

Australia New Zealand  
**Biotechnology Partnership Fund**

**Application Guidelines**

**Collaborative Projects,  
Market Acceptance Projects,  
Bio-Market Development  
&  
People and Skills Development**

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## 1 ABOUT ANZBPF

New Zealand Trade and Enterprise (NZTE) is the New Zealand Government's trade and economic development agency, committed to helping businesses grow their international competitiveness, profitability and capability.

The Australia New Zealand Biotechnology Partnership Fund (ANZBPF), administered by NZTE, is designed to facilitate and accelerate trans-Tasman biotechnology industry collaboration. Developing greater regional critical mass will give New Zealand and Australian biotech firms better access to global market opportunities.

### 1.1 Objectives of the ANZBPF

The objective of the ANZBPF is to accelerate the rate at which New Zealand biotechnology firms (including commercial arms of Crown Research Institutes and Tertiary Education Institutions) build strategic commercial alliances with Australian firms to improve sustained profitability and global competitiveness of the New Zealand biotechnology sector. Additional objectives are that the ANZBPF will:

- improve commercialisation skills and expertise within the biotechnology sector
- increase foreign investment in the sector
- increase global recognition of Australasia as a centre of biotechnology expertise and activity.

These objectives will be achieved by:

- drawing attention to New Zealand and Australia as an area of regional critical mass and capability on the global biotechnology market, and raising awareness of the region's capability to international investors
- providing a mechanism to leverage significant investment by the Australian government and private sources
- expanding international linkages and exposure to best practice in the management, development and marketing of biotechnology
- supporting skill development where need has been identified, such as science commercialisation, intellectual property management and project management
- focusing the fund on firms and individuals that have established trans-Tasman relationships and are moving towards commercial ventures.

### 1.2 Alignment with other government / NZTE initiatives

ANZBPF focuses on fostering commercial trans-Tasman partnerships in the biotechnology sector around developing marketing and manufacturing initiatives.

The ANZBPF is not a research fund. NZTE may direct applicants to funding schemes from the Foundation for Research, Science and Technology (FRST), Technology New Zealand (Tech NZ) and the Health Research Council (HRC) if a proposal is more suitable for these funds.

### 1.3 Eligibility criteria

Only firms that meet the eligibility criteria may apply.

These are:

- Applicants must be operating in the biotechnology industry and have a clear objective to establish commercial trans-Tasman partnerships. This is a key criterion.
- New Zealand applicant firms must be resident in New Zealand and registered for tax purposes.

- Any Australian partner must operate in Australia and be registered for tax purposes in Australia. Australian partners may include public and private companies, and commercialisation companies of Australian universities and research institutes, or major organisations such as the Commonwealth Scientific and Industrial Research Organisation (CSIRO). (Australian subsidiaries of, parents of, and companies that share the same parent of the New Zealand applicant company are not eligible partners.)
- Any international (outside Australasia) partner must operate in and be registered for tax purposes in the relevant country. International partners may include public and private companies, and commercialisation companies of international universities and research institutes. (International subsidiaries of, parents of, and companies that share the same parent of the New Zealand applicant company are not eligible partners.)
- The fund is available to New Zealand public and private companies, and commercial entities from within Tertiary Education Institutions (TEI) and Crown Research Institutions (CRI).
- It is also available to Maori Trusts incorporated under the Te Ture Whenua Maori Act 1993.
- Law and accountancy firms, consultants and companies dealing in non-biotechnology or life sciences products or services are not directly eligible for funding (although the services of these companies may be eligible costs incurred by eligible companies in pursuit of trans-Tasman collaborations).

As the ANZBPF budget is limited, meeting basic entry criteria does not guarantee a proposal will receive funding.

## 1.4 Eligible firms

### In New Zealand:

Public and private New Zealand biotechnology firms  
Commercial entities from within Tertiary Education Institutions (TEI)  
Crown Research Institutes (CRI)

### In Australia:

Public and private Australian biotechnology firms  
Commercialisation entities of Australian universities or research institutes  
Major organisations such as the Commonwealth Scientific and Industrial Research Organisation (CSIRO)

### **Ineligible firms**

Australian subsidiaries of, parents of, and companies that share the same parent as the New Zealand applicant firm are not eligible partners for the purpose of the ANZBPF.

### International partners:

Public and private biotech firms including companies, partnerships and trusts.  
Commercialisation ventures of universities and research institutes.

### **Ineligible firms**

International subsidiaries of, parents of, and companies that share the same parent as the New Zealand applicant firm are not eligible partners for the purpose of the ANZBPF.

## 1.5 Biotechnology defined

The ANZBPF fund uses the OECD definition of biotechnology as “the application of science and technology to living organisms as well as parts, products and models thereof, to alter living or non-living materials for the production of knowledge, goods and services”. Technologies under this definition include:

- DNA: genomics, pharmaco-genetics, gene probes, DNA sequencing/synthesis/amplification, genetic engineering.
- Proteins and molecules: protein/peptide sequencing/synthesis, lipid/protein glyco-engineering, proteomics, hormones, and growth factors, cell receptors/signalling/pheromones.
- Cell and tissue culture and engineering: cell/tissue culture, tissue engineering, hybridisation, cellular fusion, vaccine/immune stimulants, embryo manipulation.
- Process biotechnologies: Bioreactors, fermentation, bioprocessing, bioleaching, bio-pulping, bio-bleaching, biodesulphurization, bioremediation, and biofiltration.
- Sub-cellular organisms: gene therapy, viral vectors.

These technologies could be represented by the following activities and fields, in which the ANZBPF may support commercial initiatives:

- Agbiotech
- Bio-pharmaceuticals
- Bio-actives, nutraceuticals and functional foods that encompass the use of biotechnology in development
- Cleantech
- Bio-manufacturing
- Bio-materials
- Bio-prospecting
- Medical diagnostics
- Medical devices
- Bio-informatics

## 1.6 Contact

Firms with an NZTE Client Manager should get in touch to discuss the criteria and eligibility.

Firms without a client manager should phone 0800 555 888 or email [anzbpf@nzte.govt.nz](mailto:anzbpf@nzte.govt.nz)

## 2 APPLICATION AND ASSESSMENT

The application process is designed to provide assessors, including the Board of NZTE and its advisors, with sufficient information and time to consider a proposal. Your NZTE Client Manager will work with you to develop your proposal.

You need to supply two signed hard copies of your proposal, plus an electronic copy/disc. NZTE will ensure that copies of your proposal are distributed as necessary, with due attention to confidentiality issues.

### 2.1 How to apply

Applicants are urged to contact their NZTE Client Manager at the earliest opportunity to discuss potential applications and to register an expression of interest.

For application deadlines relating to Collaborative Projects Grants, please see Appendix 1. This is a competitive process and this category opens once a year.

There is no application deadline for the Market Acceptance Projects, Bio-market Development and People and Skills Development categories. Applications will be processed on receipt subject to availability of funds.

NZTE will acknowledge receipt of applications by letter or email, and you will be informed of the outcome of your application as soon as possible after the selection process has been completed.

### 2.2 Funding assistance categories

Funding is intended to support strategic alliances. In all cases, projects must clearly contribute to growth of the biotechnology sector and be an expansion of your firm's market horizons, rather than business as usual.

The fund will also support marketing and investment promotion activities under the Australia and New Zealand Biotechnology Alliance.

The ANZBPF offers assistance for:

#### Collaborative Projects

There are two categories

- Large Scale Funding and strategic support of significant joint ventures and projects between New Zealand and Australian firms or institutes (\$125K - \$2M)
  - (i) New Zealand – Australia collaboration, or
  - (ii) New Zealand – Australia – International collaboration

For more information on this category, refer to chapter 3

#### Market Acceptance Projects

For an applied research area which needs to be developed further to meet market needs and has the potential to attract private investment (\$50K - \$125K)

For more information on this category, refer to chapter 4

#### Biotechnology-Market Development

For New Zealand firms aiming to establish Australian business collaborations and open up new market opportunities (\$10K - \$50K)

For more information on this category, refer to chapter 5

#### People & Skills Development

For New Zealand firms wanting to send a staff member on exchange to an Australian firm (up to \$10K)

For more information on this category, refer to chapter 6

### 3 COLLABORATIVE PROJECTS

This area of the Fund is intended to support significant strategic alliances that contribute to developing greater regional strength, sustained profitability, access to, and competitiveness in, international markets.

General Rules that are applicable to all categories may be found in chapter 7.

#### 3.1 Collaborative Projects

ANZBPF helps fund significant biotechnology projects that have substantial government or private funding. This provides a significant opportunity to invest in large and influential commercial activities and scale up activities.

The funding is for significant collaborative projects entering the international market. This category is competitive and has a closing date. For more details, refer to the timeline in Appendix 1.

There are two options available under this category:

##### - New Zealand – Australia collaboration

Funding is offered on a 25:25:50 basis, with the New Zealand applicant and the ANZBPF meeting 25 percent of the total project costs each, and the Australian partner meeting the other half.

- Applications for \$500K - \$2M are subject to a two-stage assessment
- Applications for \$125K - \$500K are subject to a one-stage assessment

##### - New Zealand – Australia – International\* collaboration

As above, with the difference that the Australian partner meets a minimum of 25 percent of the project costs, with the international partner meeting the balance of their 50 percent of project costs.

\* International (in this context) means a country other than New Zealand or Australia.

##### **Cap**

The maximum funding per recipient, per funding agreement is \$2,000,000 (GST incl.).

##### **Restrictions:**

Firms may receive no more than \$1,000,000 (incl. GST) in any July to June financial year. Firms in receipt of a previous ANZBPF funding agreement may incur funding restrictions should a previous award be already allocated from the current financial year (1 July / 30 June). Please check in advance of applying for funding with your Client Manager or ANZBPF Fund Managers to determine your firm's level of financial eligibility.

### 3.2 Eligibility criteria

As well as those listed in section 1.3, collaborative project applicants must also meet these eligibility criteria

- Where New Zealand applicant companies are required to partner with an Australian company (either on a project basis or through a corporate joint venture), evidence of the commercial partnership must be provided.
- Proposals must confirm (and, where necessary, provide supporting evidence) that they comply with New Zealand's and Australia's laws, regulations, and international commitments.

### 3.3 Application process

For large scale collaborative projects, the application process comprises two stages.

For an overview of the timeline see Appendix 1

ANZBPF application templates are available at [www.nzte.govt.nz/anzbpf](http://www.nzte.govt.nz/anzbpf)

#### Outline proposal for Collaborative Projects

First, an 'outline' proposal is required by the first deadline. All information required in the application template must be supplied, but no extra material is accepted.

The application is reviewed for completeness, eligibility checked and distributed to the outline ANZBPF assessment panel (see section 3.5). The panel will determine the potential of the proposed project.

If it is successful, you will be invited to submit a full proposal before a set deadline.

#### Full proposal for Collaborative Projects

The full proposal builds on the outline proposal to give a full business case providing details of costs, timelines, project and risk management plans, management and governance details, evidence of liquidity and ability to fund the project. The full proposal needs to provide a clear market rationale, and any update on the project since the outline proposal was submitted.

When you are invited to apply, you will be advised of the areas of your proposal needing expansion, along with a list of panel questions and other information requests.

The full proposal may be submitted in any format, although you may wish to add the additional information to your outline proposal. You can include supplementary information if necessary.

Your full proposal will be checked against the outline ANZBPF panel assessment to confirm that you have provided all requested information. Reasons need to be provided where requested information has not been included.

Background checks are undertaken on the collaboration partners.

### 3.4 Assessment criteria

You must demonstrate how funding will contribute not only to your own firm but to the wider New Zealand economy (and, where applicable, Australia) through potential for growth in income and employment. This is called net economic benefit or NEB.

Closely linked to NEB is the commercialisation strategy and development.

The following criteria form the basis for selecting quality projects:

***Genuine collaboration***

Partners should demonstrate that they have a clear objective to develop a genuine and significant trans-Tasman commercial collaboration, including commitment to provide matching funding.

***Commercialisation and market focussed, not early stage***

While some applied research or product development may still be required, the primary emphasis is not on early stage research. The project should involve commercialisation or market development and should measurably assist in taking product/service/concept closer to market.

***Compelling rationale***

There should be a clear, compelling rationale for the project, reflected in goals, outcomes, objectives, benefits articulated from the collaboration.

***Aligned with companies' strategy***

The project should be aligned with the partners' strategic development pathways, enhance their competitive ability, and build logically on their existing core competencies.

***Understand market and competition***

The market context should be clearly understood by the New Zealand partner including market potential (size, rate of growth) and opportunities (market segments, anticipated market share) and competition (current and future).

***Collaborative structure***

The partners should have an appropriately structured legal form/s for their collaboration, or have a clear and agreed understanding of how the venture will be structured. The structure selected should be appropriate to the venture.

***Product pipeline and product development strategy***

The New Zealand partner should have a sustainable product pipeline and sound product development strategy.

***Sound IP management***

IP management in all partners should be sound, demonstrated by quality of IP strategy to date, appropriateness of IP protection, IP policies established and followed.

***Adequate resources, risk management***

The partners should have sufficient financial and organisational resources/support, and a sound risk management strategy to execute the project successfully.

***Quality of management***

The partners should have a sufficiently strong trading history and management capability to execute the project effectively.

***Reasonable and realistic costs***

Costs should be reasonable and realistic relative to the planned work programme, and contain sufficient detail to assess them properly.

***Economic benefits***

The proposed collaboration should have a broader economic benefit to the Australasian biotech industry and the New Zealand economy.

***Requires government assistance***

There should be evidence that Government assistance is required – ie that the activity would not occur without it OR that the project will occur sooner with support (acceleration) or in an enhanced form.

### 3.5 Assessment panel and expert advisors for outline proposal assessment

This panel comprises:

- NZTE biotech sector members (usually three), NZTE legal counsel and other NZTE staff as required.
- An independent business consultant (to advice on business collaborations).
- May be enhanced by a reference group that includes members of the NZTE World Class New Zealand Network who are recognised as experts/ leaders in the field of international biotechnology commercialisation to provide relevant commercial assessment of the highest calibre.

Please note that you must not approach any member of the Assessment Panel, or its advisors, to discuss or promote your proposal. Any contact concerning a proposal should be through NZTE.

### 3.6 Assessment panel and expert advisors for full proposal assessment

This panel comprises:

- NZTE biotech sector members (usually three), NZTE legal counsel and other NZTE staff as required
- Representatives from Foundation for Research Science and Technology (FRST), or the Health Research Council (HRC) may be called on for technical/expert advice.
- An independent business consultant (to advice on business collaborations).
- May be enhanced by a reference group that includes members of the NZTE World Class New Zealand Network who are recognised as experts/ leaders in the field of international biotechnology commercialisation to provide relevant commercial assessment of the highest calibre.

Please note that you must not approach any member of the Assessment Panel, or its advisors, to discuss or promote your proposal. Any contact concerning a proposal should be through NZTE.

### 3.7 Independent business advice

In addition Collaborative Projects undergo due diligence by an independent external biotechnology consultant. The consultant provides a report with their view on the viability and sustainability of the proposed venture. This report is taken into account during the panel assessment.

If demand for ANZBPF assistance for Collaborative Projects exceeds the level of funding available in a year, preference for that year will be given to proposals that the Assessment Panel judge will make the greatest contribution to net economic benefit to New Zealand and towards growing a stronger and more globally-integrated Australasian biotech industry.

### 3.8 NZTE Board approval

NZTE Board approval is required in order to place ANZBPF funding in the Collaborative Projects category. The NZTE assessment panel makes its recommendation to the Board, who make the final decision about approval.

### 3.9 Co-funding

For Collaborative Projects the New Zealand applicant firm must contribute at least 25 percent of their own money to the project, obtain 50 percent of total project costs from the Australian/International partner, with the ANZBPF providing up to 25 percent or the maximum for that category, whichever is the lesser.

See example below:

	Share of Project Costs:	Source of Funds:	Contribution (example):
New Zealand Firm	At least 25 percent	Firm's own money or private sector-sourced contribution	At least NZ\$1,000,000
ANZBPF	Up to maximum of 25 percent	ANZBPF	Up to a maximum of NZ\$1,000,000 <i>Unless exceptional circumstances apply</i>
Partner	Minimum of 50 percent	The Australian firm's own financial reserves and/or Government funding, or other sources including up to half of their contribution from an International <sup>1</sup> partner	At least NZ\$2,000,000

*(sample cost structure of a Collaborative Project, showing the maximum funding available)*

### 3.10 Funding cap and availability

Funding is provided on a "one-off" basis, with no liability for future contributions beyond those agreed to.

### 3.11 Internal costs

In general, NZTE funding is not available for costs incurred internally by any organisation, such as payments that cannot be invoiced by a third party. Examples include salaries, wages, fees, personal expenditure, in-kind expenses or donations.

However, we have relaxed this rule for the ANZBPF, in recognition that the skills and specialisations in this industry would be very difficult to backfill.

NZTE uses a multiplier of 1.5 for the salaries of staff working on the project to calculate the true cost attributable to an ANZBPF project. This figure reflects the fact that the cost of a member of staff is greater than their salary alone. It is not negotiable.

### 3.12 Capital expenditure

While NZTE usually excludes expenditure on physical or tangible assets, some essential capital items may be considered as part of your proposal.

#### Tax implications

Note that this does not affect the application of financial reporting standards or tax law as they relate to your treatment of capital expenditure for financial reporting or taxation purposes. Your legal, financial reporting and taxation obligations are unchanged, and you should continue to seek independent advice from legal, financial reporting and taxation professionals.

<sup>1</sup> An international partner can only be involved in Collaborative Projects.

### 3.13 External resources

ANZBPF funding can be used to fund external resources to assist with a project e.g consultants.

Funding can cover salary/contract fees and reasonable disbursements. You will need to provide adequate information to support the costs requested.

NZTE will fund the services of an international resource only where it has been established that the most appropriate source of specialist knowledge is based offshore. Note that the co-funding is in NZ dollars; the exchange rate will be taken at the time of the application and you will bear the exchange rate risk.

All external resources must be clearly identified with the following information supplied:

- Name
- Business name
- Address and contact details
- Business and/or personal profile
- Any existing relationship between them and the applicant firm be it personal or business, regardless of whether the applicant believes this may be a potential conflict of interest.
- Terms of Reference for the work to be undertaken in relation to the project including:
  - scope of the work to be undertaken
  - cost of work and time-frame for activities (including an implicit or explicit hourly rate)
  - disbursements

### 3.14 Eligible costs and activities

Examples of costs that funding may contribute to include:

- External project manager or professional to assist with a joint venture strategy
- Professional services such as developing joint investment-ready business plans
- External advice on legal, tax, IP or other issues relating to a new business structure such as a joint venture or strategic alliance
- Potentially, wages and salaries - not for 'business as usual'
- Travel and accommodation, within reasonable limits

### 3.15 Retrospective date

The 'retrospective date' is the closing date for Full Applications. You can seek co-funding for costs incurred after the retrospective date, provided your proposal is approved and contract signed. Costs incurred before the retrospective date are not eligible.

(See timeline attached as Appendix One for details or contact your Client Manager.)

### 3.16 Draw-down period

Funding for Collaborative Projects is available for draw down for a period of three years after approval.

## 4 MARKET ACCEPTANCE PROJECTS

Funding supports joint ventures between Australian and NZ firms capable of meeting market needs and able to attract private investment. Funding is available to:

- facilitate new product development
- strengthen and build intellectual property portfolios
- evaluate drug leads
- progress drug leads through pre-clinical and clinical evaluation.

This is not a competitive category and there is no application deadline.

### **Cap**

The maximum funding per recipient, per funding agreement is \$125,000 (GST incl.) although this amount may be increased if the circumstances warrant it.

### **Contribution**

Funding is offered on a 25:25:50 basis, with the New Zealand applicant and the ANZBPF meeting 25 percent of the total project costs each, and the Australian partner meeting the other half.

NZTE will contribute up to 25 percent or a maximum of \$125,000, whichever is the lesser.

### 4.1 Eligibility criteria

The eligibility criteria for this category are the same as for the Collaborative Projects category, please refer 3.2.

### 4.2 Application process

Applications may be submitted throughout the year, and will be processed as they are received subject to the current year's funding availability.

ANZBPF application templates are available at [www.nzte.govt.nz/anzbpf](http://www.nzte.govt.nz/anzbpf)

### 4.3 Assessment criteria

The assessment criteria for this category are the same as for the Collaborative Projects category, please refer 3.4.

### 4.4 Assessment panel

An internal NZTE assessment panel assesses the Market Acceptance Project applications. This panel comprises biotech sector members (usually three), NZTE legal counsel and other NZTE staff as required. The panel could be up to six people.

#### 4.5 Co-funding

For Market Acceptance Projects the New Zealand applicant firm must contribute at least 25 percent of their own money to the project, obtain 50 percent of total project costs from the Australian partner, with the ANZBPF providing up to 25 percent or the maximum for that category, whichever is the lesser.

See example below:

	Share of Project Costs:	Source of Funds:	Contribution (example):
New Zealand Firm	At least 25 percent	Firm's own money or private sector-sourced contribution	At least NZ\$125,000
ANZBPF	Up to maximum of 25 percent	ANZBPF	Up to a maximum of NZ\$125,000 <i>Unless exceptional circumstances apply</i>
Australian Partner	At least 50 percent	The Australian firm's own financial reserves and/or Government funding, or other sources	At least NZ\$250,000

(sample cost structure of a Market Acceptance Project, showing the maximum funding available)

#### 4.6 Funding cap and availability

Funding is provided on a "one-off" basis, with no liability for future contributions beyond those agreed to.

#### 4.7 Internal costs

In general, NZTE funding is not available for costs incurred internally by any organisation, such as payments that cannot be invoiced by a third party. Examples include salaries, wages, fees, personal expenditure, in-kind expenses or donations.

However, we have relaxed this rule for the ANZBPF, in recognition that the skills and specialisations in this industry would be very difficult to backfill.

NZTE uses a multiplier of 1.5 for the salaries of staff working on the project to calculate the true cost attributable to an ANZBPF project. This figure reflects the fact that the cost of a member of staff is greater than their salary alone. It is not negotiable.

#### 4.8 Capital expenditure

While NZTE usually excludes expenditure on physical or tangible assets, some essential capital items may be considered as part of your proposal.

##### Tax implications

Note that this does not affect the application of financial reporting standards or tax law as they relate to your treatment of capital expenditure for financial reporting or taxation purposes. Your legal, financial reporting and taxation obligations are unchanged, and you should continue to seek independent advice from legal, financial reporting and taxation professionals.

## 4.9 External resources

ANZBPF funding can be used to fund external resources to assist with a project e.g consultants.

Funding can cover salary/contract fees and reasonable disbursements. You will need to provide adequate information to support the costs requested.

NZTE will fund the services of an international resource only where it has been established that the most appropriate source of specialist knowledge is based offshore. Note that the co-funding is in NZ dollars; the exchange rate will be taken at the time of the application and you will bear the exchange rate risk.

All external resources must be clearly identified with the following information supplied:

- Name
- Business name
- Address and contact details
- Business and/or personal profile
- Any existing relationship between them and the applicant firm be it personal or business, regardless of whether the applicant believes this may be a potential conflict of interest.
- Terms of Reference for the work to be undertaken in relation to the project including:
  - scope of the work to be undertaken
  - cost of work and time-frame for activities (including an implicit or explicit hourly rate)
  - disbursements

## 4.10 Eligible costs and activities

Examples of costs that funding may contribute to include the:

- Facilitation of new product development
- Strengthening and building of intellectual property portfolios
- Evaluation of drug leads
- Progression of drug leads through pre-clinical and clinical evaluation.

## 4.11 Retrospective date

The 'retrospective date' is the closing date for Full Applications. You can seek co-funding for costs incurred after the retrospective date, provided your proposal is approved and contract signed. Costs incurred before the retrospective date are not eligible.

(See timeline attached as Appendix One for details or contact your Client Manager.)

## 4.12 Draw-down period

Funding for Collaborative Projects is available for draw down for a period of three years after approval.

## 5 BIO-MARKET DEVELOPMENT

This category offers up to \$50,000 per recipient, per funding agreement (GST incl) to help New Zealand firms establish collaborations with businesses in Australia aimed at commercialisation in a new third market.

This is not a competitive category and there is no application deadline.

A variety of joint development, manufacturing and/or marketing projects may be considered. Activities may include:

- external strategic analysis and business planning advice
- market investigation for new business opportunities in areas such as niche bio-manufacturing, natural products and bio-actives
- advice on legal, tax and other issues relating to a new business structure
- third market identification or investigation costs, including trade fair attendance and in-market visits
- third market product/service compliance regulations
- development of a collaborative marketing strategy for third markets
- development of intellectual property strategies, including assessment of portfolios, patents, valuations and deal analysis
- management skills improvement through development and recruitment of management personnel
- due diligence/valuations on Australian opportunities (provided the proposal accords with CER obligations).

### **Cap**

The maximum funding per recipient, per funding agreement is \$50,000 (GST incl.).

### **Contribution**

Funding is offered on a 50:50 basis, with the New Zealand applicant and the ANZBPF meeting 50 percent of the total project costs each. No contribution is needed from the Australian partner, but the funding must be used to assist with/develop the relationship with an Australian partner.

### **Restrictions**

Firms may receive support for a maximum of two bio-market development grants per year.

### 5.1 Application process

Applications may be submitted throughout the year, and will be processed as they are received subject to the current year's funding availability.

Application templates are available at [www.nzte.govt.nz/anzbpf](http://www.nzte.govt.nz/anzbpf).

### 5.2 Assessment criteria

Proposals must meet assessment criteria. Background checks are undertaken on successful applicant firms and their Australian partner.

The assessment criteria to be considered are:

- The firm has a clear objective to develop trans-Tasman commercial collaboration
- There must be a clear, compelling rationale for the project.
- The project is aligned with strategic development pathway, enhances competitive ability and logically builds on existing core competencies

- The proposal demonstrates understanding of both market potential and opportunities and competition.
- The firm has a sustainable product pipeline/product development strategy and IP management is sound
- The project will measurably assist in taking product/service/concept closer to market
- The firm has an appropriate level of infrastructure to deliver the desired outcomes e.g. finances, management capability and systems etc.
- The project costs are reasonable and realistic
- The partnership has a broader economic benefit to Australasian biotech industry, national economy
- Government assistance is required - activity would not occur without it OR project will occur sooner with support (acceleration) or in an enhanced form

### **5.3 Assessment**

An internal NZTE assessment panel assesses the Bio-market development applications against these criteria. This panel comprises biotech sector members (usually three), other NZTE staff as required. If sought, NZTE legal counsel will provide their viewpoint and advice on business structures. The panel could be up to six people.

### **5.4 Co-funding**

The New Zealand applicant firm must provide 50 percent of costs for Bio-Market Development projects.

### **5.5 Costs**

Applicants must provide an estimate of costs likely to be incurred. Costs must relate to eligible activities. Reimbursement will be on paid invoices in accordance with the agreed contract schedule.

### **5.6 Retrospective date**

The 'retrospective date' is the date that NZTE acknowledges receipt of the application. You can seek co-funding for costs incurred after the retrospective date, provided your proposal is approved and contract signed. Costs incurred before the retrospective date are not eligible.

### **5.7 Draw-down period**

Bio-market development funds must be drawn down within one year.

## 6 PEOPLE AND SKILLS DEVELOPMENT

This category is for commercial skill development, placing New Zealand firm personnel/scientists in the Australian market for two to twelve months.

This is not a competitive category and there is no application deadline.

### Cap

The maximum funding per recipient, per year (July-June) is \$10,000 (GST incl.).

### Contribution

Funding is offered on a 50:50 basis, with the New Zealand applicant and the ANZBPF meeting 50 percent of the total project costs each. No contribution is needed from the Australian partner.

### Restrictions

Firms may receive support for a maximum of two exchanges per year.

### 6.1 Application process

Applications may be submitted throughout the year, and will be processed as they are received subject to the current year's funding availability.

Applicant firm must meet general ANZBPF eligibility criteria outlined at [www.nzte.govt.nz/anzbpf](http://www.nzte.govt.nz/anzbpf). Proposed 'exchangees' must be New Zealand citizens or have permanent resident status.

### 6.2 Assessment criteria

The assessment criteria for this category are:

- There is a clear, compelling rationale for the project.
- The applicant firm has appropriate level of infrastructure to deliver the desired outcomes e.g. finances, management capability and systems etc.
- The applicant has appropriate background and experience to get value from the exchange programme
- The exchange programme will benefit the wider industry.
- Exchange related costs are reasonable and realistic
- Government assistance is required - activity would not occur without it OR project will occur sooner with support (acceleration) or in an enhanced form

Funding agreements are made for the benefit of the applicant firm and are conditional on the exchange recipient's current employment during the exchange, and continued employment for three months following the end of the exchange, with the firm they represent when submitting the application.

Background checks are undertaken on successful applicant firms.

### 6.3 Assessment

An internal NZTE assessment panel assesses the People and Skills Development applications. This panel comprises biotech sector members (usually three), and other NZTE staff as required.

### 6.4 Costs

Eligible costs include travel to Australia and accommodation (at capped rates). We may consider some additional project costs, defined on a case-by-case basis. You will need to discuss these with us before including them in your application.

Applicants must provide an estimate of the level of costs an exchange will incur to the firm. Eligible costs are reimbursed on paid invoices in accordance with a payment schedule agreed in advance by NZTE.

#### **6.5 Retrospective date**

The 'retrospective date' is the date that NZTE acknowledges receipt of the application. You can seek co-funding for costs incurred after the retrospective date, provided your proposal is approved and contract signed. Costs incurred before the retrospective date are not eligible.

#### **6.6 Contract**

A successful applicant firm has 20 working days to accept or decline an offer of support and accompanying contract. Failure to sign and return a contract will result in application offer being withdrawn and non-payment of claims.

#### **6.7 Draw-down period**

Grants are valid for 12 months from the date on the letter of offer. Claims can be made at any time within the 12-month validity period. The minimum interim claim is \$1,000 (GST incl.).

## 7 GENERAL RULES AND REQUIREMENTS

Some basic rules apply to ANZBPF funding. These are outlined below.

### 7.1 Structure of partnerships/collaborations

NZTE does not specify the structure of partnerships and collaborations, other than that it must be legal and operate so that it meets the objectives of the fund.

We recognise that these structures may shift and change in the future for commercial reasons. NZTE will refer to its legal counsel for advice on potential risks when new structures are being explored, to prepare appropriate contract documentation that takes account of these risks.

### 7.2 Matching funding

ANZBPF funding is available on a co-funding basis to the New Zealand partner. This means that NZTE will pay up to 50 percent of their proportion of the project costs, subject to caps and maximums. The New Zealand partner needs to match this funding, and can do so from a number of sources.

Technology NZ (TechNZ), FRST and the HRC are not eligible sources of matching funding, although they may be used for other aspects of the project. However, funding from the New Zealand Venture Investment Fund (NZVIF) is an eligible source of matching funding.

Commercial entities of CRIs and universities may use retained earnings to fund their share of the project. Third party investments made in your business in relation to the project can count towards your contribution.

Some normal operational expenses will not be covered – your contribution must demonstrably be in addition to resources currently deployed in your business.

Project partners must be willing to disclose financial information to demonstrate how they are co-funding the project. They must have sufficient liquidity to commit to the project.

### 7.3 Additional Information and background checks

NZTE may request additional information as part of the assessment process and will carry out background checks on all applicants/directors. Furthermore NZTE may carry out checks to verify the contents of any information provided by the applicant as part of their application. The applicant will be expected to provide access to their records and personnel for that purpose.

Proposals must confirm (and, where necessary, provide supporting evidence) that they comply with New Zealand's laws, Australia's laws, the relevant International country's laws (applicable to the Collaborative Projects category only), regulations, and international commitments.

### 7.4 Eligible costs and activities

Eligible activities are outlined in section 2. Costs may include expert advice, the cost of technical equipment consumables and staff time essential to the collaborative project. Eligible costs must be reasonable and an appropriate use of public funds.

Some costs may be capped (e.g. wages, travel, accommodation).

The 'retrospective date' is the date that NZTE acknowledges receipt of the application (or the closing date for Full Applications for Collaborative Projects). You can seek co-funding for costs incurred after the retrospective date, provided your proposal is approved and contract signed. Costs incurred before the retrospective date are not eligible.

## 7.5 Ineligible costs and activities

The following costs cannot be reimbursed through ANZBPF funding:

Costs incurred before the retrospective date

Costs to fund 'business as usual' activities, and activities that would take place without the ANZBPF funding

Costs associated with an NZTE service, such as fees for NZTE's customised international market research

Activities more appropriately funded by other agencies or the costs associated with making an application under another government assistance programme. If the activity could be funded from another source, your application should state why that avenue has not been pursued

Funding that has been sought or received from another government agency for the same costs. This does not preclude more than one government agency contributing to the same overall project. (If applications for funding to other government agencies are unsuccessful, eligibility can be reconsidered by NZTE.)

Costs for illegal activities – proposals and business concepts must be consistent with laws and regulations

Dealing in land, commodities, shares, securities or other financial instruments

Property development

Costs of applying for funding for another government assistance programme

Costs for which NZTE has provided funding under a separate agreement

Entertainment expenses, high-end accommodation and dining, first or business class travel

## 7.6 Fair and reasonable rates

The project budget in your funding proposals must be fair and reasonable. Factors that influence this include the appropriateness of the provider, including qualification and experience. This is balanced against the required deliverables.

## 7.7 Overruns and underspends

You must bear the cost of any project cost overruns unless NZTE has agreed a contract variation with you (see section 7.11).

You may not apply unused funding for activities outside the scope of your project. Another application must be made for new activities.

## 7.8 Tax

Any amounts payable through ANZBPF are inclusive all taxes (including GST where applicable). The GST portion of the co-funding (1/9th) is accounted for as output tax.

NZTE does not provide advice on income tax relating to co-funding but we advise clients to take advice from an accountant or tax specialist about income from co-funding.

## 7.9 Foreign exchange risk

All foreign exchange risk is borne by you. Proposals are submitted with a forecast of project costs in New Zealand dollars. All claims are paid in NZD to a New Zealand bank account.

If the real costs are higher due to FX movement, only the approved NZD amount will be reimbursed. If the real costs of the claimant are lower due to FX movement, you will only be reimbursed for 50 percent of the actual costs. You may wish to investigate options such as a Forward Exchange Contract.

## 7.10 Contracts

NZTE will agree a funding contract with you, including:

- conditions relating to the specific project
- provisions relating to reporting, monitoring and evaluation
- recognition of New Zealand Trade and Enterprise as a significant funder of the project

Costs will be reimbursed in accordance with a payment schedule linked explicitly to the achievement of identified outputs and/or milestones specified in the contract.

The milestones ensure that the fund meets Cabinet requirements in relation to the overall fund objectives and the sharing of costs between contributors.

## 7.11 Contract variations

You must arrange a contract variation if the components of the project change. As long as the fundamental project is consistent with what was originally agreed, contract variations are not difficult to arrange. There is no standard format for a contract variation. They are usually made through a letter that sets out the details of the change, which should be signed by both parties to the agreement.

Each case will be determined on its merits. Things that often change are the time needed to complete work or claim funding. When it takes longer than expected to reach the initial milestones your contract may be extended, but it is important to show reasonable progress on the project. However, if the original project changes fundamentally, then the original contract is cancelled and you will need to make a new application.

## 7.12 Right of review

If your application is declined you may request a right of review if you believe NZTE has overlooked important information or has not followed the correct process.

## 7.13 Privacy, confidentiality & disclosure

Information received by NZTE is held in the strictest confidence. However, as NZTE is subject to the Official Information Act 1982 (OIA), the information we hold can be requested by third parties and NZTE must provide information as required to do so by law. The information may include:

- Name of grant recipient
- Amount of grant
- Contact details of grant recipient
- General statement of the nature of the project/activity
- The outcome of the grant funded activity

The OIA provides that information can be withheld when it is subject to an obligation of confidence or is commercially prejudicial. NZTE will not release any details beyond those required by law.

As part of the application process, you will be required to sign a declaration to confirm that the information you provide is accurate, declare conflicts of interest and acknowledge that you have read and understood the client information, including the OIA and Privacy Act obligations.

Please note that a false or incomplete disclosure could void funding approval, require the repayment of funds, or, in the extreme, lead to legal action.

## 7.14 Promotion and communications opportunities

Your client manager may discuss media opportunities around good news stories from your ANZBPF funding. If this is the case, NZTE will agree a communication strategy with you.

## 7.15 Financial administration

### Claims

Approved costs are reimbursed at a rate of up to 50 percent of actual expenditure. If you require greater flexibility in timeframes due to special circumstances this must be agreed with NZTE and reflected in writing well in advance of the project completion.

NZTE reimburses approved costs on receipt of the following:

- a progress report
- relevant certifications (see information about external auditor review below).
- claim form
- supporting invoices and receipts

We review these for reasonableness and consistency with your contract and follow up any major variances.

NZTE reserves the right to carry out checks on any part of a claim and may request access to your records and personnel for that purpose.

### External auditor review

NZTE requires that both the Recipient and partner organisation(s) supply a certificate from an External Auditor verifying the costs attributed to the project. This certificate must relate to the project period for which a claim is being made, and must be enclosed with your claim.

### Setting up a bank transfer

Banks transfer is the securest payment method. In order to make a transfer, NZTE needs a bank deposit slip for the organisation receiving funding.

## 7.16 Reporting, monitoring, audit and evaluation

ANZBPF contracts contain provisions for monitoring, reporting and evaluation because NZTE must ensure that:

- funding is used for the approved purpose
- the source(s) of all funding contributions are transparent and sound
- high standards of financial management and probity are maintained, and resources are used efficiently, consistent with the expenditure of public money
- appropriate reporting, monitoring, audit and evaluation activities can be carried out, including by public agencies other than NZTE.

### Monitoring

Your Client Manager will monitor project progress and will keep in monthly contact with you (or more frequently, if that is required). The key objective of monitoring is to identify risks and barriers to progress.

### **Reporting requirements**

You will be required to provide quarterly reports to your client manager for each project. These reports should include explanation of any significant variation from original project schedule.

Your client manager can provide a template with reporting guidelines.

### **Sanctions for non-reporting**

Reporting obligations are outlined in your contract with NZTE. NZTE withholds 20 percent of funding until we receive a report of the required standard.


### **Evaluation**

You must complete a project evaluation report as soon as practical, but no later than three months after the project closes. Because of the long-term nature of the biotechnology industry, NZTE may ask for two and five year follow up reports to evaluate the success of the project itself and the ANZBPF programme in general.

**Appendix One**

## ANZBPF Timeline 2009/2010

### Collaborative Projects

 Opening Date for applications  
1 July 2009

