

# TECHNOLOGY ADOPTION AND INNOVATION PROGRAM (TAIP)

## Program Guidelines

### 1. Program Summary

The Technology Adoption and Innovation Program (TAIP) is a \$5.0 million initiative designed for Victorian small to medium size enterprises (SMEs) to on-board innovative technologies or develop innovative, new, and commercial technology.

The two objectives (TAIP Objectives) of the TAIP are to:

- Enable Victorian SMEs to invest in their business to implement new digital and innovative technologies that will improve their business productivity and competitiveness. This may include adopting new technologies and solutions such as ecommerce, artificial intelligence, data analytics, cyber security, Internet of Things or robotics in their business practices and operations; enabling them to contribute to Victoria's economic recovery; and
- Support Victorian SMEs involved in technology development to further develop innovative, new, and commercial technology products and services, enabling them to contribute to Victoria's economic recovery.

The program has two streams of financial assistance which will be awarded on a competitive, merit basis:

#### **Stream 1 – SME technology and digital adoption**

Grants of up to \$50,000 for Victorian SMEs to adopt technology or digital solutions to improve their processes and productivity and support their future growth. These projects will be delivered by a service provider engaged by the SME to deliver goods and/or services to the SME.

#### **Stream 2 – Innovative, commercial technology development**

Grants of up to \$50,000 for Victorian technology companies to implement defined projects to develop commercial technology or digital products. These projects can use service providers to deliver goods and/or services to assist the SME with the development of commercial technology or digital products.

Under both Streams each successful SME will be required to contribute a minimum of \$20,000 (GST exclusive) towards eligible project expenditure. This will be matched on a 1:1 fund basis (between the SME and government) up to the maximum grant amount.

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### Eligibility Criteria

The TAIP program is open to small and medium sized enterprises (SMEs) that are on a growth trajectory.

#### 1.1 To be eligible a business must:

- a) Be an eligible legal entity<sup>1</sup>; and
- b) Operate a business located within Victoria; and
- c) Hold an Australian Business Number (ABN) and have held that ABN at 1 September 2020; and
- d) Be registered for Goods and Services Tax (GST) on 1 September 2020; and
- e) Employ between 5 full-time equivalent (FTE) and 200 FTE staff at 1 September 2020; and
- f) Attest that they:
  - (i) Can contribute a minimum of \$20,000 (GST exclusive) towards eligible project expenditure and match any grant funding on a 1:1 fund basis; and
  - (ii) have met all industrial relations obligations as an employer in accordance with the National Employment Standards; and
  - (iii) will participate in future program evaluation activity; and
- g) if applying for Stream 2 funding, demonstrate that its main business model applies to the provision of technology products or services; and
- h) only apply for funding under either Stream 1 or Stream 2, not both.

#### 1.2 Ineligible Applicants

The following are **not eligible** to apply:

- a) Commonwealth, state and local government agencies or bodies
- b) Publicly funded research institutions
- c) Industry associations or business chambers
- d) Not-for-profit organisations
- e) Community-based organisations.

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<sup>1</sup> **Eligible legal entities** include:

- (i) companies incorporated pursuant to the *Corporations Act 2001* and registered with the Australian Securities and Investment Commission (and including where the company is acting in its capacity as a trustee); and
- (ii) individuals (including if they are acting as part of a partnership but only if all individuals in the partnership will be legally liable for any agreement signed).

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### 2. What is supported under the Technology Adoption and Innovation Program?

Applications are sought from Victorian SMEs wanting to invest in their business operations in a way that meets the TAIP Objectives. Applicants will be asked in their application to make a case for how the project will support the TAIP's Objectives and to show how the use of the grant funds will facilitate the project's outcomes.

#### Stream 1 – SME technology and digital adoption

Victorian SMEs are required to propose a project that will assist them to on-board new digital or innovative technology that will improve their business growth, employment opportunities or ability to deliver goods or services into new markets. Examples of technologies within Stream 1 projects include but are not limited to:

- Adoption of specialised technology or equipment (including software)
- Introduction of digital tools to manage business systems
- Digital Health and safety solutions
- Cybersecurity enhancements
- Robotic systems
- 3D printing processes
- Materials science solutions
- Industry 4.0
- Introduction of new eCommerce platforms for customers
- Virtual Reality to enhance customer service and experiences
- Artificial Intelligence or machine learning processes
- Implementation of data analytical tools to improve insights of customer behaviours

SMEs will:

- (i) engage a service provider to supply goods and/or services to deliver the project; and
- (ii) have 12 months to implement and finalise the adoption of the new technology solution into their business.

#### Stream 2 – Innovative, commercial technology development

Stream 2 projects will support the development of new innovative technology products and services, including but not limited to projects in the following areas:

- Application of micro or nanotechnology to enhance existing products
- Software and services (including fintech, B2B messaging, PCB software)
- Healthcare equipment and services

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- Retail technology
- Technology hardware and equipment
- Digital construction technologies
- Manufacturing and process improvements
- Media and entertainment industry

Stream 2 grant funding can be used for the following types of activities:

- Prototyping, evaluation and testing of new products
- Design work
- Enhancement with material science
- Hiring a new in-house technology specialist

Any other activities will be considered on a case-by-case basis by the Department of Jobs, Precincts and Regions (Department) in its sole and absolute discretion.

SMES will have up to 12 months to deliver and complete their project.

### 2.1. Eligible Project Expenditure

Eligible project expenditure includes:

- All project related expenditure required to deliver the project (including the costs of any third party service provider engaged by the SME to deliver goods and/or services to the SME), but excludes expenditure identified below as ineligible.

### 2.2. Ineligible Expenditure

Grant funding cannot be used for:

- Costs that are already funded or partially funded by government funding
- Usual operational expenditure, including existing staff costs, communications, travel, entertainment, accommodation and office computing equipment
- Routine replacement or minor upgrade of plant and equipment
- Printing, stationery, postage, and bank charges
- Basic and routine professional services including legal and accounting fees
- Any amount paid on account of goods and services tax
- Costs related to preparing the grant application, preparing any project reports and preparing any project variation requests
- Building routine websites, sales and promotional activities, marketing or communications campaigns
- Regulatory and Intellectual Property fees and charges associated with registering domestic or international patents or other intellectual property enforcement expenses

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- Retrospective funding for activities that have already begun
- Any other expenditure as determined by the Department in its sole and absolute discretion.

### 2.3. Project Timelines

The Department reserves the right to withdraw any offer of grant funding if an Applicant does not return a signed grant agreement within two weeks from the date the Department sends it by email.

Projects must commence within one month of the execution of the grant agreement by the Department and are expected to be completed within twelve months.

### 2.4. Indicative Key Dates

- Open round – 31 March 2021
- Close round – 19 April 2021
- Program reporting – 4 months, 8 months, 12 months
- Program end – 30 June 2022

## 3. Grant Funding and Co-Contribution

### 3.1. Co-Contribution

Grants are capped at a maximum value of \$50,000 (excluding GST). Grants will be provided on a co-contribution basis:

- Applicants contribute a minimum of \$20,000 (excluding GST) towards the total costs of the project (and the total costs of the project must equal or exceed \$40,000 (excluding GST)); and
- Grants will subsidise 50 per cent of the project up to a maximum of \$50,000 (excluding GST) (co-contribution from Applicants may exceed \$50,000 (excluding GST)).

**Example one:** If the total project cost is \$125,000 (excluding GST), the maximum Grant contribution will be \$50,000 (excluding GST). The remaining \$75,000 (excluding GST) must be covered by the Applicant.

**Example two:** If the total project cost is \$62,500 (excluding GST), the Grant will cover \$31,250 (excluding GST). The remaining \$31,250 (excluding GST) must be covered by the Applicant.

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### 3.2. Other Conditions of the Funding

An Applicant is only eligible for one grant under the TAIP.

Funds from other State or Commonwealth Government programs cannot form part of the Applicant's co-contribution.

## 4. Application Information and Documentation

### Project Plans

Applicants will be required to provide as part of their application:

- Project description
- Preferred service provider(s), where applicable\*
- Overview of the implementation timeline
- Evidence of sufficient internal resources to allocate to the project
- Budget summary (detailing how grant funds and the Applicant's contribution will be spent on eligible project expenditure).
- Quotations, including Scopes of Services for any proposed third-party service providers and/or suppliers.

\* While Victorian service providers are preferable, service providers from outside of Victoria are permitted. Projects using non-Victorian service providers should provide a justification for the use of those service providers.

### Evidence of Co-Contribution Funds

Applicants must provide evidence which demonstrates, to the satisfaction of the Department, that the Applicant has sufficient funds available for the required co-contribution amount for the project. This may include evidence of:

- Written confirmation from the Board or business owner that the business can undertake the project and meet the required co-contribution amount, **or**
- An approved loan facility (including loan amount), **or**
- Sufficient cash in a bank (current bank statement), **or**
- Management accounts demonstrating satisfactory cash flow or liquid assets. \*

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\* The Applicant cannot rely on predicted cash flows generated from the project when operational

\*\* The financial projections should cover the life of the project and should reflect the financial benefits expected to be generated from the project. The cash flow projections should include project expenditure and project funding as separate items in cash outflow and inflow.

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### Evidence of Financial Records

Applicants must provide evidence which demonstrates, to the satisfaction of the Department, that the Applicant is financially viable and what the expected revenue from the project will be. This requires at a minimum, the provision of the following:

- Audited Financial Reports for the past two years (including Profit & Loss, Balance Sheet and notes to the accounts)
- Management or interim accounts for the current year, if the most recent Financial Report is more than six months old
- Current Business Plan incorporating financial projections (Profit & Loss and Cash Flow); \*\*and
- A basic marketing plan outlining how any sales objectives of the project will be achieved.

## 5. Assessment Process

### 5.1. Assessment Criteria

Eligible applications within both Streams of funding will be assessed on how well they meet the assessment criteria as outlined below. All supplementary attachments and information provided as part of the application will be taken into consideration during the assessment process.

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### 1. Alignment with Technology Adoption and Innovation Objectives (30% weighting)

Applications should demonstrate how the proposed project aligns with the TAIP Objectives:

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#### Stream 1 – Technology and Digital Adoption

- compelling case for how the project will support investment in the transformation of the applicant business to the digital economy and/or or how the project supports the adoption of new innovative technologies to improve their business productivity and competitiveness; and

#### Stream 2 – Innovative Technology Development

- a compelling business opportunity has been identified to further develop new innovative, commercial products and services to contribute a technology solution to an identified problem; and
  - extent to which the business' technology has a pathway toward commercialisation or market adoption demonstrated through a market strategy.
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- appropriateness of proposed service requirements (including what is shown in attached quotes) and whether these can be provided by Victorian technology businesses.

### 2. Outcomes from the grant funding (20% weighting)

Applications should demonstrate how the project will benefit the business by leading to longer term outcomes to occur in Victoria, including:

#### Stream 1 – Technology and Digital Adoption

- potential of the productivity and business improvements gained by the adoption of the new technology to lead to business growth and expansion
- potential to result in new revenue or investment

As well as:

- potential number of existing employees transitioned into higher value/skilled roles and the timeline for this transition
- potential number of jobs generated in Victoria and the timeline for job creation
- new collaborations with technology firms, or publicly funded research organisations
- potential to create other long-term benefits in Victoria.

#### Stream 2 – Innovative Technology Development

- potential new clients or markets reached as a result of the technology development
- potential to result in new revenue or investment

As well as:

- potential number of jobs generated in Victoria and the timeline for job creation
- potential number of existing employees transitioned into higher value/skilled roles and the timeline for this transition
- potential to create other long-term benefits in Victoria.

### 3. Demonstrated project feasibility and delivery (30% weighting)

Applications should clearly demonstrate that the project has:

#### Stream 1 – Technology and Digital Adoption

- appropriate organisational commitment to the project

#### Stream 2 – Innovative Technology Development

- appropriate organisational commitment to the project and market strategy for the product or service



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| <ul style="list-style-type: none"> <li>• access to suitable project management and delivery resources</li> <li>• identified a service provider, preferably Victorian, with the requisite skills and capabilities, including a strong track record of key personnel</li> <li>• identified project risks</li> <li>• developed a suitable budget for the project; and</li> <li>• co-contribution funding has been identified and committed to the project.</li> </ul> | <ul style="list-style-type: none"> <li>• access to suitable project management and delivery resources</li> <li>• identified appropriate technical resources, skills and capabilities, including where appropriate a strong track record of key personnel</li> <li>• identified project risks</li> <li>• developed a suitable budget for the project; and</li> <li>• co-contribution funding has been identified and committed to the project.</li> </ul> |
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#### 4. Ability to deliver and need for funding (20% weighting)

Applicants need to demonstrate that the project can be delivered within the time frame and that there is a strong argument for government support.

##### Stream 1 – Technology and Digital Adoption

##### Stream 2 – Innovative Technology Development

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| <ul style="list-style-type: none"> <li>• the applicant is able to deliver the project (in 12 months) and realise its economic benefits</li> <li>• project budget including details of co-contribution funds; and</li> <li>• whether the project would proceed without Government support due to considerations such as timing, resourcing and/or level of risk impacting project initiation.</li> </ul> | <ul style="list-style-type: none"> <li>• the applicant is able to deliver the project (in 12 months) and realise its economic benefits</li> <li>• project budget including details of co-contribution funds; and</li> <li>• whether the project would proceed without Government support due to considerations such as timing, resourcing and/or level of risk impacting project initiation.</li> </ul> |
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## 5.2. Assessment and Recommendation for Approval

Applications will be assessed by a panel. The panel will:

- Review and score applications individually against the assessment criteria
- Rank all projects against each other
- Determine the number of applications that will be recommended subject to funding being available
- Recommend the applications for approval.

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### 5.3. Discretion of Decisions

Decisions on all matters relating to the awarding of grant funding under this program are at the Department's and Minister's absolute discretion. This includes approving a lesser amount than that applied for.

The Department reserves the right to request the applicant provide further information should it be deemed necessary.

### 5.4. Due Diligence Assessments

Applicants are subject to a risk assessment which verifies applicant details provided with the Australian Securities and Investments Commission (ASIC), and/or other applicable regulators.

Any of the following circumstances may be taken into consideration in any decision whether to award a grant:

- Any adverse findings by a regulator regarding an Applicant;
- An Applicant is placed under external administration;
- There is a petition to wind up or deregister the Applicant;
- The Applicant is or becomes deregistered or unregistered (including cancellation or lapse in registration); and

The Department may at any time, remove an Applicant from the Application process, if in the Department's opinion association with the Applicant may bring the Department, a Minister or the State of Victoria in disrepute.

The Department will undertake a financial assessment of the Applicant to assess the ability of the Applicant to deliver the proposed project. Outcomes from the financial assessment may be taken into consideration in any decision to recommend and award the grant.

### 5.5. Funding Approval

Recommended applications will be considered for funding approval. Each Applicant will be notified of the outcome of their application, and successful applicants will receive a Letter of Offer and grant agreement for signing.

## 6. Conditions of Funding

- Successful applicants must enter into a grant agreement with the Department. The Grant Agreement outlines specific commitments and obligations for the project, as well as general funding terms and conditions. The Grant Agreement will be issued on standard departmental terms.

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- All eligible project expenditure is to be incurred only after the Grant Agreement has been executed by both parties.
- Successful Applicants will be required to submit progress reports against milestones and provide evidence of project completion.
- Successful Applicants will be required to report on the outcomes of their project and contribute information and data about the funded project to the Department for the evaluation of the program over three years from the start of the project.
- If any information in the application is found to be false or misleading, or grant funds are not applied for the purposes of the program in accordance with the terms of funding as set out in these guidelines, the application form and the Grant Agreement, the grant will be repayable on demand.
- If the Grant Agreement is not complied with and/or repayable monies are not repaid on demand, the Department may take this into account when deciding to award any future grants.

### 7. Acknowledgement

Successful Applicants must acknowledge Victorian Government support of the project through, for instance, activity-related publications, media releases and promotional material as outlined in their grant agreement.

### 8. Privacy and Information Management

Any personal information about a person or third party contained in the application and grant agreement reporting will be collected, held, managed, used and disclosed by the Department for the purpose of grant administration and the program (including to third parties that may assist with the assessment of grant eligibility and the administration of the grant program and to Commonwealth agencies for the purposes of grant administration), and for the purposes of future programs and will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the Privacy and Data Protection Act 2014 (Vic), Health Records Act 2001 (Vic) and other applicable laws. The Department is committed to protecting the privacy of personal information, for more information go to the Department's Privacy Policy or email [privacy@ecodev.vic.gov.au](mailto:privacy@ecodev.vic.gov.au).

### 9. How to Apply

Applicants are required to submit their application (and any supporting documents) online via the website: <https://www.business.vic.gov.au/support-for-your-business/grants-and-assistance/technology-adoption-and-innovation-program>

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## **10. Other information about this Program**

The Department reserves the right to amend these guidelines and the application terms at any time as it deems appropriate.