcomes of the Australian Government's Agricultural Competitiveness White Paper.

An evaluation of the programme will be undertaken in the fourth year of the programme. It will examine whether the programme has met its stated objective as well as whether, and how, the activities funded under the programme had a positive impact on primary producers.

The programme evaluation is also designed to help identify research gaps and frame future investment. This will be supported by successful applicants meeting all requirements of their grant agreement, particularly reporting and providing project information. This will assist the department in its evaluation of the programme and each project's role in meeting the programme objective.

Successful applicants may be required to provide information to assist in the programme evaluation.

19. Complaints handling process

If an applicant is dissatisfied with the way an application has been handled by the department, they can contact the programme manager at RuralR&D@agriculture.gov.au and lodge a complaint. The department will not reconsider applications as part of the complaints process. Instead, the complaint will be considered internally within the department by a departmental officer independent from the original process, and the applicant will receive a response from the department.

If no resolution is achieved, an applicant may contact the [Commonwealth Ombudsman](#). The Commonwealth Ombudsman will usually not investigate a complaint unless the matter has first been raised with the department and the department has been provided with a reasonable opportunity to respond.

20. Key dates

Table 1

Milestone	Anticipated dates
Rural R&D for Profit round one guidelines released and application period commences	15 October 2014
Submission period closes and applications to be assessed by department and panel	15 December 2014
Applications approved and Minister announces Rural R&D for Profit round one projects	March 2015
Grant agreement to be signed	March/April 2015
Commencement of successful projects with first payment upon execution of a grant agreement	April 2015
Project milestones (payments are dependent on project activities, as defined in the grant agreement, being achieved)	To be defined in the grant agreement
Final project payment – paid on acceptance of project final report	To be defined in the grant agreement

21. Additional Information

Receipt of funding from this programme may result in an applicant's business or institution being ineligible for support from other government programmes. Applicants are advised that funding may have taxation implications and that they should seek independent taxation and financial advice from a suitably qualified professional before submitting their application. GST is payable on grants and the grant agreement will include GST where applicable. Applicants should seek advice on the legal implications of their acceptance of a grant.

22. Contact us

Telephone: 02 6272 5603
Email: RuralR&D@agriculture.gov.au
Website: agriculture.gov.au/rd4profit
Postal address: Rural R&D for Profit
Innovation Section
Department of Agriculture
GPO Box 858 Canberra ACT 2601