

DEPARTMENT OF BUSINESS AND INNOVATION

Collaborative Networks Pilot Program 2011

Guidelines and Notes for Applicants

TABLE OF CONTENTS

1.	OVERVIEW.....
2.	PROGRAM OBJECTIVES.....
3.	FUNDING PRINCIPLES.....
4.	ELIGIBILITY CRITERIA.....
5.	EVALUATION CRITERIA.....
6.	SELECTION PROCESS.....
7.	APPLICATION PROCESS.....
8.	SUCCESSFUL APPLICANTS.....
9.	ADDITIONAL INFORMATION.....

ATTACHMENT 1: GUIDELINES FOR THE BUDGET TEMPLATE

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1. Overview

The Victorian Government 'the Government' is calling for proposals from service providers interested in working with industry and the research sector to participate in the new Collaborative Networks Pilot Program. This new initiative, a key Baillieu Government election commitment, focuses on driving innovation at firm (particularly SME) level to improve productivity.

The Collaborative Networks Pilot Program is designed to capitalise on Victoria's innovation and technology strengths through increasing productive collaborations. It seeks to establish formal networks within industry and between industry and the research sector (private and public), leveraging existing Victorian based R&D capability, to promote and enable the absorption of technology for specific industry needs.

It is intended that services should complement and augment programs already underway through the Smart SMEs Innovation Commercialisation Program (further detail at [Attachment A](#)).

The Government will provide total funding of up to \$1.5 million for new initiatives in this priority area. As the Government is committed to piloting a variety of models that support the absorption of technology, project proponents should avoid seeking the entirety of available funds which are available. The Department anticipates that budgets will be spent over approximately two years to December 2013.

2. Program Objectives

The program aims to:

1. Build a **collaborative culture** and **strategic partnerships** between industries and between industry and research (public or private) to achieve the commercialisation and absorption of existing and emerging innovations (including technologies);
2. Provide incentives for a more **responsive and accessible research and development sector** which can make a greater contribution to the Victorian economy;
3. Maximise **diffusion of innovation** across firms, in particular SMEs, and across the economy;
4. Accelerate productive use of new technologies by Victorian firms, particularly SMEs;
5. Introduce **good management practices for knowledge assets** in research establishments and industry that enable and promote exploitation of those assets in the Victorian market place;
6. Improve the opportunities for and performance of licensing technology that adds value to Victorian firms, particularly SMEs.

3. Funding Principles

The Government is committed to piloting a variety of models that support the absorption of technology and will provide total funding of up to **\$1.5 million** in a single funding round for compelling collaborative investment proposals.

Proposal

Funding will be made available for proposals that meet or exceed the following desirable characteristics:

- Close alignment with one or more of the Program Objectives
- Substantive link to greater Victorian productivity and more high-value jobs
- Demonstrate strategic collaborative partnerships
- Leverage existing Victorian capability
- Demonstrate the strong track record of the project proponents
- Include a strategic action plan and preliminary time schedules for the delivery of the Project
- Include proposed logical and clear performance measurement indicators for the activities to be developed and delivered. Registrants should note that all outputs will be evaluated on quantity, quality, timeliness and user satisfaction

Proposals from industry-led consortia are strongly encouraged.

Funding

- A single funding round will commence in early 2012.
- Proposals that include significant matching funding (cash) are preferred, in-kind contributions are required.
- Requested funding should not exceed \$0.3 million for any single project (proposals requiring additional funds will be considered, in exceptional circumstances).
- Funding is provided on a project basis and is not recurrent.
- Funds will typically be made available to projects with two year delivery profiles.
- The Government is not bound to use all the available funds if either insufficient projects are considered suitable for funding or the selection criteria are not met.
- Funding will not be considered for proposals that duplicate existing services or which are considered to be more applicable for support from other Victorian or Australian Government programs.

4. Eligibility Criteria

4.1 Eligible Applicants

Grants from the Collaborative Networks Pilot Program are available for collaborative projects that may include existing collaborations or the formation of new joint ventures or other types of partnerships (public/private or public/public). Applications are open to partnerships between organisations including, but not limited to:

- Private firms (small and medium);
- Industry associations;

- Universities and other post-secondary educational institutions;
- Research institutes;
- Cooperative Research Centres;
- Public not-for-profit organisations;
- Victorian Government agencies and other Government agencies active in Victoria.

The lead organisation is responsible for administration of the grant funding for and on behalf of its partner organisations, via a funding agreement with the Victorian Government.

Initial applications in the form of a business case, must be able to certify:

- that the lead organisation is a Victorian based-entity with whom the Victorian Government can enter into legally binding funding agreements;
- that the project is to be located in Victoria and will be ready to commence in quarter 2 2012;
- that any non-Victorian partners are necessary for achieving the core objectives and delivering significant benefit to Victoria;

Projects seeking funding for equity investments or science and technology research are not eligible.

5. Evaluation Criteria

The assessment process will be transparent, competitive and merit-based. Each investment proposal will be assessed against six criteria which are:

1. Ability to meet the Program Objectives which are to:

- Build a **collaborative culture** and **strategic partnerships** between industries and between industry and research (public or private) to achieve the commercialisation and absorption of existing and emerging technologies;
- Provide incentives for a more **responsive and accessible research and development sector** which can make a greater contribution to the Victorian economy;
- Maximise **diffusion of innovation** across sectors and across the economy;
- Accelerate productive use of new technologies by Victorian firms (particularly SMEs);
- Introduce **good management practices for knowledge assets** in research establishments and industry that enable and promote exploitation of those assets in the Victorian market place;
- Improve the opportunities for and performance of licensing technology that adds value to Victorian firms (particularly SMEs).

2. Industry Need

- Demonstrate an understanding of the target firm(s) and the specific need for the project.
- Demonstrate how the proposal will address the specific need(s).

- The anticipated number of firms (particularly SMEs) who will benefit from the program. Preference will be given to projects which benefit many firms (particularly SMEs).
3. Innovation
- Demonstrate how the proposed approach will deliver successful outcomes through using an effective, innovative and adaptive delivery model.
 - Preference will be given to applicants who propose a new model for promoting productive collaborations.
4. Capability:
- Sound management and governance arrangements
 - Availability of appropriately skilled and experienced staff
 - A proven track record in delivering projects
 - A sound approach to managing and delivering the collaboration
 - A sound sustainability strategy. While continuity of service may not be appropriate, projects that are able to meet ongoing needs beyond Victorian government funding will be favourably considered.
5. Methodology:
- A clear methodology for delivering the proposed project
 - A clear methodology for evaluating performance (delivery and outcomes)
6. Pricing
- Demonstrate financial viability of the proposed project with a realistic budget.
 - Demonstrate cash/in-kind contributions to the project. Projects that leverage non-Victorian government funds will be favourably considered.
 - Demonstrate that the project provides a cost-effective solution.

6. Selection Process

The *Collaborative Networks Pilot Program* will have a two stage selection process.

In the first stage, applicants are invited to register their interest by submitting a business case application form.

In the second stage, proponents of shortlisted proposals that meet the *Collaborative Networks Pilot Program* criteria will be invited to develop a formal business plan for delivery of their project.

Formal funding offers will be made following evaluation of the full business plan(s) (and any additional information) against the *Collaborative Networks Pilot Program* objectives.

The procedures for each stage are set out in more detail below.

Stage 1.

Stage 1 involves the preparation of a proposal in which the critical features of the project and its potential value to address specific industry needs.

A panel will assess proposals for strategic merit on the basis of the eligibility criteria, as outlined in Section 5 of this invitation. The assessment will test the outcomes and benefits of the proposals, alignment with the initiatives policy objectives, as well as the capacity of the applicants to deliver the proposed outcomes in the specified time.

All applicants must complete and submit a proposal on the template provided, which outlines the critical features of the project and clearly articulates its potential benefits to Victoria.

The Department reserves the right to confidentially seek clarification or further information about proposals from applicants or referees to assist it to develop a short list of proposals for further consideration. Applicants may also be required to attend an interview or make a presentation before being invited to prepare a business plan.

The panel may seek advice from nominated referees, Government officers and/or independent experts to further inform the selection process. A Financial Risk Assessment will be undertaken for shortlisted applicants. This will require provision of financial records for the past three years of operation.

If the panel identifies overlapping proposals, the Department may recommend collaboration between applicants where it is judged to be potentially beneficial. Permission will be sought from applicants before any facilitation proceeds. In giving guidance on collaboration opportunities, the Department will not be pre-empting any funding outcomes in Stage 2 of the selection process.

The most compelling proposals will be short listed to proceed to Stage 2.

Unsuccessful applicants will be informed of the outcome of their proposal in writing and, upon request, will be provided with feedback about the assessment of their proposals.

Stage 2.

Short listed applicants will be invited to prepare a detailed business plan for consideration that will include:

- Business model
- Project planning (including implementation plan)
- Financial Plan (including costs and funding sources)
- Governance arrangements
- Market research/stakeholder engagement
- Marketing and Promotions
- Risk management
- Intellectual property management
- Performance measurement
- Sustainability or exit strategies

Business plans must demonstrate that applicants have the relevant experience and expertise to manage their project during the funding period.

Detailed business planning guidance will be provided by the Department at the appropriate time.

At the conclusion of Stage 2, the Department will recommend selected projects for funding approval.

Funds will be allocated at the discretion of the Department to a suite of projects that is deemed to best satisfy the Collaborative Networks Pilot Program. Submission of a formal business plan does not guarantee project funding.

Unsuccessful Business Plan applicants will be informed of the outcome of their proposal in writing, including feedback on their proposals.

7. Application Process

1. Request for proposals

The *Collaborative Networks Pilot Program* will open on 9 December 2011 with proposals due to be lodged with the Department of Business and Innovation (DBI or the Department) by 3 February 2012.

Proposals must be made using the application form provided. Proposals should answer each section within the stated word limits and must not use a font size smaller than 10 point.

For advice and guidance on eligibility requirements and selection criteria during the application period, contact the Department via email commercialisation@dbi.vic.gov.au.

The closing time and date for lodgement of proposals is 3.30pm, 3 February 2012. Late applications will not be accepted.

Proposals must be submitted electronically and in hard copy as follows:

Electronically

Proposals are to be emailed to commercialisation@dbi.vic.gov.au with the subject line **Collaborative Networks Pilot Program**. Proposals must be submitted in PDF format and signed by and sent from the office of the CEO or Executive Director to confirm certification.

Hard copy

If the Proposal form is not sent electronically, six (6) single-sided hard copies of the completed proposal should be provided, duly certified by the CEO or Executive Director. Envelopes should be marked **Collaborative Networks Pilot Program** and addressed to:

**Manager, Commercialisation
Innovation and Technology Division
Department of Business and Innovation
Level 35, 121 Exhibition Street
MELBOURNE VIC 3000**

Electronic or hard copies must be received no later than 3:30pm on 3 February 2012.

2. Business Plan

The closing time and date for lodgement of business plans will be negotiated with successful applicants, but is likely to be early March 2012, or earlier by arrangement.

8. Successful Applicants

Successful applicants will be required to enter into a formal grant agreement with the Victorian Government. The agreement will cover items such as milestone/performance-based payment schedules, project management and risk management requirements, performance monitoring, reporting and evaluation requirements, access and auditing requirements including record keeping, insurances, indemnities and asset management requirements. Special terms and conditions may be required in particular cases. Projects will be subject to review to assess their progress, outcomes and direction.

Successful applicants will normally have two weeks to accept the offer, reach agreement on terms and conditions and will have one month for the completion of all contractual arrangements including the negotiation of applicable project milestones.

Successful applicants will need to ensure that they take out all appropriate insurances at an adequate level for the duration of the funding period.

9. Additional Information

Information on the Collaborative Networks Pilot Program or application process can be obtained from email commercialisation@dbi.vic.gov.au

8.1 Confidential Information

All Proposals and Business Plans received by DBI will be treated as confidential but copies may be provided on a strictly confidential basis to other Victorian Government agencies for comments on their strategic importance and to external parties for further review as part of the assessment process.