

R&D Fund Guidelines



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Overview

This document provides information on the requirements for submission to the NSW Government's R&D Fund.

Application closing date

Applications will not be accepted after the closing date that is published at business.nsw.gov.au.

Background

The R&D Fund supports small and medium enterprises (SMEs) and scaleups to commercialise products that address the health, social or economic impacts of the COVID-19 pandemic.

It is a \$6 million single-round competitive scheme administered by Investment NSW.

The objective of the R&D Fund is to stimulate the development and commercialisation of innovative products that benefit the people of NSW, with possible nationwide and global impact.

The R&D Fund targets products within Technology Readiness Level (TRL) 4-9 to help them move along the TRL scale, enable them to attract large-scale private investment, or expand into global markets. The TRL scale is at Appendix A.

Principles

The following principles apply to the R&D Fund:

- The project must address the health, social or economic impacts of COVID-19.
- Funding will be competitive and merit-based.
- The project must demonstrate an existing prototype or proof-of-concept and a clear path to commercialisation.
- Funding can be used for purposes including:
 - Manufacturing
 - Conducting market and product assessments
 - Salaries and access to external expertise that is directly related to the delivery of the project
 - Commercialisation strategies and commercial feasibility studies
 - Specialist equipment or infrastructure necessary to progress the project.
- The Expert Panel will have sufficient flexibility to tailor funding support according to what it believes is required to assist the development and commercialisation of a product.

Applications and Eligibility Criteria

Applicants

The R&D Fund can be accessed by eligible NSW SMEs and scaleup businesses with innovative products supported by intellectual property.

To be eligible, a business must have:

- An ABN registered in NSW and be based in NSW
- Been operating for at least 12 months
- Ownership that is at least 75 per cent Australian and is not more than 50 per cent owned by another business
- At least \$1 million in sales revenue or operating expenditure within the last 12 months or previous financial year
- A product that directly addresses the impact of COVID-19 that it can demonstrate capability and capacity to bring to market within 24 months
- The intellectual property rights to commercialise the product
- Not already received government funding for the same stage of development of the product.

Eligible businesses must provide an operating profit and loss statement for the last 12 months or previous financial year and brief profiles of key personnel.

Projects

Projects will need to demonstrate that the proposed product is at stage TRL 4-9. See Appendix A.

To be considered for the R&D Fund, the project must:

- Address the health, social or economic impacts of COVID-19
- Be innovative with a focus on feasibility within health, social or economic markets
- Go to market within 24 months
- Have been developed in NSW and derive health, social or economic benefit to NSW.

The following will not be considered eligible for funding:

- Products that do not directly address the health, social or economic impacts of COVID-19
- Solutions designed to improve internal business processes
- Activities which are deemed to be research or in the very early stages of project development (TRL 1-3)
- Projects where government funding is not necessary to commercialise the product.

Application process

It is a two-stage application process.

Stage One – Preliminary Application

The Preliminary Application is an early screening document that allows Investment NSW to determine eligibility and the Investment NSW-lead assessment Subcommittee to review the proposal and assess the quality of the application.

The Subcommittee makes recommendations to the Expert Panel as to which applications should proceed to full application or not. However, the Expert Panel will make the final determination whether a Preliminary Application will proceed to a Full Application.

Stage Two – Full Application

The Full Application stage is by invitation only.

The Full Application is a more detailed document that covers all aspects of the proposal including a budget, commercialisation plan, declaration of conflicts of interest, and description of any ethical or regulatory requirements to deliver the product to a marketable state in NSW. Applicants may be required to present the proposal, be interviewed or submit a short video.

To be eligible to be invited to submit a Full Application, applicants must first submit a Preliminary Application.

The link to submit applications can be found on the www.business.nsw.gov.au Business NSW website.

Submission of Applications

- Applicants must submit their application online to Investment NSW at the Business NSW website.
- All questions must be answered in full unless indicated as inapplicable.
- Enquiries should be directed to Global NSW at global.nsw.gov.au or 4908 4800.
- Applications must be received by the published closing time and date.

Assessment process

Investment NSW will check that businesses are eligible to participate in the process through an initial screening step. Eligible applications will then be assessed in a single batch by the R&D Fund Subcommittee.

Subcommittee assessment

The R&D Fund Subcommittee supports the Expert Panel by assessing the eligible Preliminary Applications and providing the Expert Panel with advice regarding the quality of the applications against the agreed criteria.

Expert Panel review and decision

The Expert Panel will take the Subcommittee's advice into consideration when reviewing the applications and determining which applications will proceed to Full Application.

The Expert Panel can challenge the work of the Subcommittee and refer proposals to Investment NSW for further discussion and development with the applicants.

The Expert Panel will review and rank Full Applications when these are submitted, according to the assessment criteria, and make recommendations to Investment NSW on which applicants should receive funding and the granted amount (see Appendix B and C).

Investment NSW receives the Expert Panel's recommendations and makes final determinations as to grants issued. Investment NSW, at its discretion, may choose not to award any funding recommended under this program.

All applicants will be informed of the outcome of the Expert Panel's recommendation, and Investment NSW's determination, regarding their applications.

The Expert Panel will consist of private and government representatives with experience in commercialisation, innovation and entrepreneurship, research, and business support programs.

Additional information

All information provided to Investment NSW will be collected and stored in accordance with the *Privacy and Personal Information Protection Act 1998* (NSW).

All applications and supporting material will be treated in confidence. If applications progress to Full Application, an independent financial review will be undertaken. Advice may also be sought from other relevant commercialisation, science, health, economic and technical experts as required. All parties will be required to agree to the same confidentiality undertaking when reviewing applications. Please note, these provisions may not exempt applications from the scope of GIPA Act processes or other legal avenues of discovery. Successful projects will be publicly promoted in a way that does not jeopardise the applicant's commercial interests.

Assessment criteria

Applications will be assessed against information and evidence provided in relation to the following assessment criteria.

The application should demonstrate:

1. How the product addresses the challenges and impacts of COVID-19.
2. How the product will deliver health, social or economic benefits.
3. How the product benefits the state, and potentially nationwide and globally.
4. Innovation and competitive advantage.
5. Capacity to commercialise the product and realise benefits via:
 - a. Engagement with target markets
 - b. Appropriate skills/experience of the project team and partners
 - c. Ability to secure additional funding
 - d. Sound intellectual property strategy.

Please see Appendix B for a further breakdown of the assessment criteria.

Sufficient information and evidence must be provided by the applicants to enable the Expert Panel to undertake a diligent review of the application without the need to source significant further information to evaluate the submission.

Funding

The funding awarded to each successful applicant will be merit-based and will depend on the overall quality and quantity of applications received.

Funding will be in the range of \$250,000 to \$1 million, depending on the product's stage of development.

The funding will be distributed in instalments to each successful applicant based on the completion of particular milestones specified in the grant agreement.

Payment of grants awarded will be made directly to the applicant's organisation.

Partial funding may be available for projects. The program delivery team will contact the applicant to check the viability of delivering the project if partial funding becomes available.

Your obligations if you are successful

Successful applicants will be asked to enter into a grant agreement with Investment NSW that outlines the respective obligations of both parties in relation to the provision of funding.

Successful applicants will be required to submit reports in line with the funding agreement. There may be specific time commitments which are critical to the funding deed continuing.

Applicants should not make financial commitments for funded project activities that they cannot fund themselves until the funding deeds have been executed.

Grants will be paid pursuant to the terms set out in the funding deed. Payments are made on the basis of progress reported against the funding deed commitments.

Recipients can be required to pay back unspent funds delivered, or those funds which have not been spent in accordance with the funding deed.

Requests for variations or changes to the grants will only be considered in limited circumstances and when Investment NSW is satisfied that the circumstances present no probity concerns that invalidate the assumptions that underpinned the application and its assessment. Changes or variations may be rejected or accepted at Investment NSW's sole and absolute discretion, and also may be made subject to certain conditions.

Recipients may be required to participate in program evaluations to determine the extent to which grants have contributed to the objectives of the program. This can include providing evidence of delivery of commitments entered into by the recipient.

Responsibilities

Investment NSW is the lead agency for administering the program and is responsible for providing technical advice and support to the program.

Applicants will be responsible for the preparation and submission of applications, compliance with any funding deed agreements and compliance with progress reporting.

Further information

Government Information (Public Access) Act

Investment NSW may be required to disclose certain information by law. For example, Investment NSW is subject to the *Government Information (Public Access) Act 2009* (NSW) (GIPA Act), which means the information you provide may be required to be released in response to a request under the GIPA Act. Investment NSW may also be required to disclose information to oversight and investigative bodies and to the NSW Parliament.

Probity

Independent probity advisors will provide guidance on issues concerning integrity, fairness and accountability that may arise throughout the application, assessment and decision process.

Contact Richard O'Neill at roneill@ocm.net.au with probity questions.

Appendix A - Technology Readiness Level

TRL	Description	Example
1	Basic principles observed	Scientific observations made and reported. Examples could include paper-based studies of a technology's basic properties.
2	Technology concept formulated	Envisioned applications are speculative at this stage. Examples are often limited to analytical studies.
3	Experimental proof of concept	Effective research and development initiated. Examples include studies and laboratory measurements to validate analytical predictions.
4	Technology validated in lab	Technology validated through designed investigation. Examples might include analysis of the technology parameter operating range. The results provide evidence that envisioned application performance requirements might be attainable.
5	Technology validated in relevant environment	Reliability of technology significantly increases. Examples could involve validation of a semi-integrated system/model of technological and supporting elements in a simulated environment.
6	Technology demonstrated in relevant environment	Prototype system verified. Examples might include a prototype system/model being produced and demonstrated in a simulated environment.
7	System model or prototype demonstration in operational environment	A major increase in technological maturity. Examples could include a prototype model/system being verified in an operational environment.
8	System complete and qualified	System/model produced and qualified. An example might include the knowledge generated from TRL 7 being used to manufacture an actual system/model, which is subsequently qualified in an operational environment. In most cases, this TRL represents the end of development.
9	Actual system proven in operational environment	System/model proven and ready for full commercial deployment. An example includes the actual system/model being successfully deployed for multiple missions by end users.

[source: twi-global.com]

Appendix B – Assessment Criteria

Criteria		Weighting	Targeted questions
1	Impact	33%	<ul style="list-style-type: none"> • What is the problem being addressed? • What is the solution and how is it unique and innovative? • Who is the market user and how large is the opportunity? • How are you going to use the funding to accelerate R&D and commercialisation?
2	Effectiveness	33%	<p>Track record of business</p> <ul style="list-style-type: none"> • How has your organisation or project team previously and successfully delivered real-world solutions at scale and with speed? <p>Feasibility</p> <ul style="list-style-type: none"> • What is the research basis of your product and the evidence that you can provide to show the effectiveness of your product? • How close are you to the commercialisation of your product? • What, if any, are key uncertainties remaining about the effectiveness of your product, and how and when will you resolve these? <p>Viability</p> <ul style="list-style-type: none"> • How do you propose to reach your users? • Who are your closest competitors and how is your product different?
3	Delivery	34%	<p>Resourcing</p> <ul style="list-style-type: none"> • What are the resources your organisation is making available for this project? • What experience do team members have in commercialising products? • What additional resources are you seeking for this project (aside from this funding application)? • How will your product be deployed into the operational environment rapidly and at scale? <p>Timing and Staging</p>

			<ul style="list-style-type: none">• What capabilities does the business have that enable implementation of the commercialisation of the product?• Outline the milestones and stage-gates that are present in the project plan. <p>Coordination and alignment</p> <ul style="list-style-type: none">• How does this project fit with your organisation's strategic goals?
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Appendix C – Scoring Matrix

Score	Rating	Requirement
5	Excellent	Meets and exceeds all requirements. Solutions proposed are highly innovative and readily deliverable with no discernible risks.
4	Very Good	Fully meets all requirements and exceeds some. Solutions proposed are innovative and deliverable with limited problem solving and risk management.
3	Good	Meets requirements in all areas. Solutions are innovative and deliverable with some problem solving or risk management clearly evident.
2	Satisfactory	Almost meets requirements. Solutions are novel, or may be genuinely innovative, but substantial development or risk areas need to be resolved.
1	Poor	Minimal compliance with the requirements. Solutions lack innovative quality and/or present substantial risk or deliverability challenges.
0	Non-compliant	Does not meet requirements. Solutions presented do not address the assessment criteria in an assessable manner.