


COMMERCIALISATION AUSTRALIA

PROGRAM GUIDELINES

No. 1 of 2011

I, **KIM JOHN CARR**, Minister for Innovation, Industry, Science and Research issue the following Guidelines to the Department of Innovation, Industry, Science and Research. These Guidelines commence from the date specified below.

Dated

24.11.11


Minister for Innovation, Industry, Science and Research

Part 1 - Preliminary

Citation

1. These are the *Program Guidelines* for the Commercialisation Australia program, and may be cited as the Commercialisation Australia Program Guidelines No. 1 of 2011.

Commencement

2. These *Program Guidelines* commence on 7 December 2011.

Authority for Guidelines

3. These *Program Guidelines*:
 - (a) are made by the *Minister*, and should be read in conjunction with the Commercialisation Australia Program Direction given by the *Minister* under the *Act*; and
 - (b) may be amended by the *Minister* from time to time.

Purpose

4. The purpose of these *Program Guidelines* is to provide a framework for the flexible operation and administration of the Commercialisation Australia program. They are not a definitive statement of the Commonwealth's requirements for the Commercialisation Australia program.

Part 2 - Overview of the Commercialisation Australia program

Introduction

5. Commercialisation Australia will build the capacity of Australia's researchers, entrepreneurs and innovative firms to take ideas and research to market. Commercialisation Australia will tailor assistance to the needs of the researcher or firm, focusing on skills, knowledge and funding. It will support projects with the potential for rapid growth, helping to take the innovation to the marketplace in a timely way. The Commercialisation Australia Board will advise the Chief Executive Officer (CEO) on strategic matters in relation to the program and the commercialisation of ideas and research in general. Commercialisation Australia will offer up to \$50,000 in funding for expert services, up to \$350,000 to employ an experienced executive, up to \$250,000 for proof of concept activities and up to \$2 million for early stage commercialisation activities. Importantly, all assistance will be provided with an advisor who will help develop the *participant's* skills and knowledge of the commercialisation process and facilitate access to experienced business mentors and specialist advice. The application process will be competitive based on merit criteria and other information as identified under these guidelines. The Commercialisation Australia Board will assess and prioritise applications against the merit criteria and provide *technical assessments* to the *Program Delegate*. The *Program Delegate* will consider the advice of the Commercialisation Australia Board and select applicants to whom entry into the Commercialisation Australia program and access to specific types and levels of support will be offered. *Participants* will be monitored closely and on-going support under the Commercialisation Australia program will depend on successfully achieving agreed performance criteria.

Policy objectives of the Commercialisation Australia program

6. The policy objective of the Commercialisation Australia program is to build the capacity of, and opportunities for, Australia's researchers, entrepreneurs and innovative firms to convert ideas into successful commercial ventures, enhancing Australia's participation and competitiveness in the global economy and generating commercial returns from Australia's significant investment in public sector research. This is a response to systemic and market failures in the pathway to early stage commercialisation.

The policy objective will be achieved through:

- (a) Providing a range of assistance including initial advisory services, access to experienced business mentors, and funding for proof of concept and early stage commercialisation activities assessed against clear selection criteria;
- (b) providing a single coordinated commercialisation support service with multiple entry and exit points, and referrals to other sources of support as appropriate;

- (c) using stringent initial assessment processes to select applicants with high potential for growth and commercial success, while acknowledging the risk inherent in the pathway to commercialisation;
- (d) tailoring support to the timing and needs of individual applicants, taking account of their stage of development;
- (e) ensuring efficient delivery by building on current innovation activities and working with existing service providers;
- (f) leveraging private capital to maximise the effectiveness of Commercialisation Australia support;
- (g) sharing the risks by adopting a mutual obligation approach where appropriate;
- (h) rigorously monitoring the progress of each participant and, if necessary, redirect funding from underperforming participants;
- (i) regularly collecting data and analysing trends to measure the short and long term impact of the Commercialisation Australia program and to inform future initiatives to support innovation and commercialisation; and
- (j) enhancing access to business services and domain expertise across the nation.

Definitions

7. In these *Program Guidelines*:

“**accept**” means admit for assessment under the *Program Direction* in accordance with these guidelines.

“**Act**” means the *Industry Research and Development Act 1986*.

“**agreement**” means an agreement (or other document) entered into by a *participant* and the Commonwealth for the provision, by the Commonwealth, of Commercialisation Australia program funding.

“**Australian university**” means an entity that is listed as a Table A provider or a Table B provider under the *Higher Education Support Act 2003*.

“**Case Manager**” means an individual so described in clause 68 of these guidelines.

“**CA project**” means an applicant’s overall project of converting an idea into a new product, process or service and bringing it to market.

“**Chief Executive Officer (CEO)**” means an employee of the *Department* who has been empowered by the Secretary of the *Department*, or is otherwise duly authorised, to carry out the relevant function in respect of the

Commercialisation Australia program.

“Commercialisation Australia Board” means the committee of Innovation Australia appointed by the *Minister* and so described in clause 11 and 12 of these guidelines.

“commercialisation office” means an entity within an *Australian university* or a *PFRA* that assists researchers in commercialising their research.

“customer guidelines” means the guidelines formulated by the *CEO* under the relevant clauses of the *Program Guidelines*, and in accordance with the Commonwealth Granting Guidelines issued by the Minister for Finance and Deregulation under Regulation 7A of the *Financial Management and Accountability Act 1997*. The customer guidelines will be published for the benefit of potential applicants, *participants* and other interested parties.

“dealing with” means:

- (a) sell, transfer, novate, declare a trust over or otherwise dispose of or procure or effect the disposal of, an interest or right; or
- (b) effect a change in the beneficial interest or beneficial unit holding under a trust which has an interest or right.

“Department” means the Department administered by the *Minister*.

“eligible activity” means an activity that satisfies the requirements of clause 38.

“eligible applicant” means an applicant that satisfies the requirements of clause 31.

“eligible application” means an application which satisfies the criteria specified in clause 35.

“eligible partner entity” means an entity that assists individuals in commercialising their idea.

“ESC project” means an applicant’s early stage commercialisation project that forms part of the applicant’s *CA project*.

“Goods and Services Tax (GST)” has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999*.

“Innovation Australia” means the body of that name established by section 6 of the *Act*.

“innovator” means the individual that a *commercialisation office* or *eligible partner entity* is assisting in commercialising their research or idea, including through an application for Commercialisation Australia funding.

“Minister” means the Minister administering the *Act*.

“non tax exempt company” means a company, except a company to which

Division 50 of the *Income Tax Assessment Act 1997* applies, that is incorporated in Australia.

“**participant**” means an *eligible applicant* whose *eligible application* has been approved, and may include an *innovator*.

“**POC project**” means an applicant’s proof of concept project that forms part of the applicant’s *CA project*.

“**Program Delegate**” means an employee of the *Department* who has been empowered by the *Minister*, or is otherwise duly authorised, to carry out the relevant function in respect of the Commercialisation Australia program.

“**Program Direction**” means the directions that are given by the *Minister* to *Innovation Australia* concerning its functions in relation to the Commercialisation Australia program, as in force from time to time.

“**program funding**” or “**program funds**” means the funding made available by the Commonwealth for the Commercialisation Australia program in any given financial year, being the funding specified in the Portfolio Budget Statement (as varied by any Portfolio Additional Estimates Statement or by the *Minister*) for that year.

“**Program Guidelines**” means these Program Guidelines that are given by the *Minister* to the *Department* to provide a framework for the operation and administration of the Commercialisation Australia program, as in force from time to time.

“**publicly funded research agency (PFRA)**” means an organisation to which the following criteria apply:

- (i) it is at least 50 per cent owned or controlled by the Commonwealth, or an Australian state or territory government;
- (ii) it is primarily carrying out research and development activities; and
- (iii) it is:
 - (a) providing services, or making facilities available, in relation to science or technology;
 - (b) training, or assisting in the training of, persons in the field of scientific or technological research; or
 - (c) collecting, interpreting or publishing information relating to science or technology.

“**related body corporate**” has the same meaning as in section 50 of the *Corporations Act 2001 (Cth)*.

“**technical assessment**” has the meaning given to it in section 4 of the *Act*.

“**turnover limit**” has the meaning given to it in clause 33 of these guidelines.

8. A reference to **Commercialisation Australia Board** may or **Program Delegate** may or **CEO** may is permissive and not mandatory.

9. A reference to **include, includes, including, in particular** and **for example** does not limit the generality of the words to which they refer.
10. A reference to a **person** includes a firm, body corporate, trust or other entity.

Commercialisation Australia Board

11. The *Minister* will appoint a Commercialisation Australia Board as a working committee of *Innovation Australia* with members that have extensive knowledge of and/or experience in commercialising an idea.
12. The role of the Commercialisation Australia Board includes, but is not limited to:
 - (a) providing *technical assessments* to the *Program Delegate* and the *CEO* in relation to the Commercialisation Australia program, including, but not limited to, the merit of *eligible applications*.
 - (b) assembling information on the early stage commercialisation system which can be used to develop evidence-based policy and to investigate new commercialisation policy approaches and their applicability to the Australian innovation system
 - (c) identifying a program of research to measure the effectiveness of the Commercialisation Australia program, to support any potential amendment, or development, of the Commercialisation Australia program and to provide input to Government on commercialisation policy.
 - (d) providing advice to the *Program Delegate* and *CEO* on pilot program activity to assess the practicality of alternative/new methods of support for commercialisation.

Program Delegate

13. The *Minister* will appoint a *Program Delegate* for the Commercialisation Australia program.
14. The *Program Delegate* must have regard to the policy objective of the Commercialisation Australia program when performing any function or making any decision in relation to the program.
15. The *Program Delegate* may seek advice from the Commercialisation Australia Board on any matter related to the administration of the Commercialisation Australia program.

16. The *Program Delegate* is responsible for:
- (a) obtaining advice from the Commercialisation Australia Board on the relative merit of applications;
 - (b) approving applications for Commercialisation Australia program support and funding;
 - (c) entering into *agreements* on behalf of the Commonwealth with *participants*; and
 - (d) authorising payments of Commercialisation Australia program funding by the Commonwealth to *participants*.

The *Program Delegate* may have other responsibilities under the Commercialisation Australia program.

Chief Executive Officer

17. The Secretary of the *Department* will appoint a Chief Executive Officer (CEO) for the Commercialisation Australia program. The *CEO* will retain an ex-officio position on the Commercialisation Australia Board.
18. The *CEO* must have regard to the policy objective of the Commercialisation Australia program when performing any function or making any decision in relation to the program.
19. The *CEO* may seek advice from the Commercialisation Australia Board on any matter related to the administration of the Commercialisation Australia program, including, but not limited to, technical matters related to the eligibility of applicants, applications, activities or expenditure.
20. The *CEO* is responsible for:
- (a) ensuring the overall efficient and effective administration and functioning of the program;
 - (b) promotion and advocacy of the program;
 - (c) determining the eligibility of applications for Commercialisation Australia program support and funding;
 - (d) engaging private sector consultants as *Case Managers* with appropriate skills and expertise in commercialisation to assist in the delivery of the program;
 - (e) monitoring the performance of *Case Managers*;
 - (f) engaging, to act as volunteer mentors to *participants*, experienced business people able to offer knowledge, skills and insights to turn an idea into a commercial product;

- (g) obtaining advice from the Commercialisation Australia Board on the relative allocation of overall program funds to the types of funding available under the program;
- (h) obtaining advice from the Commercialisation Australia Board on funding limits and funding ratios in relation to the types of funding available under the program;
- (i) obtaining advice from the Commercialisation Australia Board on the development of terms and conditions relating to the possible introduction of equity investments to provide early stage commercialisation funding under the program;
- (j) approving new funding limits and/or funding ratios in relation to the types of funding available under the Commercialisation Australia program; and
- (k) consulting with state and territory governments and other stakeholders such as university commercialisation offices.

The *CEO* may have other responsibilities under the Commercialisation Australia program.

Part 3 - Application & Assessment Process

21. The *CEO* will refer *eligible applications* to the Commercialisation Australia Board for merit assessment. The Commercialisation Australia Board will assess, and determine the relative merit of each *eligible application* in accordance with these guidelines.
22. The *CEO* may refuse to accept an application that he/she reasonably considers is the same, or substantially the same, as a previous application:
 - (a) that was not accepted by the *CEO*; or
 - (b) that was accepted by the *CEO*, but related to a project for which support and/or funding under the Commercialisation Australia program was not provided.
23. The Commercialisation Australia Board may request additional information from an applicant after the lodgement of an application.
24. The Commercialisation Australia Board may attribute a higher or lower level of relative importance to one or more of the merit criteria when assessing applications.
25. In providing the *Program Delegate* with a *technical assessment* for an application, the Commercialisation Australia Board may include advice as to whether the relative merits of an application would warrant:
 - (a) an amount of funding less than that for which the applicant has applied, and/or

- (b) that any approval be subject to particular conditions.
26. The *CEO* may, taking into account any relevant advice from the Commercialisation Australia Board, determine additional requirements for the application and assessment process.
27. The *CEO* may, taking into account any relevant advice from the Commercialisation Australia Board, agree to consider fast-tracking applicants that have successfully completed agreed State and Territory programs into Commercialisation Australia by formulating *customer guidelines* as to the criteria that applicants must satisfy in order to be fast-tracked.

Confidentiality

28. The use and disclosure of information provided to the *Department*, the Commercialisation Australia Board, the *CEO* and the *Program Delegate* (**relevant parties**) by applicants (including information provided as part of any application) is regulated by the relevant provisions and penalties of the *Public Service Act 1999*, the *Public Service Regulations*, the *Privacy Act 1988*, the *Crimes Act 1914*, the *Criminal Code Act 1995* and general law.
29. The relevant parties will use and disclose the information provided by applicants for the purposes of discharging their respective functions under the *Program Direction* and these *Program Guidelines* and otherwise for the purposes of the Commercialisation Australia program and related uses. The *Department* may also:
- (a) use information received in applications in any other *Departmental* business; and
 - (b) during the assessment of applications and the course of the Commercialisation Australia program consult with other Commonwealth, State and Territory Departments and Agencies about an applicant's claims and disclose information about applicants as needed. The *Department* may also engage third parties (including auditors) to review applications to provide technical or financial advice on a contract basis.
30. The *Department* and/or the *Minister* may also publicly announce any successful applicants, the type(s) of support and quantum of Commercialisation Australia program funding provided, and any other information provided by successful applicants or developed during the assessment of applications and negotiation of *agreements* that the Commonwealth determines is not confidential (after consultation with the applicant).

Eligible Applicants

31. To be eligible to apply for support and funding under the Commercialisation Australia program, applicants must meet the following conditions:

A In respect of a company or an individual:

- (a) the applicant must warrant at the time of submitting an application that it will be or will form a *non tax-exempt company* incorporated under the *Corporations Act 2001* at the time of signing an agreement;
- (b) the applicant must have ownership, access to, or the beneficial use of, any intellectual property necessary to carry out and/or commercialise the *CA project*; and
- (c) the combined turnover of the applicant, and of each *related body corporate* (if any), at the time the *Program Delegate* receives the application, must be less than the *turnover limit* for each of the three years prior to the lodgement of the application;
 - (i) except where the applicant is controlled by an *Australian university* or *PFRA*, in which case the turnover of the applicant in isolation must be less than the *turnover limit* for each of the three years prior to the lodgement of the application.

B Alternatively, in respect of an application for a skills & knowledge capacity building grant or a proof-of-concept grant:

- (a) the applicant may be a *commercialisation office* or an *eligible partner entity*; and
- (b) the applicant (and/or the *innovator*) must have ownership, access to, or the beneficial use of, any intellectual property necessary to carry out and/or commercialise the *CA project*.

32. To be eligible to apply for Commercialisation Australia support and funding, an applicant must not be named by the Equal Opportunity for Women in the Workplace Agency as an organisation that has not complied with the *Equal Opportunity for Women in the Workplace Act 1999*.
33. In relation to clause 31A(c), the *CEO* will, with advice from the Commercialisation Australia Board, set a *turnover limit* that:
- (a) may or may not vary depending on the *eligible activity* being applied for; and
 - (b) may not exceed \$50,000,000.
34. The *CEO* may, taking into account any relevant advice from the Commercialisation Australia Board, formulate *customer guidelines* setting out the general conditions an entity must satisfy in order to qualify as a *commercialisation office* or an *eligible partner entity*.

Eligible Applications

35. Without limitation, the *CEO* will consider the following criteria when deciding whether an application is an *eligible application*:

- (a) whether the applicant is an *eligible applicant*;
 - (b) whether the project to which an application relates:
 - (i) aims to produce, establish the commercial viability of, or commercialise a new, clearly identified product, process or service;
 - (ii) involves *eligible activities*; and
 - (iii) the applicant is able to demonstrate an ability to fund from non-government sources the cost of these *eligible activities* that is not met by Commercialisation Australia;
 - (c) whether the application is complete and contains sufficient information to undertake a merit assessment; and
 - (d) whether the application is in the form required.
36. In relation to clause 35(b)(iii), the applicant must be able to demonstrate that it proposes to fund, other than from government grant funding sources, the cost of *eligible activities* not met by the amount of financial assistance sought from Commercialisation Australia. For the purposes of these guidelines, subject to clause 37, government grant funding sources include, but are not limited to, grants from federal, state, local and international government programs.
37. The *CEO* may, taking into account any relevant advice from the Commercialisation Australia Board, formulate *customer guidelines* as to what is 'government grant funding' for the purposes of clause 36.

Eligible Activities

38. Eligible activities are:
- A In respect of skills and knowledge capacity building:
 - obtaining expert advice and services to assist in the commercialisation process;
 - B In respect of access to experienced executives:
 - employing an experienced chief executive officer or other executive;
 - C In respect of proof of concept grants:
 - the steps necessary to establish the commercial viability of a new product, process or service; and
 - D In respect of early stage commercialisation assistance:
 - the steps necessary to bring a new product, process or service to market.
39. The *CEO* may, taking into account any relevant advice from the Commercialisation Australia Board, formulate *customer guidelines* as to the

scope of each eligible activity set out in clause 38 and any exceptions of eligibility for the purpose of avoiding duplication of support with other government programs.

Eligible Expenditure

40. The *CEO* will, with advice from the Commercialisation Australia Board, formulate *customer guidelines* setting out what kinds of expenditure are eligible expenditure and what kinds of expenditure are ineligible expenditure in relation to each *eligible activity*.
41. Only expenditure that has been incurred on activities that occur after an application has been accepted can be deemed to be eligible expenditure.

Merit Criteria

42. The merit criteria are:
 - (a) Need for funding;
 - (b) Market opportunity;
 - (c) Value proposition;
 - (d) Execution plan;
 - (e) Management capability; and
 - (f) National benefits.
43. The Commercialisation Australia Board will assess applications first against the merit criterion at clause 42(a) ('Need for funding'). Only applications that demonstrate a 'Need for funding' may receive a merit ranking.
44. The *CEO* may, with advice from the Commercialisation Australia Board, develop indicators of merit for some or all of the merit criteria.
45. The *CEO* will, with advice from the Commercialisation Australia Board, formulate *customer guidelines* setting out any differences in the relative level of importance of merit criteria between applications for different *eligible activities*.

Decision of the Program Delegate

46. Subject to clauses 47 and 48, after receiving a merit ranking from the Commercialisation Australia Board, the *Program Delegate* may approve an application for support and funding for a project to which the application relates and enter into an *agreement* with the applicant. In doing so, the *Program Delegate* must take account of the merit ranking provided by the Commercialisation Australia Board.

47. The *Program Delegate* will have the final decision in determining the quantum, terms and conditions of support and funding under the Commercialisation Australia program.
48. The *Program Delegate* must not approve an application if he/she reasonably considers that the application cannot be accommodated within the *program funding* for the financial years to which the application relates, following an assessment of:
 - (a) commitments of *program funds* in the current financial year;
 - (b) commitments in future years;
 - (c) *program funds* currently available; and
 - (d) indicative targets for approvals throughout the current financial year.
49. The *Program Delegate's* decision is otherwise final in all matters.

Part 4 - Agreements

50. *Participants* will be required to enter into an *agreement* with the Commonwealth which sets out the terms on which Commercialisation Australia program support and funding is provided.
51. *Participants* will not receive any Commercialisation Australia program support and funding prior to entering into an *agreement* with the Commonwealth.
52. The *Program Delegate* may set a time period during which an *agreement* must be executed and may, at his/her discretion, extend the prescribed period one or more times, or withdraw the offer of support and funding if the *agreement* is not executed within the prescribed period.
53. An *agreement*:
 - (a) must ensure that the *Program Delegate* is empowered to recover any financial assistance provided to recipients in circumstances where the recipient has acted in a manner to reduce the national benefits that were expected to be generated by the project;
 - (b) must not be inconsistent with the law of the Commonwealth, a State or Territory or these guidelines;
 - (c) must specify the type of support and amount of financial assistance for the project to which the application relates, and the timing, method and conditions of delivery of support and financial assistance;
 - (d) must require the recipient to conduct the project to which the application relates;

- (e) must require the recipient to exploit the outcomes of the project, including any intellectual property developed as part of the project, on normal commercial terms and in a manner that will be for the benefit of the Australian economy;
- (f) must require the recipient to seek and receive permission from the *Program Delegate* before *dealing with* intellectual property developed with support and funding from the Commercialisation Australia program in a manner other than the manner outlined in the applicant's application, in accordance with guidelines developed by the *CEO* with advice from the Commercialisation Australia Board.
- (g) must require the recipient to keep records relating to the conduct and management of the project;
- (h) must provide for inspection by or for the *Program Delegate* of the premises where the project is undertaken and records relating to the conduct and management of the project;
- (i) must require the recipient to meet agreed performance measures.
- (j) must require the recipient to report to the *Program Delegate* on the conduct and management of the project;
- (k) must provide for variation and termination of the *agreement*;
- (l) must require the recipient to comply with all applicable Commonwealth, state and territory laws; and
- (m) may include other matters.

Varying an agreement

- 54. The *Program Delegate* may, at his/her discretion, agree with a *participant* to vary the *agreement* from time to time.
- 55. In deciding whether to agree to a variation described in clause 54, the *Program Delegate* may seek the advice of the Commercialisation Australia Board.

Part 5 – Limits, Terms and Conditions of Funding and Support

Skills and Knowledge Capacity Building

56. In respect of obtaining expert advice and services to assist in the commercialisation process the following limits apply:
- (a) the *CEO* will, with advice from the Commercialisation Australia Board, set the upper limit of grant support and may vary it from time to time, but it may not exceed \$50,000 (*GST* exclusive); and
 - (b) grant amounts up to the limit described in clause 56(a) are available at 80 per cent of the eligible expenditure for the *CA project*, and any further amount payable to the applicant to reimburse the applicant for *GST* payable by the applicant on supplies made to the Commonwealth under the *agreement* (such further amount not to exceed the amount of *GST* paid by the applicant).
57. The *CEO* may, with advice from the Commercialisation Australia Board, formulate *customer guidelines* setting out the general conditions an individual or company must satisfy in order to receive funding and support for skills and knowledge capacity building activities.

Access to Experienced Executives

58. In respect of employing an experienced chief executive officer or other executive the following limits apply:
- (a) the *CEO* will, with advice from the Commercialisation Australia Board, set the upper limit of grant support and may vary it from time to time, but it may not exceed \$350,000 (*GST* exclusive) overall and \$175,000 (*GST* exclusive) for any 12 month period;
 - (b) grant amounts up to the limit described in clause 58(a) are available at 50 per cent of the eligible expenditure for the *CA project*, and any further amount payable to the applicant to reimburse the applicant for *GST* payable by the applicant on supplies made to the Commonwealth under the grant *agreement* (such further amount not to exceed the amount of *GST* paid by the applicant); and
 - (c) the period of employment of an individual for which a grant may be provided shall not be more than 24 consecutive months.

Proof of Concept Grants

59. In respect of proof of concept grants the following limits apply:
- (a) the *CEO* will, with advice from the Commercialisation Australia Board, set the lower and upper limits of grant support and may vary them from time to time, but they may not be lower than \$50,000 (*GST* exclusive) and may not exceed \$250,000 (*GST* exclusive);

- (b) the *CEO* will, with advice from the Commercialisation Australia Board, set the ratio at which grant amounts are available against eligible expenditure and may vary it from time to time, but it may not exceed 50 per cent. The ratio may be variable depending on the size of a grant;
 - (c) grant amounts up to the limit described in clause 59(a) are available at the ratio described in clause 59(b) of the eligible expenditure for the *POC project*, and any further amount payable to the applicant to reimburse the applicant for *GST* payable by the applicant on supplies made to the Commonwealth under the grant *agreement* (such further amount not to exceed the amount of *GST* paid by the applicant); and
60. The period of a *POC project* for which a grant may be provided shall not be for more than 12 months. However, the *Program Delegate* may, at his/her absolute discretion, extend the prescribed period within which a *POC project* receives grant funding to a maximum of 18 months if he/she reasonably considers that the outcomes of the *POC project* would be advanced significantly by the extension.

Early Stage Commercialisation Funding (ESC funding)

61. In respect of ESC funding the following limits, terms and conditions apply:
- (a) the *CEO* will, with advice from the Commercialisation Australia Board, set a lower and upper limit of grant support and may vary them from time to time, but they may not be lower than \$50,000 (*GST* exclusive) and may not exceed \$2,000,000 (*GST* exclusive);
 - (b) grant amounts up to the limit described in clause 61(a) are available at 50 per cent of the eligible expenditure for the *ESC project*, and any further amount payable to the applicant to reimburse the applicant for *GST* payable by the applicant on supplies made to the Commonwealth under the agreement (such further amount not to exceed the amount of *GST* paid by the applicant);
 - (c) the period of an *ESC project* for which ESC funding may be provided shall not be more than 24 months. However, the *Program Delegate* may, at his/her absolute discretion, extend the period within which an *ESC project* receives grant funding to a maximum of 30 months if he/she reasonably considers that the outcomes of the *ESC project* would be advanced significantly by the extension; and
 - (d) the agreement may provide for repayment of the grant, or part of the grant, in the event that the *ESC project* in relation to which ESC funding was provided is a success.
62. The *CEO* may, with advice from the Commercialisation Australia Board, formulate *customer guidelines* setting out whether ESC funding is repayable and, if applicable, what constitutes 'success' in respect of clause 61(d) and the terms and conditions for repayment of the grant.

Pilot Program Funding

63. In respect of Pilot Program funding the limits, terms and conditions that apply are outlined in the Commercialisation Australia Pilot Program Guidelines given by the *Minister* to the *Department*, as in force from time to time.

Exiting the Program

64. The Commonwealth acknowledges the high risk nature of projects supported by the Commercialisation Australia program through the recognition that some projects will fail, and by utilising stringent performance monitoring to exit failing projects quickly and redirecting resources to other projects.
65. Projects that have moved beyond the scope of the Commercialisation Australia program will exit the program in accordance with the *agreement*.
66. The *CEO* will, with advice from the Commercialisation Australia Board, formulate *customer guidelines* in regards to performance monitoring and exits from the program.

Part 6 – Case Managers

67. The Commonwealth may engage private sector consultants as *Case Managers* to assist in the delivery of the Commercialisation Australia program. The role of the *Case Manager* includes, but is not limited to:
 - (a) provide guidance with preparation of applications;
 - (b) assess applications;
 - (c) advise and assist *participants* through the commercialisation process;
 - (d) assist applicants in exploring alternative means of financing their project;
 - (e) advise and assist *participants* in operational matters;
 - (f) assess the individual needs of participants and facilitate access to mentors and specialist advice;
 - (g) assist *participants* in developing professional networks;
 - (h) be in regular contact with *participants* to ensure timely progress is being achieved;
 - (i) recommend the allocation of funding for specialist advice/services;
 - (j) provide the Commonwealth and the Commercialisation Australia Board with industry intelligence; and

- (k) undertake other activities against any operational plan agreed by the Commonwealth.

Part 7 - Reporting and Evaluation

- 68. The *CEO* and the *Program Delegate* must:
 - (a) ensure that projects under the Commercialisation Australia program are monitored to obtain relevant information for evaluation, including the collection of baseline data on *participants* as they enter the program;
 - (b) monitor *participants* for at least five years following their leaving the program; and
 - (c) at the request of the *Minister*, facilitate and cooperate with independent evaluation of the Commercialisation Australia program.
- 69. *Participants* must, at their own cost, cooperate with any evaluation of the Commercialisation Australia program undertaken by the Commonwealth or independent third parties, including by providing information requested by the Commonwealth or third party for the purposes of the evaluation.

Part 8 – Complaint Handling Mechanism

- 70. The *CEO* will formulate *customer guidelines* for the handling of complaints concerning the Commercialisation Australia program. Complaints concerning assessments and/or decisions will, in the first instance, be directed to the program manager (if applicable). If the applicant (or *participant*) is not satisfied with the complaint resolution procedure he/she may escalate the complaint to the *Program Delegate* and then the *CEO* of Commercialisation Australia. The applicant (or *participant*) may also decide to lodge a complaint with the Commonwealth Ombudsman.