

BIO INNOVATION SA Commercial Infrastructure Grant

Guidelines for Applicants

The *Guidelines for Applicants* is a reference guide to be used when applying for Bio Innovation SA Commercial Infrastructure Grant funding.

Further information on the program is available directly from Bio Innovation SA or via the website: <http://www.bioinnovationsa.com.au>.

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1 Introduction

1.1 The Bio Innovation SA Commercial Infrastructure Grant

Bio Innovation SA is a South Australian Government funded organisation established to enhance the development of the local bioscience industry.

Bio Innovation SA has established the Commercial Infrastructure (CI) Grant to assist with the expansion of commercial activities of South Australian bioscience companies. Grants are for the purchase of equipment and if necessary, associated facility modifications that the applicant can demonstrate will generate revenue and create employment.

The CI Grant scheme is open to South Australian companies and applications can be submitted year-round.

An application for CI funding must be made by the CEO or a senior company representative.

Applications will be reviewed internally by Bio Innovation SA.

Bio Innovation SA will provide the grant directly to the successful applicants, who will be responsible for administering the grant. CI Grant recipients must provide a yearly progress report, to enable Bio Innovation SA to monitor the progress of the project for a period of two years from receipt of the grant.

The maximum amount of funding any one company can receive from all sources of grant funding Bio Innovation SA provides is \$25,000. Bio Innovation SA reserves the right not to award funding to any applications under the CI Grant.

1.2 Program Objectives

The objective of the CI Grant is to enable companies to:

- a) generate significant additional revenue from new business;
- b) increase company employment;
- c) attract investment into South Australia;
- d) provide a strategic benefit to South Australia.

Companies can apply for a CI Grant to provide financial assistance for equipment that will achieve some or all of the above objectives within 12 months. A CI Grant will be used for initiatives that the company would otherwise be unable to fund. This scheme aims to increase the success of bioscience (in particular biotechnology) companies in South Australia and to build leadership positions in manufacturing and service provision.

1.3 Level of Grant Support

The maximum funding that any one company may receive from the Bio Innovation SA CI Grant is \$250,000 (+GST). Providing the applicant has not received funding previously from Bio Innovation SA, the first \$50,000 of the CI Grant does not require matching funding from the applicant. For amounts greater than \$50,000 matching funding will be required for the incremental amount on a dollar for dollar basis. For example, if the equipment sought has a cost of \$100,000, the applicant will be eligible for \$75,000 from Bio Innovation SA and will need to source the remaining \$25,000 independently. If the applicant has previously received funding from Bio Innovation SA, then please contact us to determine the level of matching funding required.

1.4 These Guidelines

These Guidelines have been prepared to assist applicants with their CI Grant application and provide information on eligibility requirements. Further details are available at the Bio Innovation SA website www.bioinnovationsa.com.au or by contacting our office on (08) 8217 6400.

2 Eligibility Requirements

The following requirements must be met for a project to be eligible for assistance:

- a) the applicant must be a South Australian company;
- b) the project must be in the field of bioscience;
- c) the applicant must demonstrate in a detailed business plan how the acquired equipment or facilities will generate revenue, employment, attract inward investment and enhance the capacity of the industry in South Australia;
- d) the applicant must demonstrate that they are unable to develop the project without financial assistance, or how the CI Grant will significantly accelerate the process and therefore provide a favourable financial outcome; and
- e) the applicant must be registered for the R & D Tax Concession.

The requirements to address each of these criteria are explained more fully in Section 4, which covers the *Application Process* in detail.

PLEASE NOTE: The CI fund is not designed to support:

- a) purchase of equipment for research purposes;
- b) design of new equipment; or
- c) equipment that does not generate significant revenue and employment.

The Chief Executive of Bio Innovation SA will determine whether the proposed project falls within this definition.

3 Merit Criteria

Applications for grants will be assessed by Bio Innovation SA according to the following merit selection criteria:

- a) the commercial viability of the company and the skill and experience of the management team;
- b) the extent to which the project can only proceed satisfactorily with this financial assistance and not other means eg. bank loan or hire purchase;
- c) the extent to which the equipment will contribute to increasing company revenue, employment and market position;
- d) the demonstration of earning capacity and a clearly communicated market opportunity;
- e) the long term viability of the equipment and it's benefit to the company's core business;

- f) the demonstration of how revenue will be reinvested into building the business (this will be judged by track record in this area); and
- g) the extent to which the project will provide additional benefits to South Australia, such as attracting investment from national and international sources.

4 The Application Process

The Bio Innovation SA CI Grant *Application Process* consists of three stages:

- 1) submit a written (1-2 page) expression of interest to Bio Innovation SA for review;
- 2) selected potential applicants will be invited to meet with Bio Innovation SA to discuss the proposal; and
- 3) if requested, applicants will submit a full Application Form, provided by Bio Innovation SA.

At any of these stages, Bio Innovation SA may inform the potential applicant of its decision to decline to proceed with the application process.

4.1 Stage 1 – Submitting an Expression of Interest

This should be a succinct 1-2 page outline (a proforma can be obtained from Bio Innovation SA at http://www.bioinnovationsa.com.au/financial_support.htm) of the proposed project including the budget, timeframe, milestones and some background information on the company. It should cover the key elements of the proposal in light of the stated objectives of the CI Grant. On the basis of the proposal, selected potential applicants will be invited to meet with Bio Innovation SA to discuss the possibility of submitting an application. Bio Innovation SA will select potential applicants on the basis of how well the proposed project addresses the Merit Criteria, and whether the proposal outcomes lead to enhanced opportunities for revenue and employment creation.

4.2 Stage 2 – Meeting with Bio Innovation SA

Before submitting a full application for a CI Grant, it is important that potential applicants meet with Bio Innovation SA to discuss the activities that they would like funded. Potential applicants are welcome (and encouraged) to provide background information before the meeting and will need to be prepared to deliver a short (15-20 minute) and informal presentation on the company/proposed activities at the meeting.

The meeting provides the opportunity for potential applicants to receive feedback on their proposal and to be given informal advice on whether the activities are likely to be funded or what milestones will need to be achieved before an application will be considered. The meeting should be a constructive prelude to preparing the Application Form. It is common for more than one meeting to be held before a formal application is invited to be submitted.

4.3 Stage 3 – Application Form

The Application Form has been designed to allow applicants to address the Merit Criteria (Section 3) for this grant. It is anticipated that the space provided for each section will be sufficient to address each point and applicants are encouraged to be succinct.

5 Completing the Application Form

5.1 Part 1 – Applicant Details

A) Name of Applicant

The applicant must be a South Australian company engaged in the bioscience field, but preference will be given to those proposals with a strong biotechnology focus. The company must be located in South Australia for the duration of the project.

B) Fields of Bioscience

For the purposes of this grant, the definition of biotechnology is *‘The application of scientific and engineering principles to the processing of materials by biological agents to provide goods and services’*.

Acceptable areas of biotechnology generally include, but will not be confined to:

- Human and Animal Therapeutics
- Plant Sciences
- Recombinant DNA Technology (Gene Technology)
- Bioinformatics
- Genomics
- Cell and Tissue Culture
- Applied Microbiology and Biochemistry
- Antibody and Protein Engineering
- Bioprocess Engineering
- Early Development Of Pharmaceutical And Veterinary Drug Manufacture
- Biological Materials, Biomembranes and Surfaces
- Environmental Biotechnology Developments

The field of bioscience includes the field of biotechnology and also includes the applications of diagnostics and medical and veterinary devices and the fields of pharmacy and nanotechnology, which act biologically or on biological agents.

Certain services provided to the bioscience industry may also be considered eligible. The Chief Executive of Bio Innovation SA will determine whether any proposed project falls within this definition for eligibility requirements.

C) Nominated contact person

The nominated contact person and contact details should refer to a person able to answer questions regarding the project whilst the application is being assessed and once the project has commenced (if the grant is awarded). If the nominated contact person changes, please notify Bio Innovation SA immediately.

5.2 Part 2 – The Project

A) Project Title

The project title should be a short, single sentence which, if a grant is awarded, may be used for reference purposes and in promotional activities relating to the CI Grant.

B) Company Description

In this section, provide some background on the company including when it was formed, who the current shareholders are, and the company's principal business activity.

C) Project Summary

In a few sentences, describe what the project is about. Broadly outline the activities to be undertaken and their significance to the company and include the likely outcomes and benefits (this information must be non-technical and **non-confidential** and may be used by Bio Innovation SA in promotional activities relating to the CI if the project is approved for funding). Please keep this section brief and do not include confidential information.

D) Project Milestones

The project milestones need to be key performance indicators by which the progress of the project can be measured and reported. Please list the project milestones in chronological order and nominate a specific completion date for each. If the project is approved for funding, performance against these measures will be included in the progress reports. A condition of a CI Grant is that the organisation provides Bio Innovation SA with annual reports of progress made against each milestone for a period of two years.

E) Project Significance

This section should be used to describe briefly how the proposed project will significantly enhance the commercial potential of the company addressing the merit criteria for the project. Please outline potential risks and how they will be addressed.

F) Principal Project Personnel

Identify the key personnel who will be responsible for the proposed project. Please also attach a brief (1 page) curriculum vitae for each individual.

G) Management Capabilities

In this section you need to provide a brief description of the company management team focusing on their relevant commercial expertise and track record.

H) Request for Funding

In this section applicants should state the amount of funding that they request and the duration of the funding. For example “\$100,000 in the following instalments..”

Itemised details on when and how the funds will be used are required. If a grant is awarded, any costs incurred that are less than estimated will be retained by Bio Innovation SA. Any deviation from what has been agreed, needs to be discussed with Bio Innovation SA before action is taken.

I) Need for Financial Assistance

An important factor is whether the applicant can demonstrate a genuine need for the funding. Please state the reasons why the project will not proceed satisfactorily without a grant.

Applicants will also need to state whether they have previously applied or are intending to apply for any funding for this or a similar project and, if so, provide details.

The applicant will also need to describe the contribution of other companies that are collaborating on the project. These collaborators may not necessarily be South Australian. Reference needs to be made to any other cash or in-kind contributions.

Financial statements (Profit and Loss statement and balance sheet) will need to be provided to Bio Innovation SA to verify the need for funding and to ensure the commercial viability of the company prior to payment of the CI Grant.

J) Contribution of the Applicant Company

Please provide details of whether the applicant company has committed or will commit resources to the project. Please state all cash and in-kind contributions, particularly those active throughout the duration of the proposed project.

Please indicate the percentage of total cost represented by the requested amount.

K) Benefits to South Australia

An assessment is required of the extent to which the project will provide commercial and State benefits including:

- a) revenue generation from new business over a minimum five year period;
- b) increased ability to compete in the marketplace;
- c) additional employment generated over a minimum five year period;
- d) reputation of South Australia as a leader in a defined field;
- e) other direct or indirect broader economic and community benefits.

5.3 Part 3 – Declaration

Please read the declaration carefully before signing.

6 The Selection Process

6.1 Assessment of Grants

Applications for grants under the CI Program will be assessed by Bio Innovation SA in the context of the Merit Criteria (Section 3). Bio Innovation SA reserves the right not to fund any applications under the CI Program regardless of whether the applicant fulfils the eligibility requirements and addresses all the Merit Criteria.

6.2 Successful Applications

Successful applicants will be notified in writing and will be required to enter into a Grant Deed with Bio Innovation SA for the funding.

There is a finite pool of funding available each financial year for the CI Grants, thus Bio Innovation SA may change the timing of grant payment to enable it to maintain cash flows within the Initiative annual budget. Grant recipients will be notified of any changes in writing.

6.3 Reporting Requirements

Reporting requirements will be specific to each CI Grant and should be discussed during meetings with Bio Innovation SA before the application is submitted. These reporting requirements will be set out in the Grant Deed. A condition of a CI Grant is that the organisation provides Bio Innovation SA with annual reports of progress made against each milestone for a period of two years. In addition, every CI Grant recipient will be required to provide a report on the outcomes of the grant one year from the date of completion.

6.4 Unsuccessful Applications

Unsuccessful applicants will be notified in writing. Unsuccessful applications can be resubmitted for assessment. However, it should be noted that Bio Innovation SA may refuse an application if:

- a) the application is the same, or substantially the same, as any previous application that was not accepted by Bio Innovation SA; or
- b) the applicant has already made more than one application for which Bio Innovation SA has decided not to grant financial assistance.

6.5 Confidentiality and Conflicts of Interest

Protecting applicants' confidential information is important to Bio Innovation SA. Information provided by applicants will be considered confidential and treated as such by Bio Innovation SA staff and any third parties from whom advice is sought. Confidential information will only be released with the applicants agreement or where required by law.

All Bio Innovation SA staff, Board members, and third parties from whom advice is sought regarding applications, will be required to declare any conflict of interest before having access to confidential material. Where a conflict of interest exists, the Chief Executive will take appropriate action. Bio Innovation SA will sign a confidentiality agreement if required.

Following approval by Bio Innovation SA, the broad details of successful applications, such as, the name of recipient, the amount of funding and a brief

explanation of the project taken from the project summary, may be disclosed for the purposes of promoting the CI program and reporting on its operation.

7 Contact Us

If applicants think they may be eligible for assistance under the CI Program, they should contact Bio Innovation SA.

Bio Innovation SA is located at Level 15, 33 King William Street, Adelaide, SA, 5000. Applicants can find more information on Bio Innovation SA's website at www.bioinnovationsa.com.au or by calling Bio Innovation SA on (08) 8217 6400.