

Research, Commercialisation and Start-up Fund

Information Session



**Government
of South Australia**

Department for
Industry and Skills

Introductions

- Dr Judy Halliday, Director
Science, Technology and Commercialisation
- Dr Andy Dunbar, Chief Operating Officer
Office of the SA Chief Entrepreneur



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Future Industries Exchange for Entrepreneurship (FIXE)

INSPIRE

Individuals, groups and organisations to embrace the spirit of entrepreneurship.

EQUIP

South Australians with the tools, mechanisms and resources to start and grow successful business'.

ENABLE

A healthy entrepreneurial ecosystem underpinned by business and investment activity.

CELEBRATE

The achievements of entrepreneurs.

Industry Financial Assistance Principles

- The project introduces significant new technologies, capabilities and expertise that broaden the base of the South Australian economy or creates net additional employment in industries aligned to the State's competitive and/or comparative advantages.
- The investment would not otherwise occur without financial support from the State Government.
- There should not be displacement of existing businesses as a result of the project proceeding.



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Industry Financial Assistance Principles

- The financial support is transitional, and the project is financially sustainable over time without the need for further State Government financial support.
- The quantum of financial support provided is appropriate given the economic benefits that are delivered.
- The financial support is conditional on the recipient meeting agreed milestones and outcomes.



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Industry Assistance Framework

Regional Growth Fund

- To unlock new economic activity in our regions, to deliver critical economic infrastructure to create direct benefit across regional industries, and to strengthen regional communities.
- \$150 million over 10 years.
- Managed by PIRSA.

Economic and Business Growth Fund

- To promote economic growth by encouraging growth of existing businesses, developing new industries, building international connections, and attracting foreign and national direct investment.
- Aims for industry-wide, sector-wide or economy-wide outcomes, rather than benefits to just one company or small supply chain.
- \$100 million over four years.
- Managed by the Department of Treasury and Finance.



Industry Assistance Framework

Research, Commercialisation and Start-up Fund

- Support South Australian businesses to collaborate with researchers and universities to solve industrial problems, attract research infrastructure investment into the state, commercialise new products and services, and encourage the establishment and growth of start-ups.
- \$28 million over four years. The budget will be managed flexibly across the three Streams to respond to demand and opportunities.
- Managed by Department for Industry and Skills and Office of the SA Chief Entrepreneur.



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Fund Outcomes

- Increased investment in South Australian research and research infrastructure
- Increased business expenditure on research and development
- More commercialisation of research and intellectual property
- Higher number of business start-ups per capita
- Higher number of start-up businesses that are growing (scale ups)
- More venture capital investment in South Australia.



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Structure of RCSF

Three Streams

- 1 Strategic Research Initiatives
- 2 Start-up and Early Stage Company Incentives
- 3 Entrepreneurship and Innovation Ecosystem Initiatives



Stream 1

Strategic Research Initiatives

- Provides targeted support for the science and research sector of South Australia.
- Science and research underpins innovation, the creation of high value businesses and skilled jobs. Support of this activity is important for the long term benefit of the South Australian economy.
- This stream aims to
 - Encourage collaboration
 - Enhance leverage of Commonwealth funding
 - Support research translation and commercialisation activities
 - Increase business expenditure on research and development
- Stream 1 is currently not open for applications; however, Eols can be submitted and will be reviewed.
- Calls for Proposals will be made from time to time to address specific areas of interest



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Stream 1

Strategic Research Initiatives (examples)

- Financial Services Development Program
 - Will provide seed funding to support collaborative research efforts between academia and industry (or business to business) in the financial services sector
 - Matching funding will be required.
- CRC Assistance Program
 - Aims to improve the competitiveness of local applications for the Commonwealth Cooperative Research Centre Program.
 - Allows South Australian Government Agencies to participate in CRCs with substantial activity in SA.
- Calls for Proposals for will be announced on the RCSF website and via the Chief Scientist's social media channels.



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Stream 2

Start-up and Early Stage Company Incentive

- Provides funding for innovative early-stage businesses
- Three funding pathways:
 - **Bootstrap**
For start-ups to access up to \$100,000 with 1:1 matching
 - **Incubator**
\$2 from RCSF, \$1 from founder and partner.
Partners must contribute at least 50% cash towards the matched funding, the balance being cash and in-kind
 - **Scale-up**
Up to \$1 million on 1:1 matching. At least 50% of matching funds from investors.



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Stream 2

Start-up and Early Stage Company Incentive

Two stage application process:

1. Expression of interest
 - Internally reviewed by Office of the SA Chief Entrepreneur and Department for Industry and Skills
 - Follow-up information may be sought if necessary.
2. Detailed application
 - Reviewed by RCSF Assessment Panel of independent experts
 - Funding agreement executed with the Department of Treasury and Finance
 - Upfront and tranching payments made on achievement of milestones
 - Grants over \$100,000 are contingently repayable by way of royalty until the value of the grant has been repaid.



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Stream 2

Frequently Asked Questions

- When can I begin incurring expenditure towards the project from my matched funding?
- Can directors and shareholders of the company, who wish to invest additional funding towards a new project, or new stage of the project, qualify as eligible value-add investors under Stream 2 – Incubator pathway?
- Can a loan or a grant from a private company be counted towards the matched funding component?
- If I have previously received or been granted funding from the South Australian Government, can I apply to the RCSF?
- How are royalty payments calculated and when do repayment obligations start?



Stream 3

Entrepreneurship and Innovation Ecosystem Initiatives

Supports initiatives that have broad benefit to entrepreneurs and start-up businesses across the ecosystem. Examples include:

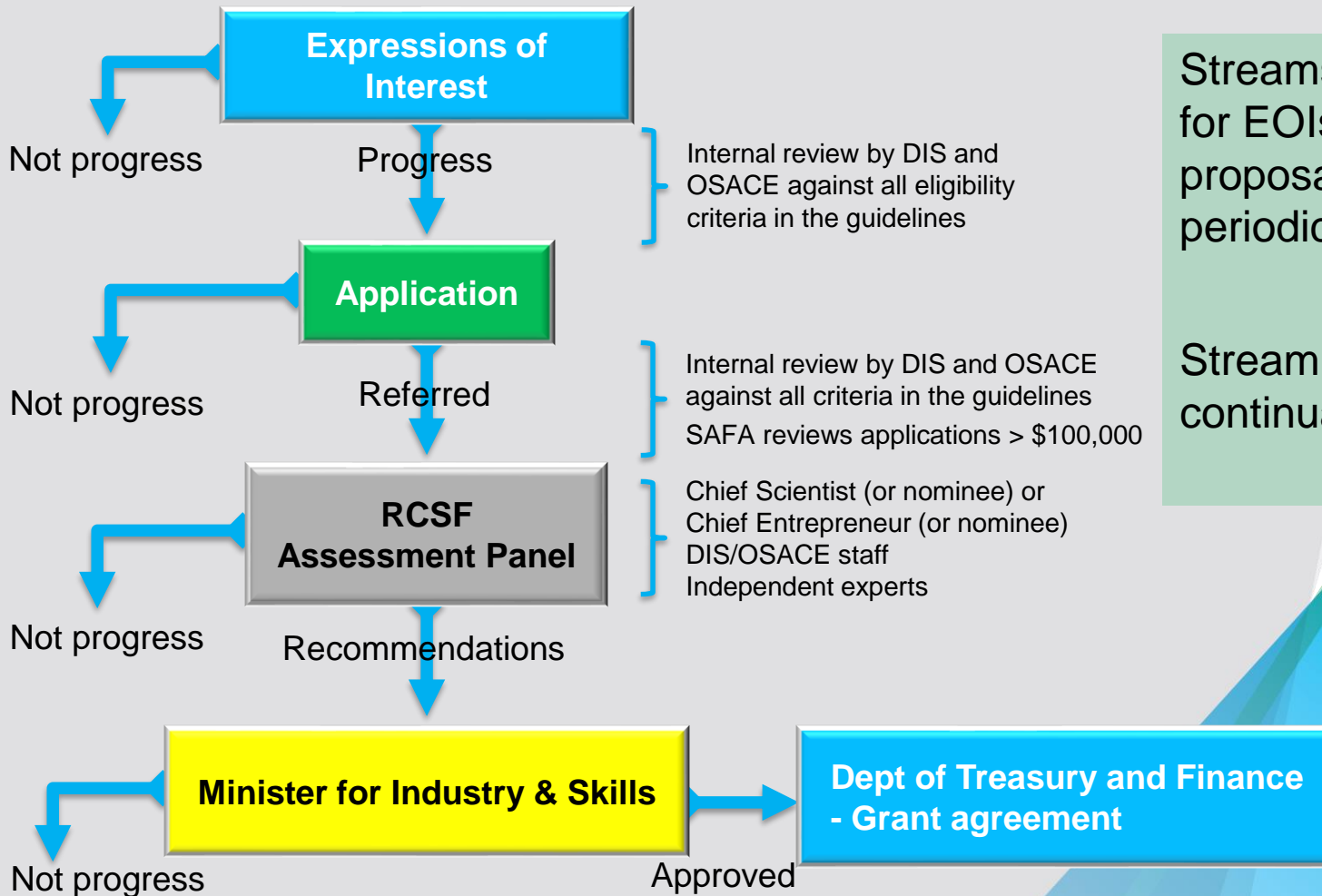
- Support to appoint entrepreneurs-in-residence
- Seed funding to launch accelerator programs
- Facilitating start-up delegations to visit key target markets or start-up hotspots
- Support for hosting conferences and events, etc

Stream 3 is open to expressions of interest, however, grants from this stream are likely to occur via specific calls for proposals addressing key priorities identified by the Government's FIXE Strategy, currently under development.



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Streams 1 & 3: Open for EOIs with calls for proposals issued periodically

Stream 2: Open continually

Timing

Stream 1

- Open to EOIs
- Specific calls for proposals will also be issued from time to time

Stream 2

- Open continually

Stream 3

- Open to EOIs
- Specific calls for proposals will also be issued from time to time



More Information

- www.industryandskills.sa.gov.au/funds
 - RCSF Guidelines
 - RCSF FAQs
- Office of the South Australian Chief Entrepreneur – Business development staff www.chiefentrepreneur.sa.gov.au/contact
- RCSFContact@sa.gov.au
- Twitter
 - @sachiefsci
 - @sa_chiefentrep



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