

Business Innovation Support Initiatives Voucher Scheme Guidelines

November 2016
Version 2.0

Document details	
Document title	Business Innovation Support Initiatives Voucher Scheme Guidelines
Contact details	Innovation and Science, Business and Innovation NT
Date and version	November 2016 Version 2.0
Approved by	Craig O'Halloran
Date approved	29 November 2016
Document review	As required.

Change history			
Version	Date	Author	Change details
1.0	July 2014	Innovation and Science, Industry Development and Innovation	Initial version
2.0	November 2016	Innovation and Science, Business and Innovation NT	Formatting and style updates; Subsequent applications; minor amendments.

Acronyms The following acronyms are used in this document	
Acronyms	Full form
ABN	Australian Business Number
ACN	Australian Company Number
BISI	Business Innovation Support Initiatives
IP	Intellectual Property
NT	Northern Territory
R&D	Research and Development
SME	Small – Medium Enterprise

Contents

1	Introduction	4
1.1	Overview	4
1.2	Objectives	4
1.3	Project scope	4
2	Eligibility and restrictions	4
2.1	Who is eligible to apply for funding?	4
2.2	Restrictions	5
2.3	Subsequent applications	5
3	Program	5
3.1	Program outcomes	5
3.2	Program design	5
3.3	Applicant and Supplier Responsibilities	6
4	Voucher Process	7
4.1	Getting started	7
4.2	Application process	7
4.3	Assessment process	8
4.4	Voucher approval process	8
4.5	Finalise and implement contract	8
4.6	Project acquittal	9
4.7	Monitoring and evaluation	9
5	Assessment of applications	9
5.1	Assessment process	9
5.2	Assessment criteria	10
5.2.1	Threshold or eligibility criteria	10
5.2.2	Project assessment criteria	10
6	Funding administration	11
6.1	Funding agreements	11
6.2	Milestone payments	12
6.3	Variation to any funding agreement	12
6.4	Program monitoring and reporting	12
6.5	Publication and promotion of funded projects	12
6.6	Privacy and commercial confidentiality	13
6.7	More information	13

1 Introduction

1.1 Overview

The Business Innovation Support Initiatives (BISI) Program (the program) is funded by the Northern Territory Government and is a pilot program aimed at supporting innovation in the Small – Medium Enterprise (SME) business sector in the NT.

The BISI program provides funding in two ways, a voucher scheme which supports eligible contractual agreements between applicant businesses and research service providers, and a grants scheme to support applicant businesses with the in-house capacity to do their own research.

The following guidelines are for the BISI Voucher Scheme.

Definition

Innovation is the implementation of a new or significantly improved product (good or service), process, new marketing method or a new organisational method in business practices, workplace organisation or external relations

Innovation is more than just the generation of new ideas through expenditure on research and development. It is also about execution, bringing an idea to a market or another commercial outcome that generates an impact on our economy.

1.2 Objectives

The program objectives are to:

- stimulate, initiate and promote innovation
- kindle and inspire excitement in and a drive for innovation in SMEs
- drive creativity, and inspire new ideas
- encourage and facilitate new partnerships
- enable and assist new collaborations to test and develop new ideas
- support businesses and appropriate service providers to commercialise new ideas that create wealth and jobs.

1.3 Project scope

The BISI Voucher Scheme offers co-funding to NT-based pre-start-ups, start-ups, sole traders, micro businesses and SMEs, to carry out science, engineering, technology and design R&D projects which could lead to successful new products, processes and services.

BISI helps NT-based companies prove concepts and develop prototypes. By reducing financial risk, it aims to encourage investment, increase innovation capability, accelerate the commercialisation of new products and services, and contribute to economic growth.

2 Eligibility and restrictions

2.1 Who is eligible to apply for funding?

Eligible organisations are NT-based and NT-registered businesses or incorporated non-profit organisations, with a valid Australian Business Number (ABN) and fewer than 100 employees. The proposed project must meet the stipulated innovation criteria and have potentially commercial outcomes.

An example of how the Program could help you:

You may be seeking IP Protection for your idea

The BISI Voucher Scheme could help you (the Applicant) to identify and fund an IP Lawyer to help you with your project. You can either identify a supplier of your choice, or approach the department to assist you to find a suitable supplier.

2.2 Restrictions

This program is not available to individuals. Program funds cannot be used to duplicate existing initiatives funded either by the applicant, another organisation or the Australian Government, other state and territory or NT Government. BISI does not provide support for capital expenditure, operational expenses, existing collaborations or recurrent programs. Preference should be given to NT based suppliers wherever possible and applicants may be asked to demonstrate that local suppliers have been invited to bid.

2.3 Subsequent applications

The Department of Trade, Business and Innovation will not normally approve more than four awards (vouchers and grants) for a single project. Applicants may also be required to include a progress report, such as a commercialisation plan (showing milestones and timelines) for multiple applications.

3 Program

3.1 Program outcomes

Applications are assessed by an independent advisory panel and must meet the minimum criteria for support as listed in section 3.

BISI Voucher Scheme funds will be allocated to applicants whose projects implement one or more of the processes listed below:

- conduct knowledge searches (scientific, technical and/or IP)
- develop experimental plans with researchers
- obtain R&D brokerage services (assistance finding a supplier)
- initiate R&D activities
- determine proof of concept
- undertake feasibility studies
- build prototypes
- obtain patents
- obtain business innovation support services
- access specialist research facilities
- determine early failure or achieve eligibility for national grants.

3.2 Program design

BISI vouchers offer funding to SMEs to engage with suitable service providers on R&D projects in the strategically important areas of science, engineering, technology and design.

The voucher scheme conditions include:

- vouchers support a service supply
- the service is R&D
- the thing supported is a transaction between two parties
- the parties are the applicant for the support and the supplier of the R&D

Business Innovation Support Initiatives Voucher Scheme Guidelines

- the applicant must meet eligibility criteria
- the supplier will be identified by the applicant
- the applicant provides co-funding in cash; in kind not permitted
- the supplier provides expertise and/or specialist facilities
- the supplier is paid by the department when the transaction is complete
- negative outcomes have a quick (low cost) failure
- capital upgrades are excluded from the voucher, but can be part of co-funding.

Key features of BISI vouchers:

- non-competitive and continuously open
- work must start within three months of voucher being issued
- work must be completed within 12 months of voucher being issued
- maximum grant - \$25k
- funding proportion - up to 60% of total project costs
- BISI will support an approved contract between the applicant business and the service supplier
- the contract between the applicant business and the service supplier must be provided to the department within two months of the letter of offer being issued
- successful applicants will receive a voucher for the approved amount
- payment on delivery of the project or on delivery of agreed milestones
- payments will be made to the supplier, not to the applicant
- case management support for applicants and suppliers; face-to-face meetings available on request
- applicants may enter into agreements with more than one supplier for one project
- if there is more than one supplier on a project, the voucher funding proportion will be the same for all suppliers
- applicants are not excluded from seeking sequential vouchers for a complex project
- vouchers must be redeemed and deliverables acquitted before a sequential voucher is issued
- up to four applicants can collaborate and pool vouchers to support one project
- applicants will not normally receive concurrent vouchers for different projects unless their capacity to manage and deliver two simultaneous projects is unequivocally proven.

3.3 Applicant and Supplier Responsibilities

The applicant signs a legal online declaration that:

- he/she is authorised to complete, sign and submit the application
- that the application is true, correct and complete
- he/she is satisfied that the nominated Supplier(s) is capable of carrying out the task(s) required
- there is an IP agreement with the supplier
- he/she accepts the terms and conditions (detailed in the declaration document)
- he/she will participate in and support project and post-project monitoring and evaluation of outcomes

and on completion of the contract a statutory declaration that:

- the supplier has delivered in accordance with the approved contract.

The supplier signs a legal online declaration that:

- he/she is authorised to represent the supplier
- that the supplier can undertake the contracted work
- there is an IP agreement with the applicant

- he/she accepts the terms and conditions (detailed in the declaration document)
- the supplier has delivered in accordance with the approved contract
- he/she will participate in and support project and post-project monitoring and evaluation of outcomes.

These declarations are made in accordance with the *Oaths, Affidavits and Declarations Act 2010*. Online declarations are unattested in accordance with section 21 of the Act.

4 Voucher Process

The application form is online and accessed via the Department of Trade, Business and Innovation website <http://www.nt.gov.au/ibisi>. Hard copy applications are not permitted. If you do not have a computer, you can seek assistance (including face-to-face meetings) from the Department of Trade, Business and Innovation by contacting innovation@nt.gov.au or 08 8999 6888.

An example of how the Program could help you:

You may be seeking Prototypes for your idea

The BISI Voucher Scheme could help you (the Applicant) to identify and fund an Engineer to build a prototype for your project. You can either identify a supplier of your choice, or approach the department to assist you to find a suitable supplier.

4.1 Getting started

You have an innovative idea with commercial potential but you are unable to test and develop the idea yourself.

Consider and characterise your innovative idea (it is recommended that you search the internet and AusPat - <http://pericles.ipaustralia.gov.au/ols/auspat/>) and make sure that no one else has already had the idea)

Identify a potential service supplier appropriate to advance your project. Remember to have a non-disclosure agreement before discussing your idea. You will need to discuss costs so you can do your budget.

Read these guidelines in full and make sure you understand the assessment criteria.

You must be the Chief Executive Officer, Managing Director or Director of the business/organisation or have been authorised by one of those people to complete the application.

4.2 Application process

Apply online for a voucher. You should gather the information below first. The number in brackets is the maximum no. of words allowed. You can save your application at any stage and return to it later.

Required information:

- applicant details (your organisation details, Address, ACN, ABN etc.)
- your type of business and expenditure on research and development
- project Summary (150)
- level of innovation including methodology(300)
- likelihood of success (supplier capability) (200)
- project potential (next steps, up-scaling, market, risks and threats) (300)
- potential contribution to Northern Territory development (300)
- meeting the desired criteria (see below) (500)
- company contribution (\$ amount)
- project budget (how cash and voucher contributions are applied)

- outline of in-kind contributions (100)
- contact details for your chosen Supplier(s).

Complete and submit your application for the BISI Voucher Scheme. The application form can be accessed at <http://www.nt.gov.au/bisi> and will require you to submit an online statutory declaration and optional attachments.

4.3 Assessment process

Your application is now assessed by a panel of business and industry experts who score it in accordance with the assessment criteria detailed below in 5.2.

4.4 Voucher approval process

If successful, a letter of offer will be sent to you from the Department of Trade, Business and Innovation.

- BISI Voucher approval must be provided in writing by the Department of Trade, Business and Innovation prior to official engagement of your service provider. Liability for any previous costs will be at the Applicant's discretion.
- As the intent of the BISI Voucher is to support an agreement between you (the applicant) and a service supplier, the second part of the process involves finalising this business contract and its approval by the department as meeting the agreed project purpose.

Applicant and Supplier Contract - you now need to discuss project details with your supplier and contractually agree on the work to be done. This is your Service Agreement/Contract. This must include an Intellectual Property agreement. (Note: your chosen supplier will need to make an online statutory declaration).

Applicant and Department of Trade, Business and Innovation – you now need to provide a copy of the service agreement/contract between yourself (the applicant) and your supplier to the department for approval (proving the total cost of the service). This must be done within two months of your letter of offer being issued or the offer will lapse and be withdrawn. The department will confirm that your contract with the supplier is eligible and that expenses are defined and identified in relation to the voucher and/or co-funding requirements. If you and/or your supplier require partial payments against delivery of agreed milestones, these must be negotiated with the department at this stage.

The BISI Voucher will be issued to you (the applicant). The voucher will state:

- the date of issue
- the date of expiry (12 months after the issue date)
- applicant and supplier details
- a description of the goods and or services to be delivered by the project.

The voucher also specifies the requirements for redeeming the voucher and acquitting the funded project. See website for a sample voucher.

4.5 Finalise and implement contract

You can now confirm your contract with your supplier who can begin work.

The department will periodically monitor progress of the work

4.6 Project acquittal

Once your supplier has completed the work and delivered in accordance with the approved contract, you certify this on the statutory declaration provided (see website for sample voucher) and send the declaration to the department together with tax invoices and receipts.

The department will check that the contract has been completed and agreed deliverables supplied to you, the applicant.

The department will pay the amount of the voucher to the supplier.

4.7 Monitoring and evaluation

It is important for the department to evaluate the effectiveness of our business support programs. You will be required to:

- complete a post-project survey form within 4 weeks of your supplier receiving final payment
- complete project update forms 12, 24 and 36 months after your supplier receives final payment
- templates will be provided by the department. These forms will be short but will ask you to provide figures on the impact of the project (if any) on your turn-over, staffing, productivity and other project-relevant measurements.

Please read the assessment criteria below before proceeding with your application

5 Assessment of applications

5.1 Assessment process

The Department of Trade, Business and Innovation confirms the eligibility of applicants and the suitability of suppliers.

Due diligence on applicant by the Department of Trade, Business and Innovation risk management team:

- you may be subject to a Veda credit check
- a search for prior art may be conducted.

Supplier must be suitable.

Supplier can be based anywhere but preference given to those with a Territory presence.

Project meets threshold/eligibility criteria.

All eligible applications are evaluated and scored by a panel of three assessors from business and industry, selected for their expertise in the area of the proposed project. They have signed non-disclosure agreements.

Application assessed and scored by business/industry panel.

- every assessor on a panel signs a non-disclosure confidentiality agreement prior to each assessment
- pass mark and over are approved
- pass is a nominal 50%
- pass mark moves to match demand to funds available so best projects are supported.

Letter of offer from the Department of Trade, Business and Innovation.

5.2 Assessment criteria

We suggest you read these criteria carefully, and write your application so that the assessment panel can easily see how the proposed project addresses the criteria.

Threshold or eligibility criteria

All threshold criteria must score 'yes' for the application to be further considered.

Applicant is a business registered in the NT with <100 employees.

Application completed correctly.

- contains all specified information
- accords with published guidelines.

Service provider able and willing to provide research and development services.

- supplier institution/business has the capacity (staff, equipment and time) to successfully complete the project
- supplier institution/business has undertaken to provide sufficient staff and resources for successful completion.

Applicant able and willing to provide necessary facilities (time, equipment, technical staff).

- applicant has the capacity to support the project to successful completion
- applicant has undertaken to provide sufficient facilities for successful completion.

Project assessment criteria

Mandatory criteria

These four criteria contribute up to 70% of the marks awarded to the application, and each must score more than 0%. Each criterion consists of several components. Possible points available for each criterion are shown in brackets.

Project shows a high level of innovation (20)

- Project or process is based on new ideas or ideas applied in a new context.
- Project uniquely responds to a specified problem or issue.
- Project outcomes replace an existing product or process with a better one.

N.B. Project outcomes must be clearly but simply described.

Project has a high likelihood of success. (10)

- The project team has a demonstrated capability to undertake this work.
- The project is led by a business or technology professional with a strong record of creativity and/or success.

N.B. The deliverables required from each supplier must be clearly and simply described.

Project demonstrates a clear path to application (15)

- Next steps and future funding described.
- Shows potential for up-scaling and replication.
- Accounts for risks and threats.
- Identifies the market for the uptake of the product, process or service.

Project will contribute to Territory development. (15)

- Outcomes contribute to employment.
- Outcomes contribute to business and industry.
- Outcomes contribute to sustainable management of resources.
- Outcomes contribute to public good.

Documentation clearly describes the project. (10)

- Product or process outcomes are clear.
- Project plan and methodology logically lead to outcomes.

Desired criteria

These are not essential but are worth up to a further 30% of marks.

Potential to benefit the Territory's knowledge economy (10)

- Improves a practice or process.
- Replaces an under-performing product.
- Improves efficiency of a product or process.
- Improves the flow and or understanding of information.
- Outcomes could lead to systemic change.

Project fosters collaboration between applicants, suppliers and clients (5)

- Project can or will develop beneficial relationships with SMEs, indigenous groups, key Territory industries, academia, government or other groups.

Dependence on voucher funding justified (5)

- Co-funding from other sources is described.
- Period of dependence on grant funding justified.
- Credible transfer to commercial support explained.

Value for money - the potential outputs justify the expense (5)

Commercial potential (5)

- Could revolutionise an existing industry product or process.
- Could lead to new industry or service.
- Could enhance the applicant's competitive advantage nationally or globally.

6 Funding administration

6.1 Funding agreements

Should the project be approved, the Applicant will receive a letter of offer from the department that will state the amount of the voucher and applicant co-funding, and terms and conditions of the offer. Once the applicant-supplier service agreement/contract has been approved by the department, the voucher will be issued, with an outline of the work to be done. If the service agreement/contract is not received by the department within two months of the letter of offer being issued, the offer lapses and will be withdrawn.

The supplier must start work on the project within three months of the voucher being issued. Then:

- supplier does the work
- applicant makes statutory declaration that supplier has completed work as contracted
- applicant provides receipt from supplier for applicant's co-funding

- all invoices relevant to the department voucher support provided
- paperwork and supplier's outputs checked by the department
- supplier paid by the department.

The voucher is valid for 12 months from the date of issue, i.e. the date of the Applicant's statutory declaration must be not more than 12 months later than the date of the voucher being issued.

6.2 Milestone payments

Vouchers are redeemed when a supplier has completed all work on the project and the applicant has acquitted the deliverables as specified on the voucher. If a supplier needs an initial or interim payment, it is expected that the applicant will use their co-funding for this purpose. The department recognises that with larger and more costly projects, some suppliers may require a milestone payment greater than the co-funding. Such payments are not automatic and must be requested from and agreed to by the department prior to the voucher being issued. The process is:

- supplier informs applicant that a milestone payment will be required
- supplier and applicant agree on the milestone, its deliverables and its cost
- applicant includes this information in the voucher application
- if approved, the voucher is issued in two parts, one for the milestone deliverables and one for the entire project deliverables.

The applicant must fully acquit milestones before the department approves payment. The voucher contribution applies to milestones in the same proportion it applies to the entire project, i.e. up to 60% of the cost. Milestone acquittal requires the same documents and proofs as for the entire project as outlined in 6.1 above.

6.3 Variation to any funding agreement

If a successful voucher recipient wishes to vary their project's scope or budget from those specified in the original funding agreement with the department, a written variation request should be sent to the department. Approval of such requests cannot be assumed.

Where the variation request results in an amount of program funding that is no longer required, arrangements will be made to return excess funds to the department.

6.4 Program monitoring and reporting

Voucher recipients will be required to submit a post-project evaluation form within four weeks of completion of the project and to also complete post-project survey forms 12, 24 and 36 months after the project. This long term monitoring and evaluation is intended to identify what does and does not work in the program so that improvements can be continuously made. Templates will be provided by the department.

6.5 Publication and promotion of funded projects

It is a condition of the program that details of successful vouchers and projects are published in the department's Annual Report, content subject to commercial confidentiality. The department also retains the right to publicise outputs of the program.

Outputs developed as a result of the BISI Program funding are vested with the Applicant and the Supplier in line with their agreement and the department claims no rights to them (see privacy and commercial confidentiality statement).

6.6 Privacy and commercial confidentiality

The Department of Trade, Business and Innovation will collect your personal information such as your name and contact details to assess your eligibility for grant funding and contact you about your application. Details of your proposed project are required in order to be assessed but sensitive technical details need not be disclosed. Your information will be held by the department and managed in accordance with the Information Act. All external assessors will be required to sign a non-disclosure agreement.

6.7 More information

Every effort has been made to minimise red tape and simplify the application process. However, we are always looking to improve our processes and systems. Stakeholder feedback is welcomed, and should be sent to innovation@nt.gov.au with the subject line 'BISI application feedback'.

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