

Strategic University Reform Fund Guidelines

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Strategic University Reform Fund Processes

1 Introduction

- 1.1 The Strategic University Reform Fund (SURF) will encourage universities to undertake novel reform in areas of Government priority.
- 1.2 The SURF program is being implemented to support universities to remove engagement barriers in local communities to improve collaboration with businesses through undertaking innovative activities.
- 1.3 SURF was announced on 6 October 2020 as part of the Australian Government's \$1.2 billion package to ensure the ongoing capability and excellence of Australian research.
- 1.4 SURF projects will be selected through an annual assessment process. The department will make recommendations to the Minister for Education and Youth who will determine which projects receive funding.
- 1.5 To maximise opportunities for collaboration and the impact of Commonwealth funding, where strategic investment is required to leverage other contributions (such as those from industry or state and territory governments), and projects demonstrate success against program criteria, the Minister for Education and Youth can decide to provide second-tranche funding for existing pilot projects (including 'Pilot Programs to Enhance Collaboration between Universities and Industry' funded through the 2019-2020 MYEFO) at any time.
- 1.6 SURF will be administered by the Department of Education, Skills and Employment ('the department').
- 1.7 Funding awarded under this program is not eligible for inclusion as research income in the Higher Education Research Data Collection.
- 1.8 These guidelines set out the eligibility requirements, funding and application process, evaluation criteria and selection mechanism for the SURF program. Applicants should read these guidelines and any related documents carefully before completing an application for SURF funding.
- 1.9 Amendments to or clarification on these guidelines may be made by the department at any time before the closing dates for applications.

2 Program Objectives and Outcomes

- 2.1 The SURF program forms part of the Government's agenda for reform of the nation's higher education system.
- 2.2 The SURF measure builds on industry linkage pilot projects funded in the 2019-20 Mid-Year Economic and Fiscal Outlook (MYEFO) to incentivise greater university and business collaboration in research innovation and workforce preparation. The program will:
 - incentivise positive connections between the higher education sector, local communities and industry to break through barriers to university-industry collaboration;
 - enhance collaboration between universities and local employers and improve commercialisation of applied research;
 - reward behaviour and activities that further reform in Government priority areas; and

- support universities to pilot projects or initiatives that support localised innovation reform.

2.3 Long-term expected outcomes are:

- better alignment between our research community and the economic, industry and employment priorities of the Australian Government;
- sustainable partnerships or collaboration between universities and industry;
- improved productivity of Australian businesses by better translation of research into practical applications; and
- provision of useful modelling for other universities to adopt the SURF's initiatives.

2.4 The SURF program is intended to be flexible and agile and support demonstrator or pilot activities.

2.5 Pilots are expected to involve innovative activities that respond to priority activities in local communities, further research collaboration opportunities with local businesses and enable greater collaboration and commercialisation outcomes targeted to local communities.

2.6 The key performance indicators, milestones and reporting requirements for SURF projects will vary between projects. They will be specified by the institutions involved and agreed with the department through Conditions of Grant. The reporting requirements will focus on the achievement of some or all of the outcomes listed above. While it is intended that the reporting requirements for SURF projects will not be onerous, reporting requirements are expected to require participating institutions to provide supporting data in addition to that submitted as part of the department's annual data collections.

2.7 The SURF program contributes to Outcome 2 of the department's Portfolio Budget Statement 2019-2020:

Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.

3 Eligibility

3.1 Institutions listed in Table A and Table B of the *Higher Education Support Act 2003* (HESA) will be eligible to apply for funding through this program.


4 Funding and Use

4.1 SURF funding is available for any purpose which:

- supports research and innovation focused on jobs;
- is locally relevant and engages with local industry and/or governments;
- has the potential to be scaled up and adopted by other universities over time; and
- supports the Government's wider strategic and structural reform objectives for the higher education and innovation systems.

4.2 The Fund will support new pilot projects with an estimated initial first-tranche investment of \$2 million.

4.3 The estimated initial cost of the projects is based on similar projects piloted in the 2019-20 MYEFO, namely the 'Pilot Programs to Enhance Collaboration between Universities and




Industry'. These are the University of Wollongong Industry 4.0 Hub in Nowra, Deakin University Warrnambool Hydrogen Transition Centre, Swinburne University Industry 4.0 and Applied Technologies, and Flinders University Naval Shipbuilding.

- 4.4 The Fund will also support a second tranche of funding for pilot projects that have been able to demonstrate success against the program criteria and secure matched funding from other parties. The combined total of the initial and subsequent SURF funding will be a maximum of \$10 million. The 'Pilot Programs to Enhance Collaboration between Universities and Industry' funded through the 2019-2020 MYEFO are also eligible for SURF funding up to a total of \$10 million of funding, including any funding awarded as part of the 2019-2020 MYEFO.
- 4.5 The Fund has been costed acknowledging that pilot programs may range in cost, which will influence the number of projects that can be funded.
- 4.6 Project funding will be at the Minister's discretion.
- 4.7 The SURF program will not duplicate funding for research, including infrastructure, already funded by the Commonwealth. The department reserves the right to determine if a SURF project duplicates or is likely to duplicate research being funded by another Commonwealth source.
- 4.8 Funding will be provided to lead institutions but may involve transfer of some program funding from the lead institution to one or more partner institutions. The funding and other governance arrangements for a SURF-funded project must be reflected in a partnership agreement or other agreement between the participating institutions. Other agreements may include a Memorandum of Understanding or similar agreements.
- 4.9 Funding will be provided to the lead institution under a Conditions of Grant with the department. The agreement will be separate from but made within the framework of the compact between the institution and the Commonwealth. The Conditions of Grant will include key performance indicators and milestones appropriate to each project. The details of the Conditions of Grants, including the payment schedule and milestones, will be negotiated with successful lead institutions.
- 4.10 SURF funding can also be used to meet the costs of establishing collaborations, including meeting with potential collaborating institutions. Facilitation payments – including payments to partner institutions – can be claimed where it can be demonstrated that this is an actual cost that will add value to the collaboration, for example, where costs are involved in negotiating and organising the collaborative relationship. Facilitation costs should be included in project budgets where relevant. Facilitation payments will be made under the Condition of Grant.
- 4.11 SURF funding will be paid in instalments on the completion of the milestones set out in the Condition of Grant.
- 4.12 SURF funding will be provided exclusive of GST.

5 Application Process

- 5.1 Applications for SURF funding will be a one-step process. The department will provide an application template, with applications to include the following:
 - a description of the project (which may have more than one element);
 - a description of how the project meets the program objectives and selection criteria;

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- a detailed budget, including, where appropriate, any claim for facilitation payments, in-kind contributions, industry co-investment (if any) and any other resources committed to the project;
 - a detailed timeline, including proposed milestones;
 - the expected outcomes and benefits that could arise from the project and key performance indicators; and
 - a business plan setting out governance arrangements (including partnership or other agreements covering the SURF project) and a risk management plan.
- 5.2 On successful completion of initial pilot programs, lead institutions may apply for second-tranche project funding. Applications for second-tranche SURF funding will take place alongside the first-tranche application process, with additional submission requirements.
- 5.3 Applications for SURF funding must be submitted by the lead institution before the cut-off date for the first round at 11.59pm AEDT on Tuesday 9 February 2021.
- 5.4 Where a lead institution is proposing multiple projects, these should be submitted as a single coordinated Application.
- 5.5 Applications must contain a letter of support signed by the university's (Lead Institution) Vice Chancellor. Where an application is for a consortium, all members of the consortium must provide a letter of support to the Lead Institution identifying their commitment to the project.
- 5.6 Applications should be submitted to the department as PDF documents, sent to the SURF mailbox: SURF@dese.gov.au
- 5.7 Late submission Applications will be considered only in exceptional circumstances beyond the lead institution's control.
- 5.8 A lead institution which must, as a result of such circumstances, submit a late Application should provide the earliest possible notification to the department, in writing, of its intention to do so.
- 5.9 The department will accept late Applications only if there is sufficient time to adequately assess such Applications. The department's decision with respect to the consideration of late Applications will be final. The lead institution will be informed in writing of the department's decision. No other correspondence in relation to the decision will be entered into.
- 5.10 The department, at its discretion, may seek additional information, or allow applicants to remedy minor errors, but will not accept responsibility for any misunderstanding arising from the failure by an applicant to comply with the requirements set out in these guidelines or other documents, or arising from any ambiguity, discrepancy, inconsistency, error or omission contained in the Application.
- 5.11 In addition to the application process outlined above, where strategic investment is required to leverage other contributions (such as those from industry partners or state and territory governments) the Minister can at any time decide to provide second-tranche funding to existing pilot projects (including 'Pilot Programs to Enhance Collaboration between Universities and Industry' funded through the 2019-2020 MYEFO). Projects receiving funding must demonstrate success against program criteria. No application or assessment is needed for funding provided through this mechanism.



6 Selection Process


6.1 The first annual round of SURF projects will be selected via an assessment process administered by the department to be undertaken between February and March 2021. This will enable projects to commence from early 2021.

6.2 The following are indicative selection criteria against which the projects will be assessed. Applications should demonstrate how they encourage substantial and innovative activities relevant to the local community against the below areas.

- Required criteria:
 - how the proposed research/innovation is focussed on supporting jobs; and
 - how the proposal is locally relevant and engages with relevant local industry and/or government;
 - the potential for projects to be scaled up and adopted by other universities over time; and
 - the extent to which the project supports the Government's wider strategic and structural reform objectives for the higher education and innovation systems.
- Additional criteria that will be assessed include demonstration of:
 - system improvements that will enable greater collaboration and commercialisation outcomes within the university context, targeted to the local community;
 - furthering research collaborations with Small to Medium Enterprises (SMEs) or key local labour markets;
 - alignment with areas of identified national research priority; and/or
 - pilot/test ideas that might be taken up by other universities, especially in ways to cooperate with industry.
- Other criteria that may be assessed include:
 - the capacity of participating institutions to deliver the proposed outcomes;
 - the support, both cash and in-kind, to be provided by the participating institutions; and/or
 - value for money.
- Applications for second-tranche funding must demonstrate:
 - successful outcomes from initial pilot funding which evidence delivery of the above criteria;
 - how the provision of additional SURF funding will support the above criteria into the future and support successful completion of the pilot project; and
 - funding commitments from other parties (i.e. industry partners or state and territory governments) which match the amount of Commonwealth funding being sought.


6.3 No weighting will be applied to the selection criteria.

6.4 There is no limit on the number of successful applications for each selection round.

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- 6.5 Applications will be assessed by a panel made up of departmental officers and which may include external representatives.
- 6.6 The department will make recommendations to the Minister on which SURF projects should receive funding based on the above selection criteria.
- 6.7 Successful projects will be determined and announced by the Minister. The lead institution will be notified in writing prior to any announcement.

7 Administration of Funding

- 7.1 The lead institution for each successful SURF project will enter into a Conditions of Grant with the Commonwealth through the department. The executed Conditions of Grant defines the obligations of both the lead institution and the Commonwealth.
- 7.2 The Conditions of Grant will include:
- the project partners;
 - total funding for the project;
 - a description of activities to be undertaken;
 - agreed performance indicators and outcomes for the project;
 - agreed milestones and associated payments; and
 - reporting requirements, including the frequency of and information required in reports.
- 7.3 At a minimum, the lead university for each SURF project will be required to submit an annual report on the project, setting out:
- expenditure to date;
 - activities undertaken;
 - progress towards the achievement of milestones and project outcomes as specified in the Conditions of Grant; and
 - any significant obstacles or challenges.
- 7.4 Other reporting requirements are likely to vary between projects, but will include progress and final reports setting out:
- expenditure to date;
 - activities undertaken;
 - progress towards the achievement of milestones and project outcomes as specified in the Conditions of Grant;
 - other outcomes which can be directly attributed to the collaboration;
 - any significant obstacles or challenges;
 - information on how the collaboration will be supported in future (including institutional and other funding); and
 - an audited financial statement for all project funds.

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- 7.5 The department may elect to terminate SURF funding should the project fail to meet key milestones or deliver key objectives as specified in the Conditions of Grant.
- 7.6 The Condition of Grant will require that the lead institution must not make any substantial changes to the activities, timeline or budget of a SURF project without the prior written approval of the Commonwealth.
- 7.7 Generally, such changes will require a variation to the Conditions of Grant. Requests to vary the Conditions of Grant must be made in writing and addressed to the Program Delegate specified in the Condition of Grant.
- 7.8 Approval of variations to the Conditions of Grant is at the discretion of the Minister or the Minister's delegate. All variations to the Conditions of Grant will be by written agreement of the parties. The Commonwealth is not obliged to agree to any particular variation requested.
- 7.9 Failure to obtain the approval of the Commonwealth prior to making a substantial change is a breach by the lead institution of the terms of the Conditions of Grant and may affect the payment of Commonwealth funding.

8 Timeframe

- 8.1 SURF projects will be selected through an annual assessment process.
- 8.2 Calls for applications from eligible institutions for the first round of projects will be made on Tuesday 12 January 2021 and close at 11.59pm AEDT on Tuesday 9 February 2021. The department expects to notify successful applicants in March 2021. Approved projects are expected to commence from April 2021.
- 8.3 Second annual application rounds may be held each year if funding has not been allocated to successful projects, at the discretion of the department. Any second annual application round will be announced following announcement of successful projects.

9 Program Evaluation

- 9.1 The department will undertake an evaluation of the SURF program before its conclusion in 2024.
- 9.2 The evaluation will examine the effectiveness of the program in delivering the outcomes specified in Section 2, above.
- 9.3 The purpose of the evaluation is to provide evidence of the benefits delivered broadly through the SURF program. This includes benefits to the Australian innovation system, to local communities, businesses and industries, and to the nation as a whole.
- 9.4 The evaluation will include consideration of SURF Conditions of Grants, project reports and project-specific outputs, as well as other relevant information.
- 9.5 SURF funding recipients are required to collect and maintain information relevant to the evaluation of the program, including information on:
- the achievement of agreed milestones;
 - the research, teaching and learning, commercial, industrial and knowledge transfer outputs of SURF projects, including intellectual property; and
 - the economic, environmental and/or social benefits of SURF projects.



10 Roles and Responsibilities

10.1 The Minister for Education and Youth has overall responsibility for the SURF program and makes decisions including:

- which projects will be funded;
- the level of funding offered;
- the Conditions of any funding offer;
- changes to the level of funding; and
- the termination of agreements.

10.2 The Minister may appoint a Program Delegate and authorise the Program Delegate to carry out certain functions.

10.3 The Program Delegate in the department will carry out such functions as empowered by the Minister, or otherwise duly authorised, in respect to the SURF program.

10.4 The department is responsible for administering the SURF program and carrying out functions authorised by the Minister. Specifically, these tasks will be the responsibility of the Research Policy and Programs Branch.

10.5 The department will:

- determine the information to be provided in applications, and the form in which applications must be submitted;
- establish a panel to undertake the assessment and determine the merit of applications for SURF funding;
- provide advice to the Minister or Program Delegate on which projects should receive funding under the program;
- enter into Conditions of Grant on behalf of the Commonwealth with successful applicants; and
- administer and exercise delegated powers under the Conditions of Grant.

11 Additional Information

11.1 Conflict of Interest


11.1.1 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.

11.1.2 Departmental staff are bound by the department's Conflict of Interest policy.

11.2 Confidentiality

11.2.1 In general, the information contained in SURF expressions of interest or applications will reflect publicly available information about the lead institution's strategic direction and research capabilities.

11.2.2 However, under some circumstances such information may be subject to commercial-in-confidence or other considerations. Where this is the case the lead institution must



notify the department in writing, at the earliest viable point in the application process, the information that should be treated as confidential, and provide the reasons for the request.

11.2.3 Information will be treated as confidential if it meets all four of the Conditions below:

- it is clearly identified as confidential and an explanation is provided as to why it should be treated as confidential;
- the information is commercially sensitive;
- revealing the information would cause unreasonable harm to the Applicant or other parties; and
- the information is provided with an understanding that it will stay confidential.

11.3 Freedom of Information

11.3.1 The department is subject to the *Freedom of Information Act 1982* ('the FOI Act'). The object of the FOI Act is to make available information about the operations of departments, to create a general right of access to information in the possession of Ministers, departments and public authorities and also to create a right for people to amend records containing personal information that is incomplete, incorrect or misleading.

11.3.2 Anyone can make an FOI request. An applicant is not obligated to state a reason for their request, nor can the department ask for a reason.

11.3.3 All documents held by the department are subject to FOI, however, in some cases exemptions may apply.

11.3.4 A valid request is one which is in writing, provides enough information about a requested document to enable its identification, specifies an address in Australia, be sent by post or delivered to the department.


11.3.5 All requests should be made directly to the FOI Coordinator: foi@dese.gov.au

11.4 Privacy

11.4.1 The department is bound by the Information Privacy Principles in the *Privacy Act 1988*. The department uses personal information only for the purposes in which it was provided, or for purposes which are directly related to one of the department's functions or activities.

11.4.2 The department does not give this information to other agencies, organisations or anyone else unless:

- the individual has consented;
- the individual would reasonably expect, or has been told, that information of that kind is usually passed to those individuals, bodies or agencies;
- it is required or authorised by law;
- it will prevent or lessen a serious and imminent threat to somebody's life or health; and
- it is reasonably necessary for the enforcement of the criminal law or of a law imposing a pecuniary penalty, or for the protection of public revenue.

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- 11.4.3 The department takes all reasonable measures to ensure that personal information collected by us is accurate, up to date and complete. These measures include updating and maintaining personal information when we are advised by individuals that information has changed.
 - 11.4.4 The department also takes all reasonable steps to ensure that the personal information it holds is protected against loss, unauthorised access, use, modification or disclosure and other misuse.
 - 11.4.5 Any individual may contact the department to obtain information about how to request access to or changes to the information the department holds about them.
 - 11.4.6 Access may be given unless we consider that there is a sound reason under the Privacy Act, the Freedom of Information Act or other relevant law to withhold the information.
 - 11.4.7 All requests for personal information should be made to the Privacy Officer:
privacy@dese.gov.au
Or in writing to:
Privacy Officer
Legal Services
Department of Education, Skills and Employment
LOC: C50MA10
GPO Box 9880
Canberra ACT 2601.

11.5 Complaints and Review of Decisions

- 11.5.1 Questions or complaints concerning the SURF program must be lodged in writing.
- 11.5.2 Questions or complaints concerning the SURF program assessment and/or decisions must be directed to the SURF Program Manager in the first instance at:
Strategic University Reform Fund (SURF) Program Manager
Department of Education, Skills and Employment
GPO Box 9880
CANBERRA ACT 2601
Australia
Email: SURF@dese.gov.au
- 11.5.3 If the question or complaint is not satisfactorily resolved by the SURF program Manager, the matter can be taken to the:

First Assistant Secretary
Higher Education Division
Department of Education, Skills and Employment
GPO Box 9880
CANBERRA ACT 2601
Australia
Email: SURF@dese.gov.au
- 11.5.4 Unresolved issues can be lodged as a complaint with the Commonwealth Ombudsman. The Ombudsman has offices in all states and territories. Contact details can be found on the Ombudsman's website at: www.ombudsman.gov.au



12 Contact information

Questions, feedback or comments on the SURF program are welcome and can be submitted by email to SURF@dese.gov.au