

Enterprise Connect Researchers in Business

Client Guidelines

February 2009

website: www.enterpriseconnect.gov.au

Enterprise Connect Hotline: 131 791

About these guidelines

The Enterprise Connect Researchers in Business Client Guidelines contained in this document, as amended from time to time, (**Guidelines**) provide information on:

- the Researchers in Business scheme and the broader Enterprise Connect program of which it is a part;
- the criteria for eligibility for Researchers in Business funding;
- how to apply for Researchers in Business funding, including requirements for the format and content of an application;
- how an application for Researchers in Business funding will be processed and what will happen after the application is processed; and
- other general terms governing the provision of Researchers in Business funding and these Guidelines.

Further information on Researchers in Business and the Enterprise Connect Initiative can be found on our website at www.enterpriseconnect.gov.au or by contacting your nearest Enterprise Connect Centre on 131 791.

These Guidelines are issued by the Commonwealth of Australia as represented by the Department of Innovation, Industry, Science and Research (the **Department**).

Terms used in these Guidelines

In addition to the above defined terms ('Department' and 'Guidelines') terms used in these Guidelines have the following meanings:

- **Enterprise Connect Centre** means any of the following Enterprise Connect centres: Manufacturing Centres; Creative Industries Innovation Centre; Clean Energy Innovation Centre; Remote Enterprise Centre; Mining Technology Innovation Centre; Defence Industry Innovation Centre and Innovative Regions Centre.
- **Firm** means an SME that receives a Placement.
- **Placement** means a Researchers in Business placement for which the Department provides Researchers in Business funding.
- **Program Funds** means funds available for the awarding of Researchers in Business funding under Enterprise Connect.
- **Project** means a project conducted by a Researcher in conjunction with a Firm through a Placement.
- **Researcher** means an eligible researcher identified in section 2 of these Guidelines that participates in a Placement.
- **Research Organisation** means a research organisation referred to in section 2.1 of these Guidelines.
- **Researchers in Business Funding** has the meaning given in section 1 of these Guidelines.

- **SME** means a small or medium-sized Australian enterprise.

CONTENTS

CONTENTS	4
1 INTRODUCTION	5
Objectives of Researchers in Business.....	5
2 ELIGIBILITY CRITERIA	6
2.1 Research Organisation Eligibility	6
2.2 SME Eligibility	6
What is a ‘Manufacturing Firm’?.....	7
What is a ‘Manufacturing Services Firm’?.....	7
2.3 The proposed Researcher	8
2.4 Project Eligibility	8
Ineligible Projects	8
2.5 Management Commitment.....	9
3 HOW TO APPLY FOR RESEARCHERS IN BUSINESS FUNDING	9
Content of the application	9
4 PROCESSING OF APPLICATIONS FOR RESEARCHERS IN BUSINESS FUNDING	11
4.1 Approval.....	11
4.3 Unsuccessful applications	11
5 FORMAL AGREEMENT	11
6 REPORTING	12
7 TAX IMPLICATIONS	13
8 CONFIDENTIALITY	13
9 THE DEPARTMENT’S OTHER RIGHTS	14
10 ENQUIRING AND FEEDBACK ON ENTERPRISE CONNECT AND RESEARCHERS IN BUSINESS FUNDING	14

1 Introduction

The Australian Government has committed \$250 million over five years for the Enterprise Connect initiative. The initiative will provide participating SMEs with better access to new ideas, knowledge and technologies, to enable businesses to become more innovative, efficient and competitive and to lift productivity across Australian industry.

Researchers in Business is a \$10 million commitment within Enterprise Connect to support the placement of researchers from universities or public research agencies with participating SMEs where it is identified that such a placement would help the SME to develop and implement a new idea with commercial potential.

Researchers in Business is aimed at SMEs who are unable to undertake new ideas due to lack of funding.

These Guidelines apply only in relation to Researchers in Business funding, and may be amended by the Department from time to time. Applicants for Researchers in Business funding should ensure that they have the latest Guidelines available from the Enterprise Connect website at www.enterpriseconnect.gov.au or by contacting the Enterprise Connect Hotline on 131 791.

Objectives of Researchers in Business

The objectives of Researchers in Business are to:

- help break down the cultural divide between Australian SMEs and the research sector;
- stimulate the dissemination of expertise from research organisations to industry, and to stimulate the dissemination of industry knowledge back into the research community;
- accelerate the adoption of new ideas and technologies by Australian SMEs; and
- increase the competitiveness of Australian SMEs.

The Department will, through Enterprise Connect, provide funding to be applied in paying for half of the salary costs of engaging a Researcher, up to a maximum of \$50,000 (excluding GST) in respect of a Placement for a period of two to twelve months. Researchers in Business Funding will be provided to either the Research Organisation or the Firm, depending on which party is the approved applicant.

An up front payment of 70% of the approved amount will be paid to the Researchers in Business Funding recipient upon completion of an appropriate funding agreement and submission of a tax invoice. The Firm must match the amount of the Researchers in Business Funding by an equivalent cash payment towards the Researcher's salary during the term of the Placement, and cannot be sourced from another government program. In-kind contributions do not count towards the Firm's cash contribution.

Oncosts

Up to 15% of funding can be used to cover the on-costs of the research provider.

2 Eligibility Criteria

An application for Researchers in Business Funding may only be made by a Research Organisation or an SME. To be eligible for Researchers in Business Funding, a proposed Placement must satisfy eligibility criteria relating to the:

- Research Organisation (2.1 below);
- SME receiving the Placement (2.2 below);
- Researcher involved in the Placement (2.3 below);
- Project that will be conducted through, or with the assistance of, the Placement (2.4 below); and
- management commitment of the RIB Funding recipient (2.5 below).

The eligibility criteria for applicants are set out below.

2.1 *Research Organisation Eligibility*

For an applicant to be eligible for Researchers in Business Funding, its application must relate to a Placement to be provided by one of the following Research Organisations:

- an Australian university (Uni);
- the Australian Nuclear Science and Technology Organisation (ANSTO);
- the Commonwealth Scientific and Industrial Research Organisation (CSIRO);
- the Australian Institute of Marine Science (AIMS);
- the Defence Science and Technology Organisation (DSTO);
- the Cooperative Research Centres (CRCs);
- National ICT Australia (NICTA);
- the National Measurement Institute (NMI);
- Australian Research Council (ARC) Centres of Excellence;
- other Research Organisations as advised by the Department from time-to-time.

2.2 *SME Eligibility*

For an applicant to be eligible for Researchers in Business Funding, its application must relate to a Placement with an SME that, at the time of processing of the application:

- has not received funding for the project from other Government programs (whether Commonwealth, State, Territory, local or otherwise) within the last three calendar years;

- is registered with an Australian Business Number (ABN);
- has turned over more than \$1 million and under \$100 million in the preceding/current financial year;
- is not insolvent;
- has filed Business Activity Statements for at least three consecutive years; and
- is a Manufacturing Firm and/or a Manufacturing Service Firm (see below for further detail).

Firms who are eligible for services in one of the Enterprise Connect Innovation Centres located throughout Australia may also be eligible for Researchers in Business funding.

What is a 'Manufacturing Firm'?

A firm whose predominant or core business activity is classified under Division C of the Australian and New Zealand Standard Industrial Classification (ANZSIC) is a 'Manufacturing Firm' for the purposes of these Guidelines.

The ANZSIC definition of manufacturing is "the physical or chemical transformation" of materials, substances or components (being the products of agriculture, forestry, fishing and mining, or the products of other manufacturing units) into new products. All of these firms are classified under Division C of ANZSIC.

What is a 'Manufacturing Services Firm'?

A firm Manufacturing Services Firm for the purposes of these Guidelines if:

- the predominant or core activity of the firm is a service that is defined within any one of the ANZSIC categories listed below;
 - Waste Treatment and Disposal Services (ANZSIC code 2921);
 - Engineering Design and Engineering Consulting Services (ANZSIC code 6923);
 - Scientific Testing and Analysis Services (ANZSIC code 6925);
 - Computer System Design and Related Services (ANZSIC code 7000);
 - Packaging Services (ANZSIC code 7320);
 - Technical and Vocational Education and Training (ANZSIC code 8101);
 - Electronic (except Domestic Appliance) and Precision Equipment Repair and Maintenance (ANZSIC code 9422);
 - Machinery Equipment Repair and Maintenance (ANZSIC code 9429);

and

- the service referred to above is provided predominantly to manufacturers or sales to manufacturers,

and

- the delivery of the service is related to a manufacturing process (being a process by which inputs are transformed into new products) and the transformation of manufactured products (including their re-processing *re-use, recycling or disposal*).

2.3 *The proposed Researcher*

For an applicant to be eligible for Researchers in Business Funding, its application must relate to the Placement of a Researcher that:

- is enrolled in a Masters by Research Degree or PhD program; or
 - has completed a Masters by Research Degree or PhD program,
- and
- has the research skills necessary to perform the Project.

Business Advisers and Enterprise Connect staff can assist SMEs to identify appropriate Researchers.

2.4 *Project Eligibility*

For an applicant to be eligible for Researchers in Business Funding, its application must relate to a Project, proposed to be conducted by an eligible SME, that:

- develops a new idea with commercial potential;
- involves activities that are not currently being carried out in the Firm and that will create new competencies and capabilities within the Firm;
- is aligned with the Firm's business strategy;
- requires the Researcher to spend a significant proportion of the Project working on-site within the Firm; and
- is not an ineligible Project (see below).

Projects can involve either a full or part time Placement, however Projects involving part-time Placements must have a minimum 30% Effective Full Time (EFT) commitment from the Researcher.

Examples of the kinds of Projects that may be eligible for Researchers in Business Funding include (but are not limited to):

- finding and interpreting research, technologies and knowledge;
- improving business, production and management processes;
- building and testing prototypes for new products or services; and
- investigating and testing new business models.

Ineligible Projects

For the purpose of these Guidelines, an ineligible Project is a Project that:

- involves activities which would have taken place in any case. Researchers in Business is aimed at Projects which SMEs are unable to undertake due to a lack of funding;
- involves activities which form a normal part of doing business (e.g. standard business services which can be easily purchased from the private sector);

- would result in RIB Funding being used as a wage subsidy for existing employees of an SME; or
- involves an existing and ongoing relationship around the proposed Project between the Firm and the Research Organisation.

2.5 Management Commitment

For an applicant to be eligible for Researchers in Business Funding, it must demonstrate a commitment by the proposed Firm to the management of the Project.

This may include controlled access to Firm information, access to key personnel by the Researcher, mentoring supervision of the Researcher and proposed access to relevant equipment or facilities of the Firm.

The application must describe how the Project will be undertaken, and the facilities, personnel and other resources that will be utilised.

3 How to apply for Researchers in Business funding

To apply for Researchers in Business Funding, an applicant must complete and send a Researchers in Business funding application, which can be obtained at www.enterpriseconnect.gov.au. The declaration on the form must be completed by:

- an authorised representative of the proposed Firm;
- an authorised representative of the Research Organisation; and
- the Researcher.

The person completing the declaration for the proposed Firm, and the person completing the declaration for the Research Organisation, must be authorised to execute the declaration on behalf of the Firm or Research Organisation respectively.

Completed application forms can be emailed to enterpriseconnect@innovation.gov.au. Applications can be made at any time.

For assistance during the application process, please call the Enterprise Connect Hotline on 131 791.

Content of the application

The application must include the following information:

- **Applicant details** - including the following information in relation to the applicant:
 - registered name;
 - Australian Business Number;
 - address (in the case of a company, the registered address);
 - name(s) and contact details of the applicant's nominated contact person(s); and

- whether the applicant is the Research Organisation or the proposed Firm;
- **Associate Applicant details** - including the following information in relation to the proposed Research Organisation and Firm (to the extent not covered by the applicant details above):
 - registered name;
 - Australian Business Number;
 - address (in the case of a company, the registered address); and
 - name(s) and contact details of the applicant's nominated contact person(s);
- **Eligibility criteria**
 - information demonstrating that the proposed Firm and Research Organisation satisfy the eligibility criteria set out in sections 2.1 and 2.2 of these Guidelines;
- **Researcher information** - including:
 - the name, qualifications and experience of the Researcher; and
 - information demonstrating that the proposed Researcher satisfies the eligibility criteria set out in section 2.3 of these Guidelines;
- **Project information** - including:
 - the aims and objectives of the Project;
 - the nature and scope of the Project, including the role of the Researcher in the Project;
 - proposed time frames for the performance of the Project;
 - proposed Project funding requirements; and
 - information demonstrating that the proposed Project satisfies the eligibility criteria set out in section 2.4 of these Guidelines;
- **Management commitment**
 - how the proposed Firm satisfies the compliance criteria in section 2.5 of these Guidelines; and

Applicants may be contacted by the Department for further information to assist the Department determine whether the eligibility criteria for Researchers in Business Funding have been satisfied. The Department may also use information obtained from other sources for that purpose.

4 Processing of applications for Researchers in Business Funding

4.1 Approval

Authority to award final approval of an application for Researcher in Business funding will be delegated to an officer (the **Program Delegate**) in the Department by the Minister for Innovation, Industry, Science and Research. The Program Delegate will have the final decision in determining the eligibility, quantum, terms and conditions of the Researcher in Business funding.

Importantly, the provision of Researchers in Business Funding is subject to available Program Funds and Commonwealth policy. The Program Delegate will not approve an application for Researchers in Business Funding if he/she reasonably considers, following an assessment of:

- the Researchers in Business Funding sought under an application;
- commitments of Program Funds in the current financial year;
- commitments in future years; and
- Program Funds currently available,

that the application cannot be accommodated within the Program Funds of the financial years in which the application relates.

In addition, the Enterprise Connect Program Delegate may make policies of general application and other guidelines and decisions in relation to the administration of Enterprise Connect which may affect the awarding of Researcher in Business funding.

A decision on the success of an application will ordinarily be provided within two weeks of (i) the date of receipt of a complete application, or (ii) the date of receipt of any additional information requested by the Department according to these Guidelines, whichever is later.

A successful applicant for Researchers in Business Funding must agree to a commencement date with the Researcher and Research Organisation or Firm (as the case may be) involved. This will need to be within three months of notification of the application being approved by the Program Delegate.

Any questions regarding the status of an application can be directed to the Enterprise Connect Hotline 131 791 or emailed to enterpriseconnect@innovation.gov.au.

4.3 Unsuccessful applications

Unsuccessful applicants may contact the Department (using the contact details in section 10 of these Guidelines) to discuss the reasons why they were not eligible for Researchers in Business Funding.

5 Formal agreement

A recipient of Researchers in Business Funding, whether it be a Research Organisation or an SME, will be responsible for the administration of the Researchers in Business Funding, including receiving and managing the funding, and reporting on the Placement outcomes to the Commonwealth.

Following the final approval of an application, the successful applicant must enter into a funding agreement with the Commonwealth. The funding agreement will:

- empower the Commonwealth to recover program funds in circumstances where the applicant has not used the Researchers in Business Funding, or used it in a way not permitted by the funding agreement;
- require the funding recipient to comply with applicable laws of the Commonwealth, States and Territories, and these Guidelines (including, without limitation, the reporting obligations in section 6 of these Guidelines);
- specify the amount of Researchers in Business Funding for the Project to which the application relates and the timing of payment of the funding;
- require the recipient to participate in the Placement to which the application relates;
- prescribe terms for the Placement;
- require that arrangements for the ownership of intellectual property created in the performance of the Placement are in set out in the Placement contract;
- require the recipient to keep records relating to the Placement;
- require the appropriate acquittal of Researchers in Business funding by the recipient;
- provide for variation and termination of the agreement; and
- may include other matters.

A copy of the Department's pro-forma funding agreement for Researchers in Business is available on the Enterprise Connect website.

6 Reporting

A Researchers in Business Funding recipient must complete a short (no more than one page) progress report template halfway through the completion of the Placement. For instance, a twelve month Placement will require a progress report to be completed after six months.

Following completion of the Placement, the Researchers in Business Funding recipient must complete a report template detailing the impact of the Placement and the Project on the Firm, Researcher and Research Organisation, and the level of satisfaction with the Researchers in Business program.

The Researchers in Business Funding recipient must also provide audited financial statements to the Department confirming that the Researchers in Business Funding has been used in accordance with the funding agreement. The Department will reimburse Researchers in Business Funding recipients the cost of auditing their financial statements, up to a limit of \$3,000 (excluding GST but in addition to the \$50,000) payable within 30 days of the provision of a receipt.

Report templates will be provided to the Researchers in Business Funding recipient and can also be downloaded at www.enterpriseconnect.gov.au.

7 Tax implications

Ten per cent will be added to the agreed amount of the funding offer for the purposes of GST. A successful applicant must pay this additional amount directly to the Australian Taxation Office (ATO).

For example, if a project for \$50,000 is approved, the Commonwealth will pay \$55,000 to the successful applicant and the applicant must then pay \$5,000 to the ATO.

Note that funding agreements are not of themselves exempt from income and other taxes. It is for applicants to make their own assessment and decision on taxation issues as part of the process of deciding whether or not to apply for funding. The Department does not give legal or taxation advice.

8 Confidentiality

Information provided by applicants to the Department is regulated by the relevant provisions and penalties of the *Public Service Act 1999*, the *Public Service Regulations*, the *Privacy Act 1988*, the *Crimes Act 1914*, the *Criminal Code* and general law.

The information provided in an application for Researchers in Business Funding:

- will be used by the Department to determine eligibility of the applicant for Researchers in Business Funding, and for the administration and further development of Enterprise Connect. Any subsequent information provided to the Department, its Business Advisers or other service providers in the course of Enterprise Connect, may be used for similar purposes;
- may be disclosed between the Department, its Business Advisers and other contractors and service providers for the purposes described above;
- will not be used for marketing or publicity purposes without your consent, except to the extent that it is used in a public announcement of a successful application as described below;
- may be disclosed for audit purposes to contractors engaged by the Department and to other Commonwealth agencies for audit, reporting and law enforcement purposes;
- may be disclosed by the Department if it obtains the applicant's consent; and
- may also be disclosed as permitted or required by law, or in response to questions posed by the Minister, Parliament or its committees (for example, if the Department is required to respond to a resolution of the Parliament, or an order of a court).

Aggregated information may be disclosed to other Commonwealth departments and agencies, or made public, however, an applicant's name and other identifying information will not be disclosed.

There will be regular public announcements of successful applicants for Researchers in Business funding. The public announcement will include broad details of an application, for example, the identity of the successful applicant, the value of the assistance and/or funding and a brief description of the purpose of the assistance and/or funding.

Applicants concerned about confidentiality should contact their nearest Enterprise Connect Centre office.

9 The Department's other rights

Nothing in these Guidelines should be construed to give rise to any contractual obligations or rights, express or implied, by the issue of these Guidelines or the submission of an application for Researchers in Business Funding. No funding agreement will be created until a formal written agreement is executed between a successful applicant and the Department.

Notwithstanding any other provision of these Guidelines, the Department reserves the right, at any time, to:

- alter, amend or vary these Guidelines, and the process outlined in these Guidelines and
- act, refrain from acting, or make a decision, that is inconsistent with these Guidelines.

Notwithstanding the approval of any application for Researchers in Business Funding, the provision of Researchers in Business Funding by the Department, and the amount of any Researchers in Business Funding, is subject to available Program Funds and changes in Commonwealth policy.

10 Enquiring and feedback on Enterprise Connect and Researchers in Business funding

Applicants are encouraged to provide feedback on Enterprise Connect services and the process for the provision of Researchers in Business Funding.

If an applicant has a complaint, please call the Enterprise Connect hotline on 131 791 as a first point of contact.

If an applicant is not satisfied with the complaint resolution procedure, the applicant can contact General Manager of Enterprise Connect in writing at the following address:

General Manager
Enterprise Connect
GPO Box 9839
CANBERRA ACT 2601.