



Australian Government

Department of Defence

**Department of Education,
Science and Training**

ESTABLISHMENT OF A DEFENCE FUTURE CAPABILITY TECHNOLOGY CENTRE

Guidelines for Applicants

A PARTNERSHIP BETWEEN
DEPARTMENT OF DEFENCE,
DEPARTMENT OF EDUCATION, SCIENCE AND TRAINING,
DEFENCE MATERIEL ORGANISATION

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Section 1: Introduction

This section provides an overview of the Defence Future Capability Technology Centre (DFCTC) and the selection process.

1.1 Defence Future Capability Technology Centre

1.1.1 These Guidelines provide advice to prospective applicants for Australian Government funding for the DFCTC. These Guidelines cover the application process, selection process and general funding conditions for the DFCTC.

1.1.2 The Minister for Defence has announced that a competitive selection round be conducted to establish a single collaborative venture dedicated to the advancement of one of the following future defence capability needs:

- Integrated Battlespace and Systems Integration
- Chemical, Biological, Radiological, Nuclear and Explosives (CBRNE) Defence
- Autonomous Systems and Robotics
- Materials Sciences
- Electronic Warfare Self Protection
- High Energy Electromagnetics

A description of each Capability is provided at [Attachment A](#).

1.1.3 The DFCTC will be closely modelled on the Cooperative Research Centres (CRC) Programme which is delivered through the Department of Education, Science and Training.

1.1.4 The DFCTC Program aims to link researchers with industry to generate research results and outcomes that can be readily transitioned into service in the Australian Defence Force (ADF) through commercialisation or building and enhancing defence industry capabilities. The close interaction between researchers, industry and the potential end customer of research will be a key feature of the Program.

1.2 DFCTC Selection Process

1.2.1 The DFCTC selection process will be conducted in two stages:

- At Stage 1 applicants must submit a Business Concept Case; and
- At Stage 2 eligible, competitive applicants from Stage 1 will be invited to submit a Full Business Case and attend an interview.

1.2.2 The DFCTC Committee reserves the right to approach applicants during the selection process to encourage competing applicants to merge applications where commonalities and potential synergies exist in order to maximise the outcome for the Australian Defence Force.

1.2.3 Assessment of applications at Stage 1 will consist of a qualitative assessment against the Selection Criteria detailed at Section 5.

- 1.2.4 Those candidates who are deemed competitive at Stage 1 will be invited to submit detailed applications for Stage 2 addressing all Selection Criteria and will be required to attend an interview.
- 1.2.5 The DFCTC Committee reserves the right to recommend to the Minister for Defence not to fund or to readvertise for applications in the event that applications received are assessed as uncompetitive or other unforeseen circumstances arise.
- 1.2.6 A summary of the selection process, including closing dates for each Stage, is at Table 1.
- 1.2.7 Amendments to, or clarification of, these guidelines (including the application forms) may be made before the closing dates for applications and will be published on www.dsto.defence.gov.au.
Applicants should check the website before lodging their applications. Applicants may register with DEST to receive notification of updates by sending an email to dfctc@dest.gov.au.
- 1.2.8 The successful applicant for the DFCTC will be offered a contract with the Australian Government which will require the DFCTC to commence operations from 1 June 2008.

1.3 Eligibility

- 1.3.1 To be eligible for DFCTC Program funding, applications must include at least one of each of the following:
- A university authorised under Commonwealth or State/Territory legislation to operate in Australia; and
 - A Public Sector Research Agency; and
 - A private sector participant;
- among its Core Participants.
- 1.3.2 The DFCTC may secure additional participants or substitute participants during the contract period, subject to the conditions of the agreement with the Australian Government.
- 1.3.3 Applicants must address the Selection Criteria outlined at Section 5.
- 1.3.4 All general eligibility requirements must be met.
- 1.3.5 Applicants should note that the successful DFCTC may need to seek security clearances as outlined at section 6.1 of the Guidelines, and that the Commonwealth Agreement will include specific obligations for Defence access to IP developed by the DFCTC, outlined at section 6.2.11.

Table 1: Selection Process

Stage 1

Business Concept Case application submission Closing date 14 September 2007		
applications received ↓		
Eligibility checks conducted	if ineligible →	Application ineligible. Feedback provided.
If eligible ↓		
Assessment of Application	if uncompetitive →	Applicants not invited to Stage 2. Feedback provided.
If competitive ↓		
Invitation to submit Full Business Case and attend an interview 1 October 2007		

Stage 2

Full Business Case Closing date 2 November 2007		
applications received ↓		
Assessment of Applications ↓		
Interview presentation Week commencing 19 November 2007		
Final Review and determination of funding aspects		
recommendation to Minister ↓		
Minister for Defence considers recommendations and the Minister for Defence and the Minister for Education, Science and Training announce the successful proposal December 2007	→	Application not funded. Feedback provided.

Section 2: Roles

This section provides information on the responsibilities and functions of all major decision makers and their advisors in the selection of the DFCTC.

2.1 Role of the Ministers

- 2.1.1 The Minister for Defence will decide, after consultation with the Minister for Education, Science and Training, which applicant will be funded to establish the DFCTC. The Minister for Defence will also decide the level of funding offered and the conditions of any funding offer. Without limiting the discretion of the Minister for Defence, the final decision will take account of the requirements of these Selection Guidelines.
- 2.1.2 The Minister for Education, Science and Training, in consultation with the Minister for Defence, is responsible for the overseeing the implementation of the DFCTC.
- 2.1.3 In deciding which application will be funded and what terms and conditions, if any, are attached to the funding offer, the Minister for Defence will have regard to the advice of DFCTC Committee established to oversight the assessment process and may take into consideration other matters including the application and related documentation.

2.2 Role of the Defence Future Capability Technology Centre Committee (DFCTC Committee)

- 2.2.1 The DFCTC Committee has been established to advise on selection and oversight the operation of the DFCTC. The Committee's role is to:
- Assess all eligible applications;
 - Make recommendations for funding;
 - Make recommendations regarding possible terms or conditions that may apply to the successful applicant; and
 - Monitor and evaluate the performance of the DFCTC during the period of funding.
- 2.2.2 All members of the DFCTC Committee are subject to Confidentiality and Conflict of Interest Guidelines.

2.3 Role of Independent Assessors

- 2.3.1 The DFCTC Committee may seek assessments from appropriate experts to assist in the review of applications.

2.4 Role of the Department of Defence

- 2.4.1 Funding for the DFCTC Programme is provided to the Department of Defence as part of the 2007 Defence Industry Policy. The Department of Defence is responsible for identifying the priority areas for the DFCTC Program.

2.5 Role of the Department of Education, Science and Training

- 2.5.1 DEST will be responsible for supporting the DFCTC Committee and managing the Commonwealth Agreement with the DFCTC using its existing CRC administrative mechanisms.

2.6 Probity

- 2.6.1 A DEST Probity Advisor will be appointed to ensure that all applications are assessed fairly and in accordance with the arrangements set out in these guidelines.

Section 3: Funding

This section provides information on funding and budget issues to assist applicants to develop their applications. This guidance does not cover all of the funding issues that may arise during contract negotiations with the Australian Government.

3.1 Funding available for the DFCTC

- 3.1.1 Applicants may seek funding for any period up to a maximum of 7 years.
- 3.1.2 DFCTC Program funding is only available for eligible applications for the advancement of future defence capability needs identified in section 1.1.2.
- 3.1.3 The amount of Australian Government funding available for the DFCTC Program is approximately \$30 million over 7 years.

3.2 Other sources of funding

- 3.2.1 The DFCTC or individual researchers involved in the DFCTC may remain eligible to receive other funding from:

- the Australian Government;
- State or Territory governments; or
- the private sector;

subject to any funding rules of other programmes or any conditions imposed by other funding bodies.

- 3.2.2 DFCTC funding must not be used for activities which are otherwise already being funded by the Australian Government.

3.3 Participant contributions

- 3.3.1 Applications at Stage 1 are to include an indication of the total Contributions expected from Participants and the amount of Australian Government funding likely to be requested.
- 3.3.2 Applications at Stage 2 must include firm commitments of cash and/or in-kind contributions (exclusive of GST) in the form of Participant Declarations that will at least match the amount of funding sought from the DFCTC over the funding period. These commitments by individual Participants may be for some or all of the years of the funding period.
- 3.3.3 The DFCTC contract will be for fixed dollar contributions from the Australian Government during the contract period. Applicants should note that the Australian Government will not increase funding during the contract period for cost increases.
- 3.3.4 The successful DFCTC must ensure that Participant contributions as committed in the application are provided, irrespective of the funding level which may be offered under the

DFCTC; however, where there has been a significant reduction in the level of funding awarded, the level of Participant contributions may be negotiated as part of the Commonwealth Agreement; pursuant to section 6.2.7.

3.3.5 *Types of contributions*

Cash

3.3.5A Cash contributions provided by a Participant may be:

- ‘untied’ - where its expenditure is at the discretion of the DFCTC Governing Board; or
- ‘tied’ - where its expenditure is subject to conditions imposed by the Participant (e.g. that it must be applied to a specific DFCTC research project or spent within a particular company or other Participant).

In the Stage 2 Full Business Case, applicants must separately identify ‘tied’ and ‘untied’ cash.

In-kind

3.3.5B In-kind contributions from Participants may be provided in one or more of the following forms (not all of which are required to be identified in the application):

- fully funded staff from participating organisations, for the time they are engaged in the DFCTC;
- overheads for staff whose salary and on-costs are paid from DFCTC Australian Government funds or other cash;
- non-salary project-specific direct costs, e.g. the cost of providing consumables;
- indirect support costs (i.e. general infrastructure costs); and
- imputed rent on buildings and equipment made available for use by the DFCTC, with proportionate allowances for partial occupancy or shared use.

3.3.5C The DFCTC Committee is primarily interested in the number, classification and full-time equivalent (FTE) time commitments of researchers and other staff. Students and volunteers must not be included as in-kind staff. Staff in-kind contributions included in the application must be a minimum of 0.2 FTE.

3.3.5D The nominal value of in-kind staff resources from Participants will be calculated by applying fixed dollar amounts to the full-time equivalent (FTE) numbers for four categories of staff (representing annual full-time equivalent salary and on-costs). These calculations will be used only to ensure matching funding is being provided and for reporting of estimated contributions. These annual amounts are:

- Category 1 - \$190,000 for Programme Leader/Senior Manager.
- Category 2 - \$130,000 for Project/Theme Leader/Key Researcher/Manager.
- Category 3 - \$100,000 for Researcher/Professional.
- Category 4 - \$80,000 for Other (support staff – technical, administrative, etc).

In-kind contributions are only to be included for individual staff (named or unnamed) whose time commitment meets or exceeds the minimum FTE commitment for each respective Category.

3.3.5E The DFCTC will not be required to report or have audited the actual cost of such staff but must report and have audited the FTE numbers and classifications.

3.3.5F Participants providing in-kind staff must also provide the overhead resources for them. Major in-kind contributions of resources to be supplied to the DFCTC for its specific use must be identified separately as 'non-staff in-kind contributions' in the application.

3.3.6 *Government funds not to be counted toward participant contributions*

3.3.6A Australian Government funds awarded or contracted to researchers employed by Participants, or to the Participants themselves, for specific research projects (see 3.2.1) must not be counted towards a Participant's Contributions. Appendix _ provides a list of websites which may be useful in providing information about sources of Australian Government funding.

3.4 **Use of DFCTC Program funds**

3.4.1 DFCTC Program funds are the funds provided by the Australian Government under the Commonwealth Agreement.

3.4.2 A flexible approach will be taken to the allowable uses of DFCTC Program funds. DFCTC Program funds may be used for:

- salaries for researchers and support staff, fellowships and postgraduate student stipends, and salary on-costs;
- the direct costs of research; and/ or
- indirect support costs of research.

3.4.3 DFCTC Program funds must not be used to pay a participant organisation for the full indirect support costs of DFCTC funded staff located in the organisation. Such costs must be met by the organisation and may be counted as in-kind contributions.

Ongoing Participant commitments

3.4.4 DFCTC Program funds must not be used to reimburse Participants for the costs associated with existing staff or other resources committed by the participants to the DFCTC as in-kind contributions under the Commonwealth Agreement.

Postgraduate stipends

3.4.5 Postgraduate student stipends paid from DFCTC Program funds must not exceed the maximum stipend range normally offered by the Australian Research Council. These levels may be augmented by supplementing the scholarships with funds provided by the Participants, but DFCTC Program funds must not be used for that purpose.

Research Overseas

- 3.4.6 DFCTC Program funds must not be used for research conducted overseas but may be used to access outcomes of overseas research or researchers who have the appropriate security clearances. The DFCTC may use funds provided by a Participant for research to be conducted overseas. In doing so, the DFCTC should ensure the outcomes of the research contribute to the DFCTC objectives and maximise the benefit to Australia.

Section 4: Application Process

This section provides information on the submission of an application for the DFCTC Program.

4.1 Application timetable

4.1.1 A summary of the application and selection process (including closing dates for each stage) is at Table 1.1. A list of all applications received at each Stage will be published on www.dsto.defence.gov.au.

4.2 Application Process – general compliance requirements

4.2.1 The following requirements apply to all applications submitted at Stage 1 and Stage 2.

Compliance

4.2.2 An application is compliant if it meets all of the following requirements:

- it was received by the deadline;
- it was lodged electronically at dfctc@dest.gov.au using the correct application forms;
- it adheres to specified page limits;
- it provides all information required in the application forms (applications must be written in plain English);
- it is endorsed by the head of each organisation that is a party to the application, or a delegate who has authority to commit funds and/or resources to the proposed DFCTC on behalf of the organisation. This endorsement is provided by signing the Participant Declaration at each respective Stage; and
- it is dedicated to the advancement of one of the future defence capability needs identified in 1.1.2.

4.2.3 The DFCTC Committee's decision about whether an application is compliant is final.

4.2.4 If an application is assessed by the DFCTC Committee as non-compliant, it may be excluded from any further consideration at the absolute discretion of the DFCTC Committee.

Onus on applicant

4.2.5 Before making an application, all applicants must ensure they have:

- examined these Guidelines and all documents referred to in these Guidelines;
- examined any further information available for the purposes of making an application; and
- satisfied themselves as to the correctness and sufficiency of their applications.

4.2.6 The DFCTC Committee will not accept responsibility for any misunderstanding arising from the failure by an applicant to comply with the requirements set out in these Guidelines, or arising from any ambiguity, discrepancy, inconsistency, error or omission contained in an application.

- 4.2.7 The DFCTC Committee may, at its absolute discretion, permit an applicant to remedy a minor error or omission in the application prior to the deadline.

Lodgement Process

- 4.2.8 Applications must be lodged electronically through the dedicated email address dfctc@dest.gov.au.
- 4.2.9 The application form and guide for completion will be published on www.dsto.defence.gov.au.

Additional Information

- 4.2.10 The DFCTC Committee may, at its discretion and at any time, request applicants to provide additional information regarding their application within a specified timeframe. This information, provided that it is supplied within the specified timeframe, will be considered by the DFCTC Committee in its evaluation of the application.

4.3 Stage 1 Applications – Business Concept Case

- 4.3.1 All applicants must submit a Business Concept Case at Stage 1 for initial assessment by the DFCTC Committee. A blank application form is available on www.dsto.defence.gov.au.
- 4.3.2 Applications at Stage 1 are to provide a summary of proposed activities and indicate the Participants in the DFCTC. Further details on the Selection Criteria and information to be provided at Stage 1 are at Section 5.
- 4.3.3 Only applications which are considered competitive by the DFCTC Committee at Stage 1 will be invited to submit an application at Stage 2.

4.4 Stage 2 Applications – Full Business Case

- 4.4.1 At Stage 2, invited applicants must submit a Full Business Case for comprehensive assessment by the DFCTC Committee. A blank application form is available on the CRC website.
- 4.4.2 Applications at Stage 2 are to provide full details of the proposed activities of the DFCTC, the Outcomes to be achieved and the expected benefits of those Outcomes. Participants in the DFCTC are required to provide a firm commitment of their involvement and contributions to the DFCTC at Stage 2. Further details on the Selection Criteria and information to be provided at Stage 2 are at Section 5.
- 4.4.3 All applications received at Stage 2 will be interviewed by the DFCTC Committee before a recommendation on successful applicants is finalised.

4.5 Governance

- 4.5.1 The preferred governance structure for the DFCTC will be an incorporated entity; however, the DFCTC Committee is prepared to consider applications using an unincorporated entity. Applicants who propose to remain unincorporated entities must present a convincing justification in their Stage 2 (Full Business Case) application.
- 4.5.2 The DFCTC Board (whether incorporated or unincorporated) must include:
- a Chairperson who is independent of the Participants; and
 - a majority of Board members who are independent of the DFCTC research providers.
- 4.5.3 Where it is agreed that the DFCTC may be unincorporated, the DFCTC Board will have an ongoing obligation to demonstrate that it will operate and manage the DFCTC to the same fiduciary and good governance standards required by law of incorporated bodies.
- 4.5.4 Where it is agreed that the DFCTC is unincorporated a multi-party agreement will be entered into by all Core Participants and the Australian Government. The obligations within the agreement will be modified to cater for an unincorporated entity, including the provision of joint liability of the Participants in the event of a funding shortfall.
- 4.5.5 Applicants must ensure they have fully addressed the legal and taxation implications of remaining unincorporated in their application and that it deals effectively with the ownership and management of intellectual property.

4.6 Enquiries

Information Line: 02 6240 5174	By mail:
Fax : 02 6123 5611	DFCTC Program
Email : dfctc@dest.gov.au	Science Programmes Branch
	Department of Education, Science and Training
	Loc Code 320
	GPO Box 9880
	CANBERRA ACT 2601

Section 5: Assessment Process

This section provides information on the Assessment Process.

5.1 Selection Criteria

5.1.1 All eligible and compliant applicants will be assessed on merit by the DFCTC Committee against the following Selection Criteria in all stages of the assessment process:

Criterion 1 – Research: *The proposal will undertake quality research that addresses issues of significance to the future defence capability of Australia*

Criterion 2 – Resources: *The proposed collaboration will marshal the appropriate participants and other resources necessary to achieve the proposed outcomes*

Criterion 3 – Results: *The outcomes from the proposed research, when implemented, will contribute substantially to developing Australia's defence capabilities and enhance Australia's industrial, commercial and academic abilities to support the Australian Defence Force*

5.2 Information Required at Stage 1

5.2.1 This section details the information applicants should provide in their Stage 1 application.

5.2.2 Selection Criterion 1 – Research

The proposal will undertake quality research that addresses issues of significance to the future defence capability of Australia

Provide an overview of the research program, including the scope and key research questions being addressed, demonstrating:

- how the research is innovative, excellent by international standards and how it will contribute to advancing the research field in an international context; and
- why the proposed research is relevant to the Australian Defence Force, industry and other end-users (including new and emerging industries).

5.2.3 Selection Criterion 2 – Resources

The proposed collaboration will marshal the appropriate participants and other resources necessary to achieve the proposed outcomes

Provide the following information demonstrating why collaboration is the best approach to achieve the proposed outcomes and why this group of collaborators is best able to deliver these outcomes:

- details of the Core Participants, their relevance to the proposal and the resources (including facilities) they will contribute to the proposal;
- a summary of the relevant business and management expertise and achievements of the key personnel i.e. the CEO, the chair of the Board and the Program leaders, in management, business, scientific research and collaboration;

- a summary of the relevant expertise and achievements of the research team including previous success in commercialisation and/ or utilisation of their research; and
- a summary of other important resources needed to complete the research (such as specialised facilities) and how these will be accessed.

5.2.4 Selection Criterion 3 – Results

The outcomes from the proposed research, when implemented, will contribute substantially to developing Australia’s future defence capabilities and enhance Australia’s industrial, commercial and academic abilities to support the Australian Defence Force

Provide an overview of the expected outcomes, including the education and training outcomes, demonstrating:

- how the outcomes have the potential to contribute substantially to developing Australia’s future defence capabilities and enhancing Australia’s industrial, commercial and academic abilities to support the Australian Defence Force;
- that the strategies for adoption of research results, including utilisation and/or commercialisation, are appropriate to achieve the intended outcomes;
- why the education and training programme is relevant to defence, industry and/ or other end-users and what the additional benefits will be for students of training within DFCTC; and
- why the amount of Australian Government funding sought is justifiable in relation to the outcomes proposed.

5.3 Information Required at Stage 2

5.3.1 This section details the information applicants should provide in their Stage 2 application.

5.3.2 The information to be provided at Stage 2 builds on the information provided at Stage 1. Where there are significant changes to what is being proposed at Stage 2, compared to Stage 1, proponents must explain why the change(s) has occurred and demonstrate the benefits arising from the change(s).

5.3.3 Selection Criterion 1 – Research

The proposal will undertake quality research that addresses issues of significance to the future defence capability of Australia

Provide full details of the proposed research program including: the scope and key research questions; the project structure; milestones; and the proposed outputs and outcomes for each project, demonstrating:

- how the research is innovative, excellent by international standards and how it will contribute to advancing the research field in an international context;
- why the proposed research is relevant to the Australian Defence Force, industry and other end-users (including new and emerging industries);
- the achievability of the research program; and
- the coherence of the research program with an appropriate balance between long-term and short-term activities.

5.3.4 Selection Criterion 2 – Resources

The proposed collaboration will marshal the appropriate participants and other resources necessary to achieve the proposed outcomes

Provide full and confirmed details of the resources and collaborative arrangements of the proposed DFCTC, including:

- demonstrating how the Participants will form an effective and collaborative partnership, their strength of commitment, their relevance to the collaboration and why this collaboration is necessary, and best able, to deliver the proposed outcomes;
- the expertise and achievements of the key personnel, i.e. the CEO, the chair of the Board and the Program leaders, in management, business, scientific research and collaboration;
- the management structure and the governance arrangements, demonstrating why these are the most effective;
- the time commitment of the key personnel, demonstrating the appropriateness of these commitments to achieving the proposed outcomes. It is expected that individual Program leaders and key researchers will commit a minimum of 0.5 FTE to the DFCTC. Where the proposed commitment is less than this justification must be provided;
- the relevant expertise and achievements of the research team, including previous success in commercialisation and/or utilisation of their research;
- the budget and the resource allocations, including the proposed participant contributions by year and by program for each participant, demonstrating the appropriateness of the level of resources for achieving the proposed outcomes;
- the approach for, and effectiveness of, engaging SMEs in the DFCTC;
- the approach for, and effectiveness of, securing additional participants and contributions over the funding period;
- the strength and integration of any international linkages; and
- the strategy for achieving access to required facilities and other resources needed to complete the proposed program.

5.3.5 Selection Criterion 3 – Results

The outcomes from the proposed research, when implemented, will contribute substantially to developing Australia's future defence capabilities and enhance Australia's industrial, commercial and academic abilities to support the Australian Defence Force

Provide full details of the expected outcomes, including education and training outcomes, demonstrating how these have the potential to provide substantial benefit to developing Australia's future defence capabilities and enhance Australia's industrial, commercial and academic abilities to support the Australian Defence Force, and the scale and likely time frame of the expected benefits and outcomes flowing through to defence capability needs.

Provide full details of the path to adoption for the outcomes of the DFCTC, demonstrating:

- how the research outcomes will be used to build an enhanced Australian defence industry capability, especially amongst the SME community;
- the quality of the planning and proposed resourcing (including the use of any external expertise) for the utilisation and/ or commercialisation of the outcomes of the DFCTC; and
- the adequacy of the intellectual property management arrangements.

Describe any strategies to reinvest some of the returns to the DFCTC.

Provide justification for the amount of Australian Government funding sought in relation to the significance of proposed outcomes, the return on investment and the relative levels of Participant Contributions.

5.4 Assessment at Stage 1

5.4.1 At Stage 1 the DFCTC Committee will consider and evaluate the *Business Concept Case* for applicants for DFCTC funding.

5.4.2 All applicants at Stage 1 will be assessed in terms of their competitiveness against other proposals. Only applications considered competitive for funding will be invited to submit a Stage 2 application.

Assessment at Stage 1

5.4.3 The DFCTC Committee will consider the Business Concept Cases against:

- the eligibility requirements (see section 1.3);
- the compliance requirements (see sections 4.2.2 to 4.2.4);
- the selection criteria (see section 5.1.1); and
- all other Stage 1 applications.

5.4.4 At the conclusion of the Stage 1 assessment process, the DFCTC Committee will shortlist applications to determine which applications will be invited to Stage 2. Applications proceeding to Stage 2 may be asked to address specific issues in the Full Business Case.

Further information

5.4.5 The DFCTC Committee reserves the right to request additional information from the applicants at any time during the selection process to assist in assessment of the applications.

Notifications

5.4.6 A list of applications received at Stage 1 will be published on www.dsto.defence.gov.au.

5.4.7 Subject to the assessment process outlined at sections 5.4.1 to 5.4.3, the DFCTC Committee will:

- notify all applicants of the outcome of their Stage 1 application;
- provide detailed feedback to all applicants and
- invite successful applicants to submit a Full Business Case and attend an Interview.

5.4.8 A list of those applications invited to Stage 2 will be published on www.dsto.defence.gov.au.

5.5 Stage 2 – Full Business Case

- 5.5.1 The DFCTC Committee may invite applicants from Stage 1 to submit a Stage 2 application which includes:
- a *Full Business Case*; and
 - participation in an Interview.

Information to be provided

- 5.5.2 The purpose of the Full Business Case is to present a convincing case to the DFCTC Committee that the application should be funded in competition with all other applications. Therefore at Stage 2 all applications will be assessed against:
- the eligibility requirements (see section 1.3);
 - the compliance requirements (see sections 4.1 to 4.3);
 - the selection criteria (see sections 5.1 to 5.3); and
 - all other applicants invited to Stage 2.

- 5.5.3 The *Full Business Case* must:

- have substantially the same research focus, path to adoption of research outcomes and level of Participant contributions as the *Business Concept Case*; and
- either retain the Core Participants or, where the Core Participants have changed, provide appropriate alternative Participants of equal or greater relevance to the DFCTC.

Applicants must justify any changes included in their *Full Business Case*, and must indicate any effect those changes may have on the outcomes outlined in the *Business Concept Case*.

- 5.5.4 The DFCTC Committee may, at its absolute discretion, declare an application ineligible for further consideration if, in its judgement, the *Full Business Case* is inferior to, or is not substantially the same as, the *Business Concept Case*.

Interview

- 5.5.5 The interview will address the whole application, but with particular focus on the *Full Business Case*, and address specific issues identified by the DFCTC Committee.
- 5.5.6 Applicants should be prepared to have key personnel available to attend the interview in the week 19 – 23 November.
- 5.5.7 Interviews may be conducted by members drawn from the DFCTC Committee and *Independent Assessors*. Applicants may be asked to provide further information prior to, during or following the interview within a specified time.

Recommendations for funding

5.5.8 The DFCTC Committee will make recommendations on the relative merits of applications and the amount of funding. These recommendations will be based on:

- the assessment of the applications;
- the information provided at the interview; and
- consideration of any further information provided as required by the DFCTC Committee.

5.5.9 The DFCTC Committee will advise the Minister for Defence:

- which application(s) is suitable for funding;
- the recommended level of funding; and
- any conditions which are to apply to an offer of funding.

5.5.10 The Minister for Defence, in consultation with the Minister for Education, Science and Training, will make the final decision regarding:

- which DFCTC will be funded;
- the level of funding offered; and
- what terms and conditions, if any, are attached to the funding offers.

Notifications

5.5.11 The Minister for Defence together with the Minister for Education, Science and Training will make a formal announcement advising which applicant has been successful, and the level of funding offered subject to DEST reaching a funding agreement with them.

5.5.12 The successful applicant will receive a letter of offer setting out details of the funding and any conditions that must be addressed before the offer can be accepted or that will otherwise apply to the funding.

Section 6: Successful application

This section briefly provides information to applicants on what will be expected of them should their application be successful and they receive an offer of funding. It is not intended to substitute for information which will be provided in the Contract documents. This information is subject to change at any time.

6.1 Security Assessment

- 6.1.1 Participant organisations and/ or individuals involved in specific research projects may be required to undergo a security assessment prior to undertaking any activities of the DFCTC. The DFCTC must ensure that proposed Participant organisations are aware of this requirement and that they have made their staff aware of same and received an acknowledgment from their staff of this requirement.
- 6.1.2 Additional confidentiality and non-disclosure obligations may be imposed on the DFCTC (including Participant organisations and/ or individuals) in relation to the outcomes of the DFCTC.

6.2 Contracts

- 6.2.1 The successful applicant for DFCTC funding will be offered a contract with the Australian Government which will require the DFCTC to commence operations from 1 June 2008.
- 6.2.2 The DFCTC collaboration will be supported by two formal agreements:
- the *Commonwealth Agreement* – an agreement between the DFCTC Company and the Australian Government; and
 - a *Participants Agreement* – an agreement between the Participants and the DFCTC Company.

If, as described in section 4.5, the DFCTC Committee has agreed to an unincorporated entity the Commonwealth Agreement will be between the parties to the unincorporated joint venture and the Australian Government. Further references to the DFCTC Company in this section 6.2 should be read as either of these models.

- 6.2.3 The successful applicant will have until 31 March 2008 to enter into both these Agreements, after which date the funding offer may lapse.

Commonwealth Agreement

- 6.2.4 The *Commonwealth Agreement* will include:
- standard terms and conditions for the DFCTC; and
 - schedules which address the DFCTC activities, including milestones, outputs and outcomes, and funding arrangements.
- 6.2.5 The schedules will reflect the information provided in the successful funding application and funding offer. The *Commonwealth Agreement* will refer to the *Participants Agreement*, but the Commonwealth will not be a party to the *Participants Agreement*.

- 6.2.6 The *Commonwealth Agreement* will be based on the template CRC Commonwealth Agreement which is available on the CRC website (www.crc.gov.au). The Commonwealth Agreement will amend as necessary to accommodate specific features of the DFCTC. It is expected that reporting obligations will be consistent with the template CRC Commonwealth Agreement and further details are provided at Section 6.3.
- 6.2.7 The *Commonwealth Agreement* will address obligations including:
- provision of participant contributions;
 - reporting;
 - confidentiality;
 - privacy;
 - insurance and indemnity; and
 - intellectual property.
- 6.2.8 The *Commonwealth Agreement* includes provision for deferral, variation and termination of funding in certain circumstances, including failure by the DFCTC to comply with the Agreement. In a limited number of circumstances, the DFCTC Company may be required to repay DFCTC Program Funding if it has been expended contrary to the terms of the *Commonwealth Agreement*.
- 6.2.9 Continued funding through the contract period is subject to satisfactory progress against agreed milestones and satisfactory contributions from Participants in accordance with the contract. DFCTC Program funding may be deferred, varied or cancelled if performance is unsatisfactory.
- 6.2.10 The *Commonwealth Agreement* also outlines the process by which the DFCTC will deal with any conflict of interest which may arise.
- 6.2.11 The *Commonwealth Agreement* will include provisions that provide the Department of Defence with the right to a non-exclusive, irrevocable, worldwide license for Defence Use to any intellectual property developed by the DFCTC; the terms of any licence, including licence fees and/or royalties, if any, shall be negotiated on a case by case basis, and shall recognise the contribution the Department of Defence has made through DFCTC funding to the development of the IP.
- 6.2.12 The *Commonwealth Agreement* may be varied by agreement during the funding period to reflect changes in the Participants or activities of the DFCTC. This provides scope for the DFCTC to respond to new opportunities and the dynamics of its research programmes. Amendments (such as to contributions, budget and activities) must be approved by DEST as specified in the *Commonwealth Agreement* and will require a variation. Any variation to the *Commonwealth Agreement* must be agreed to and signed by both parties in the manner specified in the *Commonwealth Agreement*.

Participants Agreement

- 6.2.13 The *Participants Agreement* must cover matters such as:
- the establishment of the DFCTC Company to govern and manage the DFCTC;

- payment of participant contributions;
- ownership of intellectual property;
- commercialisation and licensing of research results;
- appointments of key staff; and
- any other matters relevant to an equitable sharing of the costs and benefits of the work of the DFCTC among Participants.

6.2.14 A template *Participants Agreement* that was available for the CRC Programme 2006 Selection Round is available at the Australian Institute for Commercialisation website www.ausicom.com.au. The template *Participants Agreement* is a resource only and its use is not mandatory. It is the responsibility of all Participants to ensure that the terms of the *Participants Agreement* are consistent with, and enable them to carry out their obligations under, the *Commonwealth Agreement*.

6.2.15 The DFCTC may secure additional Participants or substitute Participants during the contract period, subject to the conditions of the *Commonwealth Agreement*.

6.3 Monitoring and reporting

6.3.1 Monitoring and reporting requirements will be specified in the *Commonwealth Agreement*. This section provides general guidance on ongoing monitoring and reporting obligations for the DFCTC.

Guidelines issued by DEST

6.3.2 DEST may from time to time issue guidelines to ensure that contractual obligations under the *Commonwealth Agreement* are met and that maximum benefits have accrued from the DFCTC.

Financial Statements

6.3.3 The DFCTC will receive Program funding in instalments. This may be subject to the achievement of milestones and satisfactory submission of six-monthly financial statements to DEST. These financial statements must contain a certificate by the chief executive officer (**CEO**) or a board member that all funding received was expended for the DFCTC's activities and in accordance with the agreement.

Annual reporting

6.3.4 The DFCTC must provide an annual report of its activities to DEST. The report must meet guidelines which may be issued by DEST from time to time and must include audited financial statements and an audit statement that the funding was expended for the DFCTC's activities and in accordance with the agreement. DEST may also require statistical and other information from the DFCTC from time to time. DEST may publish information provided by the DFCTC in their annual reports or statistical returns.

Third year review

6.3.5 The DFCTC Board must ensure that an independent performance review is undertaken after the first 3 years of operation, including an assessment of the DFCTC's achievement against milestones, outputs and outcomes as specified in the *Commonwealth Agreement*.

DEST will issue guidelines for the review. The report of the review may be published by DEST at any time. The DFCTC Committee will assess the reports and may make recommendations to the DFCTC. DFCTC Program funding may be reviewed and/or conditions imposed on continued funding, or the *Commonwealth Agreement* terminated, as a result of any review findings. Variations to the *Commonwealth Agreement* may be required to address any concerns arising from reviews.

- 6.3.6 Additional reviews may be undertaken or required by DEST, including in cases where substantial changes to the activities of the DFCTC are being proposed.

Wind-up/transition arrangements

- 6.3.7 By no later than the second last year of the contract period, the DFCTC must have developed a final strategy and a comprehensive plan to manage the wind-up or continuation of its activities upon cessation of DFCTC Program funding.

Section 7: General Information for Applicants

This section provides information to applicants on what may be done with the information provided in DFCTC funding applications.

7.1 Confidential information

- 7.1.1 All applications will be treated confidentially unless required to be disclosed by law and as necessary to undertake the selection process.
- 7.1.2 Additional confidentiality or non-disclosure obligations may be imposed on the DFCTC (including Participant organisations and/ or individuals) by the Australian Government in relation to any Activities or Outcomes of the DFCTC.

7.2 Privacy

- 7.2.1 It is possible that personal information about individuals will be collected by DEST for the purposes of administering the DFCTC Program.
- 7.2.2 DEST is bound, in administering the DFCTC Program, by the provisions of the *Privacy Act 1988*. Section 14 of the *Privacy Act* contains the Information Privacy Principles (IPPs) which prescribe the rules for handling personal information.
- 7.2.3 The successful applicant involved in the DFCTC Program must abide by the privacy requirements specified in the contract when handling personal information collected for the purposes of the DFCTC Program. By way of example, persons, bodies and organisations subject to the IPPs must ensure that:
- personal information is collected in accordance with IPPs 1-3;
 - suitable storage arrangements, including appropriate filing procedures are in place;
 - suitable security arrangements exist for all records containing personal information;
 - access to a person's own personal information held by the organisation is made available to the person at no charge;
 - records are accurate, up-to-date, complete and not misleading;
 - where a record is found to be inaccurate, the correction is made;
 - where a person requests that a record be amended because it is inaccurate but the record is found to be accurate, the details of the request for amendment are noted on the record;
 - the personal information is only to be used for the purposes for which it was collected, or for other purposes where expressly allowed by IPP 10; and
 - personal information is only disclosed in accordance with IPP 11.
- 7.2.4 Complaints about breaches of privacy and requests for advice about privacy relating to the DFCTC Program must be referred to the Privacy Contact Officer in the Litigation and External Review Section, Procurement, Assurance and Legal Group, in DEST's National Office. Privacy complaints may be made directly to the Federal Privacy Commissioner;

however the Federal Privacy Commissioner prefers that DEST be given an opportunity to deal with the complaint in the first instance.

7.3 Freedom of Information

- 7.3.1 All documents created or held by Defence or DEST with regard to the DFCTC Program are subject to the *Freedom of Information Act 1982* (FOI Act). Unless a document falls under an exemption provision (such as personal or classified information), it will be made available to the general public if requested under the FOI Act.

- 7.3.2 All FOI requests must be referred to the FOI Coordinator, Litigation and External Review Section, Procurement, Assurance and Legal Group, in DEST's National Office. Decisions regarding requests for access will be by the authorised FOI decision maker in accordance with the requirements of the FOI Act.

7.4 False and Misleading Information

- 7.4.1 Applicants must note that giving false or misleading information to the Australian Government in an application for a benefit is a serious offence under the Criminal Code.

- 7.4.2 The DFCTC Committee may, in its absolute discretion, determine that applicants who it believes may have provided false or misleading information may be excluded from further consideration.

Glossary

This glossary is a guide to assist applicants to complete their applications. It is not intended to be in substitution for the defined terms in the Contracts.

Business Concept Case	An application for DFCTC funding, which is assessed at Stage 1 of the selection process.
CEO	The person appointed as the Chief Executive Officer of the DFCTC (whether known as Chief Executive Officer or another title such as director or manager).
Commercialisation	The manufacture, sale, hire or other exploitation of a product or process, or the provision of a service, incorporating DFCTC Intellectual Property, or licensing of any third party to do any of those things, or otherwise licensing or assigning the DFCTC Intellectual Property.
Commonwealth Agreement	The agreement between the DFCTC Company and the Australian Government. (see 6.2.2)
Core Participants	Those Participants in the DFCTC which sign the <i>Participants Agreement</i> .
DFCTC Board	The board of directors of the DFCTC Company.
DFCTC Committee	A committee of up to six members, established for a period of up to 7 years, which makes recommendations to the Minister for Defence and the Minister for Education, Science and Training on the selection, monitoring and evaluation of the DFCTC.
DFCTC Company	The legal entity created by the DFCTC to be a party to the <i>Commonwealth Agreement</i> .
DFCTC Program funds	<ul style="list-style-type: none"> • Funds provided by the Australian Government for the DFCTC Program as a whole; and/ or • Financial assistance provided to the DFCTC for expenditure on Program activities under a <i>Commonwealth Agreement</i>.
Delegate	<p>An appropriate person at a participant organisation, who has:</p> <ul style="list-style-type: none"> • the authority to commit funds to the proposed DFCTC; and • enter into any necessary agreements, including to establish an incorporated entity; <p>on behalf of the participant organisation.</p>
DEST	The Department of Education, Science and Training, and its successors, that administers the DFCTC Program.
End-users	Persons, organisations, industries, communities that make use of the outcomes of the DFCTC.
Full Business Case	An application for DFCTC funding, which is assessed at Stage 2 of the Selection Round.
Full Time Equivalent (FTE)	Full time equivalent person years. Represented by a decimal figure that indicates the proportion of a person's workload over a 12 month period, e.g. a person working full-time for a year is counted as 1.
Incorporated entity	A separate legal entity created through registration under the <i>Corporations Act 2001</i> or another relevant State or Territory law that provides for the creation of legal entities.

Independent assessors	Experts appointed by the DFCTC Committee to assist the Committee with specific aspects of assessing funding applications.
In-kind contributions	Non-cash resources contributed by a participant to conduct the activities of the DFCTC.
Intellectual property	Includes all copyright (including rights in relation to phonograms and broadcasts), and all rights in relation to inventions (including patents), plant varieties, registered and unregistered trade marks, registered designs, confidential information (including trade secrets and know-how) and circuit layouts and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.
Key researcher	Person pivotal to the research activities of the DFCTC.
Milestones	Milestones are the activities, targets or performance indicators to be achieved in a given timeframe, which define the DFCTC's critical path in delivering the proposed outputs or deliverables.
Participant (or Participant organisation)	Those persons or bodies whom the Australian Government considers provide essential support for the activities or essential cash or in-kind contributions and who the Australian Government has determined must be a Participant.
Participants Agreement	The agreement between the Participants and the DFCTC Company (see 6.2.2).
Personal Information	Information or an opinion (including information or an opinion forming part of a database), whether true or not, and whether recorded in a material form or not, about a natural person whose identity is apparent, or may reasonably be ascertained, from the information or opinion.
Programme leaders	Research or other staff with responsibility for management of one of the DFCTC's Programmes: research, education or commercialisation/utilisation.
Public Sector Research Agencies	Australian Nuclear Science and Technology Organisation, Australian Institute of Marine Science, Commonwealth Scientific and Industrial Research Organisation, Defence Science and Technology Organisation, GeoScience Australia or like organisations.
Small or Medium Enterprise (SME)	Firms or businesses which employ up to 200 staff.
Supporting participant	Participant in the DFCTC whose contributions provide limited support to the activities of the DFCTC.
Tied Cash contributions	Cash contribution from a Participant where its expenditure is subject to conditions imposed by the Participant (e.g. that it must be applied to a specific DFCTC research project).
Untied Cash contributions	Cash contribution from a Participant where its expenditure is at the discretion of the DFCTC Board.
Utilisation	Technology transfer and take-up and implementation of research outputs and outcomes by defence, industry and other users.

DFCTC Capability Needs

Integrated Battlespace and Systems Integration: technologies to enhance situation awareness, decision support tools, information assurance, management, and representation, robust and high capacity communication networks, including network centric capabilities; human factors and the human-machine interface, identity management and continuous tracking, complex systems modelling and simulation; applicable to the air, surface, underwater and land environments.

Chemical, Biological, Radiological, Nuclear and Explosives (CBRNE) Defence: technologies encompass a wide spectrum of science applied to new and emerging threats to national security; including CT. CBRNE includes technologies to detect and defeat CBRNE threats, effects mitigation, bio-threat countermeasures, personnel protection systems, diagnostic and adaptive systems, casualty prevention and management.

Autonomous Systems and Robotics: unmanned air, ground, surface and underwater vehicle systems, including networks of autonomous systems in complex environments, cooperative behaviour, sensor-to-effector connectivity, micro-sensor and mobile energy source technology. Defence applications provide for enhanced surveillance and force projection while reducing manpower requirements and exposure to hazardous environments.

Materials Sciences: active and high-temperature materials, micro- and nano-technology, micro-engineered mechanical structures (MEMs), advanced armour, smart and interactive material systems, organic electronics, photonics. Applications of materials sciences to Defence capability may reduce power and weight requirements, increase protection, increase durability and enhance operational effectiveness of people and platforms.

Electronic Warfare Self Protection: platform tailored solutions incorporating multi-spectral capability, electronic support versus electronic attack; integration with other sensors and existing and planned command and control systems; able to operate autonomously in disparate environments, and exploiting new materials capabilities.

High Energy Electromagnetics: high energy lasers, microwaves, and electromagnetic pulse weapons, including enabling technologies such as power supplies, command and control, battlefield safety, mobility and protection. Applications include lethal and non-lethal weapons.