

Competitive Business Fund

Program Guidelines

1. Program Objectives

The Competitive Business Fund is a Victorian Government initiative to assist businesses to take maximum advantage of new opportunities that are emerging in the global economy.

The Fund supports growing and competitive businesses with the potential to move into new markets, to develop processes and solutions, or to invest further in their business in order to enhance competitiveness and capitalise on emerging opportunities.

Funding in the order of \$3 million is available in the second round of grants on a competitive basis.

2. Nature of Assistance

2.1 Financial Assistance

The program has two streams of financial assistance:

- > enterprise – up to \$250,000 for a project involving one company; and
- > supply chain – up to \$500,000 for a collaborative project involving multiple companies.

All grants from the Fund will require co-contributions. Applicants should aim to have at least the following co-contributions, with higher contributions preferred:

- > enterprise-level projects - minimum \$3 for every \$1 granted from the Fund; and
- > collaborative projects - minimum \$2 for every \$1 granted from the Fund.

2.2 Purpose of Funding

Funding can be used for the following purposes:

- > investments that increase a company or supply chain's productivity and competitiveness, for example:
 - purchase/upgrades of plant and equipment or technology
 - upgrades to existing infrastructure
 - improvement/enhancement of capabilities or skills
 - adoption of new processes
 - development of an innovative product, process or market that will generate broader benefits to the community
 - mergers and acquisitions that will create sustainable growth-oriented entities
- > collaborative projects among multiple businesses that facilitate greater business growth

- > demonstration projects where knowledge is shared across industry which leads to significant productivity improvement.

Assistance will not be provided for normal "business as usual" operations such as meeting payroll commitments, for payment of redundancies or for organic growth.

3. Eligibility Criteria

Applicants must meet the following criteria:

- > possess an Australian Company Number (ACN)
- > be based in Victoria
- > achieve a satisfactory financial risk assessment based on financial reports for the past three financial years
- > agree to comply with the department's performance monitoring and evaluation regime
- > meet the co-contribution requirement and have investigated and/or sought funding from appropriate Commonwealth Government programs and other State Government programs where appropriate before applying to the Fund (funding from such Government programs cannot form part of the co-contribution commitment).

4. Assessment Criteria

Projects will be assessed individually and competitively against the assessment criteria.

Proposed projects must satisfy at least one and preferably more of the following criteria:

- > have the potential to deliver a net economic benefit to Victoria and/or lead to sustainable increases in productivity and/or creation or transition of staff to high value jobs
- > enable the company or supply chain to capitalise on opportunities arising from changing global economic conditions
- > make a reasonable contribution to a region or locality in terms of employment
- > support the growth of small and medium sized enterprises through their supply chain engagement.

Preference may also be afforded to applications from, or those that contribute to the department's priority sectors, which include automotive, aviation, biotechnology, defence, energy, financial services, food, information and communications technology, international education and tourism.

5. Application Process

Applications for funding assistance are contestable, subject to evaluation against the eligibility and assessment criteria and consideration as to whether the proposal is sufficiently strategic to be funded.

5.1 Timing

Round Two of the program will be open on 7 March 2011. Applications for Round Two will close at 5.00pm AEST on 8 April 2011.

Announcement of successful applicants for Round Two grants is scheduled for June 2011. The public announcement may include details of the applicant, the value of the funding and the purpose of the funding.

5.2 How to Apply

The electronic application form, information about reporting requirements and case studies of successful Round One projects are available from business.vic.gov.au/cbfund

Applications can only be made using this electronic form and must be submitted online. Printed, facsimile, posted or other methods of delivery of the application form will not be accepted. All sections of the application form must be completed in full and all requested attachments provided. Incomplete applications will not be accepted.

Companies interested in applying for a Competitive Business Fund grant are encouraged to discuss their application with a client manager at the Department of Business and Innovation. For contact details and further information please visit business.vic.gov.au/vbc or call Business Victoria on 13 22 15.

Where a project involves multiple organisations, the lead organisation should submit the application. All participating organisations will be subject to probity checks.

5.3 Documentation

Electronic copies of the following documents will need to be submitted with the online application form:

- > Audited Financial Reports for the past three years (including Profit & Loss, Balance Sheet and notes to the accounts)
- > where the Financial Report is more than six months old, a copy of the latest management or interim accounts for the current year
- > company business plan incorporating financial projections (Profit & Loss and Cash Flow)
- > project business plan or project feasibility study (including projections of incremental Profit & Loss and Cash Flow resulting from the project and, as applicable, forecasts of gross sales, export sales, increase or transition of employees and details of construction arrangements or contracts).

Note: Cash flow projections should include project expenditure and project funding as separate items in cash outflow and inflow. The financial projections should cover a period of at least three years or the life of the project if less than three years and should reflect the financial benefits expected to be generated from the project.

6. Administration and Assessment

All applications received will be subject to an initial review against eligibility criteria.

Short listed applicants will then be contacted by an appointed Client Manager to confirm performance targets and milestones. These agreed conditions will be documented prior to the application being submitted for further assessment and will inform the basis of payment milestones in the legal agreement.

All short listed applications will be evaluated against the assessment criteria and their ability to meet the objectives of program.

Irrespective of eligibility and merit there is no guarantee that an offer of funding will be made.

7. Approval and Grant/Legal Agreement

7.1 Approval

The Minister for Innovation, Services and Small Business is responsible for approval of the grants.

A Letter of Offer signed by the Minister will be forwarded to approved candidates.

The approved project/activity must be completed within 18 months from the date of funding approval.

7.2 Legal Agreement

Subject to acceptance of the Letter of Offer by the grant recipient, a legal agreement will be prepared reflecting the project, proposed outcomes, milestones and conditions of payment.

8. Reporting

Grant recipients are required to report on the outcomes of the project. Reports are due prior to final payment of the grant and 12 months after completion of the project and/or as specified in the legal agreement.

Report templates will be provided at completion of the project. They can also be downloaded at business.vic.gov.au/cbfund

Grant recipients must agree to participate in any formal evaluation of the program conducted by the Victorian Government or its agents.

The grant recipient must agree to cooperate with the department in the preparation of a case study on the project, which can be used to promote the benefits of the program to industry.