



The Dairy Australia Technology Assessment Scheme

Program guidelines

The Dairy Australia Technology Assessment (DATA) Scheme is an initiative funded by Dairy Australia (DA) that provides financial assistance to Australian dairy processors to undertake a detailed commercial assessment of an innovative technology or practice which the project proponent can demonstrate has clear potential to significantly improve the Australian dairy industry's economic or environmental performance.

The DATA Scheme is designed to enhance the rate and rigour by which the Australian dairy processing sector evaluates and screens emerging technologies of interest, thereby de-risking subsequent investment decisions and accelerating technology uptake. The intent is to shorten the lag phase for adoption that typically exists between the rise of commercially mature technologies and their implementation within a manufacturing setting – realising the commercial benefit sooner and broadening the level of uptake. The ultimate aim of the

DATA Scheme is to improve Australian dairy manufacturing margins, enhance returns to dairy farmers and advance the sustainable profitability of the broader Australian dairy industry by remaining at the forefront of technological innovation.

Priority will be given to projects which seek to assess technologies with the capacity to improve the sector's performance with respect to the manufacturing-based targets under the Australian Dairy Industry Sustainability Framework, namely:

- › reduction of greenhouse gas (GHG) emissions intensity
- › reduction of consumptive water intensity
- › reduction of waste to landfill intensity.

Eligibility requirements

Organisation eligibility

- › Australian-based dairy processor with a registered ABN/ACN.
- › Applicant must be a Company Member of the Dairy Manufacturer's Sustainability Council.
- › Applications from a consortium of more than one dairy processor will be highly regarded/encouraged.

Project eligibility

- › The project must involve the development of a commercial assessment of an innovative technology, which is not currently employed within the Australian dairy processing sector.

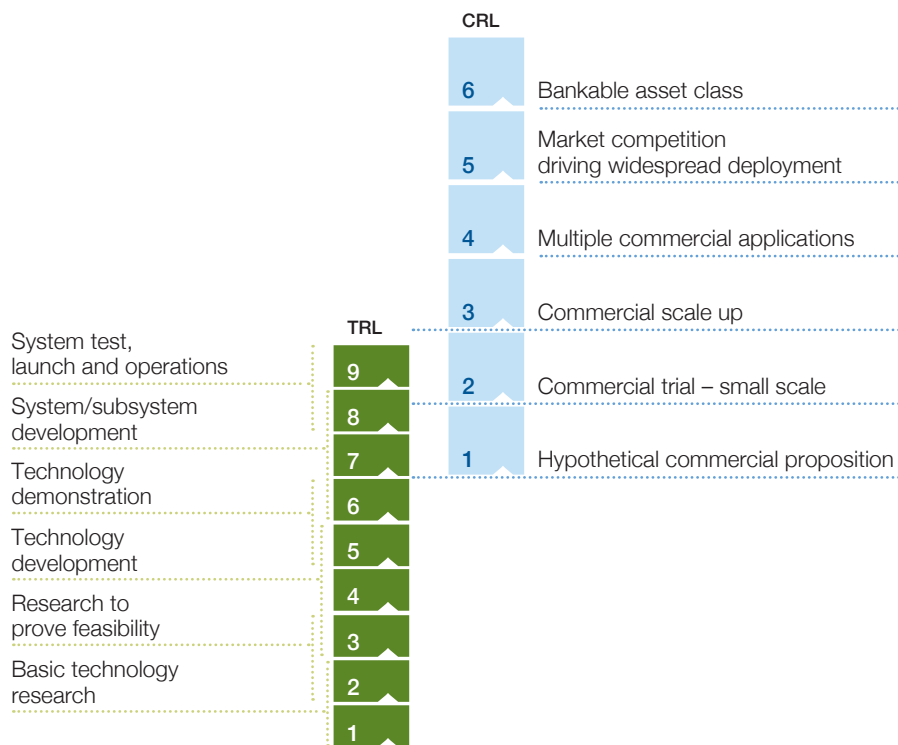


Figure 1 Indication of the Relative Level of Technology Development Described by the Technology Readiness Level (TRL) and Commercial Readiness Level (CRL) Indices

Source: 'Self-Assessment tool for the Accelerated Step Change Initiative: the Commercial Readiness Index', ARENA

- › The commercial assessment can include physical trials but must ultimately produce written reports that document the findings of the cost-benefit study and outlines both the technical and economic considerations (see Reporting Obligations).
- › The project proponent must be able to demonstrate at the application stage the quantum of the potential benefit that the technology being assessed could provide to the dairy processor individually and the Australian dairy supply chain overall.
- › The project proponent must demonstrate that the project is one which could not be completed using the internal technical or funding capabilities of the applicant organisation.
- › The technology to be assessed must be of suitable commercial maturity. Technology Readiness Level (TRL) and Commercial Readiness Level (CRL) Indices are used by other Australian organizations such as the Australian Renewable Energy Agency (ARENA) to assist with classifying technologies and thereby identifying the appropriate level of commercialization support (see Figure 1 below). Project proponents will be required to self-assess the

TRL or CRL of the technology being proposed for consideration under the DATA Scheme and the DA Program Manager assessing applications will generally need to be satisfied that the technology being considered can demonstrate a Commercial Readiness Level (CRL) of 2 or greater. Project proponents can make use of ARENA's publication, *Self-Assessment tool for the Accelerated Step Change Initiative: the Commercial Readiness Index*, to support this activity.

- › Projects that are for the funding of one or more of the following are **not** eligible:
 - Equipment design for development of equipment prototypes
 - Software development
 - Purchase of plant or equipment, unless specifically needed for completion of the assessment project. This type of equipment cannot be transferable to production capacity
 - Projects < \$5,000
 - Projects with a duration of more than one year from signing of an agreement with DA.

Funding details and applicant contributions

- › The maximum total project assistance that DA will provide to eligible projects under the DATA Scheme is \$50,000.
- › The minimum total project assistance is \$5,000.
- › Eligible projects will need to identify the nature and value of in-kind support being provided to the project by applicant organisation (i.e. through provision of site data, samples, technical input, pilot trial supervision and provision of utilities for pilot system operation etc.); however, no cash co-contribution from the dairy processor is required.
- › Eligible projects that can demonstrate higher levels of in-kind support or cash co-contributions will be preferentially selected.
- › Project costs, both budgeted and actual (including in-kind contributions), must be verifiable upon request.
- › Project funding from DA will be payable in instalments based on project milestones. In all cases, 20 per cent of the total project funding will be retained by DA until it is satisfied that all project deliverables are met.

Conducting the project

- › DA will work closely with the applicant during the proposal development stage to focus the project on deliverable and quantifiable targets.
- › The technology assessment projects must be conducted by a suitably qualified third-party in collaboration with the applicant organisation. This third party must be at arm's length to the technology developer/provider to conduct the commercial assessment of the technology in question.

Intellectual property (IP) ownership

Prior to undertaking the project, the applicant organisation (where applicable) must:

- › describe the nature of any pre-existing Background IP relevant or necessary for the successful completion of the project and who owns it
- › confirm that they have obtained (or will obtain) agreement from the third party to use any third party IP.

A condition of DA assisting with any DATA Scheme project is that the applicant acknowledges that:

- › DA will share certain, non-commercially sensitive, outcomes of the project with the broader Australian dairy processing sector (which DA will facilitate) (see Reporting Obligations).
- › The applicant will be required to submit an In Confidence Completion Report which discloses details of the outcomes of the commercial assessment. This information will be held in confidence and used internally by DA to periodically evaluate the value of the DATA Scheme as an instrument for accelerating technology transfer (see Reporting Obligations).
- › The applicant will be required to provide DA with a one to two-page Case Study Report. This report is to communicate generic, non-commercially sensitive, learnings from the project to the broader Australian dairy processing sector (see Reporting Obligations).

- › The applicant will be required to provide to DA with an Annual Statement of Benefits. These statements are to provide an estimate of the actual benefit derived from any installed systems which result from the DATA project for 3 years post completion of the project. This information will be held in confidence at DA in perpetuity (see Reporting Obligations).

Application and selection process

The DATA Scheme will be opened for applications over two rounds each year.

Assistance will be prioritised based on a combined evaluation of the following;

- › Commercial maturity of technology to be assessed
 - As evidenced, for example, by reference to successful implementation overseas or in other manufacturing sectors
- › Technical capacity of the team assembled to undertake the project
- › Level of in-kind and cash co-contribution being provided by the applicant relative to the assistance requested
- › Quantum of the potential benefit that the technology being assessed could provide to the Australian dairy processing sector as a whole
- › Capacity of the technology to improve the sector's performance with respect to the manufacturing-based targets under the ADI's Sustainability Framework, namely:
 - reduction of greenhouse gas (GHG) emissions intensity
 - reduction of consumptive water intensity
 - reduction of waste to landfill.
- › Agreement from the applicant to share non-commercial project outcomes (see Reporting Obligations).

In order to be formally considered for assistance under the DATA Scheme the dairy processor applicant is required to submit a completed DATA Scheme Application Form to the DA Program Manager – Innovation & Sustainability, Ian Olmstead (iolmstead@dairyaustralia.com.au).

Prior to completing the Application Form, applicants are encouraged to contact the DA Program Manager to discuss the broad details of their proposed project in order to gauge its suitability. Assuming the project proposed appears suitable, the DA Program Manager can then provide guidance through the application stage. The technology provider or third-party specialists selected by the applicant to undertake the assessment can and should also support the applicant in completing the application.

Completed Applications which are submitted to DA will be assessed by the DA Program Manager with support from other investment analysts within DA. Preferred projects will then be referred to the relevant personnel on the DA Executive Leadership for final approval.

Successful applicants will be notified in writing and will be required to enter into a legal Project Agreement with DA before being entitled to any payment of project funds.

Projects will not commence until Project Agreements have been signed and finalised.

Project Agreements must be signed and finalised within 60 days of the applicant being notified of their success. Failure to finalise Agreements within the 60 days will result in the withdrawal of the offer by DA.

The Project title and a brief project summary will be published on DA's website and within relevant Program marketing and reporting publications.

Reporting obligations

In return for DA's assistance towards their DATA project, applicants are required to provide the submit the following reports at the completion of the project:

In Confidence Completion Report

- › The In Confidence Completion Report discloses the relevant outcomes of the commercial assessment of the technology in question. This information will be held in confidence at DA in perpetuity. The intent of this report is for the project outcomes to be used internally by DA to periodically evaluate the value of the DATA Scheme as an instrument for accelerating technology transfer.

- › It is DA's expectation that the commercial assessment of the technology being evaluated includes the type of engineering deliverables and general level of project definition/ cost accuracy typically associated with a Class 4 (-30%/+50%) cost estimate¹ (or better). As such, it is anticipated that in order to arrive at a commercial cost-benefit assessment of the technology the In Confidence Completion Report would comprise at a minimum the following: plant capacity, block schematics, indicated layout, process flow diagrams (PFDs) for main process systems, and preliminary engineered process and utility equipment lists. Assessed potential benefits, such as those associated with GHG, energy, water, trade waste, landfill disposal savings, should also be documented in the overall cost-benefit analysis.

Case-study Report

- › The intent of the one to two page case study report is to communicate generic, non-commercially sensitive learnings from the project to the broader Australian dairy processing sector.
- › Typical content of the case study report would include an overview of the issue/challenge faced, the technological approach taken, general learnings and a summary of the assessed benefits.

Annual Statement of Benefits

The intent of requiring an the completion of an Annual Statement of Benefits is to provide an estimate of the actual benefit derived from any installed systems which result from DATA projects for 3 years post completion of the project. This information will be held in confidence at DA in perpetuity. This information will be used internally by DA to periodically evaluate the value of the DATA Scheme as an instrument for accelerating technology transfer.

¹ Further details of typical engineering deliverables associated with a Class 4 cost estimate can be found at: http://purchasing.borough.kenai.ak.us/docs/aace_classification_system.pdf

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