

Innovation Voucher Program

Guidelines

Connecting South Australian research
with local manufacturing

Interested parties are encouraged to contact:

Mark Ledson
Principal Industry Development Officer
Department of State Development
Ph (08) 8303 2910
Email mark.ledson@sa.gov.au

Sarah Treasure
Senior Project Officer: Science and Research
Department of State Development
Ph (08) 8207 8778
Email ivp@sa.gov.au

www.statedevelopment.sa.gov.au



**Government
of South Australia**

Department of
State Development

Introduction

The South Australian Government supports programs and initiatives that:

- achieve high-value, commercial outcomes;
- assist innovative manufacturers in a demanding global marketplace;
- supports new market, supply chain or investment opportunities for South Australia's manufacturers.

The State Government is keen to promote greater connectivity and collaboration between entrepreneurs, manufacturers, research and development providers, knowledge intensive service providers, providers of capital, and Government.

Program overview

The Innovation Voucher Program (IVP) supports greater innovation in the manufacturing sector, and drives collaboration between industry and the research community.

The IVP supports collaboration between small-to-medium enterprises (SMEs) and research service providers (RSPs) to facilitate and encourage technological innovation and industry diversification in priority areas.

The development of new manufactured products or processes, through engagement with RSPs, is central to the program.

Innovation Vouchers between \$10,000 and \$50,000 are awarded on a competitive basis to projects that support productivity or industry diversification of companies. Companies are required to provide a funding contribution depending on annual turnover. The number of vouchers issued per annum is subject to availability of State Government funding.

RSPs will be contracted to provide research and development services to a company for a specific project agreed upon by both parties. These services could include, but are not limited to: innovative production techniques, proof of concept, testing of prototypes, or innovative design.

economic.priorities.sa.gov.au

Objectives

The program seeks to stimulate South Australian company profitability and State economic growth. The purpose of an Innovation Voucher is to:

- address a technical problem that cannot be solved by the applicant, or for which the solution is not readily available;
- develop new or enhanced commercially-ready products or services;
- establish prototypes, processes or systems to attract additional investment;
- assist a company to win contracts with business partners or in exports;
- establish relationships between the company and RSP that support exchange of people, skills and expertise; and
- establish new productive links between industry and RSP institutions.

Applicants will be required to demonstrate how one or more of these outcomes will be achieved through their collaborative project.

Developing the partnership

Companies who are unfamiliar with the research sector can register with the State Government to make contacts.

An approach to a potential RSP partner will then be facilitated.

Further details on this service can be obtained via **ivp@sa.gov.au**

Eligibility criteria

Company Eligibility

The industry partner must:

- be a financially viable Australian business with a majority of its business conducted in South Australia, or have significant business activity aligned with program objectives;
- own the right to use any existing intellectual property necessary to commercialise the project;
- have an annual turnover of less than \$200 million;
- have been in operation for longer than 12 months; and
- be able to fund the required co-contribution.

The researcher and applicant should not be related entities.

Research service provider (RSP) eligibility

RSPs must be capable of providing scientific or technical expertise and resources to perform research and development (R&D).

Ideally the RSP will be located or have facilities in South Australia, however, the services of interstate RSPs may also be engaged.

A list of RSPs registered with Innovation Australia is available from the Commonwealth AusIndustry website:

<http://www.business.gov.au/grants-and-assistance/innovation-rd/RD-TaxIncentive/Program-Information/Pages/Research-Providers.aspx>

The establishment of the Innovation Voucher Program (IVP) will foster greater innovation in the manufacturing sector, as well as drive connectivity and collaboration between industry and the research community.

Project eligibility

Project proposals must be developed and co-endorsed by both parties. Projects must:

- a) be clearly aligned to priority areas for manufacturing and technological innovation;
- b) describe a discrete technical project, including planned expenditure, agreed timelines and KPIs of no longer than 12 months that will achieve a defined output to solve a technical problem *; and

**This output could be developing a new product or service that exhibits commercial potential to a defined market opportunity or conclusively proves the feasibility of a prototype to attract further investment.*

- c) include a preliminary commercial assessment, such as benefits compared to current market solutions.

Meritorious, non-conforming proposals which identify significant innovative opportunities may be considered at the discretion of the Minister for Manufacturing and Innovation or the Minister for Science and Information Economy.

Assessment criteria

Each application will be assessed against four essential criteria to determine the extent of innovation:

1. alignment to one or more of the State Government's priority areas, as defined in the Program Overview;
2. the quality of the project proposal, including the relevance of project activities for the company's business objectives;
3. applicant understanding of the intended customer and commercial opportunity (how, when and where the customer would buy or use the product); and
4. potential to help establish a new productive partnership between the company and RSP.

In addition to these criteria, applicants who involve or improve the industry experience of 'early career' researchers and applications with a focus on establishing new relationships (rather than existing relationships) will be considered favourably. Project proposals from consortia will also be considered.

Application process

Completed application forms together with supporting documentation should be emailed to: ivp@sa.gov.au

Innovation Vouchers between \$10,000 and \$50,000 will be awarded on a competitive basis. Companies will be required to provide a funding contribution towards the voucher according to the following table:

Company turnover (per annum)	Contribution ratio (State: Applicant)
Up to \$5 million	2:1
Between \$5 million and \$200 million	1:1

This means for a company with turnover up to \$5 million per annum, a \$10,000 Innovation Voucher requires a company contribution of \$5,000 to establish a project of \$15,000. For a company with a turnover between \$5 million and \$200 million per annum, a \$10,000 Innovation Voucher requires a company contribution of \$10,000 to establish a project of \$20,000.

Alternatively, costs for a third party commercial assessment of the project, or costs to investigate commercial applications for a particular product, may be considered towards a portion of the company's financial contribution.

Applications will be continuously assessed throughout the year. Notification of funding approval is aimed to be provided within six weeks of lodgement.

Application and assessment

Voucher agreement

Successful companies and RSPs will be required to co-endorse the project application.

RSPs will be contracted under a funding agreement by the State Government to provide R&D services to the company.

Voucher payments will be made by way of a grant to the RSP only.

The Innovation Voucher cannot be spent on activities outside of the defined project, which include:

- activities conducted directly by the applicant company
- business development or strategic planning;
- software or hardware purchases, except for prototype development purposes;
- design and production of marketing or promotional material or events;
- non-technical professional services (such as accounting or legal services);
- maintenance or upkeep of facilities;
- any administrative fee or surcharge for administering such expenditures; or
- any other activities as determined by the SA Government that are the usual requirement of business.

Reporting requirements

A final report will be required at the end of the voucher agreement. This report must:

- summarise project outcomes;
- describe any next steps between partners; and
- provide auditable evidence of project expenditure.

Excerpts from reports may be made available by the South Australian Government for promotional or case study purposes.

Other expectations on companies and RSPS

Applicants are responsible for all negotiations involving their intellectual property (IP).

There is an expectation that any IP arrangements will not delay the progress or purpose of the IVP; that any prior IP will be owned, available for use and retained by the respective partners; and that normally any created IP will be fully available and ideally owned by the company as is practice in contracted Research and Development services.

Decisions about IVP Awards

The South Australian Government reserves all rights in regards to its assessment of the quality and number of vouchers it might fund in any year.

Decisions made by the Minister for Manufacturing and Innovation or the Minister for Science and Information Economy will be final.

The IVP is an initiative of the Department of State Development and is funded by Manufacturing Works, Our Jobs Plan and the Premier's Research and Industry Fund.

The IVP Guidelines will be reviewed annually or as needed, informed by the advice of the South Australian Government.

Contacts

Mark Ledson

Principal Industry Development Officer
Industry and Innovation
Department of State Development
Ph (08) 8303 2910
Email mark.ledson@sa.gov.au

OR

Sarah Treasure

Senior Project Officer
Science and Research
Department of State Development
Ph (08) 8207 8778
Email ivp@sa.gov.au

Further information is also available online from:
www.statedevelopment.sa.gov.au