

MLA DONOR COMPANY (MDC) APPLICATION GUIDELINES

Introduction

Since 1999, Meat & Livestock Australia (MLA) has been proactively stimulating commercial investment in innovation through its fully owned subsidiary, MLA Donor Company (MDC). The MDC provides a mechanism for attracting commercial investment from individual enterprises and matching this with surplus Commonwealth rural meat industry R&D funds.

Through the Innovation Partners Program, the objectives of the MDC are:

- To significantly increase the level of enterprise investment in innovation in the Australian red meat industry.
- To significantly enhance the outcomes of commercially focussed innovation thereby ensuring quantifiable commercial returns to individual enterprises and ultimately to the industry overall.
- To accelerate the commercialisation of R&D thereby adding the quantum of innovations available to industry.
- To assist the Australian red meat industry to develop an innovation culture and capability.
- To achieve commercial returns for MDC (where appropriate), which can be reinvested in programs and projects that grow the level of profitable innovation within the industry.

Project submissions come from all sectors of the red meat industry supply chain, including:

- Producers
- Feed lots
- Meat processing companies
- Value adding companies
- Food service operators
- Alliances
- Live exporters
- Retail butchers
- Supermarkets
- National and International industry organisations

Companies involved in supporting the industry are also eligible to apply. These include:

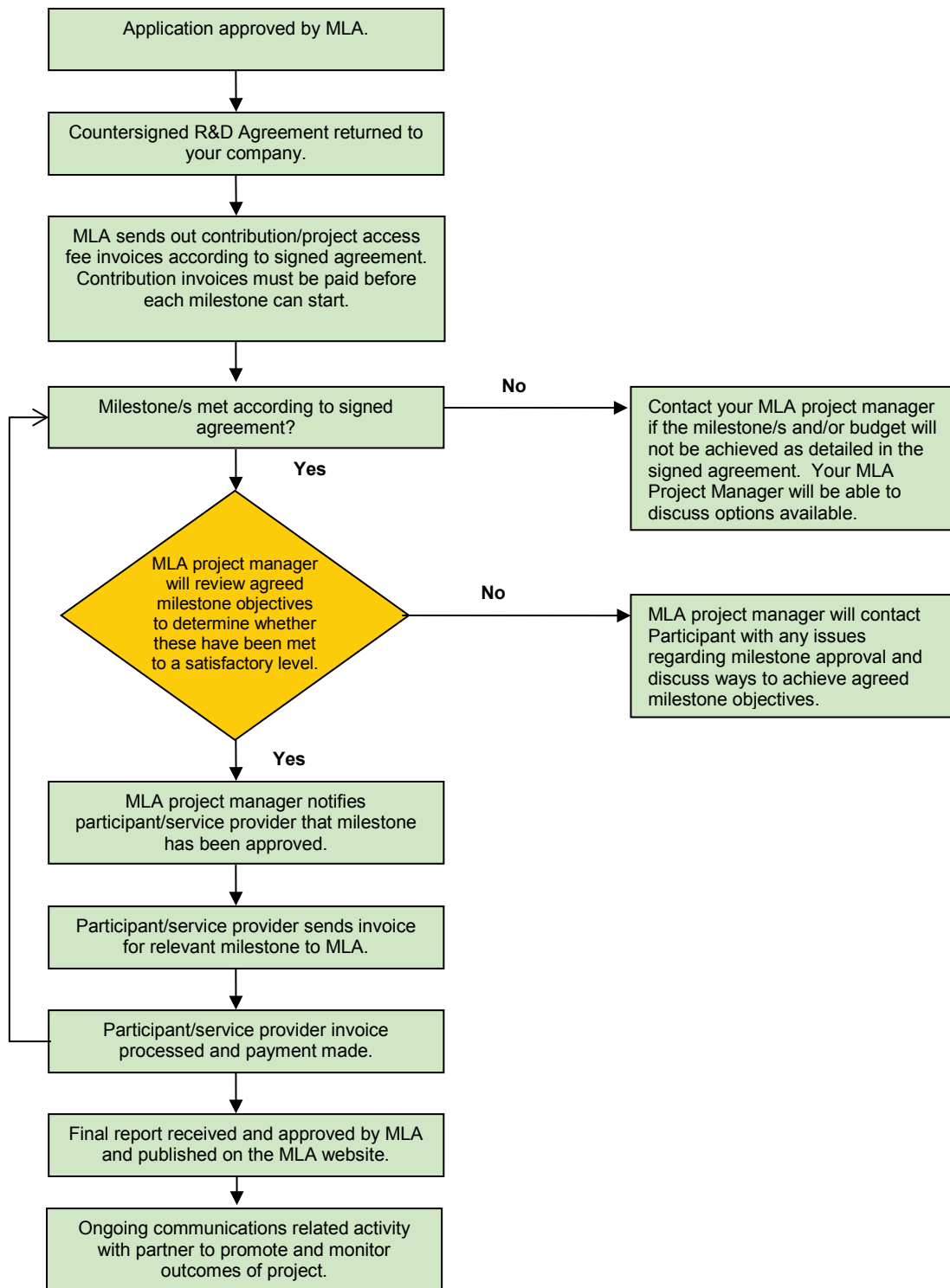
- Packaging companies
- Technology development companies
- Plant breeding companies
- Equipment suppliers
- Research and consulting organisations
- Animal health companies

It is important to note that this program is self-funded and does not have access to industry levy funds. The program can only be offered if sufficient funding is raised through the delivery of the program to support the management and delivery of MDC activities. For this reason a project access fee is charged.

How does the MDC funding mechanism work?

This application will form the basis of a contract between your company and MLA. The contract will set out a schedule of milestones and contribution payments. MLA will issue invoices to the partner company for a minimum of 50% of the cost of the milestone. These invoices must be paid before commencement of each milestone. MLA will match the partner company's contribution and pay the service provider at the completion of each milestone.

Below is a diagram demonstrating how successful projects work within MLA.



How to complete the MDC Project Application Form

Following these instructions will ensure all the necessary detail is provided to enable MLA to evaluate the project as quickly as possible.

All areas listed in the application must be completed.

1. Project code

This is an internal project code assigned by MLA. Please use this code as a reference for all further communication with MLA.

2. Project title

The project title should adequately, yet succinctly describe the proposed project in one line.

3. Project description

Provide a short summary of the project. This is to be no more than 250 words or 10 lines.

4. Company details

Provide the full registered name and Australian Business Number, along with all required contact information.

5. Background/previous research & development

Define the problem or opportunity that this project is aiming to address. You should cover the following:

- How has the project 'come about'?
- What currently happens and why does it need changing?
- What alternatives have been investigated or are available? What happens in other industries?
- Experimentation/investigation work to date
- Amounts spent on previous projects or research (with or without MLA funding)

6. Project outputs/outcomes

List the outputs/outcomes of this project, distinguishing these from the outcomes from any further research and development after this project.

7. Value proposition and benefits to the Australian red meat industry

Describe the value proposition and benefits to the Australian red meat industry assuming a successful outcome of this project. Indicate how these were or will be calculated.

8. Further research, adoption and/or commercialisation strategy

How the project outcomes might be disseminated or commercialised for benefit of the Red Meat Industry and/or adoption by other companies. Where next after this project?

9. Project and Background Intellectual Property

List Intellectual Property anticipated to arise from the project, and expected ownership of this project IP as a percentage. List any relevant Background IP and its ownership that will be required for the project.

10. Source of funds

This table outlines how the entire project (including Project Access Fee) will be funded. MLA Donor Company Limited (MDC) can fund a maximum of

50% of the project. The remaining funds will be provided by your company and any other funding partners.

If your company is a processor and has sufficient Australian Meat Processor Corporation Limited (AMPC) R&D funds available, AMPC may be able to contribute up to a maximum of 25% of the project, confirm your available funds with AMPC directly.

MLA is not able to match funds sourced from other Australian Federal Government programs and may be able to match only in limited cases funds from Australian State Governments.

Funding sources may include the following:

- Australian or International (funding directly provided by partner).
- PIP (funding provided by AMPC), MDC (matching funding provided by MLA).
- Commonwealth (funding provided by the Commonwealth for use in the project however not able to be matched).
- State (funding provided by State governments which may be able to be matched with some conditions).

The source of funds total must match the expenditure and milestones totals, including project access fees.

The **Project access fee** is currently either 8% or 12% of the net value of the project. This fee is calculated on the net project cost and will be invoiced quarterly. If the project takes longer than the contracted timeframe additional access fees will be proportionally applied, so please think carefully about the dates and duration of your milestones.

Industry levy payers will pay 8% for their project access fee. All other partners will pay a 12% access fee.

11. Service providers

Provide the name, Australian Business Number and contact information for all organisations that will be contracted to provide the services being funded by this application. You should note whether these organisations will be contracted by MLA or by the funding partner.

12. Expenditure of funds by service providers

For each of the above service providers, provide a breakdown of the services being provided by this organisation. This should include:

Salaries & wages – Labour costs (including on-costs and fixed costs) incurred by each service provider.

3rd party or subcontractor fees – Costs for any external consultant or organisation undertaking work on the project that is not employed one of the designated service providers.

Project expenses – Need to be classified into the following areas:

- Travel (T) – flights, accommodation, meals and mileage etc.
- Materials (M) – steel, system controllers, cable, drive motors, sensors etc.
- Consumables (C) – water, electricity, gas, telephone calls, chemicals etc.
- Other (O) – please specify

Capital - Items that would be treated as a depreciated capital asset and are required for the purpose of undertaking the project e.g. livestock if these can be resold, computers, off the shelf equipment more than \$1,000, motor vehicles, machinery.

13. **Milestones and budget**

Milestone – Each milestone should define:

- The work that will be completed, in terms of measurable achievement criteria relating to the successful delivery of the milestone (e.g. installation of equipment & completion of a successful 30 day trial, training course completed & delivered to MLA's satisfaction).
- Identify any go/no go decisions at project review points throughout the project. These decision points are designed to allow the parties to review a milestone outcome and agree on whether to progress the project to the next stage (e.g. at the completion of initial feasibility studies).
- Start and finish dates for that milestone.
- Service provider who will undertake these activities. If multiple service providers are involved, each should have an appropriate set of milestones.
- Breakdown of costs for that milestone between salaries, wages, 3rd party or subcontractor fees and expenses or capital items.

14. **Capital assets**

List each of the capital items to be purchased as part of the project, including depreciation rate, depreciation period and buyback values in this table. These assets will be depreciated at standard Australian Tax Office depreciation rates. Depreciation period is the time between the starting date of the milestone linked to that capital asset purchase and the end of the project. The estimated buyback price will be recalculated at the completion of the project.

What is a capital asset? Items required for the purpose of undertaking the project e.g. livestock if these can be resold, computers, off the shelf equipment more than \$1,000, motor vehicles, machinery.

What is not a capital asset? Project purpose built prototypes, modifications to infrastructure, electric motors, component cable, controllers, small equipment items, tools etc.

15. **Completed applications and further assistance**

Completed applications with any supporting documentation should be sent to either the relevant technical manager or mdc@mla.com.au

16. **PRIVACY STATEMENT:**

The information you are providing to Meat & Livestock Australia Limited ABN 39 081 678 364 ("MLA") may be personal information under the Privacy Act. We will collect, hold, use and disclose the email address you have given us and the personal information you provide in the manner set out in MLA's privacy policy (located at <http://www.mla.com.au/General/Privacy>), including for keeping you informed about the progress of this application, MLA R&D programs, market news, industry information and other communications from MLA. If you do not provide the personal information requested, MLA may not be able to provide you with products or services. By providing MLA with your personal information, you consent to the collection and handling of your personal information in accordance with MLA's privacy policy which can be viewed at <http://www.mla.com.au/General/Privacy> or obtained directly from MLA by calling 1800 023 100. You may access and correct any personal information held by MLA on request.

If you provide a telephone number, you consent to MLA contacting you for an indefinite period about future products and services that may be of interest to you.