



Collaborative Internet Innovation Fund (cIIF)

Program Guidelines

Round One (2008/09)

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Overview

The Collaborative Internet Innovation Fund (cIIF) is a \$15 million Victorian Government competitive grants program aimed at accelerating the innovative use of the next generation of information and communication technology (ICT) by Victorian government, industry and community organisations.

The program is part of the Victorian Government's innovation statement *Innovation: Victoria's Future* released in 2008.

The program is administered by the Department of Innovation, Industry and Regional Development ('the Department').

cIIF funds collaborative projects that use next generation ICT to innovate, develop new ways of working and problem solve in key areas such as environment, health, education, local government, emergency services, community services and industry.

The program is based around a project development cycle:

Project	cIIF Stages
Idea ↓	<i>Application Stage 1: Expression of Interest</i>
Plan ↓	<i>Application Stage2: Business Plan</i>
Fund ↓	<i>Contract the project</i>
Do ↓	<i>Implement the project</i>
Share	<i>Communicate the project</i>

Selection is a two-stage process designed to support development of an initial project concept into a business plan that can be funded for immediate implementation.

Applications at each stage are assessed against program selection criteria by a DIIRD Selection Panel and approved by the Minister for ICT.

Successful Stage 2 applicants will enter into a grants contract to receive program funding, and will be responsible for complying with contract conditions such as meeting milestones and reporting.

In addition, successful applicants will be responsible for communicating project lessons and outcomes so that others can learn from the projects that are funded.

Program Objectives

The objectives of the program are to:

- Support 'early adopters' of new technologies to undertake collaborative innovation projects, thereby accelerating the take-up of new technologies in key sectors of the Victorian economy
- Fund innovative projects enabled by ICT which demonstrate productivity benefits, and provide models for more widespread adoption of new technologies and practices
- Build Victorian capability to undertake innovation projects, and foster champions of ICT innovation

Globally ICT is moving into a new era, characterised by the widespread uptake of high capacity broadband, many millions of users and powerful digital devices becoming networked, and the evolution of the internet as the key platform for user communication and collaboration. The new era of the 'collaborative internet' is also often referred to as 'web 2.0'.

As with the impact of ICT over the past 20 years, this next generation of ICT has the potential to drive continued productivity and growth in a wide range of information intensive sectors of the Victorian economy.

New web technologies present great opportunities for innovation through harnessing the power of networks, collective capabilities and large-scale information. As with all shifts in technologies, however, there will be a process of adapting and learning about how these new tools and capabilities can be best put to productive use.

Whilst many individuals are already using new technologies and 'web 2.0' tools in their social lives, organisations do not always have the capital, collaborative networks, leadership or knowledge to take the 'step change' that is involved in innovating using the next generation of ICT.

clIF will support leaders in Victoria to take a step-change now and 'learn by doing'. The program will build capability for ICT-enabled innovation in the State, and generate information and models to support more widespread adoption of new technologies.

Funding

Principles

The following funding principles apply to round one of program funding:

- The funding round will be conducted on an open, competitive and merit basis
- Funding is project based and not recurrent
- Project co-contributions (cash and in-kind) must match on a 1:1 basis with funding sought from the program.

Available Funding

In round one \$7 million dollars is available for approved projects.

The Department is not bound to allocate all the available funds if insufficient projects are considered suitable for funding. Subject to the quality of applications received, the Department may allocate additional funding in round one.

Funds will typically be made available to projects with 1 to 2 year funding profiles, with funding requests in the range \$100,000 to \$500,000 per project.

Projects in the first funding round are expected to commence no later than December 2009.

Matched Funding

Applicants are required to provide matched funding to projects on a 1:1 basis, comprising cash and in-kind contributions.

Composition of co-contribution will be considered in project selection. As a guide, government and industry sector projects should aim for matched funding to comprise at least 50% cash. Community sector projects should aim for matched funding to comprise at least 25% cash.

In-kind contributions include, but are not limited to, items such as:

- staff who work directly on the project or on project-related activities
- new asset investments
- IT services, including related staff and IT support
- contract resources and services
- administrative support, such as HR services, accounting services, procurement services and accommodation.

Matched funding may also come from other sources, such as other government funding programs and philanthropic organisations.

Eligibility

Eligible Applicants

Program funding grants are available to support collaborative projects involving multiple parties. Projects which involve only a single organisation are not eligible.

Collaboration may involve new partnerships formed between organisations to undertake the project, or leverage an existing collaborative mechanism, such as memberships of associations or bodies.

All applications must be submitted and certified by an eligible lead organisation on behalf of the project (see 'Eligible lead organisations' for further details).

Projects can involve a mix of public and/or private sector organisations. Applications are open to partnerships between organisations including, but not limited to:

- Industry associations
- Industry bodies
- Private companies, including ICT suppliers
- Private providers of services such as health and education
- State Government departments
- State Government agencies
- State Government statutory bodies
- Local Government councils or bodies
- Other Government agencies active in Victoria
- Not-for-profit organisations
- Community organisations
- Charitable institutions.

Solely industry sector projects must demonstrate benefits beyond the individual companies involved, for example, to the industry sector through the generation of tools or information that will be applied or generated more broadly as part of the project.

Projects must be located in Victoria, and generate benefits in Victoria. Partner organisations in the collaborative project may be based outside Victoria, as long as these organisations are providing resources and contributions to a project based in Victoria.

Eligible Lead Organisations

All applications must be submitted and certified by a lead organisation on behalf of the project partnership.

Lead organisations must be one of the following:

- Industry association or body
- State Government department, statutory authority or agency
- Local Government organisation
- Not-for-profit organisation.

The lead organisation cannot be a private enterprise.

Lead organisations must also be:

- A Victorian-based entity with whom the Victorian Government can enter into a legally binding funding agreement
- Able to demonstrate the commitment of all project co-funding (cash and in-kind).

The lead organisation will be responsible for submitting all applications to the program, and administering grants funding for and on behalf of partner organisations via a funding agreement with the Department.

Lead organisations will be required to provide the Department with financial information to enable a risk assessment to be undertaken. The following types of organisations are exempt from Departmental financial risk assessment:

- State Government departments and statutory agencies
- Local Government
- Publicly funded universities and educational institutions.

Not-for-profit organisations applying for cllf Business Plan Grants will be required to provide financial information at Stage 1 (as part of their EOI application). All other non-exempt lead organisations will be required to provide detailed financial information for risk assessment purposes at application Stage 2.

Other substantial co-contributors to the project may also be required to undergo a financial risk assessment if they are considered critical to the successful completion of the project. Organisations contributing 20% or more to the total value of the project are deemed to be substantial contributors.

Eligible Project Streams

Applicants are required to nominate one of three streams to which their project relates:

- Industry stream
- Community stream
- Government stream.

The nominated stream should reflect the sector deriving the main benefit from the project, and the main organisational activities of the lead organisation and project partners.

For example, a project involves transforming a regional community service and is led by the local council, with partners of three community service delivery organisations, an ICT supplier and client volunteers. This applicant should select the 'Community stream' as the focus of the project is on enhancing a community service, and participants are largely located in the community sector.

The Department reserves the right to determine an alternative stream if deemed more appropriate.

Eligible Expenditure

Program funding can be applied to, but is not limited to, the following types of project based expenditure:

- Salary and on-costs for new staff
- Purchase or lease of new technology and equipment, such as hardware, software, devices, bandwidth, databases
- Professional services, such as project management, change management, training services, ICT expertise, policy development
- Administration and project management
- Other costs involved in project implementation, such as the formation of new collaborations, data access regimes, evaluation or communication activities.

Purposes for which funding is **not eligible** under the program are:

- Research and development for a new ICT product or service
- Commercialisation of a new ICT product or service
- Continuation of an existing project or activity
- Substitution of existing operational and/or staffing costs.

Application Process

The program has a two-stage competitive application process designed to develop projects from an initial idea to detailed business plan that can be funded for immediate implementation.

Stage 1: Expression of Interest

Stage 1 involves the preparation of an Expression of Interest (EOI) in which the key elements of the project idea are articulated.

Applicants must complete and submit their EOI using the appropriate application form available at the Multimedia Victoria website:

<http://www.mmv.vic.gov.au/CollaborativeInternetInnovationFund>

Applications must be submitted electronically (by email) to:

ciif@diird.vic.gov.au

The closing time and date for lodgement of EOIs is 5.00pm Thursday 5 March 2009.

EOIs will be assessed on merit using the program selection criteria by a panel of senior Victorian Government officers. A short-list of applicants will be approved to proceed to Stage 2 by the Minister for ICT.

At the conclusion of the EOI stage, short-listed applicants will be invited to prepare a detailed application for consideration in Stage 2.

Unsuccessful EOI applicants will be informed of the outcome of their proposal in writing and, upon request, will be provided with feedback about the assessment of their proposals.

Stage 2: Business Plan

Stage 2 involves the preparation of a detailed Business Plan by short-listed applicants. The Business Plan will provide details of the benefits of the project and provide a detailed project implementation plan.

A Business Plan template will be provided to short-listed applicants, and applicants will have eight (8) weeks to complete their Stage 2 application. As part of Stage 2 applicants will need to confirm all project co-contributions.

For short-listed applicants, the closing date for Business Plans is expected to be the end of June 2009.

Short-listed applicants will be required to submit Business Plans electronically (via email) to: ciif@diird.vic.gov.au.

Business Plans will be assessed on merit against the program selection criteria by a panel of senior Victorian Government officers. Projects will be approved for program funding by the Minister for ICT.

At the conclusion of the Business Plan stage, successful applicants will be invited to enter into a grant agreement to receive program funding to implement their project.

Unsuccessful Business Plan applicants will be informed of the outcome of their proposal in writing and, upon request, will be provided with feedback about the assessment of their proposals.

Business Plan Grants

For Community stream projects (see 'Eligible Project Streams) led by not-for-profit organisations, cllf Business Plan grants of up to a maximum of \$20,000 per project are available to assist the lead organisation in developing a Business Plan at Stage 2 of the program.

Grants funding is available only to support Community stream projects with not-for-profit lead organisations in recognition that these organisations may lack the resources to otherwise participate in Stage 2 of the program.

Not-for-profit organisations are organisations that are not carried on for the profit or gain of individual members, and include:

- Charitable institutions
- Charities
- Not-for-profit companies.

cllf Business Plan grants funding may only be applied to expenditure related to producing a Stage 2 cllf Business Plan, such as staff time to write the plan or professional advice to input into the plan. Eligible expenditure items include:

- Staff salary costs
- Professional services, such as advice on change management, project management or ICT.

Business Plan grants funding is not to be applied to implementing any element of the project.

Not-for-profit organisations acting as lead organisations must apply for a cllf Business Plan grant as part of their Stage 1 project EOI by completing the relevant section of the application form.

Applicants are asked to specify a grant amount sought up to a maximum of \$20,000 per project. Funding sought should reflect the overall size and complexity of the proposed project and resources required to support business planning. The Department reserves the right to determine an alternative amount if deemed more appropriate.

If a project is short-listed to proceed to Stage 2 and approved for a cllf Business Plan grant, the lead organisation for the project will be required to execute a grant agreement with the Department to receive the funding.

Organisations will have two (2) weeks to execute the funding agreement from notification that their EOI is successful. This is to facilitate the rapid flow of funding to support production of the Business Plan within required program timeframes (8 weeks for Stage 2).

Selection Process

At each selection stage applications will be assessed against program selection criteria by a DIIRD Selection Panel comprising senior Victorian Government officers. Projects will be approved for short-listing (Stage 1) and program funding (Stage 2) by the Minister for ICT.

Selection Criteria

Applications at Stage 1 and 2 will be assessed against the following program selection criteria:

1. Innovation

- The extent to which the project pioneers 'frontier' process or practice change, and introduces productive new solutions or ways of working to a group, place or market

2. ICT enabled

- The extent to which the project utilises ICT and demonstrates the productive capabilities of the next generation of ICT

3. Collaboration

- Quality of the proposed collaborative mechanisms and extent of involvement of all appropriate parties
- Extent to which the project is driven by a genuine community of interest and contribution of all project partners

4. Strategic fit

- Fit of project with identified activities or priorities for the lead and partner organisations, and related benefits of project for organisations
- Fit of project with the Victorian Government innovation priorities of health, sustainability and productivity

5. Leverage

- Overall level of co-contributions to the project from project partners and/or other funding sources
- Composition of funding (cash and in-kind)

6. Leadership

- Capability of lead organisation, including resources and skills to manage funding and deliver on project implementation
- Governance and project management arrangements, including roles and contributions of partner organisations

7. Sustainability

- Extent to which the project is robust and capable of continued activity beyond the life of the program funding

8. Replicability

- Extent to which the project demonstrates an element of the productive capability of next generation ICT that could be applied more broadly (ie is a model to be learnt from)
- Level of commitment by project partners to information sharing principles and practices

9. Project management

- Degree to which the project is well planned, realistic in resources and timeframes, and able to be implemented
- Capability of lead organisations and project partners to deliver on project implementation and outcomes

The Department reserves the right to apply different weighting to these criteria, and to vary this weighting, between Stage 1 and 2 in line with the focus statements outlined in the following sections.

In addition, no project will proceed to funding approval if it does not satisfy the overall eligibility requirements (outlined in 'Eligibility' section).

Selection - Stage 1

The Selection Panel will assess Stage 1 EOI applications against all program selection criteria.

In Stage 1 the focus of the Panel will be on the quality of the project idea. The Panel will focus on alignment with the program's objectives and capacity of the collaborating organisations to develop a detailed Business Plan.

The Panel may seek advice from officers across Government and/or independent experts to further inform the selection process.

The Department reserves the right to confidentially seek clarification or further information from applicants about proposals to assist in the short-listing process.

The Panel will provide recommendations to the Minister for ICT and the Minister for ICT will approve the short-list of projects to proceed to application Stage 2.

All successful EOI applicants will receive feedback about the assessment of their proposals for their consideration in developing their Business Plan at Stage 2.

If the Panel identifies overlapping or complementary proposals, Departmental officers may also play a facilitative role by recommending collaboration between applicants at Stage 2 of the program. Permission will be sought from applicants before any facilitation commences.

In giving any guidance the Panel will not be pre-empting any subsequent recommendations in Stage 2 of the selection process.

Selection - Stage 2

The Selection Panel will assess Stage 2 Business Plan applications against all program selection criteria.

In Stage 2 the focus of the Panel will be on assessing the overall benefits of the project and the quality of project implementation planning. In particular, the Panel will focus on project management and capacity of the collaborating organisations to deliver the project within timeframes and budget.

The Panel may seek advice from officers across Government and/or independent experts to further inform the selection process.

The Department reserves the right to confidentially seek clarification or further information from applicants about proposals to assist in the selection process.

The Panel will provide recommendations to the Minister for ICT on the Business Plan applications and the Minister for ICT will approve projects for program funding.

Timelines

The indicative timetable for round one of the program is:

Activity	Date
Round One applications open	December 2008
Stage 1 EOI applications due	5 March 2009
Evaluation of Stage 1 applications	March 2009
Invitation to submit Stage 2 applications	Late April 2009
Finalisation of cIIF Business Plan funding agreements (Community stream - not-for-profit project leads only)	April 2009
Closing date for Stage 2 applications	End June 2009
Evaluation of Stage 2 applications	July 2009
Notification of successful applicants	August 2009
Finalisation of funding agreements	September 2009
Public announcement of successful projects	October 2009

Please note that these dates provide a guide only and may be subject to variation.

Any updates on program timeframes will be communicated via the cIIF website:

<http://www.mmv.vic.gov.au/CollaborativeInternetInnovationFund>

Applicants should regularly check the website for updates on the program.

Successful Applicants

Grant Agreement

Successful Stage 2 applicants will be required to enter into a grants contract with the Victorian Government. The contract will cover items such as: payment schedules and milestones; performance monitoring, reporting and evaluation requirements; access and auditing requirements, including record keeping, insurances, indemnities and asset management requirements.

Special terms and conditions may be required in particular cases.

All projects will be subject to review at least once (typically a 6 month project audit) to assess their progress, outcomes and directions and to confirm commitments by recipients of continued funding within the grant period.

Accepting an Offer

Successful Stage 2 applicants will normally have four (4) weeks to complete all contractual arrangements, including the negotiation of applicable project milestones.

Public Announcement

The first public announcements of successful Stage 2 projects will be made by the Minister for ICT. Announcements may include details of the applicant, the value of the funding and the purpose of the funding.

Additional Information

Website Updates

Information on the cIIF is located on the Multimedia Victoria website:
<http://www.mmv.vic.gov.au/CollaborativeInternetInnovationFund>

The website will be the main avenue for communication about the program and applicants should check it regularly for updated information during application Stages 1 and 2.

Confidential Information

All Expressions of Interest and Business Plan applications received by DIIRD will be treated as confidential. Copies may be provided on a strictly confidential basis to other Victorian Government departments/agencies and/or independent experts to assist the Selection Panel and, subject to permission being granted, to other applicants to facilitate project collaboration during application Stage 2.

Further Assistance

For any advice or guidance on applications or the program please contact the cIIF Team on:

Telephone: (03) 9655 1029

Email: ciif@diird.vic.gov.au

Variation to Guidelines

The Department reserves the right to vary any of the terms and conditions of these Guidelines.