



Workshop Program

Tuesday 2 May 2017 commencing at 6.15pm

Reception Room, Civic Centre, 128 Prospect Road, Prospect

Workshop Chair: Greg Georgopoulos, Director Infrastructure, Assets and Environment

Workshop Opening

- Apologies
- On Leave – Mayor D O’Loughlin

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Meeting Close



Workshop Guidelines

The following details provide an overview of the procedures to be observed:

1. The Workshop will be held on the first and second Tuesday of each month, other than January of each year, between the hours of 6.15pm and 9.30pm (commencing with a light meal for elected members and staff), for the term of the Council or until the Council determines to discontinue the Workshop structure.
2. The need for extraordinary Workshops will be assessed and determined by the CEO.
3. The Workshops will be held in the Reception Room, Civic Centre, 128 Prospect Road, Prospect SA 5082.
4. The time, date and location may be subject to change by the CEO where necessary.
5. The Workshops will be open to the public and media. Notice of a Workshop and the program for a Workshop is to be placed on the Council's website.
6. A confidentiality declaration may be determined by either the Council or CEO in accordance with Council's Informal Gatherings Policy.
7. No decisions will be made at the Workshops. There will be the opportunity for discussion and questions and answers only, and the provision of guidance to the Administration.
8. The CEO or proxy will convene and chair the Workshop to ensure the smooth running of the meeting. The proxy will be determined by the CEO on a needs basis.
9. All Elected Members will be encouraged to attend.
10. The CEO will ensure the Program and papers for the Workshop, which will include Agenda items for the following Council Meeting, will be provided to members by the Friday preceding the Workshop to allow time for members to read the reports and prepare their questions prior to the Workshop.
11. Notes will be made of the general issues and items covered by the Workshop, given that no decisions can be made, and distributed to Elected Members for information.
12. The format for the Workshop may vary on a meeting by meeting basis and could include training, planning, presentations, and discussions.
13. The format for the Workshop will be determined by the CEO.
14. External parties may make Presentations/deputations to the Workshop, subject to prior agreement by the CEO.
15. Elected Members, employees and consultants will be required to disclose any financial and/or conflicts of interest in matters to be discussed. The disclosure of such interest and participation in the Workshop will need to be made as if the matter was considered in accordance with the Local Government Act 1999. A record of the disclosures of interest will be made and maintained by the CEO.

Workshop Protocol

The protocols are a set of guiding principles that aim to achieving enhanced, meaningful engagement of members and to facilitate an equal and equitable participation of all members.

The individual members commitment to active listening and disciplined talking, displaying both courtesy and respect to other members is paramount.

1. The Chair ensures that every members' input is heard and not overlooked or lost, and will enforce a limit on speakers' time when it is best required.
2. No rank and/or officer position of administrative or governance authority recognised within the workshop (except for the Chair), and protocols are enforced when deemed necessary.
3. Members and staff are to be addressed by their first name and not by their title of office they hold.
4. Discussion must be focussed on the issues and matters being the subject of discussion.
5. One member speaking at a time is a right, and must be enjoyed by all members.
6. Interrupting another member speaking is not desired and members are encouraged to exercise restraint for the benefit of all concerned. Equally, there should be no dialogue between members and person(s) in the gallery that interrupts the workshop discussion.
7. No ridicule, blame or shame to be expressed and/or exchanged during the workshop and care should always be taken with the words used in debate.
8. Problems and solution expressed by members are a healthy part of the discussion and may lead to positive outcomes, and should not be frowned upon but rather encouraged.
9. Although it is not a decision-making forum, it is an important part of ensuring a well-informed and enhanced decision-making process for Council.
10. The imperatives for a successful conduct of these workshops are that all members need to work together, displaying courtesy and respect to each other.

It is important that all members recognise the above list of protocols is not about rules; protocols are a set of guiding principles that are agreed on and committed to by all participating members.

Notes from previous workshop

Notes from Workshop 11/04/2017

Chair: Cate Hart, Chief Executive Officer
Present: D O'Loughlin, K Barnett, T Evans, M Standen, M Lee, M Larwood, A De Backer
Apologies: A Harris; M Grootte

Notes from previous workshop held on 4/04/2017

- Taken as read.

1. Website Replacement Project

Chris Hannaford and Lisa Kennewell outlined the project scope as a key outcome of Council's Communications Strategy, which will be funded over 2016/2017 and 2017/2018 financial years.

The project will be undertaken in six phases: Discover, Define, Design, Develop; Deploy and Maintain. An Expression of Interest has been issued, expected completion end October 2017.

Elected Member comments and questions included:

- How many stakeholder groups are external? *Two – resident and business.*
- Can we connect with the higher users of the site? Can we advertise on the homepage the option to contribute?
- When we are in workshop can examples of good websites be shown on screen live? *Council staff have looked at a number of ICF council sites.*
- Fixed price concept, what contingencies have we worked into the project scope? *We have considered this and know that being clear on the scope upfront is vital.*
- Website currency is usually 3 years.
- Glasgow City Council have a 'dashboard', this is a useful facility. I think we need to embed 'open data' into our site and be a part of our policy.
- The CRM will that be built into the website? I imagine this will be what most people use the website for. *It will likely be a 'plug in', it may be a community portal.*

Where to from here:

- Successful agency to be appointed by 28 April
- Discover through May (including content migration)
- Design to mid - June
- Develop through to mid - September

2. 2017-2018 Budget – Operating Projects & Rates Modelling

Ginny Moon and Chris Birch advised the first valuation file had been received, with rates modelling mostly indicative at this time.

Key assumptions are to increase rates @ 2.5% plus 1% growth; 22.5% residential properties on minimum rate; vacant land loaded @ 25%; 18% rates to come from non-residential properties (currently 17%).

Elected Member comments and questions included:

Rates Modelling

- Vacant land loading is there information that goes out to explain? *We send out a brochure explaining why we encourage vacant land development.*
- What capital value does the minimum rate apply to? *Estimate is \$350,000 capital value. This is not advanced on last financial year of 22.5%, remaining the same as past three years. We are looking for an indication to increase and can come back with modelling at 23%.*
- If we are increasing different types of buildings in the council area, I would like to see a breakdown against each category. *There is the option to differentially rate and separate rate*

should Council have a specific purpose, also a service charge that may be used for recycling etc. which would require a consultation process.

- *Would like to look at a change to the Minimum Rate and a Separate Rate for Village Heart (Main Street Rate), can this be achieved for 2017/2018? We would be unable to declare rates by end of June.*
- *I would like to see the Separate Rate for the Village Heart, we can set up a fund that the businesses decide on how we spend that money. Some examples are Gawler Mainstreet Group; Jetty Road, Glenelg and Beach Road, Christies Beach all have a full time employee to market the business district. At the next workshop we will deliver how we can approach a separate levy.*
- *How much of the residential section was for apartments? In 2016-2017 it equated to about 25k.*
- *Considering the Rate Capping Policy, it is mostly important for Councils to demonstrate how responsibly they are spending the money.*
- *We need to have a good answer why neighbouring councils are almost half of Prospect's, what service levels we are providing.*
- *Always interested in the compound effect, properties are always increasing, it would be good to demonstrate the expenditure of council and how that has affected the climb in property values. Showing the two lines in a graph format of capital value increase versus rating increase would demonstrate that the rate increase is completely unrelated to the capital growth.*
- *Is LGA the right body to be running the Rates Awareness Campaign? Yes, the materials have been developed for use by all councils to be co-branded and marketed as council determines.*
- *Can we be provided the topics of the current FOI requests from political parties?*

Operating Projects

- *When we move out of the Civic Centre site will there be budget savings for building maintenance? We are working on that now with the Transition Team.*
- *O.7 - does not support the Main North Road Design Development; Is this stage immediately South of current Depot site?*
- *O.8 - Business Incubator is still subject to grant funding. The benefit will see up to 100 people using co-working space, funneling individuals and businesses into our area and encouraging their growth, once the new business is big enough they would ideally set up their own sites in our City.*
- *O.8 sounds good, Little City has a good culture about it, going to the ABC Building doesn't have the same vibe in the precinct, this concerns me that we won't have the interest of other areas. What is the ongoing contribution? We are talking with the ERA Councils to encourage their involvement at approx. 1/6th of the cost. We wouldn't run the site; it will be left to the experienced people.*
- *O.8 - What are the intentions of Little City, I want us to be careful in the language that we are just giving this to them. We would have to run a tender or EOI process to ensure good governance; this would not just be handed to any one group.*
- *O.8 - This is a kooky idea that will inevitably be successful, staff need some indication of an ongoing commitment.*
- *O.8 - I think this will be the preeminent project, first in the state and I think it is a good idea.*
- *O.13 - Open Space Strategy should this be put before the Council Website renewal? Can we use the web based CLIC Engagement page to do this? We can defer this project for now.*
- *O.15 - Prospect Business Leaders Group is this what we would use the separate rate to fund? There is a broader perspective to this other than just the Village Heart. We can split the budget for two budget lines.*
- *O.15 - I think we are getting some confusion with the different naming of business programs, increase retail differential rating to cover some of the costs.*
- *O.17 - This is the most visible and active program we have of which I like.*
- *O.17 - I would like to see more cross over with community not just business in the 'Digital by Default' strategy. What is project #3, \$40k strategic advice for? It is to give us extra information to position us well.*
- *O.18 - Magazine are there any negative comments? How do we know how many people read and like the mag? I would be happy if it was smaller. The last survey showed this is well liked and far reaching.*
- *O.19 - Major Cultural Festival Grants – change the title to just events and capture the cultural perspective in the grant criteria.*
- *O.20 - Reconciliation Action Plan implementation - I am looking for a status report.*

- O.23 - will this just be for our facilities or for the other leased sites and community owned buildings? *That is the second phase of this project to encourage other facilities to include their sites.*
- O.26 - Veggie Verges - This is a good project, looks like we need to increase the 16/17 budget by \$5k.
- O.27 - How much heritage advice are we able to give, do we have a heritage architect on staff? NPP give advice for free. *We do not have an architect on staff, we have a heritage architect give advice on the applications as part of a DA.*
- Club 5082 need a transition budget. Use the \$220k transition budget for Club5082. Why don't community groups do the events in Vine Street instead of Council?

Unfunded Operating Projects

- O.32 - Leaders Program - advise top up to develop staff to this level against the recurrent training and development budget.
- O.37 - Local Area Traffic Management Review – suggest changing the profile to 'East West' traffic movement instead of Nailsworth Collinswood Precinct.
- O.42 - Indigenous Administration Traineeship – why can't we have a traineeship to fill a vacancy? I would see that the RAP would be included in the corporate document suite.

Capital Project Update

An opportunity exists for the bringing forward of the Alexandra Street Prospect Reconstruction Project due to the advice of a successful state government grant funding application, with the following options:

- increase borrowings to cover Council's contribution;
- replace Stan Watson Park expansion and Flood Mitigation Works, or
- turn down the successful grant funds.

Where to from here:

- Staff will review supported operating projects for potential saving opportunities.
- A report will be provided to April Ordinary Council Meeting to consider Alexandra Street Prospect Reconstruction project.
- The Draft budget will be presented to a Special Workshop in the May seeking endorsement for Community Consultation
- The Community Consultation feedback will be presented to a workshop in June.

Workshop closed at 9.45pm

Workshop Items

1 Smart Cities

Responsible Director: Chris Hannaford, Director of Business and Innovation

Expected Duration: 45 minutes

Presented by:

1. Dr Lisa Mensforth, (Research Development Manager - University of Adelaide Faculty of Engineering, Computer and Mathematical Sciences) Presentation on Engagement with the Tertiary Sector.
2. Damith Ranasinghe, (Smart City Ecosystems) Presentation on Smart Cities funding.

Aim of the Presentation

The presentation will provide Elected Members with a background paper written on how to engage with the University sector in the Smart Cities policy area. In particular, the paper proposes to develop a Memorandum of Understanding with the University of Adelaide to further develop Smart City Initiatives. A second presentation will be provided on a potential application; *Connected Places* for funding under the Commonwealth's, \$50 million Smart Cities and Suburb Program.

Background

In Fusion Consulting developed the paper in attachment 1 for City of Prospect following a formal request for advice on engagement with the tertiary sector for Smart Cities.

Smart Cities and Suburbs Program

Commonwealth's Smart Cities and Suburbs Program was launched by Angus Taylor, Assistant Minister for Cities and Digital Transformation on the 17 March 2017. The eligible organisations under this program are – local government, private companies, research organisations, and not for profit bodies – capable of delivering collaborative smart city projects that improve the liveability, productivity and sustainability of Australian cities, suburbs and towns.

As the funding is targeted at both research organisations and local government, Council is interested in the best way to engage with the tertiary sector. As such, advice was sought from In Fusion Consulting on the most effective mechanism to deliver on the Commonwealth's objectives and also those of the City's Next Generation Digital Economy Strategy (2014-18). Several meetings were held with the University of Adelaide in the development of this paper.

The Smart Cities and Suburbs program aims to support local governments and communities to use smart technology and **increase the accessibility and use of public data** so that cities become **more liveable** and urban service delivery becomes **more efficient and effective**. The program supports projects that apply smart technology, data driven decision making and people-focused design to deliver economic, social and environmental benefits in metropolitan and regional urban centres.

The Program seeks to develop projects that involve collaboration with partners in multiple sectors to help grow capability and better leverage program funding and outcomes.

The intended outcomes of the program are:

- Improve the liveability and sustainability of Australian cities, suburbs and towns through the application of smart technology solutions to economic, social and environmental challenges;

- Increase openly available public and private data sets to support citizen engagement, unlock innovation and create new business opportunities;
- Increase innovation and capability in local government through collaboration and smart city innovation ecosystems development;
- Contribute to the development of smart city standards and improvement of regulation impacting the roll-out and use of smart technology.

The funding guidelines for the program are in Attachment 2.

Digital Transformation Initiative

City of Prospect has led 6 other Councils in the delivery of Digital Transformation Initiative. It aims to engage councils in developing solutions to benefit the local community and local businesses. Advice is also sought on how to use the DTI to ensure that technology solve community needs through collaboration.

A key outcome of the DTI project is the delivery of the Places & Spaces – Facility Booking System for Councils. Prospect has been successful in receiving Research and Development funding from the Local Government Association to complete a feasibility study to develop the project. The facilities booking application will become the backbone for the application to book parks and other facilities and engage with businesses.

However, there is a need for this DTI to evolve. It is suggested that the DTI grows into Version 2 (V2) of the DTI through three steps:

1. Takes on new Local Government members and forms closer links with the Local Government IT group.
2. Engages directly with University of Adelaide and its Smart City Committee
3. Actively seeks out private sector partners.

This level of collaboration would initially be supported by the University of Adelaide and key players in the Local Government space, led by City of Prospect.

The aim of this group is to expand the remit of the DTI to promote change in Local Government through collaboration with Adelaide University and the private sector. In particular, it would seek to solve economic, social and environmental problems. Funding from the Smart Cities and Suburbs Program could be used to implement V2 of the DTI.

Engagement with the Tertiary Sector

Advice is also sought on specific joint projects between City of Prospect and the tertiary sector that fit the program guidelines and meets the objectives of Council. These projects include:

- Online services and Big Data projects
- Green Space and Technology
- Connected Parks
- Intelligent Asset Management – poles and wires.

Advice on individual projects

For the four projects that City of Prospect has identified, how these projects could assist in delivering the City's Strategic Outcomes, and options for engaging universities to assist in developing and implementing the projects are presented.

1. Online services and Big Data projects

There is significant interest amongst many State Government and many Councils on the digital transformation of government and council services and the use of Big Data. Indeed, City of Prospect has provided nine data sets to the State Government as part of its GovHack project.

2. **Green Space and Technology**

Green Space/Parks are an important part of the City's Strategic Plan. There are two potential research providers in Green Space and Technology who are based in South Australia.

3. **Connected Parks and Connected Places**

The Connected Parks initiative has been the subject of discussion with several Councils and has developed into a broader initiative called Connected Places for the purposes of a funding bid under the Smart Cities and Suburbs Program. The bid would be principally supported by the Eastern Regional Alliance of Councils with other Councils such as Port Adelaide Enfield also seeking to participate in a joint bid. The draft project aims have been developed below.

Connected Places draft project aims:

- Improve economic, environmental and social outcomes of local community through the application of technology
- Use sensors to enhance the use of local parks, local facilities and mainstreets
- Ensure that the program delivers on efficient asset management and economic growth
- Develops a collaborative approach with local Councils and business
- Enables research institutions to be involved on long term analysis of data to benefit the community.

Connected Places has 3 primary program elements:

- **Connected Parks**
- **Connected Facilities Booking**
- **Connected Mainstreets.**

Connected Parks

The project will provide sensors in parks to benefit local residents, businesses and provide Council with real time information. It is envisaged that Council engage an IT development group to place the sensors in the parks and engage with the community and businesses. The biggest opportunity for Council is to understand what is happening in the parks and how often they need maintenance. As such savings could be made by undertaking maintenance on needs basis not a schedule. An application would also be developed for the local community so they can see what activities are being undertaken in parks. This would be linked to the booking systems project below.

Connected Facilities Booking

This would use the V2 of the DTI project for a Facility Booking System for Councils. Sensors could also be provided on tennis court gates and BBQ's so that a wide range of bookings could be provided from town halls and community centres to park facilities.

Connected Mainstreets

Use sensor to count pedestrian movements on selected mainstreets. The project will provide information to Council and mainstreets committees and businesses to enable better asset and business planning. In particular, local business will be able to adapt opening hours to reflect foot traffic. In the case of Prospect our WiFi system will meet this need. However, other Councils can use sensors to count pedestrian on their key mainstreets.

As such the Connected Places proposal, which has been principally developed by City of Prospect in partnership with the University of Adelaide, can be submitted to Commonwealth's Smart Cities and Suburbs Program. It is anticipated that between three to six Councils will participate. It demonstrates leadership of Council in this Smart City area through the application of cutting edge technology and through collaboration with a number of Councils and the University of Adelaide. The actual implementation of the project would have to be undertaken by a private sector partner who would be

sourced through an Expression of Interest (Eoi). The current participating Councils are currently developing a business case for Council participation and establishing the principles for an Eoi.

4. Intelligent Asset Management – energy, poles and wires

In terms of energy systems, there are many universities across Australia who could provide research expertise in more intelligent management of council assets related to energy. The Melbourne Energy Institute, established by the University of Melbourne, have broad expertise in energy systems and economics, with a focus on developing practical, useable solutions for the design of whole power supply solutions.

City of Prospect is about to embark on a \$12 million Community Library and Innovation Centre (CLIC) on Prospect Road to replace the current civic building. This new building could be the centre of an Innovation Precinct – bounded by the new CLIC and the Nova Cinemas, in the same area as Council's Super Fast WiFi.

It is proposed the building will have all the smart technology and green technology to make it a Smart Building. The entire building will seek to be outwardly focused and become an innovation centre for the businesses and people of Prospect. There will be training facilities to incorporate the current "Digital Hub" – which has trained over 8,500 people in use of the internet and NBN. It could be a demonstration building for technology from all of the Universities with an interest in smart building design – possible at their own expense.

Summary

City of Prospect is clearly a leader in both innovation and implementation of Smart Cities technology and approaches. The objective of the City is to solve social, economic and environmental problems with technology optimised for humans through collaboration with Universities, Government and business.

The City can advance its agenda by tapping into relevant funding streams. By signing a Memorandum of Understanding with the University of Adelaide, it has an opportunity of becoming a key advisor and partner with one of the leading research institutions in Australia in Smart Cities. The Memorandum of Understanding can also be a vehicle to progress the next stage of Council's Digital Transformation Initiative.

Attachments:

Attachment 1: Advice on Engagement with Tertiary Sector for Smart Cities Research

Attachment 2: Commonwealth's Smart Cities and Suburbs - Program guidelines

Attachment 3: Draft Memorandum of Understanding with the University of Adelaide

2 Business Incubation

Responsible Director: Chris Hannaford , Director of Business and Innovation

Expected Duration: 45 minutes

Presented by:

- 1. Kirk Drage, LeapSheep**
- 2. David Menner and Shaun Lyons, Little City Coworking Space**

Aim of the Presentation

The presentation will provide Elected Members with an overview of the Commonwealth's Incubator Support Initiative, and a proposal to support the development of a business incubator in Prospect. An initial presentation will be provided by Mr Kirk Drage who is co-founder of LeapSheep, a pioneering "Start-up Incubation as a Service". Kirk has returned to Adelaide after working for fortune 500 companies in Silicon Valley. Kirk has provided a paper to Council (Attachment 1) on developing an accelerator program after consultation with the start-up sector and the University of Adelaide. The second presentation will be provided by representatives of Little City who run a successful local coworking space.

Commonwealth Incubator Support initiative

The Commonwealth's \$23 million Incubator Support Initiative seeks to improve the prospects of Australian start-ups achieving commercial success in international markets. Funding is currently available with a focus on fostering start-ups to develop the capabilities required to realise their economic potential in international markets faster than they otherwise would. In particular, the program seeks to promote the export of services. Funding is available on a 50/50 basis, where the Commonwealth will provide 50% of the funds and the proponent must provide 30% in cash, 10% in kind, and 10% from another level of Government.

It is proposed that Council support a Services Based Export Incubator, also known as a Services Export Hub (SEH). The Services Based Export Incubator will focus on the Eastern Region of Adelaide. The region has a deep base of knowledge workers and, as such, is ideally suited to host such a service based incubator. The development of the incubator would create spinoff businesses that would create demand for new office development on Main North and Prospect Roads' and the other mainstreets of Eastern Adelaide.

Eastside Business Enterprise Centre (EBEC) has already expressed a strong interest to be an anchor tenant. The University of Adelaide is also committed to support the centre through assisting in the development of an accelerator program. The University's Entrepreneurship, Commercialisation and Innovation Centre (ECIC) will funnel students into the Hub via the Australian eChallenge program, and provide further recommendations to students and graduates. Other groups from the University have expressed an interest in establishing research centres and start-up businesses in the Hub.

The Incubator would work collaboratively with other incubators and coworking spaces, particularly focused in the inner suburbs of Adelaide. Little City coworking space and Business Hub could be considered as a managing agency for the proposed Incubator. An Expression of Interest (EoI) would need to be run to ensure qualified incubators and coworking spaces could apply to manage the facility.

Initial support for the concept has been received from the Eastern Region Alliance (ERA) of Councils which includes six Councils and over 30,000 businesses. It is envisaged that once established in 2018 that other ERA Councils will contribute financially in 2018/19. This will enable City of Prospect to reduce its contribution and assist in making the Hub self-sufficient.

Initially the Hub would consist of 500 – 600 sqm of space with up to 100 people in a range of coworking and incubation spaces. The ABC building has been identified as a potential building due to the vacancy of three floors and its centrality to the Eastern Region. Discussions are underway with the ABC on the cost per square metre and access. Dark fibre will be provided at low cost to the tenants and can be connected to the building. Support from the State Government’s Gig City program mark 2 will assist with linking the SABRENet connection to the ABC building. The SABRENet connection will provide world-class internet speeds up to 10Gbps (10 times faster than FTTN NBN) making the site highly attractive to emerging globally focused businesses, and ‘big data’ firms.

Develop consortium to manage Services Export Hub

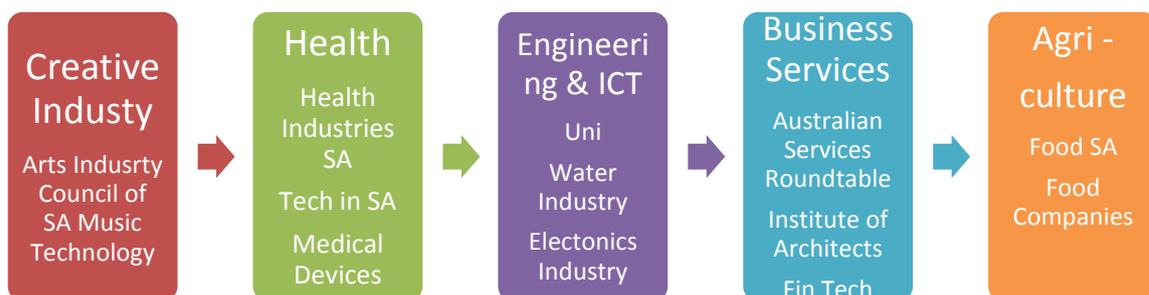
It is proposed to develop a consortium to manage and fund the SEH as outlined below. This group would be responsible for funding, strategic directions and promotion of the SEH:



Services Export Hub: Based on export of goods and services with specialisation in: Creative Industries; Health Services; Engineering and ICT; General Business Services; Food. Currently legal advice is being sought on the most effective management structure for the proposed Services Export Hub.

Services Industry Sectors

The SEH would target the following Industry Sectors and seek support from local and interstate experts and industry associations:



Services Export Hub – Management and Establishment:

- Engage Project Catalyst/ Incubator Coordinator to established incubator
- Day to day management of the Incubator and programs would be with an existing successful incubator
- Detailed financial plan has been developed
- Fit out related to meet need of coworking and incubation.

Develop Accelerator Program

- Target businesses that can develop software and export of services
- Focus on markets first
- Seek large market
- Develop hyper growth strategy
- Develop program selection criteria
- Build bridges with other programs and incubators
- Offer 12 month program – with ability to extend
- University of Adelaide develops accelerator program.

Outcomes

- Export Program advisors/experts to achieve attendance benchmarks
- Assessment by start ups and SME's of program success.
- Development of software or saleable product with IP
- Listing of companies on ASX or NYX
- Job and companies created.

Summary

The proposed Services Export Hub would meet the needs and local knowledge workers and help them expand their business opportunities and horizons. The support of a wide range of stakeholder will ensure that the model is both robust and capable of attracting a wide range of start-up businesses. In particular, the experience of an existing incubator or coworking space in managing an incubator is essential to give it a young entrepreneurial atmosphere. University of Adelaide support in the development of the accelerator program will provide essential rigor to the program as well as attracting a wide range of businesses, students and recent graduates. Eastside BEC will provide sound business basics to new businesses, through the development of business planning and provision of mentors. Not to be underestimated is the ability of Council to promote the concept to new and existing business via its Network Prospect data base. Currently negotiations for access to the ABC building on North East Road are progressing well. The ability of the project to become an Eastern Region wide in incubators holds the greatest potential to gain support from other ERA Councils. Last but not least is the potential support from the Commonwealth Incubator Support initiative. This program has funds available and would assist directly meeting the needs of our small business community. Depending on the level of contributions from Council an estimated \$126,000 could be provided by the Commonwealth's Incubator Support Initiative in year one with similar funding provided in year two.

Attachments:

Attachment 1: Accelerator Program Design

Attachment 2: Commonwealth's Incubator Support Initiative program guidelines

3 Intelligent Communities

Responsible Director: Chris Hannaford , Director of Business and Innovation

Expected Duration: 45 minutes

Presented by: Chris Hannaford , Director of Business and Innovation

Discuss the merits of using the Intelligent Community Forum (ICF) indicators in our strategic planning process. In particular, we wish to seek Elected Member feedback on the six ICF indicators and if they should sit along side the strategic plan as printable points of reference. Indeed should we apply them to Council reports and or the budget process?

It could be argued that the “smart city concept” to create sustainable and cost-effective technology solutions to Australia’s urban problems, has now moved forward and opened the way for the ‘intelligent communities concept’. Intelligent Communities can be viewed more holistically to include all forms of infrastructure and data analytics, knowledge creation, talent attraction and digital inclusion, ‘intelligent communities’ create collaborative innovation ecosystems that encompass environmental, economic and social sustainability, as well as good governance and citizen participation in the community’s planning and development.

Background

In Australia the Australian Smart City Association will hold a Conference in Adelaide in from the 29 – 31 May 2017. City of Prospect has received Intelligent Communities Forum (ICF) award five out of the last six years. The ICF award has been very valuable to the marketing of the Prospects brand and attracting new businesses. Indeed we are aware that the Business Hub has just signed up a development group of Apple in its coworking space above Cottos.

In Australia there are 10 ICF communities and one in NZ:

- Armidale
- Ballarat
- Coffs Harbour
- City of Melbourne
- Gold Coast
- Ipswich
- Prospect
- State of Victoria
- Sunshine Coast
- Whittlesea
- Whanganui (NZ)

After the visit of John Jung, Cofounder of the ICF, in early April 2017, there was discussion about forming an ICF chapter in Australia along similar lines to ICF Canada.

The 6 key Intelligent Community Indicators

1. Broadband
2. Knowledge Workforce
3. Innovation
4. Digital Equality
5. Sustainability
6. Advocacy

Smart Cities vs Intelligent Communities

Smart Cities have been defined as projects make cities work better. They apply information and communications technology to accurately monitor, measure and control city processes, from transportation to water supplies, the location of city vehicles to the performance of electric grids. Smart Cities are about saving money, becoming more efficient and delivering better service to the taxpayer.

Intelligent Communities

Intelligent Communities are different. They seek to make better cities: places large and small, urban and rural, where citizens and employers thrive and prosper in the broadband economy.

Intelligent Communities adopt technology but do not make it their focus. Instead, they find vision-driven, community-based, technology smart solutions to their most urgent problems.

It is proposed to reshape our City of Prospect Digital Economy Strategy 2014 – 2018 to reflect the ICF indicators.

Attachments:

Nil.

Future Workshop and Council Agenda Items

Members may seek advice as to the purpose, or intended resolutions planned for the next Council meeting. These items are subject to change.

Council Workshop 09/05/2017

- NAFC
- Open Space Strategy
- Percy Street Precinct - Prospect Road Footpath Widening
- Local Area Traffic Management (LATM) - North East/ South East Precinct
- Environmental Action Plan

Council Workshop 16/05/2017

- CLIC Spatial Layout

Council Meeting 23/05/2017

- Australian Local Government Association Voting Preferences
- Elected Member Training and Development 2017-2018
- EHA Third Budget Review
- EHA Annual Business Plan
- Acting CEO Report
- Prospect - Excellence in Urban Design Awards – 2017
- CEO Performance Development Review Committee Minutes 19/04/2017
- CEO Performance Development Review Committee Membership
- Menzies
- 2016-2017 Capital and Operating Projects Report

Council Workshop 30/05/2017

- 2017-2018 Budget Consultation Public Meeting

Commercial in confidence.
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Advice on Engagement with Tertiary Sector for Smart Cities Research

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Summary of recommendations

The following is a summary of recommendations arising from this report

- Develop a Memorandum of Understanding with the University of Adelaide to further develop Smart City Initiatives.
- Leverage off this relationship with the University of Adelaide to revitalise Council's Digital Transformation Initiative.
- For Universities which have one or two relevant discipline areas, it is suggested that these organisations are engaged using one off project contracts.
- Work with the University of Adelaide to develop a collaborative project with other local councils and state government on the digital transformation of government and council services:
 - Digital Democracy – encourage greater levels of citizen participation projects
 - Apps that push out information and invite comment from visitors and local citizens.
 - Submit a proposal to the Commonwealth's Smart Cities and Suburbs Program in partnership with the University of Adelaide called 'Connected Parks.
 - Events similar to GovHack, which invite citizens to reuse non-sensitive 'open' data in new and innovative ways to benefit the City
 - Participate in the workshops being held by the University of Adelaide that seek interest from councils and state government in developing a common project or projects relating to the capture, storage and analysis of big data. It is recommended that the initial priority relating to big data management is to establish policies and principles for opening up data in a way that also protects the privacy and safety of citizens, and to establish appropriate data management systems and infrastructure to enable big data analysis.
- Work with UniSA on a project to improve the energy use in City buildings especially the proposed Council Library and Innovation Centre (CLIC) and in doing so reduce costs and carbon emissions.

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Introduction

In Fusion Consulting is pleased to present this report to City of Prospect following a formal request for advice on engagement with the tertiary sector for Smart Cities. The City of Prospect will make an application for funding under the Commonwealth's Smart Cities and Suburbs Program. The eligible organisations under this program are – local government, private companies, research organisations and not for profit bodies – to deliver collaborative smart city projects that improve the liveability, productivity and sustainability of Australian cities, suburbs and towns.

As the funding is targeted at both research organisations and local government, Council is interested in the best way to engage with the tertiary sector. As such, advice is sought from In Fusion Consulting on the most effective mechanism to deliver on the Commonwealth's objectives and also those of the City's Next Generation Digital Economy Strategy (2014-18). This may include engagement with individual research organisations, faculties or a University wide Memorandum of Understanding.

Digital Transformation Initiative

City of Prospect has led 6 other Councils in the delivery of Digital Transformation Initiative (DTI – see diagram below). It aims to engage councils in developing solutions to benefit the local community and local businesses. Advice is also sought on how to use the DTI to ensure that technology solve community needs through collaboration.

A key outcome of the DTI project is the delivery of the Places & Spaces – Facility Booking System for Councils. Prospect has been successful in receiving Research and Development funding from the Local Government Association to complete a feasibility study to develop the project. The facilities booking application will become the backbone for the application to book parks and other facilities and engage with businesses

However, there is a need for this DTI to evolve. It is suggested that the DTI grows into Version 2 (V2) of the DTI through three steps:

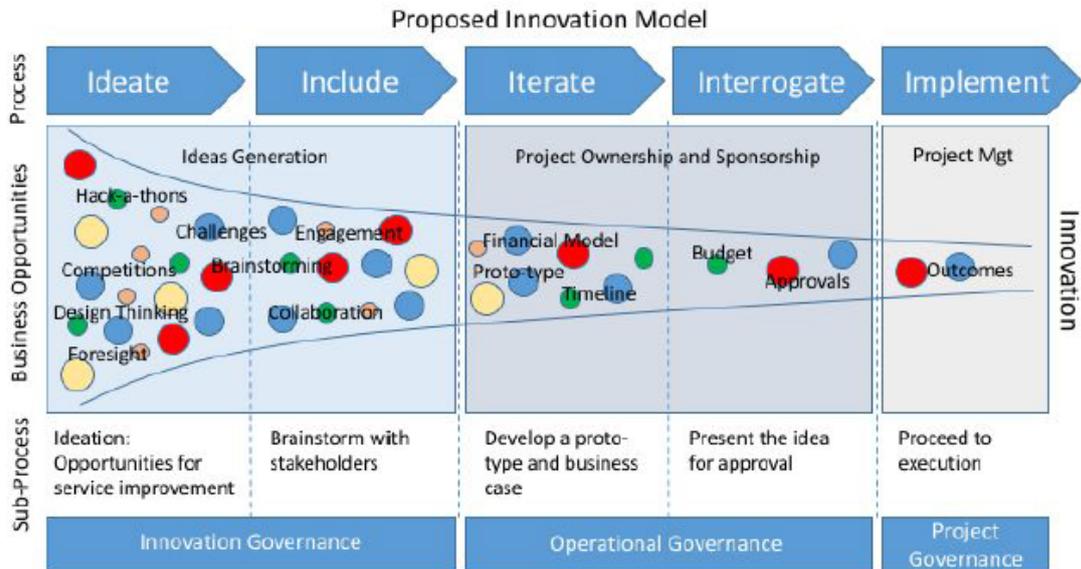
1. Takes on new Local Government members and forms closer links with the Local Government IT group.
2. Engages directly with University of Adelaide and its Smart City Committee
3. Actively seeks out private sector partners.

This level of collaboration would initially be supported by the University of Adelaide and key players in the Local Government space, led by City of Prospect.

The aim of this group is to expand the remit of the DTI to promote change in Local Government through collaboration with Adelaide University and the private sector. In particular, it would seek to solve economic, social and environmental problems.

Digital Transformation Initiative (Sept 2016) of Council adopted an innovation model that included additional involvement of the community and industry in the upfront development of projects. This model was identified on page 17 of the above report and is highlighted below. It is proposed to use this innovation model in the development of the next stage of the Digital Transformation Initiative.

Proposed Model



Ideas Generation	Project Authorisation	Project Delivery
<p>Ideas and participation at its core. There are less impediments on the idea generation because of governance and process.</p> <p>Ability to involve, industry, citizens, other sectors of government in the design thinking, brainstorming or foresight workshops.</p> <p>Governance to be managed by broad "memorandum of understanding."</p> <p>Nominate a Council to host and chair the revised working group.</p> <p>Ideas are categorised and the working group identify a project and council sponsor to take the idea to the next stage.</p>	<p>Identified sponsoring council now take the idea through business case development, procurement strategy and the budget process.</p> <p>Ability to involved nominated councils.</p> <p>Governance is managed via the operational governance regime of the sponsoring council.</p> <p>Issues of procurement, probity and legal matters such as intellectual property can be addressed.</p>	<p>Authorised and resourced projects are governed and managed by the sponsor.</p>
<p>Propose 2-3 Workshop processes per year to identify digital transformation projects.</p> <p>Report to the councils on the working group.</p>	<p>One project taken through the operational process and progressed to project status</p> <p>Report to the sponsoring organisation and advise the working group</p>	<p>One project taken to completion</p> <p>Report to Project Sponsor.</p>

Engagement with the Tertiary Sector

Advice is also sought on specific joint projects between City of Prospect and the tertiary sector that fit the program guidelines and meet the objectives of Council. These projects include:

- Online services and Big Data projects
- Green Space and Technology
- Connected Parks
- Intelligent Asset Management – poles and wires

Dr Paul Dalby from In Fusion Consulting is the principal consultant for this work. He is a consultant to the tertiary sector and has advised the University of Adelaide on the establishment of a Smart Cities initiative. He was also the Director of the Goyder Institute for water research in SA which involved all three universities in SA and supported the development of a number of relevant projects in water sensitive design and the value of greenspace. He has developed projects and teams to undertake research on optimal design of water infrastructure. He has helped to raise over \$110M.

Most effective mechanisms to deliver on the Commonwealth Smart Cities agenda and Council objectives

The Smart Cities and Suburbs program aims to support local governments and communities to use smart technology and **increase the accessibility and use of public data** so that cities become **more liveable** and urban service delivery becomes **more efficient and effective**. The program supports projects that apply smart technology, data driven decision making and people-focused design to deliver economic, social and environmental benefits in metropolitan and regional urban centres.

The Program seeks to develop projects that involve collaboration with partners in multiple sectors to help grow capability and better leverage program funding and outcomes.

The intended outcomes of the program are:

- Improve the liveability and sustainability of Australian cities, suburbs and towns through the application of smart technology solutions to economic, social and environmental challenges;
- Increase openly available public and private data sets to support citizen engagement, unlock innovation and create new business opportunities;
- Increase innovation and capability in local government through collaboration and smart city innovation ecosystems development;
- Contribute to the development of smart city standards and improvement of regulation impacting the roll-out and use of smart technology.

The table below lists outcomes from City of Prospect's Strategic Plan that could be supported by projects funded under the Smart Cities and Suburbs program.

Table 1. Potential projects that could address outcomes sought by City of Prospect

City of Prospect Strategic Plan Outcomes Sought	Potential project outcomes funded by the Smart Cities and Suburbs program
1.1.1 A community connected to others	Digital Democracy – encourage greater levels of citizen participation projects: e.g. Apps that collect and share community generated data on local activities, issues and assets and gamification of learning about this information
1.1.2 A community which is understood by Council, who is able to respond to their needs	
1.1.3 A strong community network linked to local community organisations	
1.3.2 Lifelong learning opportunities are developed and promoted	
1.3.4 A community who are involved and participate in decision making and community leadership	Apps that present and promote information on the attractions, arts installations, music events, history, character heritage and stories and invite comment from visitors and local citizens.
2.1.1 In partnership with the community, a City recognised for its diversity, its range of local attractions, its local history, character, heritage and stories	CLIC – Digital Hub – Training of Professionals and Citizens
3.2.1 A City with more people on the streets and more places to go at night	Big Data project
2.2.4 Public art across the City that delights community and visitors	
1.2.1 Community learning focused on environmental impacts and issues	Green space initiative that promotes the health of local community, co-designed with the local community
1.2.3 Community environmental initiatives are supported and encouraged	
1.3.1 Community services, recreation areas and facilities are able to meet the current and future needs for all stages of life	
2.2.1 Look after what we love; the character, native fauna, stories, neighbourhoods, people, parks and colour	
2.2.2 Engaging and innovative Parks which provide a range of leisure opportunities	
2.2.3 A community involved in the design maintenance and upgrade of our parks and places	
3.1.2 Investment, employment and development encouraged across our City	
3.3.1 A high level of take up of high speed/high capacity technology	
3.3.2 Knowledge workers are supported in the City with a range of network and business opportunities	
3.4.1 Council is engaged in the global economy, actively seeking diverse business investment	
3.4.2 Promoted and known internationally as Adelaide's most intelligent community	
4.1.1 Taking great care of all Council's Assets	Intelligent Asset Management – poles and wires with PPP: e.g. optimisation of assets; apps that efficiently collect and display data on the quality, usefulness and status of Council Assets by employees, local citizens and/or visitors; Big Data project
4.2.1 Sourcing funding partners and pursuing new revenue streams	Partnerships with Universities that lead to long term revenue streams
4.3.2 Innovation in waste management to align with environmental goals	Gamification of disposing of waste sustainably

Mechanisms for engagement with tertiary sector

Based on the scale of their research activity and strategic intent, the three leading research institutions in Smart Cities research in Australia in the opinion of the author are the University of Adelaide, Swinburne University of Technology and Queensland University of Technology (QUT).

The University of Adelaide is establishing a Smart Cities Consortium to design city-scale solutions to complex challenges so that citizens and businesses capture the full benefits of advances in technology while ensuring that the data necessary to achieve this aim is both secure and private. The University of Adelaide has expertise in theoretical knowledge and applied technological and nature-based design solutions to city-scale problems including:

- computer science (cybersecurity, interactivity, crowd sourcing solutions, internet of things, gamification)
- engineering (optimisation, transport design, water sensitive design, hazard management)
- mathematics (big data analysis and complex systems analysis)
- biological science (the role of greenspace in promoting human health)
- architecture (building and public space design)
- social science (inclusion of end-users in design, social impacts, social empowerment)
- spatial science & demographics (planning, optimising services, population, migration, GIS)

The Swinburne University of Technology Smart Cities Research Institute has focus on “making cities accessible to their resident populations; reducing congestion and enhancing economic productivity; decarbonising urban travel; and improving human health. Objectives include: identifying and removing the barriers to the scale-up and acceleration of urban innovation; and developing disruptive interventions and technologies to leap-frog or create step-changes in key urban domains”.

The QUT Urban Informatics Research Lab has research expertise in “urban planning and design, civic innovation, mobility and transportation, education and connected learning, environmental sustainability, and food and urban agriculture. The lab’s approach is user-centered design research directed toward understanding, conceptualizing, developing, and evaluating sociotechnical practices as well as the opportunities afforded by innovative digital technology in urban environments”.

As well, there is individual expertise in the University of NSW (GIS), UniSA (public use of green space; water sensitive urban design), University of Technology Sydney (social surveys of citizen’s response to smart city initiative), and University of Sydney (architecture and planning).

For any of the three major research institutions in Smart Cities (Adelaide, Swinburne or QUT), it would be ideal if the City of Prospect could develop a formal agreement on working together to develop practical research to practice projects for both the Smart Cities and Suburbs program, but also outside of this funding mechanism. The intent should be to both advance know how and knowledge related to Smart Cities initiatives, and implement this knowledge within the City of Prospect. This should ensure that the City remains a leading proponent of Smart Cities policies and practices that benefit its community. Any of the three Universities can be a one-stop-shop for Smart Cities research, although the research profile of the University of Adelaide seems to most closely match the interests of the City, and they are more conveniently located in South Australia. The key contact in the University of Adelaide is Lisa Mensforth, Faculty Research Manager, Faculty of Engineering Computer and Mathematical Sciences (lisa.mensforth@adelaide.edu.au; 0457 988 878). It is likely that the University of Adelaide will create a mechanism for establishing formal relationships with organisations such as the City of Prospect to participate as collaborators in Smart Cities research in the near future.

Any such institutional relationship agreement should include:

- an agreed governance of the relationship and collaborative research that involves both the University and City;
- an agreement to at least match any funds that the City invests in research with other funding (not necessarily on a project by project basis, but for the overall investment);
- agreement that the City can promote its formal collaboration with the University;
- promotion of the City's incubators to undergraduate and postgraduate students in the University;
- targets for research investment and research outcomes to be agreed on a rolling two to three year basis.

For individual projects with individual Universities, it does not make sense to bear the costs of establishing a formal partnership, and maintaining and supporting such a partnership for one or two projects. For Universities which have one or two relevant discipline areas, it is suggested that these are engaged using one off project contracts, where these universities can provide expertise that is not available through the more formal partnerships with a leading Smart Cities university.

Advice on individual projects

Advice is requested on four projects that City of Prospect has identified. A description is provided on how these projects could assist in delivering the City's Strategic Outcomes, and options for engaging universities to assist in developing and implementing the projects are presented.

1. Online services and Big Data projects

There is significant interest amongst many State Government and many Councils on the digital transformation of government and council services and the use of Big Data. Indeed, City of Prospect has provided nine data sets to the State Government as part of its GovHack project.

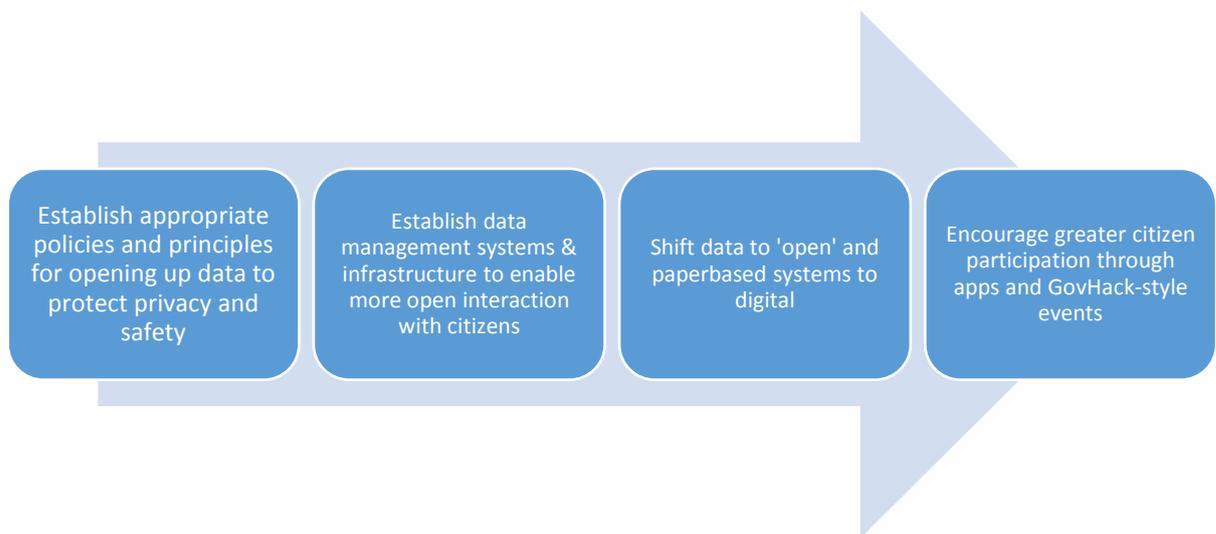
New opportunities for innovation could include, but is not limited to:

- Digital Democracy – encourage greater levels of citizen participation projects: e.g. Apps that collect and share community generated data on local activities, issues and assets and gamification of learning about this information. This requires careful design to ensure citizen safety and appropriate data security.
- Apps that push out information on the attractions, arts installations, music events, history, character heritage and stories and invite comment from visitors and local citizens. The University of Adelaide's arts disciplines and computer science disciplines are working together on such projects for the University and are in negotiation to create new apps for the Adelaide City Council. Researchers are also developing new app-based systems that link to sensors such as RFID tags, drones and computer vision. Flinders University and the University of South Australia (and nearly every university in Australia) run courses on apps design, and would be willing and interested to work with the City on student-driven projects.
- Transformation of paper based systems to digital data systems, with appropriate data sharing policies to optimise benefits to citizens, reduce costs to the City, and protect citizen privacy and safety. This is less interesting as a research project, and may be better suited to commercial providers.
- Events similar to GovHack, which invite citizens to reuse non-sensitive 'open' data in new and innovative ways to benefit the City. Teams of entrepreneurs, companies and students work over a short time period to present their ideas on how government data can be reused for the benefit of citizens. It is run as a competition. See the winners of the last Unleashed South Australia (the South Australian part of GovHack) here <http://uladl.com/unleashed-competition/2016-unleashed-prize-winners/>.

Big data analysis requires very large datasets and non-standard mathematical tools to assess. While an individual council may not have sufficient data to meet this criteria, a consortium of local councils, and potentially state government, would create datasets that may benefit from machine learning tools and large dataset management systems.

Given the common interest of multiple parties, it is recommended that such projects be developed in partnership with State Government, other councils and the University of Adelaide. The University of Adelaide will be hosting a workshop to seek interest in developing a common project(s). The University of Adelaide will bring expertise in legal planning, data governance and ethics, high level design principles for digital systems. However, it is noted that Prospect Council has limited resources to implement such a project, as such resources would need to be sourced by a third party such as the State Government.

In the view of the author, the staging that is required for Big Data projects shown in the diagram below:



2. Green Space and Technology

Green Space/Parks are an important part of the City's Strategic Plan. There are two potential research providers in Green Space and Technology who are based in South Australia.

- University of Adelaide.
 - Martin Breed, Phil Weinstein, Laura Weyrich and Andy Lowe are investigating the impact of biodiversity in urban green spaces and human health for Playford City Council. They have some preliminary evidence that improved human health from green spaces is at least partly mediated by the micro-organisms in these areas which become associated with human gut micro-organisms. This is ground-breaking research, which they are doing in collaboration with the Department of Environment Water and Natural Resources. They also have a \$20M grant application into to the Wellcome Trust to undertake this research internationally.
 - Elisa Palazzo is a landscape architect from the Urban Eco-design Lab and has a research interest in landscaping for economic development; public space regeneration; landscape design for urban regeneration and renewal; sustainable mobility corridors and green infrastructures in public space design.
 - Mary Griffith and Nick Falkner bring together computer science and human engagement expertise to develop tools and policies that encourage greater community use of and participation in public spaces.

- The Connected Parks Team uses RFID technology to track use of parks and parks equipment and display in apps.
- UniSA. Greg Brown and Delene Weber undertake research on the benefits derived from green space and how to engage the wider community in more sustainable practices. They were key researchers on a project funded by the Goyder Institute on the health and recreational benefits of irrigated urban green space¹.

It would be worth bringing these groups together for a workshop with City staff and potentially councillors to inform the design of a project that would result in a master plan for green space design in the City of Prospect that promotes human health and happiness, walking and cycling to the commercial zones by local residents, economic development and greater participation in public spaces by residents and visitors.

3. Connected Parks

The Digital Transformation Initiative (DTI) project of Council is the delivering the Places & Spaces – Facility Booking System for Councils. It is proposed that this DTI can be linked with another project called Connected Parks, where the booking system of the DTI can also link to a sensor based system in Council parks.

Connected Parks could provide sensors in parks that would benefit local residents, businesses and provide Council with real time information. Efficient asset management is one of the biggest opportunities for cost savings. Particularly to understand the maintenance needs of high usage parks and environments. Through the use of sensors savings could be made where maintenance is undertaken on a needs basis rather than a schedule.

Connected Parks could also mean parks that provide a refuge for native species in an urban environment; reduce heat accumulation in an urban environment; promote the health of residents through providing incentives to exercise, but also through direct influence over human gut flora; increase community interconnectivity and happiness; promote the value of the City of Prospect to local residents and increase local property values.

This project would be suitable to apply for funding from the Commonwealth's Smart Cities and Suburbs Program in partnership with the University of Adelaide who have developed some core technology.

4. Intelligent Asset Management – poles and wires

In terms of energy systems, there are many universities across Australia who could provide research expertise in more intelligent management of council assets related to energy.

Melbourne University have an Energy Institute with broad expertise in energy systems and economics, with a focus on developing practical, useable solutions for the design of whole power supply solutions.

The University of Adelaide has expertise in the integration of renewable energy into the existing energy grid (Centre for Energy Technologies – a major research centre in the University), solar-combustion hybrids, wind energy and alternative fuels.

UniSA have expertise in:

- The role of local government in carbon reduction (Cathryn Hamilton)
- Reducing energy use in buildings, building integrated solar and natural heating and cooling systems, solar thermal energy generation (Wasim Saman)

¹ http://www.goyderinstitute.org/uploads/U.2.2%20Task%206%20-%20Greenspace%20Report_Final.pdf

Swinburne University has expertise in smart energy management software services that provide decision support, optimisation and automation for collective energy usage at the individual household, building, micro-grid and grid levels using intelligent software agents.

Victoria University undertakes research on smart meters, grid design and operation – more focussed on energy grid managers.

RMIT have expertise in the optimisation of energy grids – again, probably more focussed towards energy grid managers.

Curtin University have a Centre for Smart Grid and Sustainable Power Systems, with an interest in developing enabling technologies in smart grid, innovative solutions for challenges in grid connection of renewable, smart home energy management networks and systems. They seem more focussed on supporting utilities and policy makers.

The suggestion of this author is that the City of Prospect seek a project on improving the energy use in City buildings and in doing so reduce costs and carbon emissions. Wasim Saman and Cathryn Hamilton from UniSA would be worth an initial conversation, and also potentially Swinburne University in relation to in building energy management. An alternative to Swinburne is ZEN energy systems who are a commercial provider of these sorts of systems based in SA.

There are quite a few universities around Australia who undertake research on water optimisation. The two leading research groups in Australia on water optimisation are the University of Adelaide and University of Newcastle:

- University of Adelaide: A leading research university in water optimisation – it has a research group called the “Intelligent Water Decisions” research group, who have also spun out a company in water optimisation (Optimatics). This group have done many projects on optimising stormwater capture and management of aquifer storage for example, including for the City of Unley if you are interested in seeing what they can do. Key researchers are Angus Simpson, Holger Maier, and Angela Marchi.
- University of Newcastle: This is the other key research university in this space. They take a similar approach to the University of Adelaide, and the Universities do collaborate and staff move between each of them. The key researcher is George Kaczera.

City of Prospect is about to embark on a \$12 million Community Library and Innovation Centre (CLIC) on Prospect Road to replace the current civic building. This new building could be the centre of an Innovation Precinct – bounded by the new CLIC and the Nova Cinemas, in the same area as Council’s Super Fast WiFi.

It is proposed the building will have all the smart technology and green technology to make it a Smart Building. The entire building will seek to be outwardly focused and become an innovation centre for the businesses and people of Prospect. There will be training facilities to incorporate the current “Digital Hub” – which has trained over 8,500 people in use of the internet and NBN. It could be a demonstration building for technology from all of the Universities with an interest in smart building design – possible at their own expense.

Summary

City of Prospect is clearly a leader in both innovation and implementation of Smart Cities technology and approaches. The objective of the City is to solve social, economic and environmental problems with technology optimised for humans through collaboration with Universities, Government and business.

The City can advance its agenda by tapping into relevant funding streams. By signing a Memorandum of Understanding with the University of Adelaide, it has an opportunity of becoming a key advisor and partner with one of the leading research institutions in Australia in Smart Cities. The Memorandum of Understanding can also be a vehicle to progress the next stage of Council’s Digital Transformation Initiative.



Australian Government
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Program Guidelines

Smart Cities and Suburbs Program – Round 1

Version March 2017

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1. Smart Cities and Suburbs Program processes

The Smart Cities and Suburbs Program is designed to achieve Australian Government objectives

This grant program contributes to the Department of Prime Minister and Cabinet's outcome 1. The department works with stakeholders to plan and design the grant program according to the *Commonwealth Grants Rules and Guidelines*.



The grant opportunity opens

We publish the grant guidelines and advertise on business.gov.au.



You complete and submit a grant application



We assess all grant applications

We assess the applications against eligibility criteria and notify you if you are not eligible. We then assess your application against the merit criteria including an overall consideration of value for money and compare it to other applications.



We make grant recommendations

We provide advice to the decision maker on the merits of each application.



Grant decisions are made

The decision maker decides which applications are successful.



We notify you of the outcome

We advise you of the outcome of your application. We may not notify unsuccessful applicants until grant agreements have been executed with successful applicants.



We enter into a grant agreement

We will enter into a grant agreement with successful applicants. The type of grant agreement is based on the nature of the grant and proportional to the risks involved.



Delivery of grant

You undertake the grant activity as set out in your grant agreement. We manage the grant by working with you, monitoring your progress and making payments.



Evaluation of the Smart Cities and Suburbs Program

We evaluate the specific grant activity and the Smart Cities and Suburbs Program as a whole. We base this on information you provide to us and that we collect from various sources.

2. Introduction

These guidelines set out the funding rules for round one of the Smart Cities and Suburbs Program (the program) for applicants.

The Department of Industry, Innovation and Science (the department) is responsible for administering the program on behalf of the Department of the Prime Minister and Cabinet, according to the requirements of the [Commonwealth Grants Rules and Guidelines](#).¹ The program will run over 3 years from 2016-17 to 2018-19.

Separate program guidelines will be issued outlining the arrangements for any future rounds of the program and will be available on business.gov.au.

We will publish the [opening and closing](#) dates of any funding rounds on business.gov.au and GrantConnect.

We have defined key terms used in these guidelines in Appendix A.

You should read this document carefully before you fill out an application.

2.1 New to smart cities and smart technology?

Local governments that are new to smart cities and smart technology can register for a structured incubation package. The Future Ready incubation package is not directly linked to the grants application process but supports capability building in local government. The package will provide participating local governments with the opportunity to collaborate with industry, build organisational capability, establish partnerships and develop innovative project proposals ahead of any future program rounds. Registrations are open until 21 April 2017. For more information on the package and to register, visit business.gov.au.

3. Program overview

As part of the 2016 election campaign the Australian Government announced the establishment of a \$50 million competitive Smart Cities and Suburbs Program to support projects that apply innovative technology-based solutions to urban challenges. The program encourages eligible organisations – local governments, private companies, research organisations and not for profit bodies – to deliver collaborative smart city projects that improve the liveability, productivity and sustainability of Australian cities, suburbs and towns.

Smart cities are created by and for people with the help of smart technology. For the purposes of this program, smart technologies generate, store, communicate and process data. Smart technologies enable local governments and their communities to work together and make better decisions about designing, delivering and using public assets, services and spaces. Smart technology can help local governments to:

- actively engage the community in planning and policy decisions
- address economic, social and environmental challenges
- increase the efficiency and effectiveness of urban service delivery.

Local governments are at the frontline of smart city innovation. The program will foster smart cities capability through collaborative projects involving one or more communities.

¹ <http://www.finance.gov.au/resource-management/grants/>

3.1 Program objectives

The program supports the Australian Government's commitment to help local governments and communities use smart technology and increase the accessibility and use of public data so that:

- cities, suburbs and towns become more liveable, productive and sustainable and
- urban service delivery becomes more efficient and effective.

In line with the [Smart Cities Plan](#),² the program supports projects that apply smart technology, data-driven decision making and people-focused design to deliver economic, social and environmental benefits in metropolitan and regional urban centres.

Projects will deliver innovative solutions that transform the government sector, advance community goals and address the needs of residents. The program will help to establish smart city innovation eco-systems and move Australia towards a global leadership position in smart city solutions.

Collaborative projects involving partners across multiple sectors and urban centres will:

- grow smart cities capability and capacity through shared knowledge and expertise
- drive innovation and wide adoption of solutions
- advance standards and improve regulation
- realise greater outcomes through maximum leverage of program funding.

3.2 Program outcomes

The intended outcomes of the program are to:

- improve the liveability and sustainability of cities, suburbs and towns through the application of smart technology solutions to economic, social and environmental challenges
- increase openly available public and private data sets to support citizen engagement, unlock innovation, and create new business opportunities
- increase innovation and capability in local governments through collaboration and smart city innovation ecosystem development
- contribute to development of smart city standards and improvement of regulation impacting the roll-out and use of smart technology.

3.3 Program rounds

The program may run over multiple rounds. For round one:

- applications open 17 March 2017
- applications close 30 June 2017

We will publish the dates for any future rounds on business.gov.au and GrantConnect.

4. Grant amount and grant period

4.1 Grants available

For round one:

- The minimum grant amount is \$100,000
- The maximum grant amount is \$5 million.

² <https://cities.dpmc.gov.au/smart-cities-plan>

- The grant amount will be up to 50 per cent of eligible project costs.

The total program funding of \$50 million is available in round one as follows.

Total project value	Maximum grant amount (up to 50% of project costs)	Program funding available
\$200,000 - \$1 million	\$100,000 - \$500,000	\$10 million
\$1 million - \$10 million	\$500,000 - \$5 million	\$40 million

Total program expenditure in round one will depend on the quality of projects proposed. Unallocated funds will be available in future rounds. The program delegate may alter the program funding available in each category based on the applications received.

4.2 Project duration

You must complete your project by 30 June 2019.

5. Eligibility criteria

We cannot consider your application if you do not satisfy all eligibility criteria.

5.1 Who is eligible?

To be eligible to apply you must have an Australian Business Number (ABN), be registered for GST, and be one of the following:

- a local government agency or body as defined in Appendix A
- an entity incorporated in Australia
- an incorporated trustee on behalf of a trust
- a not for profit organisation
- a Publicly Funded Research Organisation (PFRO) as defined in Appendix A.

5.2 Additional eligibility requirements

5.2.1 Local government and private sector involvement

To be eligible your project must involve:

- at least one local government agency or body, and
- at least one private sector organisation during the life of the project.

We recognise many organisations, particularly local governments, are subject to procurement and probity requirements and may not be able to nominate a private sector partner at the time of application. Where a private sector partner cannot be nominated, local governments, not for profit organisations and PFROs must commit to engaging a private sector partner during the life of the project and identify the goods and services to be procured.

The involvement of a local government and a private sector organisation in all projects is a minimum requirement. Your project can involve multiple organisations (see 8.2).

5.2.2 Support from a local government agency or body

Projects must have in-principle support from a local government agency or body at the time of application. You must provide evidence of in-principle support by:

- a letter from the relevant Mayor(s) or Chief Executive Officer(s) stating that the project is endorsed by local government leadership and supported by relevant council divisions, in principle, if grant funding is awarded, or
- an approved Council minute from a formal meeting of Council.

5.2.3 Your funding co-contributions

You must provide evidence of how you will fund your minimum 50 per cent share of eligible project costs from funding sources other than the Commonwealth. You must provide a letter from the Mayor, Chief Executive Officer, Chief Financial Officer or equivalent of each partner organisation outlining their contribution, and confirming they can fund their share of project costs.

5.2.4 Commencement timeframe

You must start your project within two months of executing a grant agreement, which can include planning for procurement.

5.3 Eligible projects

The program funds projects that apply innovative smart technologies which generate, store, communicate and process data to target urban challenges.

Additionally, projects must involve the innovative application of knowledge, hardware or software that

- is new to the organisation, the local government area, city, region or country or
- delivers an outcome which has not previously been realised in your community or
- extends or deploys an existing smart technology in a novel way.

5.4 Eligible activities

Eligible activities must relate directly to the project.

Activities should align with one or more of the four program priority areas in Table 1 below.

Table 1: Project priority areas

Priority Area	Aim	Description
Smart Infrastructure	Improving the efficiency, reliability, delivery and maintenance of infrastructure and essential services	Solutions that improve <ul style="list-style-type: none"> ▪ infrastructure-related services such as traffic management, emergency response, waste management, communications and water supply ▪ landscape and green infrastructure assets ▪ infrastructure management and maintenance and transportation infrastructure issues including accessibility and mobility.
Smart Precincts	Making community precincts more liveable, productive, sustainable and safe	Solutions that improve the comfort, amenity, security and management of public facilities, assets and spaces. Solutions may include integrated and intelligent systems which provide automated responses to real-time environmental and usage data.

Priority Area	Aim	Description
Smart Services and Communities	Delivering community focussed local government services	Solutions that <ul style="list-style-type: none"> ▪ increase community engagement ▪ involve the community in service design and delivery ▪ empower customers to make decisions through greater access to information ▪ improve access to council services ▪ support real-time availability of council information and data.
Smart Planning and Design	Building adaptable and resilient cities through improved land use, strategic planning and governance.	Solutions that provide more sophisticated information to support decision making and improve governance at local, state and national level, including through <ul style="list-style-type: none"> ▪ automatic integration of data from sensor networks ▪ planning systems that predict development impacts ▪ smart planning tools that analyse data from myriad sources to improve land use and planning.

5.5 Eligible expenditure

You can only spend grant funds on eligible expenditure you have incurred on an agreed project as defined in your grant agreement.

- For guidelines on eligible expenditure, see Appendix B.
- For a list of ineligible expenditure, see Appendix C.

We may update the guidelines on eligible expenditure. If your application is successful, the version in place when you submitted your application applies to your project.

You must incur the project expenditure between the project start and end date for it to be eligible.

The earliest date you can start your project and incur eligible expenditure is the date of your letter of offer. If you choose to start your project before you enter into a grant agreement with the Commonwealth, you do so at your own risk. You cannot use funding from other Commonwealth government sources to fund your share of project costs.

The Program Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

6. The merit criteria you need to address

To be competitive, you will need to address all merit criteria in your application. We will assess your application against each merit criterion using the weighting indicated.

The application form asks questions that relate to the merit criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. The application form displays word limits.

We will only award funding to applications that score highly against all merit criteria, as these represent best value for money.

6.1 Merit criterion 1

The extent to which your project is innovative and uses smart technology and open data (30 points)

In assessing this criterion, we will consider:

- The extent to which your project is innovative (see 5.3).
- The extent that your project will promote open and accessible data
- The extent to which your project uses smart technology
- The degree that your project supports interoperability of systems and uses available standards, particularly open standards.

Examples of existing open standards include data models based on CitySDK, data platforms based on CKAN, APIs based on the FIWARE NGSI API framework, and information discovery standards like Hypercat.

6.2 Merit criterion 2

The scope of social, environmental and economic benefits your project will deliver (30 points)

In assessing this criterion, we will consider:

- The level of social, environmental and economic project benefits to be gained. This may include improving:
 - the efficiency and effectiveness of and access to local government services and facilities
 - the health and quality of the natural environment, including increased efficiency in the use of natural resources
 - the financial sustainability of your community, including generating an ongoing revenue stream, cost savings, or leveraging investment from third-parties.
 - the urban environment, including safety, design landscape and green infrastructure
 - business and industry development including job creation and skills development
 - social equity and community cohesion
- The degree to which your project will transform the government sector:
 - by serving as a demonstration of best practice for others and the potential to scale up, roll out or replicate your solution in other communities; and/or
 - by supporting improved regulation.

6.3 Merit criterion 3

The extent of the project's community focus and impact on the liveability of the cities, suburbs and towns (20 points)

In assessing this criterion, we will consider:

- The degree that your project will advance community goals including through alignment with any relevant strategic plans at the local, regional or state level.
- The level of engagement with citizens to ensure the project addresses community needs and has the support of the community.
- Your strategy to measure the project's success, including any targets and metrics

6.4 Merit criterion 4

Your capacity, capability and resources to carry out the project (20 points)

To assess this criterion, we will consider:

- The role of each project partner and how you will collaborate with them to improve your project outcomes
- Your track record managing similar projects
- Your access to personnel with the right skills and experience
- Your existing access to, or future access to, any infrastructure, capital equipment, technology, intellectual property, licences, radiofrequency spectrum etc.
- Your plan to manage and monitor the project, including planned governance and accountability arrangements
- The identification of key risks to the project's success and proposed treatments
- The level of continued support for, or capacity to, extend the project outcomes once the project is complete.
- The cash and in-kind contributions of all project partners. Additional investments such as cash contributions over 50 per cent or in-kind contributions will be highly regarded

7. How we assess your application (selection process)

We first assess your application against the eligibility criteria and then against the merit criteria. Only eligible applications will proceed to the merit assessment stage.

We refer your application to an assessment committee of Commonwealth officers with subject matter expertise.

The committee will assess your application against the merit criteria and compare it to other eligible applications before recommending which projects to fund. The committee may seek additional impartial advice on technical aspects of your proposal from experts.

To recommend your application for funding it must score highly against each merit criterion as this represents best value for money. While we assess all applications against the same merit criteria, we will score your application relative to the project size, complexity and grant amount requested. The evidence you provide to support your application should be proportional to the size and complexity of your project. If the selection process identifies unintentional errors in your application, we may contact you to correct or clarify the errors, but you cannot make any material alteration or addition.

7.1 Final decision

The Assistant Minister for Cities and Digital Transformation decides which grants to approve taking into account the recommendations of the committee and the availability of grant funds.

If you are successful, you will receive a written offer.

If you are unsuccessful, we will notify you in writing and give you an opportunity to discuss the outcome with us. You can submit a new application for the same project (or a similar project) in any future funding rounds. You should include new or more information to address the weaknesses identified in your previous application. If a new application is substantially the same as a previous ineligible or unsuccessful application we may refuse to accept it for merit assessment.

The Assistant Minister's decision is final in all matters, including:

- the approval of applications for funding
- the amount of grant funding awarded
- the terms and conditions of funding.

We cannot review decisions about the merits of your application.

The Assistant Minister will not approve funding if there are insufficient program funds available across financial years.

8. How to apply

Before applying you should read and understand these guidelines, the [sample application form](#) and the sample grant agreement published on business.gov.au.

You can only submit an application during a funding round. We will publish the [opening and closing date](#) for each round on business.gov.au and GrantConnect.

To apply, you must:

- complete the online Smart Cities and Suburbs Program application form on business.gov.au
- provide all the information requested
- address all eligibility and merit criteria
- include all necessary attachments

When you submit your online application we will provide you with an automated receipt number and a link. The link goes to a page where you can enter your email address to receive acknowledgment and a copy of your complete application.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code 1995* (Cth). We will investigate any false or misleading information and may not progress your application. If you find an error in your application after submitting it you should call us immediately on 13 28 46.

If we find an error or information that is missing we may ask for clarification or additional information from you that will not change the nature of your application. However we can also refuse to accept any additional information from you that would change your submission after the application closing time.

If you need further guidance around the application process or if you are unable to submit an application online [contact us](#) at business.gov.au or by calling 13 28 46.

8.1 Attachments to the application

The following documents are required with your application:

- letter from your Mayor, Chief Executive Officer or Chief Financial Officer with in-principle commitment to the project and in-principle allocation of the funding your organisation will contribute to the project
- letter of support from the Mayor, Chief Executive Officer or Chief Financial Officer of each project partner, including in-principle allocation of any funding they will contribute to the project
- project plan (for projects over \$1 million)
- project budget (for projects over \$1 million)
- trust deed (where applicable)

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. We will not consider information in attachments that we do not request.

8.2 Project Partners

You are encouraged to partner with other organisations to deliver a group project. Other parties may include but are not limited to:

- businesses
- business and industry organisations
- community sector organisations
- local governments
- state and territory governments
- research institutions
- statutory authorities or government business enterprises
- Regional Development Authorities
- Regional Organisations of Councils.

In these circumstances, you must appoint a lead organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application should identify all other members of the proposed group and include a letter of support from each of the project partners. Each letter of support should include

- details of the project partner organisation
- an overview of how the organisation will work with the lead organisation and any other project partners to successfully complete the grant project
- details of any cash contributions to the project
- an outline of the relevant experience and/or expertise the organisation will bring to the group
- the roles and responsibilities of the organisation, and the resources it will contribute (if any)
- details of a nominated management level contact officer.

9. If your application is successful

9.1 Grant agreement

You must enter into a grant agreement with the Commonwealth.

We will not make any grant payments until there is an executed grant agreement in place. We are not responsible for any of your project expenditure until a grant agreement is in place. If you choose to start your project before you have an executed grant agreement, you do so at your own risk.

The funding approval may have specific conditions as a result of the assessment process or other considerations made by the Assistant Minister. We will identify these in the offer of funding.

If you enter an agreement under the Smart Cities and Suburbs Program, you cannot receive other grants for the same activities from other Commonwealth granting programs.

The Commonwealth may recover grant funds if there is a breach of the grant agreement.

You will have 40 days from the date of a written offer to execute the grant agreement with the Commonwealth ('execute' means both you and the Commonwealth have signed the agreement).

During this time we will work with you to finalise details. The offer may lapse if both parties do not execute the grant agreement within this time. Under certain circumstances we may extend this period. We will base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the Assistant Minister.

9.2 How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible costs covered by the grant (up to 50% of eligible project costs)

We make an initial payment on execution of the grant agreement covering up to 6 months of eligible expenditure. We will make subsequent payments in arrears based on your achievement of activities and your eligible expenditure.

We set aside 10 per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory final report. We may need to adjust your progress payments to align with available program funds across financial years or to ensure we retain a minimum 10 per cent of grant funding for final payment.

9.3 How we monitor your project

You must submit progress and financial reports in line with the grant agreement. We will provide sample templates for these reports as appendices in the grant agreement. You will also be able to download them from business.gov.au. We will remind you of your reporting obligations before a report is due. We will expect you to report on

- progress against agreed project milestones
- contributions of participants directly related to the project
- project expenditure, including expenditure of grant funds.

The amount of detail you provide in your reports should be relative to the project size, complexity and grant amount.

We will monitor the progress of your project by assessing reports you submit and may conduct site visits to confirm details of your reports if necessary. Occasionally we may need to re-examine claims, seek further information or request an independent audit of claims and payments.

9.3.1 Progress report

Progress reports must:

- include evidence of your progress towards completion of agreed project activities
- show the total eligible expenditure incurred to date
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

We will only make grant payments when we receive satisfactory progress reports.

You must discuss any project or activity reporting delays with us as soon as you become aware of them.

9.3.2 Final report

When you complete the project, you must submit a final report.

Final reports must:

- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project
- be submitted within four weeks of completing the project.
- be in the format provided in the grant agreement

9.3.3 Ad hoc report

We may ask you for ad-hoc reports on your project. This may be to provide an update on progress or any significant delays or difficulties in completing the project.

9.3.4 Financial report

You may need to provide an independently audited financial acquittal report. A financial acquittal report will verify that you spent the grant in accordance with the grant agreement. The financial acquittal report is attached to the sample grant agreement.

9.4 Compliance visits

We may visit you during the project period to review your compliance with the grant agreement. We may also inspect the records you are required to keep under the grant agreement. For large and complex projects, we may visit you after you finish your project. We will provide you with reasonable notice of any compliance visit.

9.5 Project variations

We recognise that unexpected events may affect project progress. In these circumstances, you can request a project variation, including:

- changing project milestones
- extending the timeframe for completing the project but by 30 June 2019.
- changing project activities
- The program does not allow for an increase of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the grant agreement end date. We can provide you with a variation request template.

If a delay in the project causes milestone achievement and payment dates to move to a different financial year, you will need a variation to the grant agreement. We can only move funds between financial years if there is enough program funding in the relevant year to allow for the revised payment schedule. If we cannot move the funds, you may lose some grant funding.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- how it affects the project outcome
- consistency with the program policy objective and any relevant policies of the department
- changes to the timing of grant payments
- availability of program funds.

9.6 Keeping us informed

You should let us know if anything is likely to affect your project or organisation.

We need to know of any key changes to your organisation or its business activities, particularly if they affect your ability to complete your project, carry on business and pay debts due.

You must also inform us of any changes to your:

- name
- addresses
- nominated contact details
- bank account details.

If you become aware of a breach of terms and conditions under the grant agreement you must contact us immediately.

9.7 Evaluation

We may evaluate the program to determine the extent to which the funded activity is contributing to the program objectives and outcomes. We may use information from your application and project reports for this purpose. We may also interview you, or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes. We may contact you up to one year after you finish your project for more information to assist with this evaluation.

9.8 Tax obligations

If you are registered for the Goods and Services Tax (GST), we will add GST to your grant payment and provide you with a recipient created tax invoice.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office \(ATO\)](#). We are required to report grant payments for all entities with an ABN to the ATO. We do not provide advice on tax.

10. Conflicts of interest

10.1 Your conflict of interest responsibilities

A conflict of interest will occur if your private interests conflict with your obligations under the grant. Conflicts of interest could affect the awarding or performance of your grant. A conflict of interest can be:

- real (or actual)
- apparent (or perceived)
- potential.

We will ask you to declare, as part of your application, any perceived or existing conflicts of interests or that, to the best of your knowledge, there is no conflict of interest.

If you later identify that there is an actual, apparent, or potential conflict of interest or that one might arise in relation to your grant, you must inform us in writing immediately.

10.2 Our conflict of interest responsibilities

We recognise that conflicts of interest may arise with our staff, technical experts, advisory committee members and others delivering the program between:

- their program duties, roles and responsibilities and

- their private interests.

We manage our conflicts of interest according to the *APS Code of Conduct* (section 13 (7) of the *Public Service Act 1999* (Cth)). We publish our conflict of interest policy on the [Department of Industry, Innovation and Science³](#) website.

Program officials must declare any conflicts of interest. If we consider a conflict of interest is a cause for concern, that official will not take part in the assessment of applications under the program.

11. How we use your information

Unless the information you provide to us is

- confidential information as per 11.1, or
- personal information as per 11.2,

We may share the information with other government agencies for a relevant Commonwealth purpose such as:

- to improve the effective administration, monitoring and evaluation of Australian Government programs
- for research
- to announce the awarding of grants.

11.1 How we handle your confidential information

We will treat the information you give us as sensitive and therefore confidential if it meets one of the four conditions below:

1. You clearly identify the information as confidential and explain why we should treat it as confidential.
2. The information is commercially sensitive.
3. Disclosing the information would cause unreasonable harm to you or someone else.
4. You provide the information with an understanding that it will stay confidential.

11.1.1 When we may disclose confidential information

We may disclose confidential information:

- to the committee and our Commonwealth employees and contractors, to help us manage the program effectively
- to the Auditor-General, Ombudsman or Privacy Commissioner
- to the responsible Minister or Assistant Minister
- to a House or a Committee of the Australian Parliament.

We may also disclose confidential information if

- we are required or authorised by law to disclose it
- you agree to the information being disclosed, or

³

<http://www.industry.gov.au/AboutUs/InformationPublicationScheme/Ourpolicies/Pages/Library%20Card/ConflictofInterestInsideTradeExpectationsofInnovationEmployees.aspx>

- someone other than us has made the confidential information public.

11.2 How we use your personal information

We must treat your personal information according to the Australian Privacy Principles (APPs) and the *Privacy Act 1988*. This includes letting you know:

- what personal information we collect
- why we collect your personal information
- to whom we give your personal information.

We may give the personal information we collect from you to our employees and contractors, the committee, and other Commonwealth employees and contractors, so we can:

- manage the program
- research, assess, monitor and analyse our programs and activities.

We, or the Assistant Minister, may:

- announce the names of successful applicants to the public
- publish personal information on the department's websites.

You may read our [Privacy Policy](#)⁴ on the department's website for more information on:

- what is personal information
- how we collect, use, disclose and store your personal information
- how you can access and correct your personal information.

11.3 Public announcement

We will publish non-sensitive details of successful projects on, [business.gov.au](#) and on the [Department of the Prime Minister and Cabinet's website](#)⁵. We are required to do this by the *Commonwealth Grants Rules and Guidelines* and the [Australian Government Public Data Policy Statement](#),⁶ unless otherwise prohibited by law. This information may include:

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation's industry sector.

We publish this information to ensure open access to non-sensitive data within Australian Government agencies to enable greater innovation and productivity across all sectors of the Australian economy.

11.4 Freedom of information

The *Freedom of Information Act 1982* (FOI Act) applies to all documents we create, receive or store about the program. If someone requests a document under the FOI Act, we will release it

⁴ <http://www.industry.gov.au/Pages/PrivacyPolicy.aspx>

⁵ <https://www.dpmc.gov.au/who-we-are/grants-and-funding>

⁶ <http://www.dpmc.gov.au/resource-centre/data/australian-government-public-data-policy-statement>

(though we may need to consult with you and/or other parties first) unless it meets one of the exemptions set out in the FOI Act.

12. Grant acknowledgement

If you make a public statement about a project funded under the program, we require you to acknowledge the grant by using the following:

'This project received grant funding from the Australian Government.'

13. Enquiries and feedback

For further information or clarification, you can contact us on 13 28 46 or by [web chat](#) or through our [online enquiry form](#) on business.gov.au.

We may publish answers to your questions on our website as Frequently Asked Questions.

The AusIndustry [Customer Service Charter](#) is available at business.gov.au. AusIndustry uses customer satisfaction surveys to improve its business operations and service.

If you have a complaint, call us on 13 28 46. We will refer your complaint to the appropriate manager.

If you are not satisfied with the way we handle your complaint, you can contact:

Head of Division
AusIndustry – Business Services
GPO Box 9839
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)⁷ with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

⁷ <http://www.ombudsman.gov.au/>

Appendix A. Definitions of key terms

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
Assistant Minister	Assistant Minister for Cities and Digital Transformation
AusIndustry	The division of the same name within the department.
City Deals	A Commonwealth initiative to bring together all three levels of government in a collaborative partnership to make our cities better places to live in and do business.
Department	The Department of Industry, Innovation and Science.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support. This is decided by the Program Delegate in accordance with these guidelines and the grant agreement.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support.
Eligible expenditure guidelines	The guidelines that are at Appendix B.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
Grantee	The recipient of grant funding under a grant agreement.
Guidelines	<i>Guidelines</i> that the Assistant Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.
Liveability	The aspects that determine the quality of life of a place, including its economy, amenity, built and natural environment, community, job and education opportunities, leadership and sustainability.
Local government agency or body	A local governing body as defined in the <i>Local Government (Financial Assistance) Act 1995</i> (Cth) and the ACT Government.
Personal information	Has the same meaning as in the <i>Privacy Act 1988</i> (Cth)
Program	Smart Cities and Suburbs Program

Term	Definition
Program Delegate	The AusIndustry General Manager with responsibility for the Smart Cities and Suburbs Program.
Program funding or Program funds	The funding made available by the Commonwealth for the program.
Project	A project described in an application for grant funding under the Smart Cities and Suburbs Program.
Publicly funded research organisation (PFRO)	<p>All higher education providers listed at Table A and Table B of the <i>Higher Education Support Act 2003</i> (Cth).</p> <p>This excludes government departments or agencies which undertake publicly funded research.</p>
Smart city	Urban areas that are created by and for people with the help of smart technology.
Urban	A built-up area in a city, suburb or town.

Appendix B. Eligible expenditure guidelines

This section provides guidelines on the eligibility of expenditure. We will update these guidelines from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

The Program Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be incurred by the grantee within the project period
- be a direct cost from the project
- be incurred by the grantee for approved project audit activities
- meet the eligible expenditure guidelines.

How we verify eligible expenditure

If your application is successful, we will ask you to verify the project budget that you provided in your application when we negotiate your grant agreement. You may need to provide evidence such as quotes for major costs.

The grant agreement will also include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure.

If requested, you will need to provide the agreed evidence along with your milestone achievement reports.

You must also keep payment records of all eligible expenditure, and must be able to explain how the costs relate to the agreed project milestones and activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

At the end of the project, you may be required to provide an independent financial audit of all eligible expenditure from the project.

Labour expenditure

Eligible labour expenditure for the grant covers the direct labour costs of employees you directly employ on the core elements of the agreed project. We consider a person an employee when you pay them a regular salary or wage, out of which you make regular tax instalment deductions.

We consider costs for technical, but not administrative, project management activities eligible labour expenditure. However, we limit administrative and project management costs to 20 per cent of the total amount of eligible labour expenditure claimed.

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the Australian Taxation Office (ATO). We consider salary-sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is \$150,000 per financial year.

For periods of the project that do not make a full financial year, the maximum salary amount you can claim will be reduced in proportion to the amount of time in the part financial year the project was taking place.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

Labour on-costs and administrative overhead

Eligible salary costs can be increased by an additional 30% allowance to cover on-costs such as employer paid superannuation, payroll tax and workers compensation insurance, and overheads such as office rent and the provision of computers.

You should calculate eligible salary costs using the formula below:

$$\text{Eligible salary costs} = \text{Annual salary package} \times \frac{\text{Weeks spent on project}}{52 \text{ weeks}} \times \text{percentage of time spent on project}$$

You cannot base labour costs on an estimation of the employee's worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.

We will only consider salaries paid to principals and/or their relatives as eligible labour expenditure when the ATO has assessed tax payable on the salary.

Evidence you will need to provide can include:

- details of all personnel working on the project, including name, title, function, time spent on the project and salary
- ATO payment summaries, pay slips and employment contracts.

Contract expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

- another organisation
- an individual (who is not an employee, but engaged under a separate contract).

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

- the nature of the work to be performed
- the applicable fees, charges and other costs payable.

Invoices from contractors must contain:

- a detailed description of the nature of the work
- the hours and hourly rates involved
- any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense as if you had claimed it directly (without engaging a contractor). The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

- an exchange of letters (including email) setting out the terms and conditions of the proposed contract work
- purchase orders
- supply agreements
- invoices and payment documents.

As stated in the grant agreement, you are required to ensure all project contractors keep a record of the costs of their work on the project. You may be required to obtain and provide a contractor's records of its costs of doing project work. If you do not provide such records, the relevant contract expense may not qualify as eligible expenditure.

Other eligible expenditure

Other eligible expenditures for the project may include:

- costs you incur as part of procurement activity relating to the project
- commissioning
- costs you incur as part of engaging with stakeholders and the community
- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure
- costs of acquiring intellectual property and technology required to implement the project
- costs of acquiring hardware and software directly related to the project
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
- contingency costs up to a maximum of 10% of the eligible project costs. Note that we make payments based on actual costs incurred.

Other specific expenditures may be eligible as determined by the Program Delegate.

Evidence you need to supply can include supplier contracts, purchase orders, invoices and supplier confirmation of payments.

Appendix C. Ineligible expenditure

This section provides guidelines on the ineligible expenditure of Australian Government grant funds. We will update these guidelines from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

The Program Delegate may impose limitations or exclude expenditure, or further include some ineligible expenditure listed in these guidelines in a grant agreement or otherwise by notice to you.

Examples of ineligible expenditure include:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to us notifying you that the application is eligible and complete
- any in-kind contributions
- financial costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, general office computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings
- costs involved in the purchase or upgrade / hire of software (including user licences) and ICT hardware not directly related to acquiring intellectual property or technology required for the project
- costs such as rental, renovations and utilities
- non-project-related staff training and development costs
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- debt financing
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- site preparation activities which are not directly related to, or for, the main purpose of the project
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports) and preparing any project variation requests
- travel or overseas costs that exceed 10% of total project costs except where otherwise approved by the Program Delegate.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program. You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.



**MEMORANDUM OF UNDERSTANDING
FOR THE PURPOSES OF COOPERATION IN SMART
CITIES RESEARCH AND BUSINESS INCUBATION**

between

THE UNIVERSITY OF ADELAIDE
[University]

and

City of Prospect
[Prospect]

Statement of Intent

The University of Adelaide and City of Prospect wish to develop a mutually beneficial partnership to progress a research agenda that positions both organisations as leaders in Smart Cities technology and implementation and new business incubation. The aim is to work together to be at the forefront of Smart Cities technology, policies and planning that benefit the residents and businesses of the City of Prospect and demonstrate the research excellence of the University of Adelaide. The partners will seek to achieve these objectives through joint student projects, joint research projects, joint funding applications and joint marketing and promotional activities.

Through this collaboration, the University intends to work with Prospect on research to: 1) inform green space design that benefits residents; 2) activate public spaces to encourage greater participation in public spaces by residents and visitors; and 3) encourage greater economic development through supporting new business incubation in Prospect. Other initiatives are expected to involve seeking funding for research collaboration, co-designing student projects and close cooperation in promoting the activities and benefits of the collaboration.

These parties are ideal partners in furthering the advancement and translation of research in the area of smart cities. Prospect is regarded as being one of the top 21 Intelligent Communities in the world, by the New York based Intelligent Communities Forum. The University has one of the most comprehensive research groupings in Smart Cities research in Australia.

The parties are also leading organisations in business incubation. The University's Entrepreneurship, Commercialisation and Innovation Centre (ECIC) is regarded as best practice in Australia – and is helping other cities establish similar models of encouraging entrepreneurship globally. Prospect has assisted in the establishment of two formal and several informal incubators already and is seeking to establish another formal incubator in export of business services.

The purpose of this Memorandum of Understanding is to establish the framework within which co-operation may further develop between the parties. This will occur within the context of the regulations and policies of each organisation, and subject to the availability of resources.

The Parties

The parties to this Memorandum of Understanding are:

(1) The City of Prospect

The City of Prospect was declared a City in 1935. The City has made major investments to improve high-speed internet connectivity for residents and businesses and has encouraged the formation of two business incubators within the City. It is ranked in the top 21 "Intelligent Communities" globally (Smart21 Communities).

and

(2) The University of Adelaide

The University of Adelaide was founded in 1874. UA has a global reputation for teaching and research excellence, and is regularly ranked in the top 1% of Universities worldwide. It has produced more than 100 Rhodes Scholars, and is associated with five Nobel Prize winners and is recognised as one of Australia's leading Universities.

Key Objectives

1. The two organisations intend to partner together with the aim of improving:
 - (a) evidence of the benefits or otherwise of smart cities technologies, policies and planning approaches for local residents and businesses;
 - (b) the pool of trained graduate and post-graduates with research and practical experience in smart cities technology development and implementation;
 - (c) rates of business start-ups in the City of Prospect;
 - (d) quantum of external income to both organisations for smart cities research/implementation and business incubation; and
 - (e) the profile and reputation of both organisations.

2. The two organisations will work towards the development of a number of joint initiatives including funding from the Smart Cities and Suburbs Program, Smart Green Spaces, Public Space Activation and a Business Services Exports Incubator.

3. The parties agree to now enter into negotiations to refine and develop the specific arrangements pertaining to mutually agreed initiatives.

4. Any particular programs or activities undertaken in connection with in this Memorandum of Understanding will commence only after further specific written agreement by all parties. Such agreements and/or contracts will be established as and when appropriate, and will include amongst other things the terms and conditions of the program or activity, any financial arrangements, and intellectual property and patent rights. The terms of such agreements and/or contracts will take precedence over the terms of this Memorandum of Understanding unless specifically stated to the contrary.

Key contacts

5. Each Party shall designate a key contact person for the purposes of negotiation and correspondence. In the first instance and until advised otherwise, these contact persons shall be:

For the University of Adelaide:

XXXXXXXXXX,
 University of Adelaide, South Australia 5005.
xxxx.xxxxxxxx@adelaide.edu.au
 08 8313 xxxx

For the City of Prospect:

Cate Hart, Chief Executive Officer
 128 Prospect Road, Prospect SA 5082
cate.hart@prospect.sa.gov.au
 08 8269 5355

The Term

6. This Memorandum of Understanding comes into effect on the date when the last signatory signs and will remain in effect for a period of 3 years from this date, or until such time as it is superseded by formal research agreements for the initiatives referred to in clauses 2 and 3, including agreement not to proceed with any specific initiative where appropriate.

7. Either party may terminate this Memorandum of Understanding, subject to 90 days' notice in writing to the other party.

8. All other provisions of this Memorandum of Understanding may be amended at any time by mutual agreement in writing by the authorized representatives of each party.

Activities

9. The parties agree to work together with the intention to:

- Set up arrangements for the management of the collaborative relationship between the parties, including establishing project teams and key contacts for each party;
- Negotiate in good faith and in the spirit of collaboration to strengthen the collective research effort in the area of Smart Cities;
- Negotiate in good faith on opportunities to better link the efforts at business incubation of the two organisations;
- Agree the terms and conditions of funding, sponsorship and research support pertaining to specific joint initiatives;
- In due course, to formulate formal project agreements that set out these agreed terms and conditions, together with critical milestone dates, for the approval of the respective parties.

10. Other than in respect of the obligations under clause 12, this Memorandum of Understanding does not place any legal or financial obligations on any of the parties, nor does it create any legal relationship between them.

11. Marketing and Publicity

- a) The parties agree to discuss and agree upon appropriate promotion of the activities undertaken collaboratively under this Memorandum of Understanding.
- b) Neither party may, without prior approval from the other party or otherwise in accordance with a written agreement between the parties, imply any endorsement by the other party of its products or services.
- c) Any use by one party of the name or logo of the other party or the other party's related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth)) must be in accordance with the other party's policies and approval processes or otherwise in accordance with a written agreement between the parties.

12. Confidential Information

a) Each party agrees to treat as confidential all information designated as confidential or which by its nature is confidential or which is disclosed in circumstances importing an obligation of confidence that is obtained from the other party in connection with this Memorandum of Understanding or activities undertaken pursuant to this Memorandum of Understanding and not disclose such information except:

- i. to such of the officers, employees and advisers of the party as have a legitimate interest in the confidential information to be disclosed to them;
- ii. as may be required by applicable law (in which case, if permitted, prior to disclosure, the party must consult with the other parties about the form and content of such disclosure); or
- iii. as the parties may agree in writing.

b) This clause 12 does not apply to information that is or becomes available in the public domain, is already lawfully known to the receiving party, or has been independently developed by the receiving party, other than as a result of a breach by a party of their confidentiality obligations.

Signed on behalf of the City of Prospect:

.....
Cate Hart
Chief Executive Office

Date:

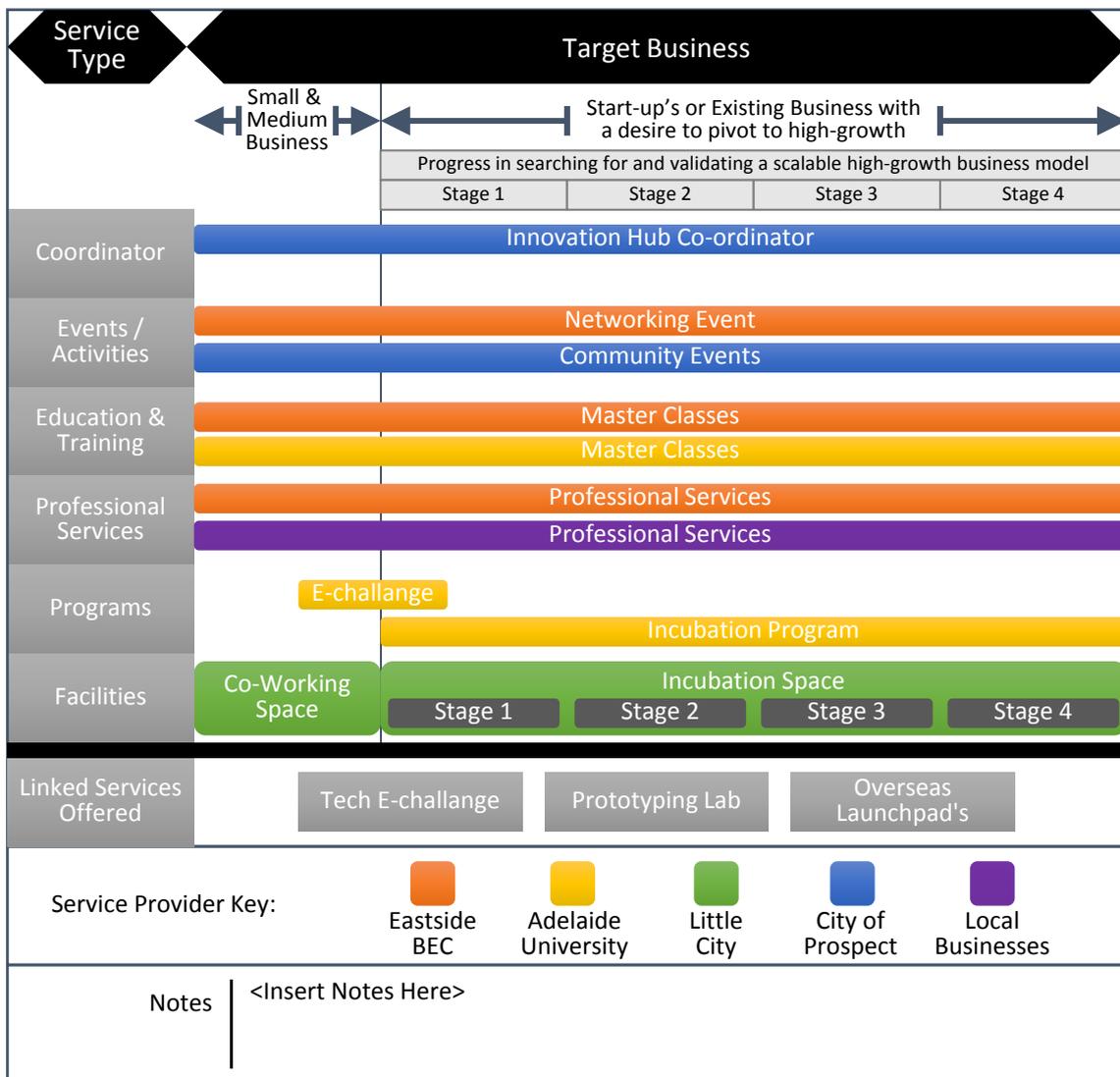
Signed on behalf of the University of Adelaide:

.....
XXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Date:

Accelerator Program Design for Services Hub

Accelerator Program Design for Incubator





Australian Government
Department of Industry,
Innovation and Science

Business

business.gov.au
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Programme Guidelines

Incubator Support initiative

An element of the Entrepreneurs' Programme

Version October 2016

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1. Introduction

These guidelines set out the funding rules for the Incubator Support initiative (the initiative) for applicants. The initiative aligns with the requirements of the [Commonwealth Grants Rules and Guidelines](#).¹

The initiative was announced as part of the National Innovation and Science Agenda (NISA) in December 2015 and is a new element of the Entrepreneurs' Programme.

The Department of Industry, Innovation and Science (the department) is responsible for administering the initiative

You may lodge applications for the Incubator Support initiative at any time during the life of the initiative.

You should read this document or the complete Entrepreneurs Programme - Programme Guidelines Version 8 carefully before you fill out an application.

We have defined key terms used in these guidelines in Appendix A.

2. Initiative Overview

The objective of the initiative is to assist New and Existing Incubators to:

- a. improve the prospects of Australian start-ups achieving commercial success in international markets by delivering a range of activities to Australian start-ups to develop the capabilities required to realise their economic potential in international markets faster than they otherwise would; and
- b. develop Australia's innovation ecosystem including in Australian regions.

The initiative provides funding through two components to deliver Incubator Support projects, both of which require matched funding from applicants.

The first is support for New and Existing Incubators:

- a. to help develop new Incubators in regions or sectors with high potential for success in international trade, and
- b. to boost the effectiveness of high performing Incubators, including funding support to expand their services and/or develop the innovation ecosystem.

The second is support for Expert-in-Residence:

- a. to organise and provide access to top quality research, managerial and technical talent through secondments of national or international expert advisers who will improve the chance of commercial success for start-ups in international markets.

The initiative's intended outcomes are to:

- a. support new Australian Incubators targeting innovative start-ups to assist them to trade internationally
- b. expand the scale and operations of existing Australian Incubators targeting innovative start-ups to increase their chances of success in international markets; and
- c. develop new innovative Australian start-ups with a focus on international markets.

¹ <http://www.finance.gov.au/resource-management/grants/>

If you apply for a New or Existing Incubators grant, we will assess your application against the eligibility criteria, merit criteria and other applications on a competitive basis.

If you apply for an Expert-in-Residence grant, we will assess your application against the eligibility criteria only. You only need to address the merit criteria if you apply for a New or Existing Incubators grant.

3. Grant amount and grant period

The grant amount will be up to 50 per cent of total Incubator Support Project Value as follows:

- a. a minimum grant amount of \$10,000 and a maximum grant amount of \$500,000 for New and Existing Incubators per project with a maximum grant period of 24 months
- b. a minimum grant amount of \$1,000 and a maximum grant amount of \$25,000 for Expert-In-Residence per project with a maximum grant period of 12 months.

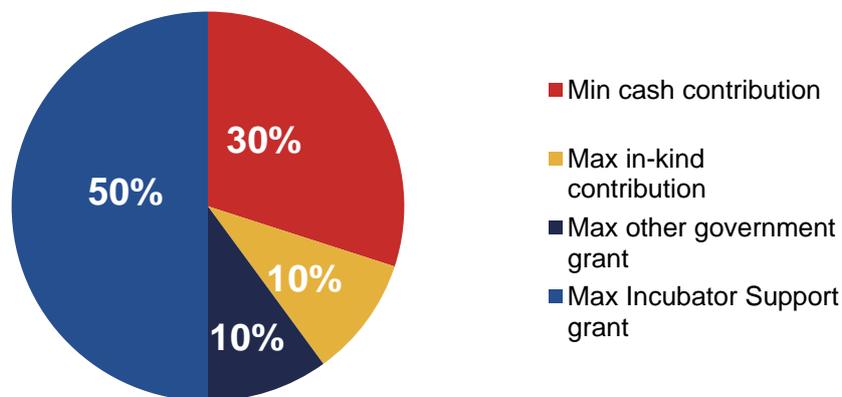


Figure 1: Limits to sources of funding as % of total project value

The limits for project funding contributions are outlined below.

- a. The Incubator Support grants can be up to a maximum of 50 per cent of the total project value.
- b. The cash contribution from the grantee must be a minimum of 30 per cent of the total project value.
- c. The in-kind contribution from grantee or other government sources can be up to a maximum of 10 per cent of the total project value. You will need to provide details of how you calculated the dollar value of any in kind contributions.
- d. Other government sources can be up to a maximum of 10 per cent of your total project value. Government sources include Commonwealth, state, territory or local government. These contributions can be cash or in-kind. Where a contribution from another government source is in-kind it counts as both a contribution from another government source and an in-kind contribution.

4. Eligibility criteria

We cannot consider your application if you do not satisfy all eligibility criteria and will not waive any eligibility criteria under any circumstance.

4.1 Who is eligible?

To be eligible for Incubator Support, applicants must:

- a. be an existing Incubator or establishing a new Incubator that can foster and facilitate the development of innovative start-ups focused on international trade; and
- b. have an Australian Business Number (ABN); and
- c. be one of the following:
 - i. an entity incorporated in Australia;
 - ii. an incorporated trustee on behalf of a trust;
 - iii. a not for profit organisation;
 - iv. a publicly funded research organisation (PFRO); excluding government departments or agencies which undertake publicly funded research; or
 - v. local government.

Joint applications from consortia are acceptable, provided you have a lead applicant who is the main driver of the project and is eligible as per the list above.

You can apply and be funded for up to two grants at the same time. You can apply for more than two grants only after you have finished one of the funded projects and have provided your final report.

You are not eligible to apply if you are:

- a. an individual, partnership or trust (however, an incorporated trustee may apply on behalf of a trust)
- b. a Commonwealth or state government agency or body (including PFROs and government business enterprises).

To be eligible you must be able to provide the following:

- a. trust deed (where applicable)
- b. for New and Existing Incubators applications - evidence from your organisation's Board (or support from the Chief Executive Officer or director, if there is no Board) that the project is supported, and that the applicant can complete the project and meet the costs of the project not covered by grant funding
- c. for Expert-In-Residence applications - resumes outlining the experience and capabilities of the expert/s.

4.2 Eligible projects

To be eligible your project must:

- a. include eligible activities and eligible expenditure
- b. have a total project value of at least \$20,000 for New and Existing Incubators per project
- c. have a total project value of at least \$2,000 for Expert-In-Residence per project.

4.3 Eligible activities

Incubator Support will fund activities undertaken by Incubators that improve the prospects of Australian start-ups achieving commercial success in international markets. This would be achieved through Incubators assisting Australian start-ups (as determined by the Incubator) to

develop the capabilities required to realise their economic potential in international markets faster than they otherwise would.

Eligible activities must:

- a. assist Australian start-ups to develop the capabilities required to achieve commercial success in international markets;
- b. support innovative start-ups focused on international markets to realise their economic potential faster than they otherwise would; and
- c. directly contribute to the initiative's objectives and directly relate to the project.

Eligible activities can include the following activities.

For New and Existing Incubators

Examples of eligible activities include but are not limited to Incubators:

- a. expanding mentor networks to new mentors with national or international expertise;
- b. providing or facilitating access for innovative start-ups to new resources (such as purchase of technical equipment) to promote or facilitate international trade;
- c. providing or facilitating access for innovative start-ups to new knowledge (such as customer acquisition and/ or business development methods) to promote or facilitate international trade; and
- d. facilitating innovative start-ups' access to new international networks (e.g. investors, customers peer firms).

This is not an exhaustive list of eligible activities for the New and Existing Incubators component. The Programme Delegate makes the final decision on whether an activity is eligible. For more information contact us at business.gov.au or call the contact centre on 13 28 46.

For Expert-in-Residence

Examples of eligible activities include but are not limited to:

- a. a workshop where an expert gives advice on developing business activities, for example in international markets; and
- b. engaging a national or international expert (with knowledge in start-up related technology and international experience) to assist start-ups address key challenges during an Incubator program.

This is not an exhaustive list of eligible activities for the Expert-In-Residence component. The Programme Delegate makes the final decision on whether an activity is eligible. For more information contact us at business.gov.au or call the contact centre on 13 28 46.

4.4 Eligible and ineligible expenditure

You can only spend grant funds on eligible expenditure you have incurred on an agreed project as defined in the grant agreement. You may start your project from the date that we notify you that your application is eligible and complete. If you choose to start your project before you enter into a grant agreement with the Commonwealth, you do so at your own risk.

You will need to provide details and costs of all in-kind contributions. In-kind contributions must directly relate to the cost of delivering the project activities.

- a. For guidelines on eligible expenditure, see Appendix 2.
- b. For a list of ineligible expenditure, see Appendix 3.

- c. For guidelines on allowable in-kind contributions, see Appendix 4.

We may update the guidelines on eligible expenditure from time to time. If your application is successful, the version in place when your grant agreement is signed (by both the Commonwealth and you) will be the version that applies to your project.

5. The merit criteria you need to address (For New and Existing Incubators)

To be competitive, you will need to address all the merit criteria in your application. We will assess your application against each merit criterion using the weighting indicated. The application form asks questions that relate to the merit criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and funding amount requested. Word limits are displayed on the application form. We will only award funding to applications that score highly against all merit criteria.

5.1 Merit criterion 1

Management and Business Capability (40 points)

Demonstrate your ability to assist Australian start-ups to develop the capabilities required to succeed in international markets.

- a. Describe key personnel:
- i. time commitment to Incubator;
 - ii. evidence of national or global entrepreneurship and commercialisation experience;
 - iii. evidence of linkages to international innovation ecosystems;
 - iv. community management skills; and
 - v. evidence of investment attraction into start-ups.
- b. What is the track record of your organisation or team? Provide examples of start-ups previously supported, including evidence that these are bringing new-to-market or new-to-world innovative products and services to markets outside Australia.

Describe the operating model of your Incubator and how you can foster the development of innovative start-ups in international markets.

- a. Describe how you will leverage your networks to deliver services and opportunities to start-ups – give evidence of linkages, agreements, support from other players in the innovation ecosystem.
- b. Describe the services that you provide, which could include:
- i. seed funding
 - ii. co-location
 - iii. structured programme
 - iv. mentoring
 - v. cohort-based entry and exit
 - vi. professional services
 - vii. networking events.
- c. Describe how you will fund ongoing operations after the grant ends. For example:

- i. If you are an existing incubator, provide evidence of your current funding model
- ii. If you are establishing a new incubator, provide evidence of your proposed funding model. This may include:
 - a letter of support from potential corporate or government sponsors
 - evidence of demand and willingness to pay for a co-working space.

5.2 Merit criterion 2

Expected impact and benefits of the project (50 points)

Describe the distinct value proposition of your Incubator. Outline the gap in the market that your project will address and describe how your project will address this gap in terms of two or more of the following outcomes:

- a. improving the commercial prospects of innovative start-ups in international markets
- b. developing Australia's innovation ecosystem so that innovative start-ups can thrive and flourish in international markets, by supporting Incubators including in the development of clusters, focussed on new regions, sectors or linked with universities;
- c. developing the capability of Incubators to facilitate and foster innovative start-ups with the potential to operate in international markets.
- d. in regional Australian communities, developing new Incubators' capabilities to support innovative, internationally focussed start-ups.

5.3 Merit criterion 3

Value for money (10 points)

Will the project go ahead without the grant? Explain how the grant will impact the project in terms of size, timing and reach?

What is the total level of your contributions to the project? Include all cash and in-kind contributions. Explain why any in-kind contributions are integral to achieving project outcomes. Justify how you calculated the dollar value of any in-kind contributions.

6. How to apply

Before applying you should read and understand this extract of the Programme Guidelines, and the grant agreement. View the grant agreement at business.gov.au.

You can submit an application at any time.

To apply, you must:

- a. complete the online Incubator Support initiative application form on business.gov.au
- b. provide all the information that is needed for us to assess your application
- c. address all eligibility and merit criteria, ensuring each requirement has been considered
- d. ensure all attachments are included

When you submit your online application we will provide you with an automated receipt number and a link. The link goes to a page where you can enter your email address to receive acknowledgment and a copy of your complete application.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code 1995* (Cth). We will investigate false or misleading information and may stop your application from being considered for the grant.

If you find an error in your application after submitting it you should phone us immediately on 13 28 46.

If we find an error or information that is missing we may ask for clarification or additional information from you. This should not change the nature of your application. However we can also refuse any additional information, or requests to change submissions from you after the application closing time.

If you need further guidance around the application process or if you are unable to submit an application online contact us at business.gov.au or call the contact centre on 13 28 46.

6.1 Attachments to the application

The following documents are required with your application:

- a. trust deed (where applicable)
- b. for New and Existing Incubators applications - evidence from your organisation's Board (or support from the Chief Executive Officer or director, if there is no Board) that the project is supported, and that the applicant can complete the project and meet the costs of the project not covered by grant funding.
- c. for Expert-In-Residence applications - a resume outlining the experience and capabilities of the expert/s.

You must attach supporting documentation to the application form in line with the instructions provided within the form.

6.2 Applications from consortia

We recognise that some organisations may want to join together as a group to form consortia to deliver activities. If you are submitting a joint application for funding or submitting an application on behalf of a consortium, you must appoint a lead entity. Only the lead entity will enter into, and be responsible for the grant agreement with the Commonwealth. The lead entity must complete the application form and identify all other members of the proposed consortium in their application. The application should also include a letter of support from each of the additional organisations involved in the proposal. Each letter of support should include:

- a. details of the additional entity
- b. an overview of how the organisation will work with the lead entity and any other consortium members to successfully complete the grant activity/ project
- c. an outline of the relevant experience and/ or expertise the organisation will bring to the consortium
- d. the roles/ responsibilities the organisation will undertake, and the resources it will contribute (if any)
- e. details of a nominated management level contact officer.

7. How we assess your application (selection process)

AusIndustry will assess applications for New and Existing Incubators against the eligibility criteria. Only eligible applications will proceed to the merit assessment stage.

We will refer eligible New and Existing Incubators applications to Innovation and Science Australia for assessment. Innovation and Science Australia may seek input from external advisors to inform their assessment process. Innovation and Science Australia will assess your application against

the merit criteria and compare it to other eligible applications. Innovation and Science Australia will give your application a score out of 100.

While all applications are assessed against the same merit criteria, Innovation and Science Australia will score your application relative to the project size, complexity and grant amount requested. Larger and more complex projects should include more detailed evidence.

After considering your application, Innovation and Science Australia will make recommendations to the Minister on which applications are suitable for funding. To be recommended as suitable for funding, your application must score highly against each merit criterion.

AusIndustry will assess Expert in Residence applications against the eligibility criteria and will refer applications to the Programme Delegate to make the final decision.

For all applications, if the selection process identifies unintentional errors in your application, we may contact you to correct or clarify the errors, but you cannot make any material alteration or addition.

7.1 Final decision

The Minister decides which New and Existing Incubators grants to approve, taking into account the Innovation and Science Australia's recommendations and the availability of grant funds. The Programme Delegate decides which Expert in Residence grants to approve, taking into account the availability of grant funds. The Programme Delegate is the AusIndustry general manager who is responsible for administering the initiative.

If you are successful, you will receive a written offer. If you are unsuccessful, we will notify you in writing and give you an opportunity to discuss the outcome with us. You can submit a new application for the same project (or a similar project) in the future. You should include new or more information to address the weaknesses identified in your previous application. If a new application is substantially the same as a previous ineligible or unsuccessful application we may refuse to accept it for merit assessment.

The Minister and Programme Delegate's decisions are final in all matters, including:

- a. the approval of applications for funding;
- b. the size of funding to be awarded; and
- c. the terms and conditions of funding.

The Minister and Programme Delegate must not approve funding if they reasonably consider the programme funding available across financial years will not accommodate the funding offer.

We cannot review decisions.

8. If your application is successful

8.1 Grant agreement

You must enter into a grant agreement with the Department of Industry, Innovation and Science, acting on behalf of the Commonwealth. A sample [grant agreement](#) is available on business.gov.au.

For New and Existing Incubators projects, you will have 30 days from the date of offer to execute a grant agreement with the Commonwealth ('execute' means both you and the Commonwealth have signed the agreement). During this time we will work with you to finalise details. We may withdraw the offer if both parties do not execute the grant agreement within this time. Under certain circumstances we may extend this period.

For Expert in Residence projects, your application together with the details in your letter of approval will form the grant agreement.

We will not make any grant payments until there is an executed grant agreement in place. We are not responsible for any of your project expenditure until a grant agreement is in place. You may start your project from the date that we notify you that your application is eligible and complete. If you choose to start your project before you have an executed grant agreement, you do so at your own risk.

The funding approval may have specific conditions as a result of the assessment process or other considerations made by the Programme Delegate or Minister. We will identify these in the offer of funding.

You will have up to 24 months from the project start date to complete New and Existing Incubators projects. You will have up to 12 months from the project start date to complete Expert in Residence projects. The project end date is when you have finished all project activities and milestones as stated in the grant agreement.

The Commonwealth may recover grant funds if there is a breach of the grant agreement.

8.2 How the grant will be paid

The grant agreement will state the:

- a. maximum grant amount to be paid; and
- b. ratio of costs covered by the grant (grant ratio).

We will not exceed the maximum grant amount under any circumstances. If you incur extra eligible expenditure, you must meet it yourself.

For New and Existing Incubators projects:

- a. For projects that are less than 12 months we will pay 80 per cent of the grant on execution of the grant agreement (signed by both parties).
- b. For projects that are more than 12 months we will pay 50 per cent of the grant on execution of the grant agreement (signed by both parties); 30 per cent of the grant amount will be paid on achievement of milestones,
- c. We will set aside the remaining 20 per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory final report.
- d. You must provide a final report within four weeks of completing the project.

For Expert-in-Residence projects:

We will pay 100 per cent of the grant amount on execution of the grant agreement. You must provide a final report within four weeks of completing the project.

8.3 How we monitor your project

You must submit progress reports in line with the grant agreement. You will need to report on:

- a. progress against agreed project milestones;
- b. contributions of participants directly related to the project; and
- c. eligible expenditure of grant funds.

The amount of detail you provide in your reports should be relative to the project size, complexity and grant amount. We will provide you with templates during the grant agreement process.

We will monitor the progress of your project by assessing reports you submit.

Progress reports must:

- a. include the evidence that has been agreed on;
- b. show the total eligible expenditure incurred to achieve the milestone; and
- c. be submitted within four weeks of completing a milestone (you can submit reports ahead of time if you have completed the milestone).

You will need to submit a report to us as detailed in your grant agreement. We will assess your report and may conduct site visits if necessary.

8.4 Project variations

We recognise that unexpected events may affect project progress. In these circumstances, you can request a project variation, including:

- a. changing project milestones;
- b. extending the timeframe for completing the project but within the maximum 12 or 24 months allowed in Programme Guidelines; and/or
- c. changing project activities.

Note the initiative does not allow for an increase to the agreed amount of grant funds

If you want to propose changes to the grant agreement, you must put them in writing before the grant agreement end date.

We will not consider changes after the grant agreement end date.

If a delay in the project causes milestone achievement and payment dates to move to a different financial year, you will need a variation to the grant agreement. We can only move funds between financial years if there is enough funding in the relevant year to allow for the revised payment schedule.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- a. how it impacts the project outcome;
- b. consistency with the programme policy objective and any relevant policies of the department;
- c. changes to the timing of grant payments; and
- d. availability of programme funds.

Part 2 – Programme Governance.

This section is an extract from Part 2 of the Entrepreneurs' Programme – Programme Guidelines. It includes information for customers relevant to the Incubator Support Initiative

9. Roles and Responsibilities

9.1 The Minister

The Minister will appoint a Programme Delegate to administer the Programme.

The Minister will make the final decision on which New and Existing Incubators applications to support.

The Minister's decision is final and will not be reviewed.

9.2 Programme Delegate

The Programme Delegate is authorised to make decisions in relation to the administration of the Programme and to give directions to the Department as to the interpretation of the Programme Guidelines and other documents used in relation to the Programme.

The Programme Delegate must have regard to the Programme's policy rationale and objective when performing any function or making any decision in relation to the Programme.

The Programme Delegate is responsible for:

- a. ensuring overall efficient and effective administration of the Programme;
- b. approving and amending all customer documentation, including Customer Information Guides;
- c. determining the eligibility of applications;
- d. entering into and varying Funding Agreements and Deeds of Services and Release on behalf of the Department;
- e. authorising payment of Grants by the Department to Recipients;
- f. ensuring that data is collected and available for Programme monitoring and evaluation;
- g. briefing the Minister about the Programme;
- h. facilitating and assisting in independent evaluations of the Programme; and
- i. any other responsibilities under the Programme as required by the Minister.

Decisions of the Programme Delegate are final and will not be reviewed.

9.3 Innovation and Science Australia

Innovation and Science Australia will provide strategic oversight of the Programme.

Innovation and Science Australia will provide merit assessments of New and Existing Incubators applications to the Minister.

9.4 AusIndustry

The Department, through AusIndustry, delivers the single business service which includes one website (business.gov.au), one contact centre (13 28 46) and one national network of highly qualified staff that both deliver Australian Government programmes and provide expert support.

10. Commonwealth's Rights

Nothing in the Programme Guidelines should be construed to give rise to any contractual obligations or rights, expressed or implied, by the issue of the Programme Guidelines or the submission of an application for Grant under the Programme.

No agreement will be created between a successful applicant and the Commonwealth, as represented by the Department, until a Funding Agreement is formally executed.

Notwithstanding the approval of an application for a Grant, the provision of a Grant by the Commonwealth, and the amount of a Grant, is subject to available Commonwealth funding and changes in Commonwealth policy.

11. Announcements

The Department will report on its website, information on individual Grants as required by paragraph 5.3 of the [Commonwealth Grants Rules and Guidelines](#), available on the Department of Finance's website.

In addition, the Minister or the Department may publicly announce information about successful activities and details of Participants that the Department determines is not confidential (see clause 0), including the:

- a. name of the Participant;
- b. description of the activity and its objectives;
- c. amount of funding awarded (where applicable).

12. Conflicts of Interest

The Department will maintain procedures for managing conflicts of interest for staff within the Department, technical experts and other third parties involved in the management, assessment and evaluation of: the Programme, applications and the delivery of Activities. Conflicts of interest will be managed in accordance with these procedures. A conflict of interest can arise in situations where a person has an interest or relationship, whether real, perceived or potential, that conflicts with a duty they hold or where they have a role that conflicts with another role.

The Department's [procedures for managing conflicts of interests](#) by its employees are in accordance with the requirements of the [APS Code of Conduct](#) (section 13(7) of the Public Service Act 1999 (Cth)), the Public Governance, Performance and Accountability Act 2013 (Cth) and the Public Governance Performance and Accountability Rule 2014.

The Department will manage potential, perceived and actual Innovation and Science Australia member conflicts of interest through a conflict of interest process that requires Innovation and Science Australia members to declare any conflict of interest by members and exclude those members from the application assessment process if the Programme Delegate determines that the conflict of interest is material.

13. Programme Contact Details

Any queries regarding the Programme Guidelines should be directed to business.gov.au or the contact centre on 13 28 46.

14. Protection of Information

The use and disclosure of information provided to the Department, Business Advisers, Industry Partners, Business Facilitators, Innovation Connections Facilitators and Commercialisation Advisers by an applicant (including information provided as part of any application) is regulated by

the relevant provisions and penalties of the Public Service Act 1999 (Cth), the Public Service Regulations, the Archives Act 1983 (Cth), the Privacy Act 1988 (Cth), the Crimes Act 1914 (Cth), the Criminal Code Act 1995 (Cth) and general law.

14.1 Use and Disclosure of Information

Unless the information provided to the Department is:

- a. Personal Information in accordance with sections 14.2, 14.3 and 14.6 or
- b. Confidential Information in accordance with sections 14.4, 14.5 and 14.6

the Department may disclose the information to any person for any purpose directly related to the activities and functions of the Australian Government, including but not limited to the purpose of:

- a. announcing the awarding of Grants;
- b. improving the effective administration, monitoring and evaluation of this or other Commonwealth programmes; or
- c. conducting research within the Department or another Commonwealth agency.

14.2 Personal Information

The Department is bound by the Australian Privacy Principles (APPs) outlined in Schedule 1 of the Privacy Act 1988 (Cth). The APPs regulate how the Department may collect, use, disclose and store Personal Information.

'Personal Information' under the Privacy Act 1988 (Cth) means information or an opinion (whether true or false) about a natural person who is reasonably identifiable.

14.3 Use of Personal Information

Personal Information obtained by the Department will only be used by the Department and may be disclosed to:

- a. the Minister, the Parliamentary Secretary, and their Office; and
- b. other Commonwealth Ministers; and
- c. Industry Growth Centres; and
- d. Industry Partners, Industry Sector Directors, Business Advisers, Business Facilitators, Innovation Connections Facilitators *and* Commercialisation Advisers; and
- e. other Commonwealth, State or Territory government departments and agencies; and
- f. technical, financial, economic, and/or industry experts (including auditors); and
- g. Departmental contractors,

for the purposes of:

- h. administering the Programme and any related purposes, including programme and policy evaluation and development; and
- i. Departmental research, analysis, and evaluation; and
- j. reporting and consultation with other Commonwealth, State or Territory government agencies; and
- k. reviewing applications to provide technical or financial advice on a contract basis; and
- l. referring Participants to Industry Growth Centres,

except where authorised or required by law (see section 14.6).

An applicant or Participant must obtain consent from an individual before providing their Personal Information to the Department or any other third parties, except where authorised or required by law.

For further information as to how the Department handles Personal Information, please refer to the Department's [Privacy Policy](#).

14.4 Confidential Information

The Department will treat an applicant's or Participant's information as Confidential Information if:

- a. the information is clearly identified as confidential; and
- b. the information has the necessary quality of confidence (that is, it must be significant information which is private and not already in the public domain).

14.5 Use and Disclosure of Confidential Information

Unless the Department obtains an applicant's or Participant's consent, the Department will not disclose Confidential Information other than to:

- a. the Minister, the Parliamentary Secretary, and their Office; and
- b. other Commonwealth Ministers; and
- c. Industry Growth Centres; and
- d. Industry Partners, Industry Sector Directors Business Advisers, Business Facilitators, Innovation Connections Facilitators and Commercialisation Advisers; and
- e. other Commonwealth, State or Territory government departments and agencies; and
- f. technical, financial, economic, and/or industry experts (including auditors); and
- g. Departmental contractors,

for the purposes of:

- a. administering the *Programme* and any related purposes, including programme and policy evaluation and development; and
- b. Departmental research, analysis, monitoring and evaluation; and
- c. reporting and consultation with other Commonwealth, State or Territory government agencies; and
- d. reviewing applications to provide technical or financial advice on a contract basis; and
- e. sectoral analysis by Industry Growth Centres.

14.6 Disclosure of Information Where Authorised or Required by Law

In addition to anything in these Programme Guidelines, from time to time the Department may be authorised or required by law to disclose information (including Personal Information and Confidential Information) to other persons, including but not limited to:

- a. a Commonwealth Minister and Ministerial Office;
- b. a House or a Committee of the Parliament of Australia;
- c. the Auditor-General under the Auditor-General Act 1997 (Cth);
- d. the Commonwealth Ombudsman under the Ombudsman Act 1976 (Cth); and
- e. the Privacy Commissioner under the Privacy Act 1988 (Cth).

14.7 Information Storage

Any information obtained will be stored and held in accordance with the *Department's* obligations under the *Archives Act 1983 (Cth)*.

14.8 Freedom of Information

All documents created or held by the Department in relation to the Programme are subject to the Freedom of Information Act 1982 (Cth) (FOI Act). Unless information is exempt it will be made available to the general public if requested under the FOI Act.

All Freedom of Information (FOI) requests are to be referred to the FOI Coordinator in the Department. Decisions regarding requests for access will be made by an authorised officer in accordance with the requirements of the FOI Act.

14.9 Programme Evaluation

The Department will monitor and evaluate the performance of the Programme.

Participants will be required to provide performance and evaluation data to the Department, which will be analysed at various times to measure the effect of the Programme on Participants.

14.10 Tax Obligations

Grants under the Programme may attract the Goods and Services Tax (GST). Grant payments are increased to compensate for the amount of this tax.

Grants under the Programme may be treated as assessable income for taxation purposes. On this basis, applicants are recommended to seek their own independent professional advice on their taxation obligations

Part 3 – Programme Delivery.

This section is an extract from Part 3 of the Entrepreneurs' Programme – Programme Guidelines. It includes information relevant to customers of the Incubator Support Initiative

15. Applications

To apply for any project under the Programme an applicant must complete the application form relevant to that project and submit the application electronically through business.gov.au.

- a. Applicants should read the relevant information is available in Schedule E of the Entrepreneurs' Programme Guidelines or this extract and business.gov.au.

An application for the Programme must:

- a. be completed by the applicant or an authorised representative of the applicant; and
- b. provide all the information required by, and specified in, the application form.

16. Application Assessment

The Programme Delegate will determine whether an application is an Eligible Application.

New or Existing Incubators uses a competitive open merit-based selection process.

Expert-in-Residence uses a demand-driven selection process whereby applicants whose application is deemed to be an Eligible Application will receive a Grant:

- a. up to the limit of available funding; and
- b. subject to revision, suspension or abolition of the Activity.

17. Submission of a New Application

The Programme Delegate may reject an application if that application is for a project that is substantially the same as a previous ineligible or unsuccessful application.

18. Variations

The Programme Delegate may, at their discretion, agree with a Participant to vary the Funding Agreement.

A variation to a Funding Agreement will only be considered by the Programme Delegate if it:

- a. is consistent with the Programme's objective;
- b. is appropriate in all circumstances;
- c. can be accommodated within available Programme funding;
- d. is in writing; and
- e. is requested prior to the Funding Agreement end date

Appendix 1: Glossary of Terms

The following definitions apply for the purpose of interpreting the Programme Guidelines. They are a modified list from the Entrepreneurs' Programme – Programme Guidelines terms relevant to the Incubator Support initiative. Cross references refer to sections in this extract of the Programme Guidelines. They are not intended to be a substitute for the defined terms in any Deed of Services and Release or Funding Agreement.

Term	Definition
Activity or Activities	Undertakings for which applicants may apply as detailed in section 2 Initiative Overview.
Applicant	An entity that submits an application for a Service or Grant delivered under the Programme.
Application Form	The document issued by the Programme Delegate that Applicants use to apply for funding under the Programme.
AusIndustry	The division of the same name within the Department.
Confidential Information	Has the meaning given to that term in section 14.4 of these Guidelines.
Conflict of Interest	The exercise of a power or making of a decision by a person in a way that may be, or may be perceived to be, influenced by either a material personal interest (whether financial or non-financial) or a material personal association.
Department	The Commonwealth of Australia as represented by the Department of Industry, Innovation and Science.
Eligible Activities	The activities undertaken by a Grantee in relation to an Incubator Support Project that are eligible for funding support. This is decided by the Programme Delegate in accordance with these Programme Guidelines and the Grant Agreement.
Eligible Application	An application that meets all of the requirements of Section 4 of these Guidelines
Eligible Corporation	A corporation incorporated under the Corporations Act 2001 (Cth) will be an 'eligible corporation' for the purposes of the Programme if its trading activities: <ul style="list-style-type: none"> a. form a sufficiently significant proportion of its overall activities as to merit it being described as a trading corporation; or b. are a substantial and not merely peripheral activity of the corporation.

Term	Definition
Eligible Expenditure	Expenditure incurred directly on an agreed project or on agreed activities. And is defined in Appendix 2 of these Guidelines
Funding Agreement	A legally binding agreement between the Department and a Recipient. Also referred to as a Grant Agreement.
Government Grant Sources	Sources that include, but are not limited to, grants from Commonwealth, state, local and international government programmes.
Grant	The funds provided by the Department to the Recipient as set out in a Funding Agreement under the Programme.
Grant Agreement	See definition of Funding Agreement.
Grantee	An entity that has been offered funding and has entered into a Grant Agreement with the Commonwealth in relation to the programme. See also Recipient.
Incubator	A business support organisation that fosters innovative start-ups, focused on international trade, through the provision of services such as seed funding, colocation, mentoring, professional services and access to networks. It can include accelerators and germinators.
Incubator Support Project	A project described in an application for an Incubator Support Grant. All subsequent mentions of project refer to an Incubator Support Project.
Incubator Support Project Value	The total Eligible Expenditure incurred by an Incubator Support Grantee on a project and the total allowable in kind contributions on the same project.
Innovation and Science Australia	The statutory board established by the Industry, Research and Development Act 1986 (Cth) (the Act) and named in that Act as Innovation Australia (as at the date these Guidelines were made). Innovation and Science Australia will provide strategic direction and assist with the administration of the Australian Government's industry research and development, innovation and venture capital programs designed to promote the development, and improve the efficiency and international competitiveness of Australian industry.
Innovation ecosystem	An open network of organisations that interact with each other and operate within framework conditions that regulate their activities and interactions. The three components of the innovation ecosystem – networks, innovation activities and framework conditions – collectively function to produce and diffuse innovations that have, in aggregate social or economic value.

Term	Definition
Minister	The Australian Government minister with portfolio responsibility for the Programme.
Participant	An entity that receives a Service or is the Recipient of a Grant.
Personal Information	Has the meaning given to that term in section 14.2 of these Guidelines.
Programme Delegate	An official of the Department, appointed to carry out specific functions for the Programme
Programme Guidelines	The guidelines that the Minister gives to the Department to provide a framework to operate and administer the Programme, as in force from time to time.
Publicly Funded Research Organisation (PFRO)	For the purposes of Incubator Support, a PFRO means all higher education providers listed at Table A and Table B of the Higher Education Support Act 2003 (Cth).
Recipient	The entity which enters into a Funding Agreement with the Department and receives payment of a Grant under the Programme. See also Grantee.
Region	A geographic area with definable characteristics.
Sector	A group of organisations undertaking economic activities similar with the Division level of the Australian and New Zealand Standard Industrial Classification 2006.

Appendix 2. Guidelines on eligible expenditure for Incubator Support

This section provides guidelines on the eligibility of expenditure. We will update these guidelines from time to time, so you should make sure you have the current version from the [business.gov.au](https://www.business.gov.au) website before preparing your application.

The Programme Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- a. be incurred by the grantee within the project period;
- b. be a direct cost from the project;
- c. be incurred by the grantee for approved project audit activities; and
- d. meet the eligible expenditure guidelines for Incubator Support grants.

How we verify eligible expenditure

If your application is successful, we will ask you to verify the project budget that you provided in your application when negotiating your grant agreement. You may need to provide evidence for major cost items such as labour. Evidence can include:

- a. quotes;
- b. purchase orders;
- c. supply agreements; and
- d. details of all employees working on the project, including name, title, function, time spent on the project and salary.

The grant agreement will also include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure, including:

- a. contractor / supply agreements;
- b. leasing or purchasing arrangements;
- c. invoices; and/or
- d. associated payments.

If requested, you will need to provide the agreed evidence along with your milestone achievement reports.

You must also keep payment records of all eligible expenditure, and must be able to explain how the costs relate to the agreed project milestones and activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

At the end of the project, you may be required to provide an independent financial audit of all eligible expenditure from the project.

Eligible expenditure

Grant funds must be eligible expenditure directly related to the project. Eligible expenditure can include, but is not limited to:

- a. salaries for staff and direct salary and on-costs for Australian personnel directly employed for the project activities (on a pro-rata basis relative to their time commitment);
- b. contractor costs, for example third party providers that provide business support to start ups;
- c. costs of developing and delivering workshops, conferences, professional development, networking events forums and courses (including travel costs for key participants);
- d. workshops in support of the activities, knowledge transfer and capability development;
- e. costs related to recruiting or contracting specialist staff directly related to the project; and
- f. purchase of computing equipment and software directly related to the project.

Labour expenditure

Eligible labour expenditure for the grant covers the direct labour costs of employees you directly employ on the core elements of the agreed project. We consider a person an employee when you pay them a regular salary or wage, out of which you make regular tax instalment deductions.

We consider costs for technical, but not administrative, project management activities eligible labour expenditure. However, these costs are limited to 10 per cent of the total amount of eligible labour expenditure claimed.

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the Australian Taxation Office (ATO). We consider salary-sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is \$150,000 per financial year.

For periods of the project that do not make a full financial year, the maximum salary amount you can claim will be reduced in proportion to the amount of time in the part financial year the project was taking place.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

Labour on-costs and administrative overhead

Eligible salary costs can be increased by an additional 30 per cent allowance to cover on-costs such as employer paid superannuation, payroll tax and workers compensation insurance, and overheads such as office rent and the provision of computers.

You should calculate eligible salary costs using the formula below:

$$\text{Eligible salary costs} = \frac{\text{Annual salary package} \times \text{Weeks spent on project}}{52 \text{ weeks}} \times \text{percentage of time spent on project}$$

You cannot base labour costs on an estimation of the employee's worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.

We will only consider salaries paid to principals and/or their relatives as eligible labour expenditure when the ATO has assessed tax payable on the salary

Evidence you will need to provide can include:

- a. details of all personnel working on the project, including name, title, function, time spent on the project and salary; and
- b. ATO payment summaries, pay slips and employment contracts.

Contract expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

- a. another organisation; or
- b. an individual (who is not an employee, but engaged under a separate contract).

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

- a. the nature of the work to be performed; and
- b. the applicable fees, charges and other costs payable.

Invoices from contractors must contain:

- a. a detailed description of the nature of the work
- b. the hours and hourly rates involved
- c. any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense as if you had claimed it directly (without engaging a contractor). The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

- a. an exchange of letters (including email) setting out the terms and conditions of the proposed contract work;
- b. purchase orders;
- c. supply agreements; and
- d. invoices and payment documents.

As stated in the grant agreement, you are required to ensure all project contractors keep a record of the costs of their work on the project. You may be required to obtain and provide a contractor's records of its costs of doing project work. If you do not provide such records, the relevant contract expense may not qualify as eligible expenditure.

Other eligible expenditure

Other eligible expenditures for the project may include:

- a. staff training that directly supports the achievement of project outcomes;
- b. financial auditing of project expenditure;
- c. costs of acquiring technology; and
- d. reasonable fitout expenditure directly related to the project.

Other specific expenditures may be eligible as determined by the Programme Delegate.

Appendix 3. Ineligible expenditure for Incubator Support

Examples of ineligible expenditure include:

- a. investment of money in exchange for equity into start-ups;
- b. activities, equipment or supplies that are already being supported through other sources;
- c. costs incurred prior to us notifying you that the application is eligible and complete;
- d. financial costs, including interest;
- e. non-project-related staff training and development costs;
- f. insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities);
- g. depreciation of plant and equipment;
- h. building, construction and lease expenses;
- i. maintenance costs;
- j. costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations;
- k. routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges; and
- l. costs related to preparing the grant application, preparing any project reports and preparing any project variation requests.

Other specific expenditure may be ineligible as determined by the Programme Delegate.

Appendix 4. Guidelines on in-kind contributions for Incubator Support

In-kind contributions are non-cash contributions towards your total project value. In-kind contributions can count towards a maximum of 10 per cent of your total project value (which is 20 per cent of your matched funding).

In-kind contributions must directly relate to delivering the project activities. This can include:

- a. third party staff salaries;
- b. access to facilities such as office accommodation;
- c. access to services such as coaching and mentoring, business planning; and
- d. access to resources such as ICT software.

You will need to detail and cost all in-kind contributions.

Where the Programme Delegate considers that the reported value of in-kind contributions is not consistent with current market rates or is otherwise unreasonable, we may ask you to increase the cash contributions to the project.