DEFENCE INNOVATION NETWORK
To go far, go together

NSW DEFENCE INNOVATION NETWORK'S SEED PROJECT LEVERAGE SCHEME 2020

Guidelines for applicants

1. Scheme Purpose

1.1. The DIN Seed Project Leverage Scheme is a competitive program that supports collaboration between NSW-based small businesses and DIN member universities. The scheme is administered by the NSW Defence Innovation Network and funded by the NSW Government.
1.2. The purpose of the Scheme is to grow defence industry capability within New South Wales. DIN Seed Projects should demonstrate clear impact to satisfy an existing or emerging defence need.
1.3. DIN is establishing a leverage mechanism under the Seed Project scheme to provide top up funding to support applicants who are successful at winning contracts in the DST Group NGTF ICERA program, to be known as the DIN Seed Project Leverage scheme (SPL).
1.4. Through the SPL, DIN will provide 1:1 matching funding on a competitive basis for industry-led R&D projects co-developed with DIN universities and scoped around ICERA topics.
1.5. The SPL grants will be open to applicants who are successful in The Defence Industry Competitive Evaluation Research Agreement (ICERA) call. ICERA will provide financial support of up to $300,000 to Australian small-to-medium enterprises for projects scoped for up to 18 months. DIN SPL projects will allow businesses to include an R&D component that can be developed at NSW universities.
1.6. Applications for SPL Projects will be solicited from businesses through public call and direct approach.
1.7. DIN will be able to connect industry partners with DIN universities on request.

2. Support available

2.1. Successful proposals will be funded up to $50,000 per project to match industry cash contributions. At minimum, $100K of research & development must be conducted through DIN member universities per project. Funding will comprise $50K of DIN SPL funds and $50K of industry funds which must be contracted to a participating DIN member university. Contribution may be sourced from ICERA project funds.
2.2. Applicants must ensure that they fully disclose all relevant information in the ICERA application, including potential third party provider collaborations.
2.3. DIN is able to facilitate obligation-free introductions to appropriate researchers at DIN member universities, on request. SMEs interested to find a university collaborator should submit their intention to apply for SPL funding here.
2.4. Projects are expected to be completed within 12-18 months.
2.5. All funds, including industry and DIN contributions, must be paid and used for research & development activities at the DIN Member University.

2.6. Businesses may potentially leverage additional project funding of $50,000 from the Innovation Connections program if they meet the selection criteria. DIN can facilitate introductions to Innovation Connections staff on request.

3. Eligibility criteria

3.1. Projects must be led by a small business in collaboration with a DIN member university.

3.2. To be eligible for DIN SPL funds, an industry partner must:

- Be a small-to-medium company (up to 200 employees) located in NSW
- Have an Australian Business Number (ABN) and be registered as a company or trust
- Be successful in a selection process for ICERA funding.

3.3. Industry applicants are not eligible for DIN Seed Project grant if they are

- a subsidiary of a large international company, albeit with a small local presence
- exempt from income tax
- a Commonwealth, state or local government agency or body

4. Use of funds

4.1. Funding from the DIN Seed Project Grant Scheme will be in the form of a cash contribution following the execution of Agreements.

4.2. Successful applicant are expected to conclude a contract with the collaborating DIN Member University. Cash contributions from the Industry Partner must be transferred to the DIN Member University upon execution of the Agreements.

4.3. Funds must be used to directly support research project described in the application form and must be spent at the university. Funds can be applied to the following:

- *Direct salary costs* for academic researchers working on the project including chief investigators (not preferred), early career researchers, research assistants etc. Use of the funds for chief investigator salaries must be specifically justified and is subject to DIN's approval.
- *On-cost salary expenses* up to maximum of 30% of direct salary costs and consistent with the university policy. On-costs must be itemised in the application and can only include the following items: superannuation, payroll tax, payroll tax on superannuation, workers compensation, long service leave, and maternity leave. Universities must submit their on-cost salary expenses itemised by each category as the attachment of the application form.

- *Equipment, software, material and consumables* essential for the project. Funding will not be provided for equipment and consumables purchased by the industry partner, considered to be for broad general use or already held by the university.
- *Travel costs* essential to the project for the researchers working on the project excluding conference travel costs
- *Stipends for HDR students* working on the project

4.4. Budget items which are not supported by the Seed Project funding and should NOT be requested in the budget include:

- *Infrastructure (overhead) costs* related to general operations of the university shared among projects and functions
- *Salaries of industry partners* working on the project
- *Equipment, software, material and consumables* purchased and used by the industry partner
- *Costs not directly related to the project* including but not limited to conference fees, workshop expenses, entertainment costs, professional membership fees, professional development courses, visas, relocation costs, insurance and other indirect costs

4.5. All expenses must be itemised in a budget section of the grant application. Funds must be spent in accordance with this budget and any requests for variations must be made to the Defence Innovation Network and approved in advance.

4.6. The DIN reserves the right to tailor funding support according to what it believes is required to assist with the project delivery.

5. Application process & timeline

5.1. Companies looking for university collaborators should contact DIN immediately to allow time for the DIN to look for relevant experts across DIN universities. SMEs must disclose their intention to apply for DIN SPL funding including all relevant information about the third party collaborators in the ICERA application.

5.2. Teams will be invited to submit an application to DIN Seed Project Leverage Scheme if they are successful in ICERA program.

5.3. Applicants must submit a full application form by the due date 27 November 2020 to info@defenceinnovationnetwork.com

5.4. The timeline of the application process is as follows:

19-Aug-20	ICERA Call
18-Sep-20	ICERA Applications close
15-Oct-20	ICERA Results & DIN Seed Project Leverage Call (indicative date)
27-Nov-20	Seed Project Leverage Applications close
07-Dec-20	Seed Project Leverage Assessment and announcement of results
Dec-Feb-20	Contracting & Project Start

5.5. All university applicants are expected to communicate with their DIN Coordinators at relevant universities to ensure that they have optimum visibility of progress of intended submissions.

- *University of Wollongong:* Robert Beretov
- *University of Western Sydney:* Andre Urfer
- *University of Sydney:* Richard Cislowski
- *University of Technology Sydney:* Lesley Hine, Michael Murphy
- *University of New South Wales:* Mick Cook
- *Macquarie University:* Mark Berlage
- *University of Newcastle:* Sally Whittaker

5.6. Applicants should clearly identify in their application (including attachments) any information that must be treated as confidential.

6. Selection criteria and selection process

6.1. All applications will be competitively assessed by the Technical Review Panel, nominated by the DIN Steering Committee, based on the following selection criteria:

- Novelty and potential to become world leading
- Stretch goals achievable due to additional funding and access to university researchers and facilities
- Technical / Scientific Merits, Risk, Best Collaborative Team including specific reference to university collaborators
- Capacity and capability of the SME to commercialise project IP

6.2. All applicants will be informed of the outcomes of the Technical Review Panel, with feedback on decisions for funding allocation. All results of the DIN Seed Project call-out must remain confidential until otherwise advised by the Defence Innovation Network.

6.3. For more information, refer to:

- Annexure A: The Technical Review Panel for DIN Seed Project Leverage Scheme
- Annexure B: Assessment Criteria

7. Funding Agreements, Intellectual Property

7.1. All applicants who are successful and who accept the offer of a grant will be required to enter into formal Agreements that will specify obligations and accountabilities of the recipients.

7.2. The Defence Innovation Network will enter into a Multi-Institutional Agreement with the Collaborating DIN Member University. The Industry partner must negotiate a separate research contract with the collaborating DIN Member University.

7.3. All contracts must be signed within **30 business days** of receipt of draft contract.

7.4. Contracts must be fully executed before DIN Seed funding is transferred and projects commence.

7.5. Intellectual Property arrangements will be negotiated on case by case basis between the industry partner and participating DIN Member University, being cognisant of any IP requirements enforced by ICERA.

7.6. In general, the DIN supports the arrangement where the industry partner contributing to the project owns the project IP, and has the right to commercialise it. DIN Member universities retain a royalty-free license in perpetuity to pursue research that uses or builds on project IP. Owners of the background IP will provide access to such background IP, subject only to terms of access being negotiated in good faith.

8. Reporting Requirements & Acknowledgement

8.1. The Chief Investigator from the DIN Member University and Industry partner will be required to provide a final report on project outcomes to the DIN. Final reports must be submitted to info@defenceinnovationnetwork.com within 2 months of the project end date negotiated in the Agreement.

8.2. The final report consists of a technical and impact report and a financial acquittal. The DIN member university must submit a financial acquittal for the project as a whole.

8.3. All expenditure must be in accordance with the project description and broad structure of the proposed project cost detailed in the proposal. The DIN member university must retain all evidence of the expenditure.

8.4. All changes to project cost or roll-over of the funds must be justified and approved by the DIN.

8.5. Publications containing material or research findings from a DIN Seed Project activity must include acknowledgement of DIN Seed project funding and the

NSW Government in a form: *"We thank the NSW Defence Innovation Network and NSW State Government for financial support of this project through grant DINSPL-xx-xx* subject to any approvals or restrictions required by ICERA.

8.6. The DIN reserves the right to promote supported Seed projects through its communication channels including media releases, DIN website, newsletters, tradeshows, and the annual report.

ANNEXURE A: THE TECHNICAL REVIEW PANEL FOR DIN SEED PROJECT LEVERAGE SCHEME

The purpose of the DIN SPL Technical Review Panel (TRP) is to assess suitability and allocate funding to proposed projects based upon their evaluation of the proposals submitted for that round and the feedback of expert reviewers.

The Technical Review Panel is a subcommittee of the DIN Steering Committee. The TRP will have the following membership, with individuals nominated and approved by the Steering Committee[1]:

- DIN Director and DIN/DST Associate Director
- Defence NSW delegate
- NSW Office of the Chief Scientist & Engineer delegate
- 2x DIN Steering Committee Industry members
- 1x DIN Steering Committee University member
- 1x external DST Group or Defence delegate

The Chair of the Technical Review Panel will be either the DST Group Associate Director of the DIN, or appointed by the DIN Steering Committee.

The Technical Review Panel Chair will:

- ensure that proposals up for review will be distributed to Panel members at least two weeks before the Technical Review Panel is convened
- ensure that feedback from expert reviewers is provided as soon as possible
- manage conflict of interest issues
- record the recommendations of the Technical Review Panel
- report on the decisions of the Technical Review Panel to the DIN Steering Committee

Members of the DIN Seed Project Technical Review Panel will be expected to:

- declare any conflict of interest
- agree to confidentiality terms
- abstain from corresponding with applicants or interested parties relating to the proposal during or after the review process
- review the proposals against the selection criteria, and provide an objective appraisal against these criteria
- participate in the Technical Review Panel meeting, and supporting meetings if required[2]

[1] All TRP nominees will be considered with respect to managing conflicts of interest.
[2] These are expected to occur only rarely and under extraordinary circumstances.

Conflict of Interest

During the technical review process, the DIN will endeavour to eliminate conflicts of interest. If a reviewer believes they have a conflict of interest, they will be expected to explain their conflict of interest and withdraw themselves from the review process, with the understanding that they may be replaced by an alternate reviewer sourced by the DIN.

Conflicts of interest may be:

- Direct; i.e. you are an interested party in a proposal;
- Indirect; i.e. you have an association with one or more of the institutions involved in the proposal;
- Involvement in a competing proposal or business; i.e. you have an involvement that is direct or indirect with a competing proposal or business activity.

The Technical Review Process

In principle, the DIN will co-fund research at any Technical Readiness Level (TRL) that can be thought of as generating new ideas, developing emerging ideas, and leveraging proven ideas. The reviewer should judge the proposal accordingly.

Applicants are required to submit proposals using the application form template. Applicants are allowed to include supporting documents that provide evidence to support their proposal. The reviewer is expected to assess the proposal on the basis of the application and supporting documents, and is allowed to consider other information of relevance as required.

Proposals will be distributed to reviewers who will to score the proposal against specific criteria (Annexure B), and provide an objective appraisal of the proposal against these criteria. The purpose of these criteria is to support consistency across various applicants, research domains and reviewers. To assist discussion among Technical Panel reviewers, a one-page assessment template is provided in Annexure C.

Where possible, reviewers should provide explanatory text to support their ratings; this can include references to supporting key evidence such as scientific publications, strategic guidance documents, and patent information. Reviewers should ensure that their comments support the score and fairly reflect the assessment, and are accurate, professional, and honest. Reviewers are asked to rate the confidence of their assessment based on their institutional expertise (e.g., Defence, Industry, Academia, Government Research).

ANNEXURE B: ASSESSMENT CRITERIA

The following defines the criteria used for assessment of Projects. Reviewers will assess only those criteria allocated to them. If any clarification is required on criteria, please contact the Defence Innovation Network.

FOR SEED PROJECTS, THE FOLLOWING CRITERIA WILL APPLY:

1. Novelty and potential to become world leading

What is the quality of the proposed research, science, or technology, or related activities?

You may wish to particularly consider:

- The novelty and originality of the proposal. The idea itself does not have to be novel, but the sum of the idea and the application must be distinctive. We are looking for 'fresh thinking' rather than an obvious extension of existing research. If you are aware of similar work please provide a reference and identify how your proposal can be distinguished from this work. Similar work will not necessarily disqualify a proposal.
- The scientific credibility of the idea and its logic. Is the scientific basis for the idea established well in the proposal?
- The quality of the science, description of critical steps (including go/no-go steps), and methodology. Is the proposed research fit for purpose for the proposed outcome and impact sought?
- The degree of scientific rigour, e.g., the accuracy of the approach and hypothesis. Please provide advice on how either might be improved.
- The scientific risks and uncertainties identified in the proposal. Any omissions and how they are managed. Are the timescales realistic? Is the size of risk, and plans to mitigate that risk, consistent with the stage of research?

2. Stretch goals achievable due to additional funding and access to university researchers and facilities

- What is the added value that the collaboration with university will bring that could not be achieved by industry partner alone?
- Are the stretch goals ambitious and significantly improve project outcomes in a long term?
- How will the end-user and project benefit from the outcomes of the research?

3. **Technical/Scientific Merits, feasibility and risk**

When reviewing the proposal, it would be valuable if you can consider and comment on the following questions in your scoring and commentary:

- What are the strengths and highlights of the proposed research?
- What are the deficiencies or weaknesses of the proposed research?
- What are the concerns or issues around the proposed research?

4. **Best collaborative team**
   - Do the team members possess the necessary expertise consistent with the needs of the project?
   - Does the team represent a collaborative effort between company and DIN member university?

RANKING SYSTEM

1. **Novelty and potential to become world leading**
   - **None [0]:** Is routine and presents little or no novelty.
   - **Low [1]:** Displays some novelty but the outcomes are likely to be incremental.
   - **Medium [2]:** Is differentiated, will lead to notably improved technology.
   - **High [3]:** Distinctive approach that is highly likely to produce leading innovations or capability.

2. **Stretch goals/added value achievable due to additional funding and access to university researchers and facilities**
   - **None [0]:** No impact on stretch goals, university involvement doesn't bring added value to the project. The university contribution is routine.
   - **Low [1]:** The collaboration improves the research objectives but does not have significant impact on potential project outcomes.
   - **Medium [2]:** Differentiated impact on stretch goals that will lead to notably improved technology. The benefits of access to university researchers and skills are evident.
   - **High [3]:** Significant improvement of the project that will result in game-changing technology. The benefits of access to researchers and skills adds significant scope to the project and/or SME capabilities.

3. **Technical/Scientific Merits; Scientific and technical risk (science component)**
   - **Low [0]:** The Proposal is uncompetitive and has significant weaknesses or flaws, such as a poorly developed or costed plan, no demonstrated ability that the investigators can deliver on the proposed research, or a lack of novelty or value. Risks are poorly articulated or are unmitigated.

- **Good [1]:** An interesting proposal. Developing expertise amongst investigators. Some concerns about either the resource estimate or the ability of the researchers to deliver based on their understanding of the state of the art or their track record. The proposal may lack a compelling element. Risks are partly identified or inadequately mitigated. Risks outweigh benefits.
- **Excellent [2]:** High quality research and a strongly competitive proposal. Investigators have provided evidence of previous ability to deliver. Risks have been well articulated and mitigated although some residual risks might remain. The potential benefits outweigh potential risks.
- **Outstanding [3]:** Of the highest quality and at the forefront of research in the field. Well budgeted for the proposed statement of work. Sound track record of investigators. Risks have been adequately identified and mitigated.

4. **Technical/Scientific Merits; Scientific and technical risk (collaboration/team component)**
   - **None [0]:** The team includes an individual university-based lead researcher (with or without students, research associates) or has inadequate expertise to lead to a successful outcome.
   - **Low [1]:** The team includes two university-based lead researchers from the same institution (with or without students, research associates)
   - **Medium [2]:** The team includes two university-based lead researchers from different institutions (with or without students, research associates) with fit for purpose expertise.
   - **High [3]:** The team clearly has been assembled to encapsulate the best university-based expertise from across the DIN.

5. **Capacity and capability of the SME to commercialise project IP**
   - **None [0]:** The applicant is an early stage start-up with little or no demonstrated ability to commercialise the IP.
   - **Low [1]:** The SME has some presence as a supplier of products and/or services relevant to defence needs.
   - **Medium [2]:** The SME has been operating successfully, has demonstrated market channels and products that deliver technology and/or services to other high technology companies in the defence sector and/or defence.
   - **High [3]:** The SME has well-developed channels and routes to market, with existing products or services that deliver directly with innovation and capability needs in defence.