

# FIAL Project Fund Program

## Programme Guidelines

### Contents

1.	What is the Fund Programme? .....	Page 2
2.	Eligibility Criteria.....	Page 3
2.1.	Consortium Eligibility.....	Page 3
2.2.	Project Eligibility.....	Page 3
2.3.	Funding Contributions.....	Page 5
3.	Who will conduct the Research? .....	Page 6
4.	Who will own the IP? .....	Page 6
5.	The Selection Process.....	Page 7
6.	Reporting Obligations.....	Page 8



## 1. What is the Fund Programme?

The programme aims to boost competitiveness and productivity in Australia across the six Industry Growth Sectors, by providing matched funding to multiple collaborative industry partners (a 'Consortium') to deliver innovation projects that address one of the four objectives of the Growth Centres:

- Identifying opportunities to reduce regulatory burden
- Increasing collaboration and commercialization between researchers and industry
- Improving capabilities to engage with international markets and global supply chains
- Enhancing management and workforce skills

Note: further details about these can found at this link:

<https://www.industry.gov.au/industry/Industry-Growth-Centres/Pages/default.aspx>

Ideally any project submitted to the programme will address one or more of the following;

- a) FIAL Knowledge Priority Areas
- i. A Global Market Place
  - ii. Future Consumers
  - iii. Enhance Production and Value Addition
  - iv. Food Security and Sustainability

Further details of the knowledge priority areas can be found at [www.fial.com](http://www.fial.com)

- b) Management Capability Priorities
- i. Learning and development models that build the leadership skills and knowledge of the industry and government for both better business and industry wide results
  - ii. Managerial systems for the administration of operations such as business and strategic planning, including technical systems like innovation strategies for the effective and efficient use of scarce resources
  - iii. Physical and technical systems such as software and robotics that improve efficiencies and reduce costs of production through automation, whilst improving data management of business and customer information, through the use of customer relationship management platforms

The Project Fund is open to businesses anywhere along the Food and Agribusiness value chain including at-farm, ingredients, materials and logistics and warehousing. Support providers to the sector including education, packaging, machinery supply, IP and IT management and social science are also able to apply to the fund.

The Project Fund is a competitive application process and the quality of the EOIs, including the amount of funding sought in any round of the Project Fund, and the funds available from the Commonwealth that year, will determine the number of grants awarded.

Project funding will be payable by instalments as determined by FIAL (although FIAL will take into account Consortium payment schedule set out in the EOI – which must link instalments to particular milestones).



## 2. Eligibility Criteria

### 2.1. Consortium Eligibility

- a) FIAL will only fund applications submitted by a 'Consortium'. A Consortium is a collaborative partnerships involving multiple industry players across the food and agribusiness value chain. The Consortium must include at least two businesses (i.e. companies or other legal entities carrying on business who propose to commercialise the outcomes from the research) and one or more of the following:
  - i. Research organisations. Research organisations who participate in the consortium must be able to participate in the commercialisation of the project outcomes and like other consortium members must provide a cash contribution
  - ii. Universities
  - iii. Government and government agencies, or
  - iv. Associations
- b) All Consortium members must carry on business in Australia, or principally in Australia and;
  - i. have a registered ABN or ACN.
  - ii. must be able to demonstrate a trading history of at least 1 year at the date of application. FIAL takes trading history as the date of the first sales, not the registration of an ABN or ACN
  - iii. Companies with an Australian operating base, but where ownership is external to Australia must demonstrate that the benefit of the project is principally to the Australian base operations, or their Australian suppliers, supply chains and customers
- c) Start-up companies who are not in the market and/or do not have a history of commercial sales at the time of the proposal submission are not eligible, unless they can sufficiently demonstrate at the time of the proposal submission the financial support and commitment of a separate investor(s) with a history of commercialisation.
- d) Consortium applications must include evidence of an agreement between consortium members in regard to IP, commercialisation and payments for the project expenses. Applications from a consortium that do not have evidence of an agreement between consortium members will not be accepted. Evidence of the agreement should be provided as an attachment to the application
- e) Applications are open to companies outside the typical Food and Agribusiness supply chain and who wish to enter a new market or have alignment with other commercial applications, e.g. training and education, IT solutions providers, IP management, social science and market research

### 2.2. Project Eligibility

- a) The project must demonstrate a clear innovation and/or sector challenge that the Consortium is unable to resolve with their internal capabilities or resources.
- b) Projects with a research/development/investigation phase of up to a maximum of 2 years are eligible
  - i. The Consortium is expected to commence commercialisation of the information from the research phase at the end of the research phase



- c)** The innovation challenge must be linked to the Growth Centre objectives and ideally to one or more of either the Knowledge and/or Management Capability Priorities listed in section 1 above.
- d)** Consortium must clearly demonstrate:
- i. strong market insight and evidence of customer, consumer, market pull for the project outcomes and/or deliverables
  - ii. a definite path to market setting out;
    - a business and/or commercialisation plan with proposed commercialisation and in-market timings
    - sales channels & sales approach (but not specific commercial partners)
    - market positioning
    - supply chain expectations.
- e)** Part of the project funding by the Consortium and the Project Fund contribution must be applied to internal training to upskill staff, develop business plans or change business practices to support the commercialisation of the project outcomes. Submissions without training program commitments are not eligible. Please note the following:
- i. Training costs cannot comprise >10% of the total project cost unless it can be demonstrated that this is essential to the commercialisation of the project outcomes.
  - ii. Training costs must be at least 50% cash contribution from the consortium contribution with the remaining 50% able to be provided as in-kind contributions where applicable
- f)** Projects that aim to use the project funds for renovation or the extension of facilities, such as buildings or laboratories, are eligible, but only if the primary purpose of those facilities is to achieve the outcomes of the Project. It is expected that any such facilities would provide benefits to and be available to the wider industry sector beyond the Consortium e.g. a facility that could be accessed by businesses in the sector to test or pilot new or improved processes.
- g)** Purchase of equipment by the consortium where the equipment is for research purposes and is available for use by the wider sector, outside the consortium, can be considered but cannot exceed 20% of the consortium contribution. Equipment costs above 20% must be provided as in-kind by the consortium.
- h)** All applications need to show how their identified challenge and Project outcomes are not services or capability currently available in the market
- i)** Social science projects undertaken to better understand consumer, customer or market behaviour are eligible
- j)** Projects investigating supply chain options and impacts are eligible
- k)** At farm, or cross farm gate projects are eligible where there is consumer value add for products or knowledge generated, not just at-farm benefit e.g.
- i. Application of genomics for consumer led product demand
  - ii. Traceability and provenance
  - iii. Soil microbiology and targeted consumer products
  - iv. Enhanced product quality
  - v. integrated farming systems



- vi. plant or animal biosecurity management
- vii. seed management
- viii. water management
- ix. precision agriculture
- l)** Education and learning projects are eligible where they involve investigation, application and/or adaptation of learning principles to bring change to innovation or business management approaches within the Food and Agribusiness sector
  - i. Development of workshops is not a valid project but may be one element of an education project where learning approaches are being tested for suitability
  - ii. Curriculum development as an outcome of the education and learning project is permitted providing it is not more than 25% of the total project cash costs, and is the result of the investigation and not from existing knowledge
- m)** Software development associated with the creation of a new technology may be eligible
- n)** Inclusion/provision of project manager expenses within the costs for the project are acceptable, but the cost for the project manager cannot exceed 20% of the research cost for the project
- o)** Projects seeking funding for one or more of the following, are not eligible:
  - iii. Collection or generation of market or consumer data, other than infield testing of consumer responses to products as part of the research.
  - iv. Software development for application in production
    - Software development associated with the creation of a new technology may be eligible but must be reviewed with FIAL prior to application submission
  - v. Business or quality systems development or implementation (however, this may be reviewed for micro businesses with <20 staff and <\$1.5million p.a. sales).
  - vi. Joint venture and/or business start-up costs
  - vii. Initial scoping investigations, made prior to product development
  - viii. Shipping or transport trials unless part of a development project
  - ix. Purchase of plant or equipment for production – also see point (f) above
  - x. modification of plant and/or equipment for production scale only is not eligible
  - xi. purchase of new/second hand production, analytical and/or supply chain equipment for production is not eligible

### **2.3. Funding Contributions**

- a) Eligible Consortia must match in cash the total project funds requested. Applications may be a combination of cash and in-kind.
- b) All consortium members must provide cash contributions but cash contributions by consortium members do not have to be equal.
- c) Contributions from Government Agencies, whether they are Federal and/or State ('other Government Source Contributions'), do not count towards the matched funding contribution required by Consortium Applicants.
  - i. By way of example, if a FIAL Project Fund grant is for \$200,000 and other Government Source Contributions are \$100,000; the Consortium is required to make



a cash contribution of \$200,000. This contribution may include borrowings provided those borrowings are disclosed in the Consortium's EOI

- d) Rural Development Corporations may be cash contributors to the consortium where the RDC contribution is provided from non-government sources e.g. levies or royalties. Any RDC making cash contributions must provide written statements that the source of funding is non-government.
- e) The minimum amount of a FIAL Project Grant is \$100,000 and the maximum grant value is \$2,000,000.

### 3. Who will conduct the Research?

Research can be completed by both public and/or private agencies, but private organisations not registered as research providers must first be authorised by FIAL to ensure quality of outcomes for the submission companies.

- a) Any nominated research provider must show their suitability and capability in addressing the research question proposed in the application. This includes reference or evidence of a related research question
- b) Private researchers may include external production or service providers where they demonstrate the application of their company skill set, e.g. engineering design and fabrication firm, data management and logistics management, agronomist

The choice of the research partner will be agreed with the company prior to allocation of funds by any parties

### 4. Who will own the IP?

- a) The Consortium will have the right to use and share IP arising from the project. It is imperative that the consortium provide evidence of a formal agreement on how the outcomes and/or IP will be shared within the consortium. FIAL will not enter into any agreement with the consortium until proof of agreement on IP is provided. FIAL does not need to see the actual agreement but needs evidence that a formal consortium IP agreement is in place.
- b) If the Consortium or the research organisation named in the Consortium's EOI have pre-existing IP or if there is third party IP which will be used in the Project, the nature and ownership of that IP and any relevant third party IP permissions, should be identified in the Expression of Interest (EOI)
- c) If the Consortium is willing, FIAL would like permission to use and share IP for the benefit of the industry. However, FIAL accepts that this may not be possible for reasons to secure market and sales opportunities. In that event, no Project IP Permissions will be acquired by FIAL.
  - ii. The Consortium is required to identify in its EOI whether or not the Consortium would be willing to grant to FIAL a worldwide, royalty free, non-exclusive licence (including the right to sublicense) to use, reproduce, adapt, modify and communicate the Project IP ('IP Permissions'). If the Consortium is willing to grant FIAL IP Permissions, the EOI should identify the nature of the Project IP to be created



- iii. Subject to IP Permissions (if any) to be granted to FIAL, any agreements on IP will be arranged between the Consortium and research organisation
- d) Regardless of whether or not the Consortium grants Project IP Permissions to FIAL, the Consortium must make every attempt to commercialise the Project IP within 3 years (of the successful completion and delivery of the last milestone in the Project). If the Consortium fails to pursue commercialization of the Project IP within 3 years, the Consortium must either return 100% of the grant funding to FIAL OR grant to FIAL a perpetual, exclusive, irrevocable, royalty free world-wide licence to use the Project IP as FIAL thinks fit (including a right to commercialise the project IP and a right to sub-licence the Project IP for commercialisation or other purposes)
  - i. FIAL determines commercialisation as at least 1 sale of product to commercial customers
  - ii. Single sale of a “job lot” of development product is not considered commercialisation

## 5. The Selection Process

- a) The approval of projects submitted to the FIAL Project Fund is a 2 stage process
  - i. Stage 1:
    1. Relevant FIAL team members, together with external judges appointed by FIAL (‘the Selection Committee’), will review all EOIs by Consortiums and having regard to the content of the Consortium’s EOI form, as well as the funds available from the Commonwealth in that year, it will shortlist potentially successful EOIs.
    2. Clarification of information provided in an EOI may be sought by the Selection Committee prior to the Selection Panel recommending projects for FIAL board approval
  - ii. Stage 2:
    1. The shortlist will be reviewed by the FIAL Board who will determine the successful EOIs from that shortlist.
    2. Clarification of information provided in an EOI may be sought by the FIAL board prior to the FIAL board making a decision regarding any individual EOI
- b) Successful Consortium applicants will be notified in writing and will be required to enter into legal agreement with FIAL before being entitled to payment of Project Funds.
- c) Projects and project payments will not commence until legal contracts have been signed and finalised. Any project costs incurred by the consortium partner prior to completion of signed contracts may not be eligible for inclusion in the project and proposals are completed at the risk of the consortium members.
- d) A legal contract must be signed and finalized within 60 days from the day the Consortium is notified of their application being successful. Failure to finalise contracts within 60 days from that date, will result in the withdrawal of the offer by FIAL.
- e) Support for Preparation of EOIs



- i. FIAL will consider applications by Consortiums for partial financial support towards the use of an independent third party to the consortium for the preparation of the EOI for submission.
  - ii. An application for preparation support can be made by downloading the “Project Fund Support” application on the Project Fund web page and must be completed and formally agreed to by FIAL prior to securing any third party assistance and/or the submission of an EOI to FIAL
  - iii. Any EOI preparation costs over and above the amount agreed between FIAL and the consortium are at the expense of the consortium members
- f) Any expenses incurred by the consortium prior to any agreement on support funding with FIAL are at the risk of the consortium

## 6. Reporting Obligations

- a) At the end of the research phase, the Consortium must provide a 1 page case study of what has been learned through the project. The content of the case study report is not the developed IP from the research but a more generic overview of the type of challenge, the approach, solution/learnings and the planned benefits and general findings observed in the project. The case study format is available from the FIAL Project Fund website
- b) At the end of the research phase, Consortia will also need to provide FIAL with an ‘In Confidence Report’. The ‘In Confidence Report’ is to contain ‘in confidence’ information relating to project processes, learnings, trainings and outcomes and must describe the nature and application of any IP (without specifics of the actual IP created by or for any of the consortia Companies). It is a mandatory requirement that the In Confidence Report be available for FIAL’s research purposes and for ‘in confidence’ disclosure to the Commonwealth Department of Industry Innovation and Science (Department). The ‘In Confidence Report’ will not be used by FIAL or the Department for commercial use or commercial disclosure unless the Consortium fails to commercialise the IP within 3 years (as mentioned in section D (d) above)
- c) Consortium must also provide to FIAL annual reporting of the benefits (market share, entry into new markets, sales, or other measurable performance metrics) of the project for 3 years post completion of the project to be provided to FIAL.
  - iv. Where a product or service does not remain in any market for the 3yr period, reporting will cease when the product is removed from market but must be accompanied by evidence of cessation of sales in any market.

NB FIAL reserves the right to amend the Programme Guidelines and Expression of Interest at any time (any such amendments will comply with Commonwealth Programme Guidelines applicable to the Project Fund). This document is not a legal contract, it is a set of guidelines to assist with completing the EOI.

