

Enterprise Connect

CLEAN ENERGY INNOVATION CENTRE (CEIC) Background Information and Proposal Terms

The Department of Innovation, Industry, Science and Research (the Department of Innovation) invites proposals from organisations to partner with the Australian Government to deliver specific elements of, and provide the base location for, the Clean Energy Innovation Centre (CEIC).

Enterprise Connect

The Enterprise Connect network is a key initiative of the Australian Government's productivity agenda. The initiative will establish a national industry innovation network comprising Manufacturing Centres in Sydney, Melbourne (Dandenong), Adelaide (Mawson Lakes), Perth and North West Tasmania (Burnie). The network will link to QMI Solutions in Queensland, a not-for-profit organisation which supports the Australian manufacturing industry.

The national network will include an Innovative Regions Centre based in Geelong, a Remote Enterprise Centre based in Alice Springs, a Mining Technology Innovation Centre based in Mackay, and a Creative Industries Innovation Centre in addition to the CEIC.

Enterprise Connect will also fund the Researchers in Business initiative (\$10 million over 4 years) to support the placement of researchers from universities or public research agencies into businesses where it is identified that such a placement would help to develop and implement new ideas with commercial potential.

Enterprise Connect will incorporate the previous Government's Australian Industry Productivity Centres initiative. Total funding for the Enterprise Connect initiative is \$251 million over five years.

ENTERPRISE CONNECT: BROAD VISION AND OBJECTIVES

The Government's intention is that the Enterprise Connect initiative will drive a measurable increase in the productivity of Australian small and medium-sized enterprises (SMEs).

The aim is that Enterprise Connect Centres will:

- become the natural entry point for SMEs wanting to upgrade and connect to new technologies and knowledge;
- provide a national network of skilled advisers with access to a national knowledge bank, tools and training; and

- drive innovation in Australian SMEs by linking them to the best knowledge and research available and promoting a culture of enterprise improvement.

Enterprise Connect will:

- provide a nationally consistent set of services and support with flexibility for the needs of specific sectors and regions;
- be a gateway for firms to Australia's industry infrastructure, especially resources in universities, research organisations and private firms;
- have strong linkages with state governments, Industry Capability Network, Austrade and other players in the enterprise development space;
- provide services comparable to the best of government advisory services and world-class professional services firms;
- have brand recognition for enterprise development similar to that which Austrade has for export; and
- provide simple, user-friendly access for clients.

Enterprise Connect Clean Energy Innovation Centre

OBJECTIVES

The CEIC will help SMEs in the clean energy sector improve their productivity and competitiveness. The CEIC will help target firms create more high-income and sustainable jobs in clean energy, enhance the prestige of Australia's international brand and provide innovative Australians with a competitive edge in growing global markets.

The CEIC will operate within the overall Enterprise Connect vision, outlined above.

The CEIC will have a strong commercial focus delivering professional business advisory and related business development services to target firms. Elements of the service offering which are common to the Enterprise Connect network will be provided by Enterprise Connect while the Australian Government will partner with an organisation or organisations in developing and delivering industry specific services to SMEs in the clean energy sector across Australia.

The CEIC will also build collaboration between researchers and businesses and assist clean energy businesses to access the latest clean energy technologies and to provide market specific information.

While the CEIC will be based in a specific location, it will operate through a hub and spokes model, delivering services on a national basis. Some CEIC staff will be located in the base, while others will operate from other Enterprise Connect facilities. Some CEIC services may be provided by other Enterprise Connect staff under the guidance of the CEIC to expand the geographic service delivery.

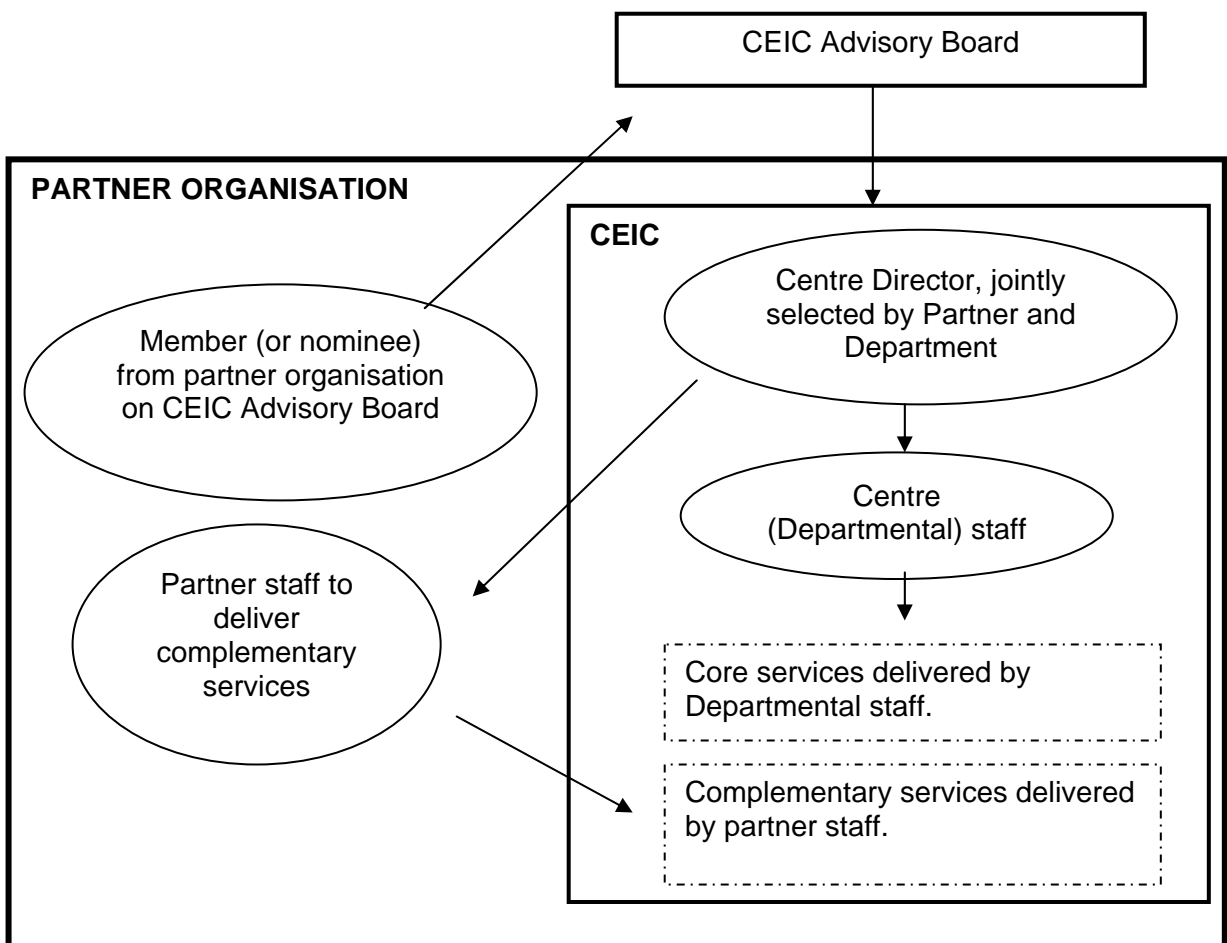
STRUCTURE

The Minister for Innovation, Industry, Science and Research will appoint an Advisory Board to advise him on the strategic direction of the CEIC. The board will be made up of persons with expertise in clean energy across the areas of industry, research and government. The partner organisation will have representation on the Advisory Board.

The CEIC will operate as an element of the national Enterprise Connect network. The Centre Director will be responsible for the day to day operation of the CEIC, within the Enterprise Connect governance framework. The Centre Director will operate in close collaboration with the Enterprise Connect State Director and Enterprise Connect program management.

The Centre Director will be appointed by the Department of Innovation, Industry, Science and Research, with involvement from the partner organisation(s) and the Department of Resources, Energy and Tourism (DRET). Other CEIC staff will be Departmental officers appointed by the Department of Innovation (for the provision of core services) and staff appointed by the partner organisation (for the provision of complementary services). The different services are explained below.

The diagram below illustrates the anticipated structure of the CEIC.



CENTRE SERVICES

There are two main components of services to be delivered by the CEIC, which can be classified as core services and complementary services.

Core Services

The core responsibilities of the CEIC will be the nationwide delivery of:

- business advisory services to small and medium sized businesses in the clean energy sector through a network of Business Advisers;
- identifying sources of government support for innovation and export activities; and
- specialist services and advice relevant to firms within the clean energy sector.

Core services will be consistent with the overarching Enterprise Connect initiative. They will be funded by the Commonwealth and include a national network of Business Advisers to assist with the provision of business improvement services to target firms. The Department of Innovation will be responsible for appointing staff to deliver the core services.

Complementary Services

Complementary services will enhance and build on the core services. The Commonwealth will co-fund and deliver the services in partnership with the successful partner organisation(s). The extent and exact nature of these services will be negotiated with the successful organisation(s).

These services could include:

- helping firms identify new opportunities in global and domestic markets, in conjunction with Austrade's Clean Energy Export Strategy and the Industry Capability Network;
- convening group innovation and business development projects;
- assisting companies to become export ready, including through developing management and marketing skills;
- providing technical advice to business advisers and firms developing and selling technologies and technological solutions for use in the clean energy sector;
- providing balanced advice and business intelligence to SMEs on new clean technologies products and processes;
- providing access to prototyping and testing facilities to turn innovative ideas into new products, or to test products for new markets; and
- facilitating effective industry-wide networks and relationships by undertaking national events and awareness seminars.

The partner organisation will be responsible for appointing staff to deliver the complementary services, with input from the Australian Government.

The Australian Government will contract directly with the partner organisation for the provision of accommodation and other services. The partner organisation should anticipate providing accommodation for up to 10-12 staff.

The CEIC, as part of the Enterprise Connect initiative, will have access to the resources and knowledge of the broader Enterprise Connect network. It will be able to leverage the networks, common structures, operating processes, industry intelligence, leading edge practice and key personnel within the national network.

INDICATIVE CENTRE BUDGET AND FUNDING OUTLINE

Expense	2008-2009	2009-2010	2010-2011
Core Services			
Business Adviser Network (Target of 10-12 Business Advisers around Australia)	\$2.11 million	\$2.11 million	\$2.11 million
Grants (including to firms)	\$2.00 million	\$2.00 million	\$2.00 million
Centre Director, staff and Advisory Board salary and expenses	\$1.12 million	\$1.12 million	\$1.12 million
Complementary Services			
To be negotiated between the Commonwealth and the partner organisation(s)	\$4 million over three years		

SCOPE OF TARGET FIRMS

SMEs are not heavily represented in the energy supply sector, but there are some niches of the sector where SMEs have opportunities to make a significant contribution. Across a wide array of energy consumption activities, however, the scope for SME involvement in clean energy is greater. The National Framework on Energy Efficiency identifies a diverse range of potential opportunities for SMEs in improving the efficiency of energy consumption in the household and business sectors.

SMEs with clean energy products and services are also expected to capitalise on growing opportunities in the Australian market and possibly find a path to international competitiveness. This, in turn, would increase the chances of Australian businesses taking a bigger stake in the growing international market.

The CEIC will assist SMEs in the clean energy sector that operate in any of the three broad categories below:

- supply of converted energy from clean energy sources (solar, wind, hydro, fuel cells, biofuels and geothermal);
- development and manufacture of clean energy equipment or materials (including power electrics, storage systems and batteries, cables and wires, sensors and instrumentation, control systems, materials and manufacturing technology and heating, ventilation and air conditioning systems [HVAC]); and
- delivery of services such as design and engineering, project management, distribution and installation, and information including analysis and advice (eg. building use, grid management, delivery and transportation, resource mining, extraction and refining, sustainable design and integrated clean energy applications).

SELECTION CRITERIA

Organisations making a proposal will be assessed against the following criteria:

1. Ability to provide appropriate accommodation for headquarters.
2. Experience in providing commercial business development advice to SMEs. Experience in providing these services to the clean energy sector is an advantage.
3. A good understanding of the issues and problems that face the development and maturity of firms in the clean energy sector.
4. Skills or networks within the organisation that will enable:
 - linking of target firms to market specific knowledge and research;
 - identification of latest clean energy technologies and helping target firms to access them; and
 - identification of issues impeding the development and maturity of firms in the clean energy sector.
5. Reputation/credibility of organisation within the clean energy sector, including ability to attract firms to the initiative and contribute to the development of an Enterprise Connect brand and brand recognition.
6. Networks across Australia and/or consortia involvement, or the ability to deliver services nationally through established networks.
7. Quantity and quality of proposed co-contributions and support services to enhance the outcomes of the CEIC.
8. Processes and procedures to protect confidential information collected from firms.

ELIGIBILITY

The CEIC will form part of the Enterprise Connect initiative. The Department of Innovation, Industry, Science and Research welcomes proposals from individual organisations as well as consortia and may be from either the private or public sectors. Consortia must identify the lead organisation with which the Australian Government will contract. The organisation making the proposal, or in the case of consortia, the lead organisation, must possess an Australian Business Number or an Australian Company Number.

PROCESS

Officers from the Department of Innovation Industry, Science and Research will review each proposal and assess the options put forward with involvement from the Department of Resources, Energy and Tourism.

The Department of Innovation, Industry, Science and Research will enter into negotiations as appropriate with the relevant organisation(s).

The decision on the successful organisation(s) will be made by the Minister for Innovation, Industry, Science and Research, in consultation with the Minister for Resources, Energy and Tourism.

The successful organisation(s) will be required to enter into a funding agreement with the Australian Government. The funding agreement will be for a period of three years (2008/09-2010/11) with the option to extend and will set out the delivery model, funding, reporting requirements and service levels expected from both parties.

PROPOSAL TERMS

1. The Department of Innovation is not obliged to consider proposals:
 - a) not made on the proposal form provided by the Department of Innovation;
 - b) not received at the address specified by the Department of Innovation for proposals; or
 - c) received after the closing time,but may in its absolute discretion do so.
2. All proposals become the property of the Department of Innovation once lodged. The Department of Innovation may copy, amend, extract or otherwise deal with all or any part of a proposal for the purpose of conducting the selection process.
3. All expenses and costs incurred by an organisation in connection with this Call for Proposals, including (without limitation) preparing and submitting a proposal, providing the Department of Innovation with further information, attending interviews and participating in any subsequent negotiations, are the sole responsibility of the organisation.

4. Nothing in this Call for Proposals should be construed to give rise to any contractual obligations or rights, express or implied, by the issue of this Call for Proposal or the submission of a proposal in response to it. No contract will be created until a formal written contract is executed between the Department of Innovation and the successful organisation.
5. In the event that a court finds there to be a contract between the Department of Innovation and an organisation making a proposal regarding the conduct of this selection process contrary to clause 4, the organisation acknowledges that Department of Innovation's liability for any breach of the terms of such contract is limited to the organisation's costs of participation in the selection process, and does not include liability for any lost profit, lost opportunity or other losses of the organisation.
6. Notwithstanding any other provision of this Call for Proposals, the Department of Innovation reserves the right, at any time to:
 - a) alter, amend or vary this Call for Proposals and the selection process;
 - b) suspend or terminate this Call for Proposals or any part of it;
 - c) require additional information or clarification from any or all organisations or anyone else, or provide additional information or clarification to any or all organisations;
 - d) negotiate or not negotiate with any one or more organisations, and discontinue negotiations at any time;
 - e) allow, or not allow, the successful organisation to enter into a contract in the name of a different legal entity from that which it used in its proposal;
 - f) add to, alter, delete or exclude any of the requirement to be provided by the successful organisation under this Call for Proposals; and
 - g) negotiate with any person who did not make a proposal under this Call for Proposals and enter into a contract in relation to the Department of Innovation's requirement under this Call for Proposal or part of it with that person on such terms as the Department of Innovation in its absolute discretion accepts.

Proposals should be sent to:

cleanenergycentre@innovation.gov.au

For questions, please email cleanenergycentre@innovation.gov.au

The closing time for proposals is **COB 21 July 2008**.