

FUTURE INDUSTRIES FUND

SECTOR GROWTH PROGRAM GUIDELINES

Revised May 2018

Victoria's
Future
Industries.



CONTENTS

1. BACKGROUND	3
2. PROGRAM DESCRIPTION	4
2.1 Objectives	4
3. STREAM 1 – SCOPING, PLANNING AND FEASIBILITY STUDIES	5
3.1 Applicants	5
3.2 Project Proposals	5
4. STREAM 2 – PROJECT IMPLEMENTATION	6
4.1 Lead Applicant	6
4.2 Consortium requirements	6
4.3 Project Proposals	7
5. STREAMS 1 AND 2 – FUNDING REQUIREMENTS	8
5.1 Co-contributions	8
5.2 Cash and in-kind contributions	8
5.3 Eligible expenditure	8
5.4 Non-eligible expenditure	8
5.5 Cap on funding	9
5.6 Victorian expenditure	9
5.7 Negotiation of grant funds	9
6. APPLICATION AND ASSESSMENT PROCESSES	10
6.1 Prior to applying	10
6.2 Preparation and submission of applications	10
6.3 Review of compliance	11
6.4 Assessment of project merit	11
7. APPROVAL TO FUND	12
8. GRANT MANAGEMENT	13
9. CONFIDENTIALITY	14
10. CONTACTS AND FURTHER INFORMATION	15
ATTACHMENT A – ASSESSMENT CRITERIA	16

1. BACKGROUND

The Andrews Labor Government's priority is to build a strong economy, improve economic growth and create high-skill and high-wage jobs that support diversity in employment and improve liveability. To assist the Government achieve this, the Back to Work Funds have been created. The funds include:

- the Premier's Jobs and Investment Fund
- the Regional Jobs and Infrastructure Fund
- the Future Industries Fund.

The Future Industries Fund has been created to focus on developing key high growth, high value industry sectors to further enhance Victoria's competitive advantage by building on existing strengths in each industry sector.

Specifically, the fund will focus on:

- growth and development of firms in priority industry sectors
- developing trade capabilities and knowledge
- building networks, innovation, skills and/or international partnerships and linkages
- development and expansion of capital at the company level
- building internationally competitive size and scale to deliver step-change solutions
- attracting/partnering with strategic and catalytic global players
- promoting collaboration between firms, government and research organisations
- driving new energy technology development and implementation

The Future Industries Fund identified industry sectors that have strong growth potential. Sector strategies have been developed to support growth in these sectors www.business.vic.gov.au/futureindustries, including:

- Medical Technologies and Pharmaceuticals
- New Energy Technologies
- Food and Fibre
- Transport Technologies
- Defence Technologies
- Construction Technologies
- International Education
- Professional Services

To drive growth in these sectors, the Future Industries Fund established three new programs. These are:

- the Sector Growth Program
- the Manufacturing Program
- the New Energy Job Fund.

2. PROGRAM DESCRIPTION

2.1 Objectives

The Sector Growth Program provides grant funding for projects designed to support the Future Industries Sector Strategies. Specifically, projects that will:



Lead to the creation or retention of jobs for Victorians



Drive growth, productivity and competitiveness of Victorian firms



Encourage collaboration between organisations operating in the future industry growth sectors



Leverage co-investment in projects with clearly defined outputs/outcomes



Offer value for money from Government funding

3. STREAM 1 – SCOPING, PLANNING AND FEASIBILITY STUDIES

3.1 Applicants

Each application must be submitted by an organisation, which must:

- be an incorporated entity with an Australian Business Number (ABN) www.australia.gov.au/information-and-services/money-and-tax/tax/abn-australian-business-number
- have at least two years trading history
- have its principal place of business in Victoria or have a significant business presence in Victoria
- have sufficient dedicated resources to manage the grant.

3.2 Project Proposals

Projects that will be considered for funding under Stream 1 of the program will focus on scoping, planning and feasibility studies directed at identifying opportunities aligned with the Future Industries Sector Strategies and that offer potential for growth of Victorian businesses. Projects are expected to improve the knowledge and understanding of opportunities for growth and improved productivity for both the participants and the broader sector.

Funding of up to \$100,000 will be available for projects in Stream 1. All funding must be matched by a minimum cash co-contribution of \$1 for every \$1 funded. Projects are to be completed within six (6) months of the negotiation of a funding agreement.

Relevant activities may include but are not limited to:

- road mapping
- supply chain analysis
- sector capability audits
- economic impact analysis
- feasibility studies
- sector opportunity analysis
- market development strategy.

4. STREAM 2 – PROJECT IMPLEMENTATION

4.1 Lead Applicant

Each application must be submitted by an eligible Lead Applicant organisation, which must:

- be an incorporated entity with an Australian Business Number (ABN) www.australia.gov.au/information-and-services/money-and-tax/tax/abn-australian-business-number
- have at least two years trading history
- have its principal place of business in Victoria or have a significant business presence in Victoria
- have sufficient dedicated resources to manage the grant
- be authorised to lead and facilitate activities supported by the grant on behalf of the other consortium members
- be clearly accountable for the reporting and validation of project outcomes, including the number of new jobs delivered.

4.2 Consortium requirements

Stream 2 of the program requires that applications are submitted on behalf of a consortium. (Stream 1 of the program does not require a consortium.)

Consortia are expected to be genuine collaborations. Members will work together on the project, with individual members deriving beneficial outcomes, not necessarily commercial in nature.

Each consortium must:

- comprise at least **two** organisations, including a lead applicant organisation, whose principal place of business is in Victoria or with a significant business presence in Victoria
- include at least one Victorian small or medium enterprise (SME)
- be able, as a consortium, to meet the co-contribution requirements (refer to Funding Requirements Section)

To be eligible to be part of a consortium funded by the program, participating organisations must:

- have an Australian Business Number (ABN) www.australia.gov.au/information-and-services/money-and-tax/tax/abn-australian-business-number
- be entirely separate legal entities
- not be owned by the same parent company
- not be related bodies corporate within the meaning of the Corporations Act 2001 www.legislation.gov.au/Details/C2017C00328
- not share governance structures
- not have common directors, secretaries, officers or senior managers

Consortium partners can include:

- private sector businesses
- not for profit organisations, such as educational or health institutions
- Victorian local government authorities
- Victorian public sector agencies

International organisations are welcome to participate, provided they have an ABN.

4.3 Project Proposals

Stream 2 of the program will focus on the implementation of projects aligned with the Future Industries Sector Strategies, and that improve growth, productivity and competitiveness leading to growth in jobs.

Funding of up to \$1 million will be available for projects in Stream 2. All funding must be matched by a minimum cash co-contribution of \$1 for every \$1 funded. Projects are to be completed within two (2) years of the negotiation of a funding agreement.

Relevant activities include but are not limited to:

- shared infrastructure solutions
- piloting new technologies, such as demonstration plant/equipment
- testing and validating new services
- consolidating and developing industry capability.

5. STREAMS 1 AND 2 – FUNDING REQUIREMENTS

The program will not support:

- projects without a clear sector focus
- projects around early stage R&D and/or commercialization
- projects undertaken by the private sector as a result of government contractual arrangements
- projects requiring ongoing funding from State Government once completed
- projects without the potential for a sustained net increase in employment and economic activity.

5.1 Co-contributions

A cash co-contribution of \$1 for every \$1 funded is required for both Stream 1 and Stream 2 projects.

Other cash and in-kind contributions can be made to an overall project, and the total co-contributions will be considered in assessment of the application.

Funds from other State or Commonwealth Government programs cannot be counted towards the matching co-contribution, but can be used towards funding of an overall project.

For Stream 2 projects, the full matching cash co-contribution must be made by private sector consortium members.

Each member of the consortium must be contributing either cash or in-kind contributions to the overall project.

5.2 Cash and in-kind contributions

A cash co-contribution requires evidence of a cash payment for a cost that is incurred for activities directly related to the project supported by the grant.

An in-kind contribution is an auditable, non-cash resource to be used in the conduct of the proposed project activity. An already existing employee's contribution to a project is deemed to be in-kind, not cash.

5.3 Eligible expenditure

Eligible expenditure can include project related capital and non-capital expenses, such as salaries and on-costs of dedicated and additionally engaged project personnel. The intent of grant funds is to provide support to offset additional expenditure incurred in conducting a project, not to offset normal operational costs.

Reasonable expenditure of grant funds on items external to the consortium (such as travel and accommodation, legal costs and Intellectual Property assessment) can be agreed, but will be subject to negotiation between the lead applicant and the department.

The budget information provided with the application must be comprehensive and have clearly defined line items.

5.4 Non-eligible expenditure

The following items would generally not be considered for funding:

- business-as-usual expenses, including salaries and on-costs of existing employees and general overheads associated with normal business operations
- expenditure on protection of intellectual property (for example, registration or maintenance of patents)
- initiatives seeking retrospective funding for projects that have already started or have been announced
- activities that are the core business of other government programs
- activities that can be implemented through another government funding program
- tendering costs

5.5 Cap on funding

The State of Victoria reserves the right to cap the amount of grant funding that any one organisation receives over the period of the fund.

5.6 Victorian expenditure

Grant funds must, where practicable, be used to procure goods or services from businesses based in Victoria.

Prospective applicants should consider contacting the Industry Capability Network (www.icn.org.au), which will work collaboratively with prospective applicants to help identify competitive local suppliers.

5.7 Negotiation of grant funds

The State of Victoria reserves the right to offer a grant at a lower value than requested.

6. APPLICATION AND ASSESSMENT PROCESSES

6.1 Prior to applying

Prior to submitting an application, prospective applicants are advised to:

- read these program guidelines and any guidance notes carefully to establish eligibility
- read the appropriate Future Industries Sector Strategies
- discuss the proposed application with a relevant departmental officer
- read the terms and conditions on which the funding will be offered.

Prospective applicants are advised that projects will not proceed to the formal application and assessment process where the application:

- does not relate to the program objectives and criteria
- does not align to one or more of the Future Industries Sector Strategies
- does not include requisite financial documentation
- *for Stream 2 only*, does not demonstrate a pathway to jobs creation

6.2 Preparation and submission of applications

Applications for both streams must be submitted on the requisite application forms available on the Business Victoria website www.business.vic.gov.au/sectorgrowth.

Applicants will be required to provide financial documentation demonstrating their trading history over at least the **preceding two financial years**.

Applications will be administered through a round with a defined open and close date. Eligible applications will be assessed on a competitive basis.

Full instructions for preparation of applications to both streams are set out in the application forms.

Updated Frequently Asked Questions are also available on the website.

Stream 1 – Scoping, Planning and Feasibility

Applicants for Stream 1 must submit a proposal in the application form available on the website at www.business.vic.gov.au/sectorgrowth.

Applications must address the assessment criteria, demonstrate good sector alignment and provide documentary evidence of at least two years of trading history.

Stream 2 – Project Implementation

Applicants for Stream 2 must submit a proposal in the application form available on the website at www.business.vic.gov.au/sectorgrowth.

Applications must address the assessment criteria, demonstrate good sector alignment, describe partner organisation arrangements, demonstrate a pathway to jobs creation and provide documentary evidence of at least two years of trading history.

Applicants for Stream 2 **are not required to have undertaken Stream 1**, but their **application must include a detailed scoping, planning or feasibility study** to support the application.

6.3 Review of compliance

All applications will be checked for compliance against:

- eligibility of the lead applicant, including at least two years trading history
- eligibility of the consortium members (Stream 2 only)
- indication of co-contribution availability
- demonstrated ability to deliver project as described
- financial viability of the project – able to be delivered against the proposed budget
- clear alignment with sector strategies and priorities under the strategies

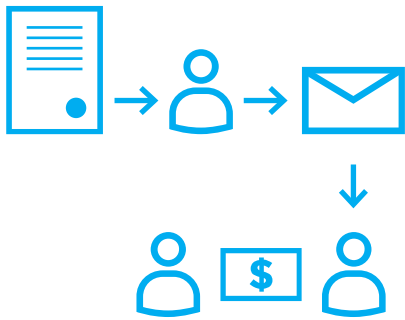
6.4 Assessment of project merit

All compliant applications will be assessed by an assessment panel against each of the assessment criteria. Proposals must score highly against all criteria to be recommended for support.



Assessment criteria are available at
Attachment A and on the website
www.business.vic.gov.au/sectorgrowth

7. APPROVAL TO FUND



Recommended applications will be submitted to the Minister for Employment and Industry for approval to fund.

Approved applicants will receive **a formal letter of offer** from the Minister.

Following acceptance of this offer, **a funding agreement** will be negotiated between the project lead and the department on behalf of the Victorian Government.

Note: **The project lead for Stream 2** projects will be responsible for ensuring that an agreement is struck between the participating organisations – details of the requirements for participating organisations are included in the Stream 2 agreement.

Note: **Where a Stream 1** project is proposed by a consortium, that consortium must exist with a legal structure that binds it to authorize one participating organisation to act as Lead organization in order to contract with the department.

8. GRANT MANAGEMENT

Successful applicants will enter into a funding agreement with the State of Victoria detailing all funding obligations and conditions.

The funding agreement should be finalised within twelve weeks of receiving an offer.

The State of Victoria reserves the right to withdraw the offer of funding if the funding agreement is not finalised within this timeframe or projects are not commenced within the specified timeframe.

Successful applicants will be required to:

- deliver against key milestones, such as jobs and capital expenditure outcomes to be verified through the provision of statutory declarations and independent audit opinions
- cooperate with the Department in communicating and promoting the benefits of the program, such as the preparation of media releases and case studies
- consult with the Department prior to the publication of any promotional materials relating to the project
- liaise with the Department to coordinate any events or announcements related to the activity
- provide annual company and financial reports upon request
- submit progress and completion reports, assessing progress of the project against milestones, outputs and outcomes, and providing evidence of project completion
- submit post-completion annual evaluation reports assessing the success of the project in meeting its stated objectives, its outputs and outcomes following completion of the funded project over the short, medium and longer term
- contribute information on project outcomes for use in program evaluation reviews and/or marketing materials and put in place adequate data collection arrangements to capture the appropriate data in relation to outputs and outcomes
- cooperate fully with evaluations undertaken either during or after the completion of the project and acknowledge the Victorian Government's support through the provision of a grant from the Future Industries Fund.

Template funding agreements for both Stream 1 and Stream 2 grants are available at www.business.vic.gov.au/sectorgrowth

9. CONFIDENTIALITY

The Department will, to the extent permitted by law, treat all information as strictly confidential and commercial-in-confidence where relevant. Any personal information will be managed in accordance with the department's Privacy Policy, which can be found at www.business.vic.gov.au/privacy

10. CONTACTS AND FURTHER INFORMATION

WEB

Sector Growth Program
www.business.vic.gov.au/sectorgrowth

Future Industries Fund
www.business.vic.gov.au/futureindustries

EMAIL

Program team
sectorgrowth@ecodev.vic.gov.au

PHONE

Business Victoria Help Line
13 22 15

Please note that engagement with the Department or any Victorian Government representative does not constitute endorsement of any application for funding.

The Department reserves the right to make changes to these Program Guidelines as required.

ATTACHMENT A – ASSESSMENT CRITERIA

Stream 1	Stream 2	Weighting
<p>1 Alignment with relevant sector strategy/ies and potential to deliver broad sector benefits</p> <ul style="list-style-type: none"> alignment with the relevant Future Industries priority sector potential to meet priority need/s of the relevant Future Industries Sector Strategy/ies 	<p>1 Alignment with relevant sector strategy/ies and potential to deliver broad sector benefits</p> <ul style="list-style-type: none"> alignment with the relevant Future Industries priority sector potential to meet priority need/s of the relevant Future Industries Sector Strategy/ies potential to deliver benefits that will grow the broader sector 	30
<p>2 Demonstrated need for the project</p> <ul style="list-style-type: none"> potential to build on existing competitive advantage potential to encourage investment potential to deliver innovation and/or productivity improvements 	<p>2 Economic benefits the project will bring to Victoria</p> <ul style="list-style-type: none"> contribution of the project to the State’s economy, including through: <ul style="list-style-type: none"> number of new jobs reasonably likely to result from this project potential exports potential import replacements potential new investment 	30
<p>3 Demonstrated capacity and/or capability to successfully implement the project</p> <ul style="list-style-type: none"> identified human and other resources required to deliver the proposed project identified approach for sector engagement full project budget, including details of co-contribution/s 	<p>3 Demonstrated capacity and/or capability to successfully implement the project</p> <ul style="list-style-type: none"> evidence of consortium member/s participation identified human and other resources required to deliver the proposed project identified role and contribution of consortium partner/s identified project risks and strategies to manage them full project budget, including details of co-contribution/s 	20
<p>4 Value for money, emphasising need for Government support</p> <ul style="list-style-type: none"> impact of the grant on the project’s viability, size, timing, location and payback period extent to which the project would go ahead without the grant 	<p>4 Value for money, emphasising the need for Government support</p> <ul style="list-style-type: none"> impact of the grant on the project’s viability, size, timing, location and payback period extent to which the project would go ahead without the grant justification of the grant investment against project outcomes – sector growth, job retention/ growth, exports, import replacements – over the longer term 	20

