

**Investment in Research
and Development policy**



FRDC

Authorised by Board:

Managing Director’s authorisation:

Effective date: 23rd August 2023

TABLE OF CONTENTS

- 1. PURPOSE 2
- 2. RESPONSIBILITY..... 2
- 3. DEFINITIONS AND ACRONYMS 2
- 4. RISK CATEGORY 2
- 5. RELEVANT DOCUMENTATION 2
- 6. PUBLICATION 2
- 7. BACKGROUND..... 2
- 8. POLICY 3
- 9. ATTACHMENTS..... 5

Doc ID NEMO-17552-50	Version: 7	https://frdc1-my.sharepoint.com/personal/priti_narayan_frdc_com_au/Documents/Desktop/1.FIN ST 2024/Board Meeting/Investment in Research and Development policy 23 Aug 2023.docx	16:37:53	4-Sep-23	Page 1 of 5
-------------------------	---------------	---	----------	----------	-------------

1. PURPOSE

To outline how the FRDC invests in research and development.

2. RESPONSIBILITY

Responsibility for this policy resides with the FRDC Board.

3. DEFINITIONS AND ACRONYMS

Follow links to FRDC [Definitions](#), [Acronyms and Abbreviations](#)

4. RISK CATEGORY

This policy covers the following risk categories:

Strategic	Reputational	Financial	Service Delivery	Operational	People	Governance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. RELEVANT DOCUMENTATION

This section contains links to relevant documents.

Relevant documentation
Primary Industries Research and Development Act (PIRD Act 1989)
Statutory Funding Agreement 2020-2030
The FRDC's Research and Development Plan
Intellectual Property Management Policy
Applying for Funding – FRDC Web Site

6. PUBLICATION

FRDC Website	Yes	Directors' website	Yes
--------------	-----	--------------------	-----

7. BACKGROUND

The Primary Industries Research and Development Act (PIRD Act 1989) sets out the legislative requirements for scope of FRDC's R&D investment. This is described in the PIRD Act objects:

Clause 3 Objects

The objects of this Act are to:

(a) make provision for the funding and administration of research and development relating to primary industries with a view to:

(i) increasing the economic, environmental and social benefits to members of primary industries and to the community in general by improving the production, processing, storage, transport or marketing of the products of primary industries; and

(ii) achieving the sustainable use and sustainable management of natural resources; and

(iii) making more effective use of the resources and skills of the community in general and the scientific community in particular; and

(iv) supporting the development of scientific and technical capacity; and

(v) developing the adoptive capacity of primary producers; and

Doc ID NEMO-17552-50	Version: 7	https://frdc1-my.sharepoint.com/personal/priti_narayan_frdc_com_au/Documents/Desktop/1.FIN ST 2024/Board Meeting/Investment in Research and Development policy 23 Aug 2023.docx	16:37:53	4-Sep-23	Page 2 of 5
-------------------------	---------------	---	----------	----------	-------------

- (vi) *improving accountability for expenditure on research and development activities in relation to primary industries; and*
- (b) *make provision for the funding and administration of marketing relating to products of primary industries.*

Clause 33B (2) of the PIRD Act requires *“The R&D Corporation must, within 5 years of receiving the payment, spend an equal amount on R&D activities of relevance to the State or Territory”*.

The Funding Agreement between FRDC and the Commonwealth of Australia requires:

13. APPLICATION OF THE FUNDS

13.1 *FRDC may only spend the Funds:*

- (a) *in accordance with the Act, the PGPA Act and this Agreement; and*
- (b) *in a manner that is consistent with the:*
 - (i) *R&D Plan;*
 - (ii) *Performance Principles; and*
 - (iii) *Guidelines.*

13.2 *FRDC may only spend Funds on RD&E activities and Marketing Activities that:*

- (a) *relate to the Industry and are for the benefit of the Industry; or*
- (b) *are for the benefit of the Industry and for the Australian community generally.*

Other restrictions on spending the Funds

13.3 *FRDC must not spend the Funds on payments to Industry Representative Organisations, other than for:*

- (a) *payments of membership fees, if that membership contributes to FRDC pursuing its objects; or*
- (b) *payments to acquire goods or services from those organisations or to otherwise fund RD&E or Marketing Activities.*

13.4 *FRDC must develop, implement and maintain an appropriate Balanced Portfolio.*

13.5 *If FRDC spends the Funds other than in accordance with this Agreement or the Act, the Commonwealth may, by written notice to FRDC, require FRDC to repay all or a part of those misspent Funds to the Commonwealth within the timeframe specified in the notice.*

13.6 *FRDC must contribute to the implementation of relevant Industry sector and cross-sectoral strategies under the National Primary Industries Research, Development and Extension Framework, as appropriate to its national leadership role in relevant Industry strategies and its support role in other relevant strategies and otherwise in a manner consistent with FRDC’s R&D Plan.*

8. POLICY

This policy will ensure:

- compliance with legislation and agreements with the Commonwealth Government
- RD&E investment will progress the delivery of the FRDC’s R&D Plan

Doc ID NEMO-17552-50	Version: 7	https://frdc-my.sharepoint.com/personal/priti_narayan_frdc_com_au/Documents/Desktop/1.FIN ST 2024/Board Meeting/Investment in Research and Development policy 23 Aug 2023.docx	16:37:53	4-Sep-23	Page 3 of 5
-------------------------	---------------	---	----------	----------	-------------

- investments will be made based on submission of a request through an application process relevant to the investment activity
- investment is assessed based on attractiveness and feasibility
- efficiency and effectiveness of investment processes are maximised
- investment is assessed and conducted in an ethical manner aiming to deliver the following probity principles for the procurement of all investments:
 - fairness and impartiality;
 - consistency, accountability and transparency of process;
 - delivering value for money;
 - security and confidentiality of information;
 - identification and resolution of conflicts of interest; and to adhere to
 - legislative obligations and applicable government policy.

consideration of risks and FRDCs Risk Management Framework

- FRDC invests prospectively (not retrospectively) based on approved applications
- all Directors are provided with the opportunity to review all exercises of delegations reported in the Managing Director weekly report, with Directors having five business days (unless early consideration is requested as outlined in the MD report in which case it will be three business days) to request the approval be put on hold and discussed either out of session or at the next Board meeting
- a balanced investment portfolio incorporating an appropriate blend of issues of national importance based on government and contribution payer priorities that seeks to balance short, medium and long term, high and low-risk, and strategic and adaptive research needs including consideration of regional variations and needs
- that within 5 years of receiving the contribution, return the contribution through investing in R&D activities of relevance to the State or Territory
- FRDC meets the obligations of the National Primary Industries Research, Development and Extension Framework

This policy implementation will be informed by the following principles:

- committed to investing public and private contributions to meet public good and private benefit that results in optimum benefit cost impacts; whilst not solely maximising, economic benefit
- invest to achieve a balance between the need to foster competition between research partners while also fostering collaboration between them, other research and development corporations, investors and end-users
- maximise opportunities for collaboration and partnerships, including outside of traditional areas
- cost recovery of administration from financial contributions provided to FRDC as per the PIRD Act or from work orders from government departments
- maximise the use of existing knowledge where available and avoid unnecessary duplication
- prioritisation and investment must demonstrate a pathway to adoption and impact where possible. This should ensure end-users are engaged along the innovation chain from problem definition and ideation to output adoption
- invest through a variety of mechanisms and be open to flexible and agile investment

Doc ID NEMO-17552-50	Version: 7	https://frdc1-my.sharepoint.com/personal/priti_narayan_frdc_com_au/Documents/Desktop/1.FIN ST 2024/Board Meeting/Investment in Research and Development policy 23 Aug 2023.docx	16:37:53	4-Sep-23	Page 4 of 5
-------------------------	---------------	---	----------	----------	-------------

- maintain a mix of tactical versus strategic research
- be open to investments in the developmental side of research and development including through investment in novel technologies and capital as a demonstration vehicle to other stakeholders
- encourage the generation of innovative ideas and invest in them
- monitor and evaluate the performance of FRDCs investment against the R&D Plan

The [Annual Operational Plan \(AOP\)](#) outlines the focus areas for investment and the estimated value of that investment.

Risk setting approach to RD&E investment

The FRDC will set its risk appetite so as to deliver a balanced portfolio with a mix of low and high risk investments including the potential for investment failure. The FRDC will undertake a diverse range of RD&E activities and target returns on investment with the view to improve efficiency, productivity, competitiveness and innovation for financial contributors, producers, along the supply chain and other stakeholders and provide public benefit to the Australian community.

9. ATTACHMENTS

#	Description
1	Not applicable

Doc ID NEMO-17552-50	Version: 7	https://frdc1-my.sharepoint.com/personal/priti_narayan_frdc_com_au/Documents/Desktop/1.FIN ST 2024/Board Meeting/Investment in Research and Development policy 23 Aug 2023.docx	16:37:53	4-Sep-23	Page 5 of 5
-------------------------	---------------	---	----------	----------	-------------

Investment in Research and Development policy


23 Aug 2023

Final Audit Report

2023-09-04

Created:	2023-09-04
By:	Priti Narayan (Priti.Narayan@frdc.com.au)
Status:	Signed
Transaction ID:	CBJCHBCAABAArIWMPgHD59jnd_00u3_QY3Gx6UZ1UVMC

"Investment in Research and Development policy 23 Aug 2023" History

-  Document created by Priti Narayan (Priti.Narayan@frdc.com.au)
2023-09-04 - 6:57:36 AM GMT- IP address: 220.233.142.2
-  Document emailed to Patrick Hone (patrick.hone@frdc.com.au) for signature
2023-09-04 - 6:58:24 AM GMT
-  Email viewed by Patrick Hone (patrick.hone@frdc.com.au)
2023-09-04 - 7:16:28 AM GMT- IP address: 104.47.71.190
-  Document e-signed by Patrick Hone (patrick.hone@frdc.com.au)
Signature Date: 2023-09-04 - 7:17:27 AM GMT - Time Source: server- IP address: 220.233.142.2
-  Agreement completed.
2023-09-04 - 7:17:27 AM GMT