METS IGNITED

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METS IGNITED
Project Funds Guidelines

June 2018

Australian Government
Department of Industry, Innovation and Science

Industry Growth Centres

1 The METS Ignited Project Funds

The Australian Government's Industry Growth Centres Initiative aims to boost competitiveness and productivity in sectors of key strategic importance where the Mining Equipment, Technology and Services (METS) is one of six such sectors identified as an area of focus.

The METS Ignited (MI) Project Funds provides matched funding to collaborative industry partners (a 'Consortium') to deliver projects that address one of the five METS Ignited strategic priorities:

- **Aligned Strategy** – the sector has a compelling vision and strategy that aligns to and enhances the growth needs of the METS, mining and research industries.
- **Global Brand** – the Australian METS brand and value proposition is recognised globally, highly valued and priced at a premium.
- **Internationally Competitive** – supply chain participation is facilitated by global partnerships, world class clusters and the active support of capital markets to grow scale needed to compete internationally.
- **Collaborative & Innovative** – collaboration across the sector has accelerated the rate of both innovation and commercialisation.
- **Skilled for 2026** – the skills base enhances business capability and growth, and ensures the sector's sustainability and leadership in a rapidly transforming technology landscape.

Further details on METS Ignited can be found at http://www.metsignited.org/. Information and background on the strategic priorities developed are available by downloading the Sector Competitiveness Plan available here.

IMPORTANT NOTE: The METS Ignited Project Funds are intended to drive industry collaboration and to deliver broad benefit to the Australian METS sector. It is expected that a METS company would normally lead projects and "collaboration" is interpreted as requiring the long term beneficial participation of at least two METS companies. In the case of projects that are specific to METS cluster development, mining and/or major METS customers should also contribute to the project funds.

2 Processes

METS Ignited will seek MI Project Funds proposals from industry. The process will normally include a request for a Short Proposal, which will be assessed for eligibility and merit. Those projects short listed to proceed to a Final Proposal will then be required to submit further information and supporting material as requested by the METS Ignited review panel. The review process may also include a "Pitch" presentation where applicants will have the opportunity to present their project in person. Short Proposal templates are available on the METS Ignited website https://www.metsignited.org/.

An overview of the selection process follows:

1. METS Ignited will seek **Short Proposals** from industry either directly or through an Expression of Interest process. Topics may be defined by METS Ignited or may be left open for suggestion by industry.
2. **Short Proposals** will be evaluated by the METS Ignited Executive, who may seek specialist expertise.
3. METS Ignited may elect to fund a project on the basis of a **Short Proposal**.
4. Selected **Short Proposals** may then proceed to a **Final Proposal** stage, which could include guidance to the applicants from METS Ignited on project direction and possible partners.

5. After submission, **Final Proposals** will be evaluated by the METS Ignited Executive, who may also seek guidance from the METS Ignited Innovation Advisory Council (MIAC).
6. Short-listed **Final Proposals** will be submitted to the METS Ignited Board for approval.
7. Successful applicants will be required to enter into a Project Funding Agreement with METS Ignited, before being entitled to any payments. Projects shall not commence until such an agreement is in place. Failure to enter into an agreement within 60 days of being notified may result in withdrawal of the offer by METS Ignited.
8. All project shortlisting and evaluation will be based on available funds, eligibility and alignment with the METS Ignited strategy, and is at the sole discretion of METS Ignited.

3 Eligibility and merit criteria

Eligibility criteria for MI Project Funds are set out below:

Item	Description
1.	The applicant(s) must represent a consortium of industry partners from within the mining and METS sector. A consortium may include members from research organisations, universities and other associations across the METS value chain, with at least two METS company represented. The balance of consortia members must principally conduct business within Australia. For proposals designed to develop Australian METS clustering, consortia must also include at least one customer willing to contribute significant funds to the project. Customers may be international companies operating outside Australia and taking products or services from Australia.
2.	Proposed MI Project Funds requested must be greater than $100,000 and up to a maximum of $3M.
3.	Proposed project duration must be less than two (2) years. Extensions on existing projects will be considered provided they are sufficiently different from the original work.
4.	The project proposal must not relate to basic/discovery research and must demonstrate clear commercial applications, pathways and implementation timeframes.
5.	Proposals must address at least one of the MI strategic priorities of: • Aligned Strategy • Global Brand • Internationally Competitive • Collaborative & Innovative • Skilled for 2026. Where specific topics have been proposed by METS Ignited, project proposals shall address these topics.
6.	Proposals must demonstrate/confirm ownership or access to the IP necessary to conduct the Project and clear demonstration on how the collaboration will work between the partners.
7.	Industry matched cash/government cash ratio of greater than or equal to 1:1, where "government cash" needs to consider all sources of government money, inclusive of the proposed MI Project Funds funding.
8.	Proposals must clearly demonstrate benefits to the Australian METS sector. For proposals designed to develop Australian METS clustering, they should in addition include engagement with the local or regional community to benefit that community i.e. beyond just the benefit to consortium members.

Proposals will be further evaluated based on their merit including:

Item	Description
1.	***Alignment:*** Extent of alignment with METS Ignited's strategy. Refer to METS Ignited Sector Competitiveness Plan here.
2.	***Market Assessment:*** Extent to which the Project addresses a significant need in a market of substantial size and can demonstrate customer demand and engagement.
3.	***Commercialisation Opportunity:*** Clarity of the value proposition to the market and the ease with which customers can integrate the product into their systems, a clear business model and pathway to market with a scalable action plan to take the product/service global.
4.	***Impact:*** Extent to which the Project will deliver national and sector wide impact, considering also the funding ratio (i.e., government to industry cash ratio). For proposals designed to develop Australian METS clustering, they must define the extent to which the project will have direct benefit for the local or regional community.
5.	***Level of Collaboration:*** Extent to which the collaboration contributes to extra value in the product/service, facilitates additional leverage in satisfying customer needs and contributes to more rapid and deeper market penetration.
6.	***Management Capability and Risk***: Demonstrated evidence of technical, methodological and management capability to deliver the project, including track record and risk profile.

4 Project Funding

Matched Funding

Applicants must demonstrate, with evidence, that they have a commitment from Industry for cash contributions, at least equalling the sum of all government funds, inclusive of the METS Ignited funding. That is, all contributions from Government Agencies, whether they are Federal or State must at least be matched in cash by the Consortium Applicants. "Industry" funds demonstrate demand from a customer in the Mining industry and may be provided by a Mining company, an OEM or a major METS company (or a combination). Industry funds must be CASH. No In-Kind contributions will be eligible for matched funding

The Applicant may contribute funding to the project but those funds will NOT be eligible for matching by METS Ignited

Examples of acceptable funding models are shown below:

Example 1:

- MI funds requested $100K
- Industry (Mining/OEM/METS) matched cash $100K
- ***Total project value = $200K***

Example 2:

- MI funds requested $100K
- Industry (Mining/OEM/METS) matched cash $100K
- Applicant cash $100K
- ***Total project value = $300K***

Example 3:

- MI funds requested $100K
- State government cash of $100K
- Industry (Mining/OEM/METS) matched cash required is $200K
- ***Total project value = $400K***

Applicants for Cluster development projects should contact METS Ignited for further advice on Matching Funding.

Following short-listing, project applications must include a detailed budget which separately identifies all cost inputs and other contributions, supporting schedules and statements that evidence compliance with the above principles. Approval of the budget and supporting documents, together with an agreed reporting schedule will be required prior to agreement on project milestone payments.

Eligible contributions/costs

Eligible costs are those which are essential for delivery of the project outcomes and generally fall into the category of operating type costs. Costs will be assessed on a case by case basis and applicants should request guidance from METS Ignited on eligibility if there is any doubt.

If a portion of costs will be incurred overseas then please liaise with METS Ignited for guidance.

Ineligible contributions/costs

Ineligible contributions/costs include charges for all "internal resources" of the applicant that would be incurred regardless of whether the Project is undertaken or not. These include applicant employee salaries and wages, fees for the use of a proponent's facilities, use of applicant-owned plant and equipment, any charges related to participant overhead recovery, cost of access to IP, etc.

5 Intellectual Property

METS Ignited seeks to promote practical approaches to IP which drive innovation, increase speed to market, and improve outcomes for Australian-based METS providers.

Guiding philosophies to consider for collaboration and IP treatment include:

- clear articulation of the contribution each party will make, including Background IP, as well as the benefit expected for each party
- clear understanding between the parties on ownership and exploitation of Project IP whether intentionally created or not
- ownership of IP is not essential provided that unrestricted access to the IP is granted

A clear pathway to the international market needs to be articulated and the role IP will play in that process should be described.

6 Project award

6.1 Funding Agreement

Successful Projects will be subject to an MI Project Fund Grant Agreement.

Agreements will set out the expectations and deliverables for the project, including payment schedules, reporting obligations, and industry matched funding payments.

A copy of the Funding Agreement is available for download from the METS Ignited website and should be reviewed by the Applicant prior to submitting an application for funding. There is no capacity to vary the clauses in this Agreement as METS Ignited is constrained by its obligations to the Commonwealth to comply with this Agreement.

6.2 Payments, milestones and governance

MI Project Fund grants may be payable by instalment, as determined by METS Ignited, which may be linked to milestones (which can be suggested by applicants' in their proposals). This may include, at the discretion of METS Ignited, an upfront payment of up to 25 per cent. Subsequent payments will be made on the basis of completion of milestones and provision of progress reports.

Projects will be administered and governed according to the risk profile of the project and as determined by METS Ignited.

6.3 Reporting

In managing approved Projects, regular reporting processes will need to be established, supporting the terms of the Project Funding Agreement. The content of these reports is set out in the Funding Agreement, where the reports include:

- progress reports (including cash reporting of project to date), which will be linked to payment milestones
- end of project reporting
- case study reports
- ad-hoc reports.

7 Media and reporting obligations

1. Once a Project Funding Agreement is in place, METS Ignited reserves the right to publicly report on the progress and outcomes of the project, consulting with the Project Consortium prior to doing so.
2. On Project completion or as agreed at key Project Milestones, the Consortium must provide a case study covering an overview of the challenges addressed, the approach, solution/learnings and the planned benefits and general findings observed in the Project.
3. On Project completion, METS Ignited also requires that the Consortium submit a Final Report, which may be linked to the final project payment. The Final Report shall describe project processes, learnings, trainings and outcomes and must describe the nature and application of any IP (without specifics of the actual IP created by or for the Consortium).
4. The Final Report is a mandatory requirement for 'in confidence' disclosure to the Commonwealth Department of Industry, Innovation and Science (Department). The Final Report will not be used by METS Ignited or the Department for commercial use or commercial disclosure unless the Consortium fails to commercialise the IP within three (3) years.

5. The Consortium must also provide to METS Ignited annual reporting in a standard format on the benefits (market share, entry into new markets, sales, or other measurable performance metrics) of the Project for three years post Project completion.

6. Within 14 days of award, METS Ignited is required to publish details of the Project on its web page including:

   (a) a description of the Project and an overview of how the Project meets the strategic priorities of the Growth Centre and the objectives of the Growth Centre Project Fund,

   (b) a list of the Project participants,

   (c) the total of government funding for the Project, and

   (d) the total industry co-contributions for the Project.

METS Ignited reserves the right to amend these guidelines (and any Expressions of Interest) at any time, where such amendments will comply with Commonwealth Programme Guidelines applicable to the Project Fund. This document is not a legal contract; it is a set of guidelines to assist applicants with completing MI Project Funds proposals.