



Australian Government
**Department of Agriculture,
Fisheries and Forestry**

STATUTORY FUNDING AGREEMENT 2025–2034

Parties

**The Assistant Minister for Agriculture, Fisheries and Forestry on behalf of
the Commonwealth of Australia represented by the
Department of Agriculture, Fisheries and Forestry
(ABN 34 190 894 983)**

and

**Cotton Research and Development Corporation
(ABN 71 054 238 316)**

Date: 3/12 / 2024

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AGREEMENT DATE:

BETWEEN The **ASSISTANT MINISTER FOR AGRICULTURE, FISHERIES AND FORESTRY, ON BEHALF OF THE COMMONWEALTH OF AUSTRALIA**, represented by the **DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY** ABN 34 190 894 983, 70 Northbourne Avenue, Canberra, ACT 2601 (Joanna.Stanion@aff.gov.au) (**Commonwealth**)

AND **Cotton Research and Development Corporation** ABN 71 054 238 316, having its registered office at 2 Lloyd Street, Narrabri NSW 2390 (executive.director@crdc.com.au) (**CRDC**).

(collectively, 'the parties')

RECITALS

- A. The agricultural levy system is a long-standing partnership between industry and the Australian Government. Levies and Charges are collected from farmers, producers, processors, and exporters and invested by research and development corporations (**RDCs**) in research and development and marketing. The agricultural levy system is underpinned by the agricultural levies legislative framework. The legislative framework provides for the imposition, collection and disbursement of Levies and Charges and Matching Payments. RDCs are referred to as Recipient Bodies under the legislative framework.
- B. Requirements in relation to the making of Levy or Charge Payments and Matching Payments and the spending of those payments by RDCs are provided for in the *Primary Industries Levies and Charges Disbursement Act 2024* (Cth) (**Disbursement Act**) and the *Primary Industries Levies and Charges Disbursement Rules 2024* (Cth) (**Disbursement Rules**).
- C. Statutory RDCs are governed by the *Primary Industries Research and Development Act 1989* (Cth) (**PIRD Act**) and, in the case of Wine Australia, the *Wine Australia Act 2013* (Cth) (**Wine Act**), and each constitute a Statutory Recipient Body (**SRB**) under the Disbursement Act. Section 8 of the PIRD Act allows the making of regulations to establish, or continue in existence, an RDC. The CRDC was established by the *Cotton Research and Development Corporation Regulations 1990* (Cth) under the PIRD Act on 1 October 1990 and is continued in existence under the *Primary Industries Research and Development Regulations 2024* (Cth).
- D. With effect from 1 January 2025, the disbursement of Levy or Charge Payments to SRBs will be authorised by the Disbursement Act. Matching Payments will also be disbursed to SRBs under the Disbursement Act from 1 July 2025. The *Primary Industries (Consequential Amendments and Transitional Provisions) Act 2024* (Cth) (**C&T Act**) provides for the old disbursement law, as defined in the C&T Act, to

continue to apply in relation to matching of expenditure by CRDC before 1 July 2025. This agreement reflects the operation of the C&T Act and provides for transition from the Former Funding Agreement.

- E. Subsection 42(1) of the Disbursement Act requires the Minister to enter into a funding agreement with each SRB.
- F. The Commonwealth has developed Performance Principles to guide the performance of SRBs under funding agreements.
- G. In that context, the Commonwealth and CRDC have agreed to enter into a funding agreement on the terms and conditions set out in this Agreement, including applying the Performance Principles set out in this Agreement.

PART 1—GENERAL REQUIREMENTS

1. DEFINITIONS

Words not defined below will have the same meaning as given by the Disbursement Act.

In this Agreement:

‘Agreement’ means this funding agreement, as varied from time to time, including any schedules and annexures to it.

‘Agreement Date’ means the date on which the later of both parties have signed this Agreement.

‘Agri-Political Activity’ means any form of political influencing, including:

- (a) encouraging or supporting a campaign for the election of a candidate, person or party for public office or for the adoption of particular policies of political parties;
- (b) promoting a particular political party’s policy over another political party’s policy;
- (c) representing the views of Industry as being those of CRDC or the Australian Government; or
- (d) advocating that the Commonwealth or a State or Territory Government adopt a particular policy.

The following activities do not, on their own, constitute Agri-Political Activity:

- (e) CRDC funding or commissioning research, or publishing a report relating to research in the Industry;
- (f) CRDC making public statements or providing information to Industry or the government or parliament of the Commonwealth or a State or Territory on matters related to CRDC's objects in the proper performance of CRDC's functions;
- (g) another person, engaged in Agri-Political Activity or advocacy, using a report or other publication prepared or financed by CRDC in accordance with this Agreement.

‘Annual Performance Meeting’ means the meeting referred to in clause 12.1.

‘Balanced Portfolio’ means a Research and Development Activity investment portfolio incorporating an appropriate blend of issues of national importance based on government and Levy Payer and Charge 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.

‘Business Day’ means, in relation to the doing of any action in a place, any day other than a Saturday, Sunday or a public holiday in that place.

‘Chair’ means the Chairperson of CRDC.

‘Charge’ has the meaning given in section 4 of the Disbursement Act.

'Charge Payer' means any person who has paid, or is liable to pay, a charge that includes a component based on which an amount is payable to CRDC.

'Confidential Information' means all information, whether owned by the parties or any third party, that the parties:

- (a) agree to treat as confidential by notice to each other after the Agreement Date; or
- (b) otherwise know, or reasonably ought to know, is confidential.

'Director' has the meaning set out in the PIRD Act.

'Disbursement Act' means the *Primary Industries Levies and Charges Disbursement Act 2024* (Cth).

'Disbursement Rules' means the *Primary Industries Levies and Charges Disbursement Rules 2024* (Cth).

'Electronic Communication' has the same meaning as in the *Electronic Transactions Act 1999* (Cth).

'Financial Year' means a period of 12 months commencing at the start of 1 July in one year and ending at the end of 30 June in the following year.

'Former Funding Agreement' means the funding agreement entered into on 5 May 2020 between the Commonwealth of Australia and CRDC under section 33(4) of the *Primary Industries Research and Development Act 1989*.

'Funds' means each of the following:

- (a) Levy or Charge Payments;
- (b) Matching Payments;
- (c) income earned or derived by CRDC from the use of the Funds referred to in paragraphs (a) and (b);
- (d) the proceeds of the sale or other disposition of assets acquired with the Funds referred to in paragraphs (a) to (c).

'GST' and GST related terms have the meaning that they have in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

'Guidelines' means the most recent of either (1) the documents listed in **Attachment A** to this Agreement, or (2) such updated or replaced documents as provided to RDCs with advice that they will replace **Attachment A**.

'Industry' means the cotton industry (within the meaning given by the Disbursement Rules).

'Industry Representative Organisation' means an Industry peak body or a body established for the purpose of, or substantially engaged in, Agri-Political Activity, including representative organisations as defined in section 4 of the PIRD Act.

'Levy' has the meaning given in section 4 of the Disbursement Act.

‘Levy or Charge Payments’ means the amounts payable under section 15 of the Disbursement Act by the Commonwealth to CRDC.

‘Levy Payer’ means any person who has paid, or is liable to pay, a Levy that includes a component based on which an amount is payable to CRDC.

‘Marketing Activities’ has the meaning given in section 4 of the Disbursement Act.

‘Matching Payments’ means the amounts payable under section 23 of the Disbursement Act by the Commonwealth to CRDC.

‘Minister’ means the Commonwealth Minister who from time to time has responsibility for the Disbursement Act and includes a delegate of the Minister under that Act.

‘Performance Principles’ means the principles set out in clause 11.2.

‘PGPA Act’ means the *Public Governance, Performance and Accountability Act 2013* (Cth).

‘PIRD Act’ means the *Primary Industries Research and Development Act 1989* (Cth).

‘PIRD Regulations’ means the *Primary Industries Research and Development Regulations 2024* (Cth).

‘Privacy Act’ means the *Privacy Act 1988* (Cth).

‘Proper’, when used in relation to the use or management of Funds, means efficient, effective, economical and ethical.

‘Qualifying Expenditure Amount’ has the meaning given by section 24 of the Disbursement Act.

‘R&D Plan’ has the meaning given by section 4 of the PIRD Act.

‘Research and Development’ has the meaning given by section 10 of the Disbursement Act.

‘Research and Development Activity’ has the meaning given by section 9 of the Disbursement Act.

‘Statutory Recipient Body’ has the meaning given in section 4 of the Disbursement Act.

‘Voluntary Contributions’ means:

- (a) payments, other than Funds, made to CRDC for the purpose of funding Research and Development Activities, Marketing Activities and any other matters that CRDC can spend Levy or Charge Payments on under the Disbursement Act or the Disbursement Rules, including any such payment from industry or from a State or Territory Government;
- (b) income earned or derived by CRDC from the use of the Voluntary Contributions referred to in paragraph (a); and
- (c) the proceeds of the sale or other disposition of assets acquired with the Voluntary Contributions referred to in paragraphs (a) and (b).

‘Wind-Up Plan’ has the meaning given in clause 5.4.

2. AGREEMENT AND TERM

- 2.1 This Agreement takes effect on 1 January 2025 and, subject to clauses 2.2 and 2.3, expires at the end of 31 December 2034.
- 2.2 The parties must, not less than six months before the expiry of the Agreement, commence negotiations in good faith with a view to negotiating a new agreement either on the same terms and conditions as this Agreement or on different terms and conditions that are agreed by the parties.
- 2.3 If the parties are unable to agree the terms of a new agreement to replace this Agreement within that six month period, then the parties may extend the Agreement for a period of at least six months. The parties may agree to extend the Agreement any number of times.
- 2.4 This Agreement:
 - (a) constitutes the entire agreement between the parties as to its subject matter; and
 - (b) in relation to that subject matter, supersedes any prior understanding or agreement between the parties and any prior condition, warranty, indemnity or representation imposed, given or made by a party.
- 2.5 The parties acknowledge and agree that:
 - (a) CRDC must, at all times, perform its obligations under this Agreement in accordance with its statutory functions, powers and obligations under all relevant legislation in force from time to time, including the Disbursement Act, the PIRD Act, the PGPA Act and the Privacy Act; and
 - (b) this Agreement does not set out all of the statutory obligations that apply to CRDC and does not in any way vary or reduce CRDC's statutory functions, powers and obligations.

3. STATUS OF FORMER FUNDING AGREEMENT

- 3.1 Except as provided for under this clause 3, this Agreement supersedes the Former Funding Agreement between the parties on and from 1 January 2025, without prejudice to any rights or obligations of either party that have accrued prior.
- 3.2 The Former Funding Agreement continues to have effect, on and after 1 January 2025, as provided by clauses 3.3 and 3.4.
- 3.3 If the Former Funding Agreement relates to a levy or charge under the *Primary Industries (Excise) Levies Act 1999* (Cth) or *Primary Industries (Customs) Charges Act 1999* (Cth) in a levy year, within the meaning of a levy year under the *Primary Industries Levies and Charges Collection Act 1991* (Cth) as in force immediately before 1 January 2025, and that levy year:
 - (a) began before 1 January 2025; and

- (b) has not ended prior to 1 January 2025; then the terms of the Former Funding Agreement continue to apply in relation to that levy and levy year to the extent that the terms relate to payments, other than matching payments, by the Commonwealth to the CRDC until the Commonwealth has discharged all its obligations to the CRDC in relation to those payments.
- 3.4 The terms of the Former Funding Agreement continue to apply in relation to the Commonwealth's obligation to make matching payments to the CRDC for the financial year beginning on 1 July 2024 or an earlier financial year until an instrument under subitem 5(6) of Schedule 3 to the C&T Act (carry-over amounts) relating to CRDC and to the financial year beginning 1 July 2025 commences.
- 3.5 The Former Funding Agreement expires at the later of:
- (a) the date the Commonwealth has discharged all its payment obligations as described in clause 3.3; or
 - (b) the date an instrument as described in clause 3.4 commences.
- 3.6 The following clauses of the Former Funding Agreement survive termination or expiry:
- (a) those clauses that provide how amounts defined as Funds under the Former Funding Agreement are to be managed and applied, including how those amounts may be spent;
 - (b) those clauses that provide for the CRDC to repay an amount to the Commonwealth.

4. GOVERNING LAW AND JURISDICTION

- 4.1 This Agreement is governed by the laws applicable in the Australian Capital Territory.
- 4.2 Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the Australian Capital Territory in relation to matters arising in connection with this Agreement.

5. TERMINATION

- 5.1 Without limiting any other rights or remedies available to the Commonwealth under this Agreement, the Commonwealth may terminate this Agreement in whole or in part, effective immediately, by giving notice to CRDC, if:
- (a) the PIRD Act is repealed, is no longer in force or is substantially or materially amended in a manner inconsistent with the continued operation of this Agreement in its current form;
 - (b) the PIRD Regulations are repealed, are no longer in force or are substantially or materially amended in a manner inconsistent with the continued operation of this Agreement in its current form;

- (c) the Disbursement Act is repealed, is no longer in force or is substantially or materially amended in a manner inconsistent with the continued operation of this Agreement in its current form;
- (d) the Disbursement Rules are repealed, are no longer in force or are substantially or materially amended in a manner inconsistent with the continued operation of this Agreement in its current form;
- (e) there has been a material breach of this Agreement, the Disbursement Act, the PIRD Act or another law, by CRDC; or
- (f) there has been a change in Commonwealth policy relating to the funding of Recipient Bodies.

5.2 Without limiting any other rights available to the Commonwealth, if:

- (a) CRDC breaches this Agreement and fails to rectify a breach within 10 Business Days of receiving a notice from the Commonwealth requiring it to do so, or within such other period as is reasonably specified by the Commonwealth in that notice, having regard to the nature of the breach; or
- (b) an event has occurred which would entitle the Commonwealth to terminate the Agreement under clause 5.1;

the Commonwealth may, to the extent it is not inconsistent with the PIRD Act, the Disbursement Act or any other law, by giving notice to CRDC, direct CRDC to do any one or more of the following:

- (c) in respect of a breach, rectify any breach and to provide to the Commonwealth an explanation of the circumstances giving rise to the breach;
- (d) deal with all or any of the Funds in a certain way;
- (e) provide a Wind-Up Plan to the Commonwealth in accordance with clause 5.4;
- (f) comply with additional reporting requirements;
- (g) take any other action, as specified in this Agreement.

5.3 Any notice the Commonwealth gives to CRDC in accordance with clause 5.2 will specify:

- (a) the circumstances that gave rise to the notice;
- (b) the consequences of non-compliance with the notice; and
- (c) a reasonable time by which CRDC must take the actions specified in the notice.

Wind-Up Plan

5.4 If the Commonwealth directs CRDC, under paragraph 5.2(e) to provide a Wind-Up Plan, CRDC will develop and submit to the Commonwealth for approval a Wind-Up Plan, within 60 Business Days of the direction or such other reasonable period as the Commonwealth specifies in the direction.

5.5 A direction to provide a Wind-Up Plan will specify what details CRDC must include in the Wind-Up Plan.

- 5.6 The Commonwealth may:
- (a) approve the submitted Wind-Up Plan; or
 - (b) request that reasonable changes be made to the Wind-Up Plan, prior to giving its approval, in which case CRDC must comply with any changes requested by the Commonwealth.
- 5.7 Prior to taking any action mentioned in paragraphs 5.1(a) to (d) of this Agreement, the Commonwealth will endeavour to give sufficient notice to CRDC to allow CRDC to implement the approved Wind-Up Plan, as directed by the Commonwealth.
- 5.8 If preparing or implementing the Wind-Up Plan will require expenditure of Funds by CRDC beyond the date on which the Agreement would otherwise terminate, the Commonwealth may, in its absolute discretion, notify CRDC of a revised termination date only for the purposes of:
- (a) preparing and implementing the Wind-Up Plan; and
 - (b) complying with any other conditions notified to CRDC by the Commonwealth in respect of this extended period.

6. RESOLUTION OF DISPUTES

- 6.1 Except when a party seeks urgent interlocutory relief, the parties must deal with a dispute arising under or in respect of this Agreement in accordance with the procedures set out in this section 6 before they commence any legal proceedings.
- 6.2 A party claiming that there is a dispute must send the other party a written notice setting out the nature of the dispute.
- 6.3 During the 20 Business Days after a notice is given under clause 6.2 (or such longer period as may be agreed to in writing by the parties), each party must use reasonable efforts to resolve the dispute through a meeting of senior representatives of each party which are authorised to bind the party to an agreed resolution.
- 6.4 If the parties do not resolve the dispute at the meeting referred to in clause 6.3, the parties must refer the dispute to mediation, which must be conducted in Canberra (or elsewhere if agreed in writing between the parties), in accordance with the Resolution Institute's Rules for Mediation, as in operation at the relevant time.
- 6.5 Unless otherwise agreed by the parties, the mediation will be deemed to commence on the appointment of the mediator.
- 6.6 Despite the existence of a dispute, each party must, unless requested in writing by the other party not to do so, continue to perform its obligations under this Agreement.
- 6.7 If there is no resolution of the dispute within 20 Business Days of the commencement of the mediation (or such extended time as the parties may agree in writing before the expiration of that period), then either party may commence legal proceedings in respect of the dispute.

7. COMMUNICATION, ACCESS AND INFORMATION

Access by the Commonwealth

- 7.1 Subject to clauses 7.2 and 7.3, the Commonwealth or its nominated representative may, for the purpose of monitoring performance by CRDC under the Disbursement Act, the PIRD Act, the Agreement, and the Guidelines:
- (a) access premises occupied by or under the control of CRDC;
 - (b) access data, records, accounts and other financial material and any property of the Commonwealth in the possession or under the control of CRDC, its officers, employees or agents; and
 - (c) inspect any documentation, books and records, however stored, in the possession or under the control of CRDC, its officers, employees, or agents.
- 7.2 The Commonwealth will:
- (a) provide reasonable notice to CRDC in respect of a request to access or inspect under clause 7.1; and
 - (b) comply with CRDC's reasonable safety and security requirements in undertaking that access.
- 7.3 For the purposes of clause 7.1, CRDC must:
- (a) cooperate with the Commonwealth;
 - (b) provide any necessary access or information; and
 - (c) provide all information in a data format and storage medium that is able to be accessed and used by the Commonwealth.

Confidential Information

- 7.4 Each party must, in respect of Confidential Information given to it by the other party:
- (a) use that Confidential Information only for the purposes of administering or enforcing the Disbursement Act, the PIRD Act or this Agreement or for other purposes for which it is provided; and
 - (b) not disclose that Confidential Information to any person (other than employees or advisers of that party with a need to know such Confidential Information for the purposes of administering or enforcing the Disbursement Act, the PIRD Act or this Agreement or other purposes for which it is provided) without the prior approval in writing from the other party and subject to complying with any reasonable conditions or restrictions imposed by the other party in giving approval.
- 7.5 A party will not be in breach of clause 7.4 if it discloses Confidential Information to the extent that the disclosure is:
- (a) required by law or by an order of a court; or

- (b) made to a Commonwealth Minister or in response to a request by a House or a Committee of the Parliament of the Commonwealth of Australia, provided that the party notifies the recipient that the information is confidential.

Intellectual Property

7.6 CRDC grants the Commonwealth a permanent, irrevocable, royalty-free worldwide non-exclusive licence to use, reproduce, modify, adapt, distribute, sublicense, communicate and publish all or part of any report, plan or other material provided to the Commonwealth under the Disbursement Act, the PIRD Act or this Agreement, with the exception of:

- (a) any Confidential Information; and
- (b) any material, including any image or text, that is identified by CRDC as being material in which a third party owns all or part of the Intellectual Property Rights, and in respect of which CRDC does not have the right to grant such a licence to the Commonwealth.

8. NOTICE

Service of notices

8.1 A party giving notice under this Agreement must do so in writing or by Electronic Communication:

- (a) directed to the recipient's address specified in the definition of the parties, as varied by any notice; or
- (b) hand delivered or sent by prepaid post or Electronic Communication to that address.

Effective on receipt

8.2 A notice given in accordance with clause 8.1 is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, five (5) Business Days after the date of posting; or
- (c) if sent by Electronic Communication, at the time that would be the time of receipt under the *Electronic Transactions Act 1999* (Cth);

but if the delivery or receipt is not on a Business Day or is after 5.00pm on a Business Day, the notice is taken to be received at 9.00am on the next Business Day.

PART 2—MANAGEMENT AND GOVERNANCE OF CRDC

9. CORPORATE GOVERNANCE

9.1 CRDC must maintain, implement and regularly review a framework of good corporate governance to ensure Proper use and management of the Funds and the Voluntary Contributions. In maintaining the governance framework, CRDC should draw on best practice guidance as appropriate.

10. ROLE OF CRDC

10.1 CRDC must not, at any time, act as an Industry Representative Organisation or reference or provide information which implies to stakeholders or trading partners that CRDC is an Industry Representative Organisation.

10.2 CRDC must, at all times, act in an apolitical and unbiased manner.

10.3 CRDC must not engage in or fund Agri-Political Activity.

10.4 CRDC may seek advice from the Commonwealth on whether a particular activity would constitute an Agri-Political Activity.

10.5 The Commonwealth may issue a notice requiring CRDC to cease or otherwise take action to address Agri-Political Activities. CRDC must comply with such a notice within the timeframe that is specified or if no timeframe is specified, within a reasonable timeframe.

11. PERFORMANCE

Performance Principles

11.1 Subject to clause 2.5, CRDC must at all times act in accordance with and uphold this Agreement, including the Guidelines and the Performance Principles under clause 11.2.

11.2 The Performance Principles are:

- (a) to engage stakeholders to identify Research and Development Activities and associated priorities that provide benefits to the Industry;
- (b) to ensure Research and Development Activities, Marketing Activities and associated priorities are strategic, collaborative and targeted to improve Industry profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a Balanced Portfolio;
- (c) to undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors;
- (d) for governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practice for open, transparent and Proper use and management of Funds; and

- (e) to demonstrate positive outcomes and delivery of Research and Development Activities, Marketing Activities and associated benefits to Levy Payers, Charge Payers and the Australian community in general, and show continuous improvement in governance and administrative efficiency.

11.3 If, at any time, CRDC identifies an inconsistency or discrepancy between the Performance Principles and its obligations under any law, regulation or government policy, it must:

- (a) notify the Commonwealth of the nature of the inconsistency or discrepancy, as soon as reasonably practicable;
- (b) continue at all times to act in accordance with the Performance Principles (to the extent this is consistent with applicable law, regulation or government policy); and
- (c) if requested by the Commonwealth, discuss possible resolutions to deal with the identified discrepancy and implement any such resolutions as may be agreed.

Review of Performance

11.4 CRDC must implement appropriate processes, on an ongoing basis during each Financial Year, to:

- (a) monitor and evaluate its performance against the Performance Principles; and
- (b) demonstrate its performance against the Performance Principles to Levy Payers, Charge Payers and other stakeholders. (Demonstrations could include updates by newsletter, meetings, website, email or annual report.)

11.5 The Commonwealth may review CRDC's performance and compliance with the Disbursement Act, the PIRD Act, this Agreement and the Guidelines at any time during the term of this Agreement.

11.6 The Commonwealth may from time to time (but no more often than once every three years) request RDC to obtain, at CRDC's expense, an independent review of CRDC's performance against the Performance Principles. In that case, the following process will apply:

- (a) the Commonwealth and CRDC will agree on an independent external consultant to review CRDC's progress and achievements against the Performance Principles and prepare an independent review;
- (b) CRDC must engage, and meet the cost of, the independent external consultant who is engaged to provide an independent review;
- (c) the independent external consultant will be required to provide the independent review simultaneously to both CRDC and the Commonwealth within 20 Business Days of concluding the draft independent review;

- (d) the Commonwealth and CRDC will meet and discuss any areas of underperformance identified in the independent review and agree on an approach for CRDC to address any such areas of underperformance;
 - (e) CRDC must implement any agreed actions and comply with any reasonable directions issued by the Commonwealth in relation to addressing areas of underperformance.
- 11.7 The Commonwealth may issue a notice requiring CRDC to take actions to address issues identified:
- (a) in the independent review; or
 - (b) in relation to CRDC's performance against the Performance Principles; within the timeframe specified in the notice or as otherwise agreed by the parties.
- 11.8 CRDC must make available to its stakeholders any information relating to performance and/or the independent review (other than Confidential Information) as soon as reasonably practicable.

12. CONSULTATION AND GUIDELINES

- 12.1 The Chair, or in the Chair's absence a Director nominated by the Chair, must arrange a meeting between the parties at least once per Financial Year (**Annual Performance Meeting**) to:
- (a) demonstrate to the Commonwealth CRDC's performance and achievement of the Performance Principles;
 - (b) discuss and demonstrate implementation of measures taken to address any underperformance identified in the independent review, Annual Performance Meetings, and/or other forums;
 - (c) discuss issues relating to CRDC's compliance with the Disbursement Act, the PIRD Act, this Agreement and the Guidelines; and
 - (d) discuss other matters relevant to CRDC or the Industry.
- 12.2 The Annual Performance Meeting may be undertaken in any format that is agreed in writing between the parties. (That may be, for example, a structured meeting, a discussion, a presentation of reports and documents, a presentation of an additional independent review or report, a demonstration of outcomes, an interactive site visit or another format proposed by CRDC). For clarity, CRDC must ensure that the Commonwealth has adequate time to ensure appropriate Commonwealth representation and to arrange any necessary travel, in advance of the Annual Performance Meeting.
- 12.3 Either party may, at any time, request additional meeting(s) with the other party to discuss matters arising under the Disbursement Act, the PIRD Act, this Agreement, or the Guidelines, or otherwise related to CRDC or the Industry.

Changes to the Guidelines

- 12.4 The Commonwealth may vary the Guidelines and/or impose new Guidelines from time to time by providing an updated **Attachment A** to CRDC.
- 12.5 The Commonwealth must provide reasonable notice of any variations to the Guidelines or new Guidelines to CRDC, and give CRDC a reasonable period to implement the effects of the variation or new Guidelines.

PART 3—ACTIVITIES AND FUNDING

13. PAYMENT OF FUNDS

Levy or Charge Payments

- 13.1 The Commonwealth will make Levy or Charge Payments to CRDC in accordance with the Disbursement Act.
- 13.2 The Commonwealth will make Levy or Charge Payments as soon as reasonably practicable after the amounts of Levy or Charge on which those payments are based have been received in cleared funds.

Matching Payments

- 13.3 The Commonwealth will make Matching Payments to CRDC in accordance with the Disbursement Act and the Disbursement Rules.
- 13.4 The Commonwealth will make the Matching Payments to CRDC as soon as reasonably practicable after receiving from CRDC:
- (a) a correctly rendered claim for payment or tax invoice; and
 - (b) satisfactory substantiation that CRDC has met all the requirements set out in the Disbursement Act to trigger its right to receive the Matching Payments.
- 13.5 For the purposes of clause 13.4(b), a certificate stating compliance with the relevant requirements of the Disbursement Act, signed by the Executive Director (or equivalent) or the Chief Financial Officer (or equivalent) of CRDC, is satisfactory substantiation, in the absence of any evidence to the contrary.
- 13.6 CRDC's final claim for Matching Payments in respect of its Qualifying Expenditure Amount for a Financial Year must be supported by an independent audit report of CRDC's financial statements in accordance with the relevant Australian Auditing and Assurance Standards. (This work may be completed in accordance with the Standard on Assurance Engagements ASAE 3100.)
- 13.7 Upon request, CRDC must provide other supporting documentation, including a reconciliation between the total Qualifying Expenditure Amount on which its claim for Matching Payments for the Financial Year is based and the amounts shown in the audited financial statements.

Estimates and Forecasts

- 13.8 Upon request by the Commonwealth, CRDC must provide to the Commonwealth:
- (a) an indicative estimate of the amount of the Levy or Charge Payments and Matching Payments it expects the Commonwealth to pay to it under the Disbursement Act, for the current and any future Financial Years as requested by the Commonwealth; and
 - (b) a monthly breakdown of the estimated amount of Levy or Charge Payments and Matching Payments that it expects the Commonwealth to pay to it under the

Disbursement Act in the current Financial Year and/or the next Financial Year as requested by the Commonwealth.

- 13.9 The Commonwealth may, if requested, give CRDC an estimate of the amount of costs incurred by the Commonwealth in relation to:
- (a) the collection and recovery of components of Levy or Charge based on which an amount is payable to CRDC for the Financial Year; and
 - (b) the administration of section 15 of the Disbursement Act in relation to payments to CRDC for the Financial Year.
- 13.10 The Commonwealth will, by 30 November in each Financial Year, advise CRDC of the final costs incurred by the Commonwealth in relation to:
- (a) the collection and recovery of components of Levy or Charge based on which an amount is payable to CRDC for the previous Financial Year; and
 - (b) the administration of section 15 of the Disbursement Act in relation to payments to CRDC for the previous Financial Year.

Method of payment

- 13.11 All payments by the Commonwealth and CRDC must be by direct deposit or other method agreed between the parties.

GST

- 13.12 The Commonwealth will make Levy or Charge Payments and Matching Payments on a GST exclusive basis to CRDC.

14. MANAGEMENT OF THE FUNDS, VOLUNTARY CONTRIBUTIONS AND OTHER MONEY

- 14.1 CRDC must establish and maintain all necessary accounting systems and financial procedures and controls, as required by the PIRD Act, the Disbursement Act, the PGPA Act and this Agreement.
- 14.2 CRDC must notify the Commonwealth of the details of the systems, procedures and controls established in accordance with clause 14.1 on request.
- 14.3 CRDC must not delegate or outsource its powers or responsibilities:
- (a) in a manner that is inconsistent with the Agreement or the Guidelines;
 - (b) in a manner that it is not permitted by the PIRD Act, the Disbursement Act or the PGPA Act;
 - (c) for the management, allocation, or investment of Funds or Voluntary Contributions to an Industry Representative Organisation; or
 - (d) for the management, allocation, or investment of money if it could be used in a manner which may be viewed as engaging in Agri-Political Activity.

15. APPLICATION OF THE FUNDS AND VOLUNTARY CONTRIBUTIONS

- 15.1 CRDC may only spend the Funds and the Voluntary Contributions:

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

15.2 Where CRDC spends Voluntary Contributions on Research and Development Activities or Marketing Activities, that expenditure must be for the benefit of the Industry or the Australian community.

Other restrictions

15.3 CRDC must not spend the Funds or Voluntary Contributions on payments to Industry Representative Organisations, other than for:

- (a) payments of membership fees, if that membership contributes to CRDC pursuing its objects; or
- (b) payments to acquire goods or services from those organisations or to otherwise fund Research and Development Activities, Marketing Activities or any other matters that CRDC can spend Levy or Charge Payments on under the Disbursement Rules.

15.4 CRDC must develop, implement and maintain an appropriate Balanced Portfolio.

15.5 CRDC 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 CRDC's R&D Plan.

Repayment of Funds

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

15.7 If this Agreement is terminated, the Commonwealth may, by notice to CRDC, require CRDC to repay to the Commonwealth, by the date specified in the notice, all or any part of the Funds held by CRDC, excluding those Funds required by CRDC to meet liabilities properly incurred in accordance with this Agreement and the Disbursement Act.

16. ACKNOWLEDGEMENT OF FUNDING

16.1 Unless otherwise agreed with the Commonwealth, CRDC must ensure that all significant publications and publicity by CRDC acknowledge the provision of funding by Levy Payers, Charge Payers and the Commonwealth, as applicable.

17. INFORMATION ON ACTIVITIES

17.1 CRDC must ensure that it documents and communicates on its public website (other than any Confidential Information, unless permitted by clause 7.5):

- (a) any documentation required to be made public under the Disbursement Act, the PIRD Act or the PGPA Act;
- (b) its plans, reports and priorities;
- (c) key information about its Research and Development Activities, Marketing Activities and any other matters that CRDC can spend Levy or Charge Payments on under the Disbursement Rules; and
- (d) outcomes of public submissions.

17.2 CRDC must make this Agreement available on its public website.

SIGNING PAGE

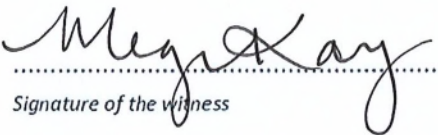
EXECUTED as an agreement

SIGNED for and on behalf of the
COMMONWEALTH OF AUSTRALIA
by Senator the Hon. Anthony Chisholm
Assistant Minister for Agriculture, Fisheries
and Forestry:


.....
Signature of the Minister

3/12/2024
.....
Date


in the presence of:


.....
Signature of the witness

MEGAN KAY
.....
Name of witness

03/12/2024
.....
Date

SIGNED for and on behalf of
**Cotton Research and Development
Corporation**
by its duly authorised officer:



.....
Signature of officer

ALLAN WILLIAMS
.....
Name of officer

EXECUTIVE DIRECTOR
.....
Position of officer

26 November 2024
.....
Date

in the presence of:


.....
Signature of witness

DELECE HARTNETT JP127456
.....
Name of witness

26 NOVEMBER 2024
.....
Date

ATTACHMENT A: GUIDELINES

For the purposes of this Agreement between the Commonwealth and CRDC the following are the 'Guidelines':

General research and innovation

- (a) Australia's National Science Statement;
- (b) the Australian Government's National Agricultural Innovation Policy Statement;
- (c) the National Primary Industries Research Development and Extension Framework Statement of Intent;

Agricultural levy system

- (d) the Levy Guidelines: How to establish or amend agricultural levies;
- (e) the Companion to Rural Research & Development Corporations Funding Agreement;
- (f) the Guidelines for Statutory Funding Agreements;
- (g) the RDC Knowledge Transfer and Commercialisation Guide;
- (h) the Best Practice Guide to Stakeholder Consultation: Cotton Research and Development Corporation;
- (i) other guidelines or priorities of which the Commonwealth notifies CRDC in writing from time to time.