



DJPR

Victoria-Jiangsu Program for Technology and Innovation R&D

(VIC-JS TECH)

Program Guidelines



The Victoria-Jiangsu Program for Technology and Innovation R&D (VIC-JS TECH)

Program Guidelines

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1. OVERVIEW

The Victoria-Jiangsu Program for Technology and Innovation Research and Development (VIC-JS TECH) provides funding support for market-oriented collaborative research and development (R&D) projects by companies and organisations in Victoria (Australia) and Jiangsu Province (China), consistent with the Technology and Innovation Agreement in place between Victoria and Jiangsu Province signed in 2019.

The VIC-JS TECH program supports collaborative R&D projects aimed at achieving commercialisation of new or improved products, processes or services that can potentially contribute to the economic development of Victoria and Jiangsu Province. It aims to facilitate and support joint, commercially focused, science and technology innovations and to improve competitiveness and further cooperation in economy and business.

Financial support of approved projects is provided for organisations in both countries. Financial support of up to AUD\$200,000 per project is available to Victorian-based organisations, provided by the Victorian Government as a grant. Financial support for approved companies in Jiangsu Province is provided according to the Jiangsu Science and Technology Department's (JSTD) usual processes.

Successful Victorian applicants enter into a grant agreement with the State Government of Victoria through the Department of Jobs, Precincts and Regions (DJPR). In addition, successful applicants from both locations enter into a collaboration agreement with each other that describes how the project will be conducted, the intellectual property managed and the beneficial outcomes shared.

2. OBJECTIVES

The VIC-JS TECH program aims to:

- Provide incentives for Victorian and Jiangsu Province organisations to collaborate on research and development activities pertaining to technology-based products or processes;
- Advance such technologies to commercial readiness; and
- Identify steps for realisation of economic benefits for all parties concerned.

3. ELIGIBILITY

Collaborating entities take forward parallel applications in Victoria and Jiangsu Province.

The Victorian applicant must be a for-profit company or a recognised research organisation that:

- has its registered office and principal place of business located in Victoria;



- meets the requirement of a cash co-contribution to the project of an amount that is at least equal in value to the grant amount awarded;
- has not been awarded funding of more than AUD\$200,000 (plus GST) through any program of the Victorian Government in relation to the proposed technology; and
- is not currently involved in litigation against the State Government of Victoria.

Jiangsu Province applicants must be R&D performing Jiangsu Province registered companies operating in Jiangsu Province.

Victorian and Jiangsu Province applicants cannot be related in any way. That is, the applicants must be entirely separate legal entities, with no financial or other ties.

Therefore, applicants must not:

- be owned by the same parent company;
- be related bodies corporate within the meaning of the Corporations Act 2001 (Commonwealth of Australia);
- share governance; nor
- have common directors, officers or senior managers.

4. PROJECTS

The projects must involve cooperation by the applicants on joint, market driven, science and technology related R&D of new products or processes.

The projects must involve at least one Victorian organisation and one Jiangsu Province company and may involve more than one organisation from each jurisdiction.

The applicants must demonstrate that they have ready access to the required infrastructure and resources to complete the projects. Also, the applicants must have the ability to deliver newly developed technologies to the market in the short to medium term.

The project contributions by the Victorian and Jiangsu Province applicants must be fairly balanced.

Projects in the following areas will be preferred:

- Biotechnology, New Medicine and Medical Devices;
- New Generation Information and Communication Technology;
- Clean Technology and Environmental Protection;
- Food and Fibre Industries; and
- Advanced Manufacturing and Aerospace Industries.

Other areas that are mutually accepted will also be considered.



Relevant project issues must be addressed in the application documentation, including a project plan and budget.

5. APPLICATION PROCESS

The VIC-JS TECH application is a two-stage process including a bilateral cooperation application and final grant application.

a. Expression of Interest and Bilateral Cooperation Applications – Phase 1

The first stage of the process is a pre-screening of project proposals to determine suitability for a full application. The steps are as follows:

- Applicants jointly complete a Bilateral Cooperation Form (BCF). The content of this form is to be agreed between the parties so that identical information is submitted to both the Victorian and Jiangsu Province departments.
- The applicants submit the BCF and relevant attachments to their respective government departments at the same time.
- A Letter of Intent (LoI) or Memorandum of Understanding (MoU) is drafted and executed by all parties involved in the project. This document refers to the management of intellectual property.
- DJPR undertakes an initial review of the BCF as to the appropriateness and eligibility of the application for Victoria. This review and evaluation may involve specialist scientific or technical input.
- DJPR and the JSTD jointly decide as to whether the application is suitable for VIC-JS TECH funding.
- If successful, DJPR advises the Victorian applicant and JSTD advises the Jiangsu Province applicant to proceed to next stage of the application process.

b. Full Applications – Phase 2

Victorian Organisations

For Victorian organisations, the full application stage involves the following steps:

- Applicants complete the supplied forms, including a Project Proposal template and Project Budget template.
- The project proposal should include a milestone schedule that describes the various activities of the project over a quarterly time-frame.
- The project budget must indicate the matching investment into the project by the applicant. The budget is also set at quarterly intervals across the planned grant period.
- The applicants complete a collaboration agreement which should define the project partner roles, project work responsibilities, funding contributions, outcome and benefit distribution and the management of intellectual property between the Victorian and Jiangsu Province parties.



- The application forms must be authorised by a person with delegated authority to apply (that is, with the appropriate financial delegation to approve external service agreements and payments).
- DJPR undertakes a financial risk assessment. The applicants must therefore provide:
 - Financial reports for the last three financial years. This information should be the 'final accounts' with Directors' Report & Declaration and should include Profit & Loss Statement, Balance Sheet and Notes to the Accounts.
 - Where the latest financial report is more than six months old - up to date management or interim accounts (Profit & Loss Statement and Balance Sheet).
- DJPR consults with the Victorian Department of Treasury and Finance on the financial risk assessments.
- The applications are reviewed by an Expert Panel. Applicants are likely to be contacted by VIC-JS TECH program managers as part of the assessment process. This provides an opportunity to seek clarification on issues raised or not covered by the documentation provided.
- The applications are then reviewed by a Joint Management Committee comprising of representatives from both regional governments. Only those projects that are approved by both government authorities are recommended for funding.
- Project funding is subject to approval by the relevant Minister.
- Letters of offer are sent by DJPR to successful Victorian applicants.

Jiangsu Province Companies

- Applications will be assessed according to the existing rules and practices of Jiangsu Province in supporting the R&D activities of companies.
- The projects are reviewed by a Joint Management Committee. Only those projects that are approved by both government authorities receive funding.
- The project partners whose projects have been selected will be informed of the result by the JSTD.

Assessment Criteria

Eligible final applications are assessed on merit against the selection criteria by the expert assessors in Jiangsu Province and Victoria who then make funding recommendations to the Joint Management Committee.

VIC-JS TECH proposals are assessed in relation to:

- technical strength;
- applicant capabilities;
- commercial potential; and
- prospective benefits to the economy.



Technical strength includes:

- the level of innovation and novelty of the product;
- the technological barriers, risks and opportunities of the development; and
- the creation of intellectual property.

Applicant capabilities include:

- the position of the organisations in the sector;
- the capabilities of the management and research and development teams;
- the ability of the collaboration to achieve the intended results;
- financial capability; and
- past performance.

Commercial potential includes:

- the potential market size;
- the path to adoption (commercialisation/utilisation) will achieve the identified outcomes;
- the funding sought will generate a return on investment;
- the solution answers market needs;
- the global market size;
- the expected market share for the company;
- significant competitive advantage based on a comparison of competitor companies and products.

Contribution to the economy includes:

- the potential contribution of the technology to the economy and society;
- the potential of an industry sector or user group to make productivity gains from the technology; and
- additional investment export, and employment opportunities.

6. PROGRAM FUNDING AND APPLICANT CO-CONTRIBUTIONS

In Victoria

The maximum grant amount is AUD\$200,000 excluding GST. Organisations can apply for less than this amount.

Organisations are required to make a cash co-contribution of an equal or greater value than the grant amount requested. That is, the funding is up to 50% of the project expenses.

Successful Victorian applicants will be awarded grant funds by DJPR. Projects that create an ongoing liability for the Victorian Government will not be funded.



In Jiangsu Province

Funding is provided according to the existing rules and practices of Jiangsu Province in supporting the R&D activities of companies, currently in the form of a grant.

7. PROJECT EXPENDITURE ELIGIBLE FOR FUNDING

In Victoria

VIC-JS TECH funding can be applied flexibly to project related expenses. Funding is not intended to cover “business as usual” expenses.

Eligible project costs and activities may include:

- personnel costs for staff dedicated to the project;
- cost of purchasing, leasing or renting equipment or instrumentation;
- cost of sub-contracting and consultancy services used exclusively for the project;
- other operating expenses (e.g. cost of materials, consumables and other supplies);
- premarketing expenses;
- outlays to meet regulatory requirements;
- business planning;
- knowledge transfer to industry and other end users; and
- necessary travel.

Corporate overheads as well as financial charges are not eligible.

The project budget as submitted with the application (refer to template documentation) shall clearly detail all proposed expenditure items and be subject to the approval of the Department.

Should applicants be uncertain as to whether a particular expense is eligible for funding under the VIC-JS TECH program they can contact the DJPR Program Manager.

In Jiangsu Province

Funding is provided according to the existing rules and practices of Jiangsu Province in supporting the R&D activities of companies.

8. PROJECT DURATION

In Victoria



Projects are to commence within three months and be completed within two years from execution of grant agreements.

DJPR reserves the right to withdraw the offer of funding if projects have not commenced within the specified timeframe.

In Jiangsu Province

Funding for projects is provided according to the existing rules and practices of Jiangsu Province in supporting the R&D activities of companies.

9. GRANT MANAGEMENT AND REPORTING (FOR VICTORIAN APPLICANTS ONLY)

Grant Agreements

The Victorian Government has full discretion and authority to determine which applicants are entitled to receive funding under the program and the amounts of any funding offered.

Subject to acceptance of the letters of offer sent to successful applicants, separate legally binding grant agreements are prepared reflecting the project, proposed outcomes, milestones, timeframes and conditions of payment.

Victorian recipients are required to enter into a Grant Agreement with DJPR. The Grant Agreement between the Victorian recipients and DJPR must be finalised within six weeks from notification of the award.

Victorian recipients receive funding in agreed tranches corresponding to Grant Agreement milestones. Claims for payment from the Victorian recipient must be supported by appropriate evidence, including financial details of total project expenditure and cash co-contributions.

Execution of a collaboration agreement between the applicant and collaborating organisations is a pre-requisite for the release of the first payment under the Grant Agreement. Other deliverables may also apply.

Reporting

All grant recipients must agree to:

- comply with DJPR's performance monitoring and evaluation requirements; and
- participate in any formal evaluation of the program by the Victorian Government or its agent.



Consistent with these undertakings, regular reports must be submitted by the recipients, including:

- **Technical Progress Reports:** Technical reports enable departmental officers to follow project progress and approve payments of funding instalments. Provision of funding instalments is dependent on achievement of milestones.
- **Financial Reports:** The purpose of the financial reports is to enable departmental officers to monitor actual expenditures against projected budgets. All expenses incurred must be itemised and compared to the original budget.

A final report must also be provided, consisting of a final update on technical progress and a full financial report complete with an audit opinion or appropriate statutory declaration. The final report should also describe the results of the project in commercial terms, including market acceptance of products and processes developed, current sales and cash flow forecasts, new product opportunities and any further activities planned.

Grant recipients must agree to cooperate with DJPR in the preparation of materials used to promote the benefits of the program, such as a media release or case study on the project. DJPR must be consulted prior to the publication of any company promotion materials relating to the project, such as media releases.

10. INTELLECTUAL PROPERTY

It is preferable that both Victorian and Jiangsu Province applicants bring clearly codified intellectual property to the project (background IP). Applicants need to clarify the ownership of intellectual property generated during the project (project IP), in a Letter of Intent submitted with the Bilateral Cooperation Form. All applicants should receive beneficial ownership of intellectual property associated with the project (background and project IP). The applicants must clarify and agree the management of intellectual property according to these principles.

11. CONFIDENTIALITY

The Victorian Government will, to the extent permitted by law, treat all information as strictly confidential and commercial-in-confidence where relevant, and manage it in accordance with the published Privacy Policy, which can be found at business.vic.gov.au/privacy.



CONTACTS AND FURTHER INFORMATION

Victoria
VIC-JS TECH Program Manager Vic-Jiangsu.TECH@ecodev.vic.gov.au Business Victoria Help Line on 13 22 15; or http://www.business.vic.gov.au/VICJSTECH Please note that engagement with any Victorian Government representative does not constitute endorsement of any application for funding.



Victoria-Jiangsu Program for Technology and Innovation R&D VIC-JS TECH – Application process

