**MLA Project Funding**

**Application Guidelines**



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# 1 Introduction

## 1.1 How to use these guidelines

These guidelines should assist you in applying for project funding from MLA. They apply to both the preliminary and detailed project application forms, noting that some sections of these guidelines will only be relevant to the detailed application form. Consult the MLA website for details for when to use the preliminary and detailed project application forms.

The application forms should not be used when responding to an MLA public tender advertised on MLA’s web site, as these include a tender document with specific applicant requirements. The application forms are also not required for consulting and IT services.

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

Important resources on MLA’s public web site referenced in these guidelines include:

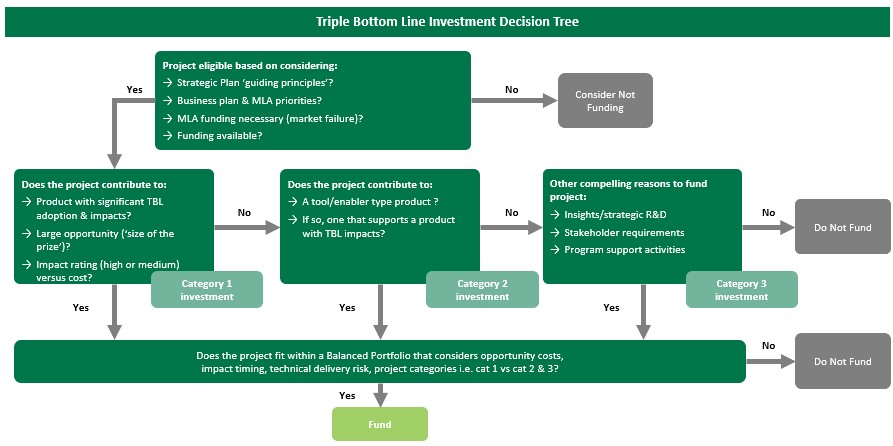
* Applying for MLA Project Funding
* Project Application Guidelines & Forms
* MLA Donor Company
* Evaluation
* [MLA agreements](https://www.mla.com.au/about-mla/mla-agreements/)
* [MLA Privacy Policy](https://www.mla.com.au/general/privacy/)

## 1.2 MLA’s Investment Decision Criteria

MLA assesses all project applications via a standard set of investment decision criteria as per the below diagram.

In order to maximise your chances of a successful application, you should address these criteria in your application.

### Table 1.0



When assessing projects for funding eligibility, MLA currently considers the following criteria:

* Alignment to MLA’s strategic objectives, as articulated in its Strategic Plan (available at [MLA at a glance)](https://www.mla.com.au/about-mla/mla-at-a-glance/), MLA’s internal business plans, and the red meat industry priorities outlined in the Red Meat 2030 strategic plan - see [Red Meat 2030.](https://www.rmac.com.au/red-meat-2030)
* Whether funding from MLA is necessary to address a perceived or actual market failure. This includes an assessment as to whether the project is novel, and whether MLA has funded similar projects previously.
* MLA funding availability.
* Track record of any service provider(s) involved in carrying out the project (which, in addition to the applicant could include any agents and subcontractors of the applicant, and other third parties directly engaged by MLA in relation to the project, together referred to in these guidelines as a **Provider**), project methodology and whether there are clearly defined project objectives and deliverables for the project.
* Technical risk (the risks of not achieving the deliverables of the project).

In addition, MLA will assess the proposed project based on the category of investment would fall under based on the categories and their assessment criteria explained further in section 2.7. For example:

* Category 1 level is related to whether the outcomes of your project will directly deliver adoption and benefits to the red meat industry.
* Category 2 is related to whether your proposed project outcomes will assist or enable the above, rather than directly creating benefits.
* Category 3 is related to other investments such as strategic research, general consulting or support services.

## 1.3 Privacy

You must comply with the *Privacy Act 1988* (Cth) in submitting a funding application and, if successful, in entering into an agreement in relation to the project contemplated by the application.

MLA will collect your personal information for the purposes of administering the funding application, including corresponding with you about the application and evaluating your application. If you choose not to provide some or all the required personal information, MLA may not be able to consider the application.

Please refer to our privacy policy (https://www.mla.com.au/general/privacy/) for further information on how MLA collects, uses and discloses personal information.

# 2 Application Form Guidelines

The following headings relate to each section of the preliminary and detailed application forms, noting that some sections are only required for the detailed form.

## 2.1 Project (Work) Details

**Work No.** This is the MLA project code that will be assigned by MLA after receipt of your application. You should quote this code when referencing the project in your communications.

**Work Title.** Project name that uniquely identifies the project (15 words maximum).

**Start and Completion Date**. Please insert proposed start and completion dates for the project in the table. These should be specific dates. The start date should allow reasonable time for the MLA project assessment and contracting process to be completed. The completion date should allow time for final milestones to be completed and paid.

## 2.2 Applicant Organisation (Participant/Consultant) Details

This is the ABN, name and address of the Applicant applying for funding – in most cases, this is the organisation you are making an application on behalf of. If the application is successful, this organisation will be responsible for all contractual deliverables and funding obligations.

**Work Leader.** This is the primary project management contact and must be employed by the Applicant.

**Administration Contact**. This is the Applicant’s contact for project administration matters such as milestone and final reporting. This is not required for the preliminary project application form.

**Finance Contact.** This is the Applicant’s contact for any matters relating to invoicing or payments. This is not required for the preliminary project application form.

**Authorised Person (Signatory).** This is the Applicants contact who is authorised to sign the project application and make the warranties in the project application.

## 2.3 Third Party Participants

Nominate any third parties that are to provide funding and/or conduct all or part of the project deliverables. If your application is approved, MLA will engage those parties directly. This does not include third parties which are agents or subcontractors engaged directly by you (see section 2.4 below). MLA will engage third party participants using MLA’s standard umbrella agreements. If there are no third party participants, please note ‘N/A’.

Third Party Participants do not need to be identified for the preliminary project application form.

## 2.4 Agents or Subcontractors

Please list details of any agents and/or subcontractors that will be engaged directly by you during the project. If none, please note ‘N/A’. An agent or subcontractor may conduct part(s) of the project for which they are listed as a ‘Provider’ in the ‘Milestones’ table. The conditions for your engagement of agents and subcontractors are set out in MLA’s umbrella agreements.

Agents and/or subcontractors do not need to be identified for the preliminary project application form.

## 2.5 Applicant Nominated Person(s)

List the names and contact details of key staff involved in the project. Applicant Nominated Personnel should be employees of the Applicant organisation.

Applicant Nominated Personnel do not need to be identified for the preliminary project application form.

## 2.6 Project Summary

Summarise the project concept, key outputs and expected industry outcomes in a clear, concise, and nontechnical way (200 words maximum). This will form the basis of a summary that may be submitted to MLA’s board for approval and, if the application is accepted, will also be used in MLA external publications. It should not include or refer to confidential information or Intellectual Property (IP).

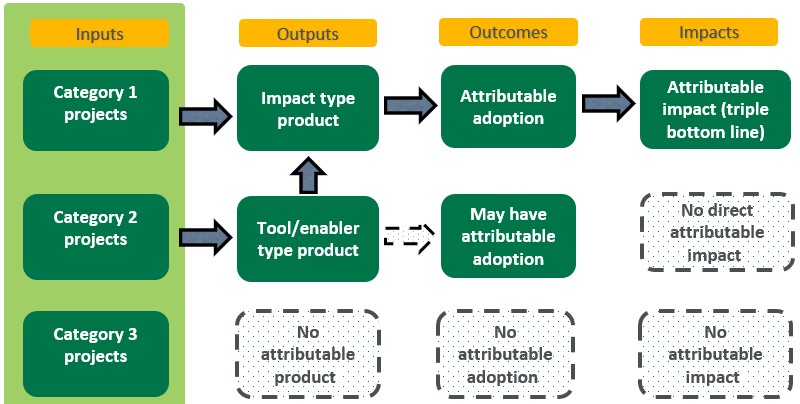
## 2.7 Project Category

MLA projects are categorised as per the following. Please consult MLA’[s Triple Bottom Line Evaluation Framework](https://www.mla.com.au/globalassets/mla-corporate/about-mla/documents/planning--reporting/evaluation/mla-tbl-evaluation-framework.pdf) for further detailed information.

**Category 1.** Projects that deliver or contribute to an output (product or value proposition) that has directly attributable outcomes (supply, demand, or adoption changes) and economic, social or environmental impacts are considered category 1 investments.

**Category 2.** Projects that deliver or contribute to a tool/enabler type output (product or value proposition) but that do not have directly attributable impact. For example, a web-based tool may enable or support an extension program that will in turn deliver impact via practice change, or a diagnostic test may support animal health benefits from a vaccine. Scientific papers, research reports etc are not considered as project outputs for category 2 investments.

**Category 3.** Projects focussing on strategic research, insight and support will not have attributable adoption outcomes or impacts and are primarily evaluated on their likely technical success.



Further assessment criteria for funding eligibility apply based on the category of the project.

For Category 1 investments, key assessment criteria include:

* Contribution of investment to an output (product or value proposition) that has significant Triple Bottom Line impact (as defined in the [MLA TBL Evaluation Framework)](https://www.mla.com.au/globalassets/mla-corporate/about-mla/documents/planning--reporting/evaluation/mla-tbl-evaluation-framework.pdf).
* Scale of the opportunity, relative to the likely potential adoption and impact (benefits) to both the red meat industry and the Australian community.
* Likely attributable adoption delivered via extension and/or commercialisation pathways.
* Impact rating relative to cost and technical risk of achieving a viable, adoptable product.

For Category 2 investments, key assessment criteria include:

* Contribution of investment towards a tool/enabler type product. If so, does this tool/enabler type product support, or is it essential for, a product or value proposition that does have significant Triple Bottom Line impact?
* Likely adoption of the tool/enabler type product (if applicable) relative to cost and technical risk.

For Category 3 investments, key assessment criteria include:

* Technical risk (the risk of not achieving the deliverables of the project).
* The reasons why MLA should fund this project e.g. strategic research, insight and market research, necessary supporting activity etc.

## 2.8 Purpose and Description

Describe the project, noting the relevant MLA project assessment criteria in section 1.2 and the project category applicable to your project (as outlined in section 2.7).

You should also consider including the following:

* Describe the value proposition and benefit of this project to the red meat industry. This

description should clearly convey the importance, relevance and feasibility of the proposed work

to red meat producers and any other applicable stakeholders such as processors, brand owners or retailers. Any claims of benefits should be evidence-based and linked to appropriate references.

* Note any related R&D projects and explain their relationship to this project. If further projects or investments are required for further R&D, or to deliver outputs (products) required for adoption outcomes and/or impact, please provide a description, time frame and estimated costs for these.
* Confirm that the R&D is novel, and that similar work has not been or is not being conducted by MLA or other parties. If this is not the case, justify why this project is to be funded. This should be supported by a comprehensive literature review with peer-reviewed publications on the subject matter and/or derived insights from key stakeholders that support the key outcomes and impacts arising from the R&D.

### For category 1 and 2 projects

Define the project outputs (products or value propositions) that this project will deliver or will contribute to, e.g. commercial products, extension program or web-based extension tools and calculators etc.

Adoption (extension) and commercialisation pathways for the above should also be defined. You should consider:

* Who your target market is and what the potential barriers/issues/forces to adoption are?
* Proportion of the target market affected by the issue/problem (what is the opportunity?)
* What measurement and evaluation processes are planned to assess the adoption and impact, and how will these be funded?
* What year would adoption commence, what is the likely adoption profile until maximum adoption is reached?
* If adoption is to be delivered via an extension-based pathway, clearly outline how this extension will be funded within the program and how this adoption and impact will be evaluated. Guidelines for this evaluation are available from MLA at [Developing an Evaluation Plan for MLA Extension Investments.](https://www.mla.com.au/globalassets/mla-corporate/about-mla/documents/who-we-are--corporate-goverance/developing-an-evaluation-plan-for-mla-extension-investments.pdf)

## 2.9 Project Objectives

In this section, summarise as a short series of points the key objectives of the project. Each objective should be specific, measurable, achievable, realistic and time bound (SMART) and should not be confused with completion of work phases or milestones. Objectives include:

* Technical or contractual objectives such as delivery of insights report, or successful demonstration of a strategic research goal.
* Product or value proposition based objectives for adoption and/or impact. These are mandatory for category 1 and 2 type projects.

Example objectives might be:

* *Design and deliver prototype(s) and test with 10 key stakeholders by end of financial year.*
* *Validate yields to achieve target 90% compliance rate from 100 units at 5 sites.*
* *Cost benefit analysis completed including business case and commercialisation strategy by June 2024.*

## 2.10 Additional Details

Additional and background information should be included here. This might include:

### Background and significance

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

* How has the project come about? Are there any other stakeholders or other parties who have been consulted and support the project?
* What currently happens and why does it need changing?
* What alternatives have been investigated or are available and what were the results last time these were considered? What happens in other industries?
* Experimentation/investigation work to date and assumptions defined from key stakeholder perspectives (not only you as the Applicant) for activities are required to address the key project deliverables.

### Methodology to achieve objectives and deliverables

Describe the project materials, methods, research plan and any experimental protocols and design. You should consider the following:

* What data/insights will be captured throughout the project, how will it be analysed and what statistical methods (if relevant) will be used to validate findings?
* What methodology/technologies and/or measures will be used? How might any bias in data collection and analysis be managed to ensure validity and reliability factors?
* How will key findings or recommendations consider key assumptions – for example is there causality or correlation; can the findings be generalised to the conditions they were derived from and proposed to operate in the future and how could the research be replicated/interpreted in other conditions?
* Required approvals to conduct the activity; animal or human ethics (if needed), food safety permits, maintaining confidentiality etc. Where required, MLA requires ethics committee approval to be obtained before any work commences and approval must be factored into milestone 1 of the project.
* Where will data be stored and in what jurisdiction/country during the project and after?
* List what evidence is required to verify your ‘desirable-viable-feasible’ design assumptions and/or pivot your approach; what go/no go decision steps are recommended to ‘fail fast’ that would help MLA as an investor in the research have clarity of the value proposition(s) for the research throughout the agreed project timeframe.
* A proposed timeline of activities to be completed by each Provider that corresponds to their capabilities and contribution to the project.

Include justification for the proposed approach – that is, does the purpose of your research align with your research design i.e., exploratory, descriptive or explanatory; and have you appropriately considered key design terms such as:

* Research strategy = broad orientation to research
* Research design = framework for the collection and analysis of data
* Research method = technique used for data collection

For example, qualitative strategy → case study design → semi-structured interview method

Where appropriate, MLA supports a ‘design led approach’ that demonstrates value proposition(s) being framed and tested that encompass customer centricity values/user empathy for designing prototypes. This research approach considers ‘what is the problem to solve and jobs to be done’.

To ensure project deliverables are fit for purpose for MLA’s key stakeholders, it is important to consider desirability (product/service fit), technical feasibility and commercial viability. Hypotheses, verification, metrics, and criteria for success must be well defined.

## 2.11 Milestones

Project deliverables and budget are split into a series of milestones within the Statement of Work. Milestones are used by MLA to monitor the progress of the project towards achieving the project's objectives and every milestone will require the Applicant to provide a milestone report to MLA.

All milestone reports must be submitted to MLA two to four weeks prior to the milestone due date to ensure adequate time for MLA to review and approve the milestone, then allow the Applicant to address any amendments (where relevant) and for the parties to close out invoicing. Milestone report templates are available at [Project reporting templates.](https://www.mla.com.au/research-and-development/project-reporting-templates/)

The Applicant’s proposed payments (cash flow) must be aligned to the successful completion of milestones. See section 2.14 for further details on cash flow and payments.

### Milestone Achievement Criteria

* Detail 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 30-day trial, desktop study completed, training course satisfactorily completed, milestone report submitted and approved by MLA).

* If the Applicant is required to obtain approvals or licences under applicable Ethics Laws in order to carry out the project, then it should be set out as the first milestone and no other work on the project should commence until that approval or consent has been obtained.
* A MS Word based Final Report is required at the end of the project and must follow the MLA style guide at [Project reporting templates.](https://www.mla.com.au/research-and-development/project-reporting-templates/) Associated material such as databases, MS Excel spreadsheets and other Project IP should also be provided with the Final Report.
* In addition, other communication materials such as short videos, posters and flyers summarising the project deliverables can also be provided as milestones. MLA can provide relevant style guidelines upon request.
* If the project outcome(s) contain confidential information, a confidential and non-confidential (accessible through the MLA website) version of the final report must be provided. The duration of the embargo on publication of the confidential version must be clearly stated.

### Provider

The Provider is the party responsible for the milestone. If the Applicant engages an agent or subcontractor to deliver the milestone, the Applicant remains responsible and the Applicant should be specified as the Provider.

### Start Date and Due Date

* Start and finish dates for each milestone. This defines the work to be completed during that time and will be linked to the cash flow payment schedule.
* MLA requires a signed agreement before any work supporting the described project commences. When proposing milestone dates, or start and end dates for the project, be aware that approving and signing a statement of work may take up to 12 weeks from your initial project application

submission date. This may be longer for high value projects. No work can commence without a signed agreement and statement of work. Any work undertaken before contract execution will not be retrospectively reimbursed and is undertaken at the Applicant’s risk.

* To avoid delays and resulting variations to the project, dates should be conservative. MLA encourages Applicants to deliver milestones early, prior to the due date.
* If possible, avoid milestone due dates between 15 June and 7 July due to end of financial year considerations, and between 20 December and 7 January to avoid end of year shutdowns.

### Go / No Go decision point

Identify Go/No Go decisions at project review points throughout the project and set these up as separate milestones, without any payments attached to the milestone. 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) as per the prescribed resources and scope. At the same time, the parties should also review the resources required to complete the remaining tasks.

Go / No Go decisions can only be made by MLA and Providers (including the Participant) who provide monetary contributions to the project.

If a milestone is a Go / No Go decision point, you should tick the relevant box and the following should be set out in the Milestone Achievement Criteria (together with the description of the relevant milestone):

* Criteria or information required for the Go /No Go decision.
* The timeframe in which the Go /No Go decision must be made.

No further work should be undertaken by the Applicant until a decision is made at the Go / No Go point.

## 2.12 Source of Funds

This summarises the total cash you contemplate will be provided from each funding source. These are GST exclusive and must be in AUD. Non-cash (in-kind) funding is not to be included.

**Funding sources** may include:

* Applicant (if successful, Participant). Participant funding may be eligible for matching with Commonwealth funding under the MLA Donor Company (MDC) mechanism, to a maximum of 40%.
* Other parties that are contributing funds must be listed e.g. grants from State or Federal government.
* Australian Meat Processor Corporation (AMPC) as research and development (R&D) provider for Australian meat processors or as a participant outright.
* MLA levy based funding received from processor and producer transaction levies. Indicate the amount of MLA funding you are applying for.
* MLA Donor Company (MDC) funding. This is matched to Participant or other third party funding (up to 40%). Indicate the amount of MDC funding you are seeking, based on your contribution.

The MDC is not able to match funds sourced from the Commonwealth Government and may only be able to match funds from Australian State Governments under limited circumstances. A warranty that the Participant’s co-funding related contribution is not derived from the Commonwealth Government is required. For more information on funding sources and projects which are eligible for matched funding from the MDC, see Appendix 1 – MLA Donor Company Funding & Access Fees.

**Access Fees** are applicable for MDC related funding sources. These support the management, administration and delivery of MDC funded projects.

The MDC access fee rates are currently 8% or 12% of the MDC contribution. Industry levy paying Participants whose primary commercial purpose is red meat livestock production or processing incur an 8% access fee. All other Participants pay 12%. Please note that:

* The access fee is invoiced quarterly.
* Extensions to the contracted timeframe will attract additional administration fees (proportionally applied).
* Increases to the contracted budget amount will attract additional administration fees.

Please refer to Appendix 1 – MLA Donor Company Funding & Access Fees for further information.

**Total.** This is the total of all Contributions. This is the overall project value and is the basis for MLA’s investment approval amount. See Appendix 1 for some worked examples.

If your application is successful, MLA reserves its rights to provide the funding amount it considers appropriate, which may differ from the amount in the application form. This may require further revision of the source of funds and budget before signing a Statement of Work based on the application.

## 2.13 Budget

This is the total GST exclusive budget for project costs, separated by:

* Professional fees
* Operating expenses
* Assets. These should also be listed in the Assets table.

The total of the categories above should match the total contribution under Source of Funds (excluding Access Fees), as well as the totals in the Cash Flow table.

## 2.14 Cash Flow

The Cash Flow table lists the payment date, expense type and amount for each milestone in the project. No payments should exist for Go/No milestones and hence these do not need to appear on the Cash Flow table.

MLA will pay the allocated MLA project funding, including GST, on presentation of a tax invoice from the Applicant.

**Payment Date**. These should be aligned with the milestones in section 2.11, allowing at least a 4-week delay after each milestone due date. The payment date is the date that an Applicant may invoice MLA for the milestone payment, however, note that MLA’s standard terms are 30 days from receipt of the relevant invoice.

**Milestone**. Each payment must be related to the costs of delivering the relevant milestone. The amount of the final milestone payment following acceptance of a final report should be weighted at 20% or more of the total project value.

**Fees** are personnel related expenses working directly on the project. Where salaries are directly included, on-costs such as payroll tax, workers’ compensation, leave loading and compulsory superannuation guarantee charges (SGC) can be included in MDC applications. Items such as extended leave and severance pay are not eligible. Salary costs should relate to additional or existing staff allocated to the project and not include supervisory or management costs that would be incurred regardless of the project. While staff on-costs are a legitimate project expense for MDC funded projects, all project proposals are assessed on value for money.

**Expenses.** These are non-salary costs directly associated with the project, and may include:

* Subcontractor costs.
* Materials and consumables relating to the project. Consumables might for example include water, electricity, room/pilot plant hire, gas, telephone calls, specific consumables for the project, chemicals, meat and packaging used to prepare samples etc.
* Travel costs such as flights, accommodation, meals, hire of vehicles and mileage expense directly related to the project.
* Leasing or rental costs of capital equipment needed for the project. This is often a better option than purchasing assets for the project.
* Reasonable incremental costs required to secure research facilities for example glasshouse space or research farm space.
* Purchase of computer hardware (if under $1,000) and software items required for the project.

### Assets

List any capital assets acquired by the Applicant for the purpose of the project under the Assets section of the application.

MLA prefers not to fund the purchase of capital assets for a project but will consider leasing of essential and project related equipment as a legitimate expense.

Purchased assets considered essential for undertaking the project are treated as a depreciating capital asset and are to be sold or bought by the Participant at the completion of the project. The estimated buyback price will be calculated on the Australian Taxation Office (ATO) depreciation rate and time between the milestone linked to the purchase and the completion of the project.

## 2.15 Detailed Project Budget Worksheet

MLA requires a detailed project budget to be included using the template in Appendix 1 of the application form. The budget can also be provided as a separate Excel document. This must reconcile to the Milestones (refer to section 2.11) and Cash Flow (refer to section 2.14). An entry is required for each milestone, with a breakdown of the associated fees, expenses and capital and their corresponding calculation basis.

Costs should be based on actual cash expenditure directly related to the project in levy funded projects.

**Organisational overheads** are costs not directly attributable to the project. If they are specified by an applicant, the calculation basis of the overhead must be specified. These may include but are not limited to:

* costs associated with management or support staff not directly contributing to the project delivery e.g. administration, HR, WHS, customer services, directorates and management;
* depreciation on facilities, assets or equipment;
* asset maintenance;
* audit and insurance costs;
* corporate services;
* IT network costs

Items included should include:

**Milestone details** (from table 2.11). If a milestone is linked to a cash payment, each milestone should be listed, including the following:

* Type. This should be set to ‘Milestone’.
* Number and description. Use the numbering system as in section 2.11 and number from 1 onwards. Include a brief description of the milestone.
* Comment. This is optional and can be used to provide further information about that milestone.
* Amount and Provider. This should match the cash flow table in section 2.14.

**Expense details.** This provides a further breakdown to the costs related to each milestone. At least one expense detail must be provided for each milestone that has associated costs.

* Type. This should be set to ‘’Fees’, ‘Expenses’ or ‘Asset’.
* No (number). This should correspond to the milestone number plus a sub number e.g. an expense associated with milestone 2 could be labelled ‘2.1’.
* Description. This describes the expense, fees or asset e.g. salary, consulting fees, travel, rental or lease of capital items, payments to subcontractors, consumables etc.
* Comment. Please provide the calculation basis for the expense, fees or asset (i.e. units x cost per unit).
* For all Applicant and subcontractor personnel cost based expenses, provide estimated FTE days or hours, including daily or hourly rates where costs are time based. Where staff are only partially allocated to a project, the percentage allocation should be included.
* For assets, the purchase cost must be specified, and totals should match the assets listed in section 2.16. Where assets are only partially allocated to a project, the percentage allocation should be included.
* Provider. This is the provider related to that expense, fees or asset and may be different to the milestone provider e.g. if a sub-contractor is used.

## 2.16 Assets

Please list any Assets that will be provided by either party during the project. The initial value of these should match the Assets listed under Cash Flow in section 2.14.

* Description of the Asset.
* Initial value (ex GST). This should reconcile with the Asset column under Cash Flow.
* Proportion of purchase price comprising Applicant or third party contributions. Where assets are only partially allocated to a project, the correct percentage allocation should be included.
* Agreed depreciation rate (p.a.). Australian Taxation Office (ATO) depreciation rate.
* Depreciated value at end of Work (ex GST). This is the estimated value after taking into account the initial value, percentage allocated to the project, the agreed depreciation rate and the time between purchase and project completion.
* Buy back price (ex GST). This may be the same as the depreciated value, based on an agreed market valuation.

Assets do not need to be identified for the preliminary project application form.

## 2.17 Intellectual Property (IP)

Project IP ownership is negotiated on a case by case basis and will be determined based on the best path for adoption and impact of the outcomes from the project. All IP (including copyright) in the milestones and final reports will always be owned by MLA.

## 2.18 Risks

The risks associated with your project should be summarised in Appendix 2 of the detailed project application form. This is not required for the preliminary project application form.

Risk assessments are important to effectively manage issues that may threaten the delivery of the project’s anticipated benefits. MLA seeks to identify risk management processes pertaining to each project so that the likelihood of achieving the desired project outcome is increased.

Risk management processes may also establish a reliable basis for planning and decision making. Identifying key risks require an understanding of the root cause of the risk and the potential impact / consequence of the risk on the project. Once these risks have been identified, they should also be assessed for the likelihood of occurrence to be able to better evaluate the severity of the risk before any mitigation plans are in place (inherent risk). Mitigating activities should be formulated to control / manage these risks to an acceptable level. Once mitigation plans have been developed, the risks should be assessed again for the residual risk.

Further risk related information and guidance on completing the risk assessment is available in Appendix 2 of these guidelines.

## 2.19 Conflicts of Interest

You must declare whether there are any actual, potential or perceived conflicts of interest relating to the Applicant, its employees, the Participant Nominated Persons (in section 2.5), or the Applicants’ agents or contractors, in connection with the project to be conducted by the Applicant.

Examples may include if anyone at MLA has affiliations with or involvement in any organisation or entity with any financial interest (such as honoraria, educational grants, participation in speakers’ bureaus, membership, employment, consultancies, stock ownership, or other equity interest; and expert testimony or patent-licensing arrangements), or non-financial interest (such as personal or professional relationships, affiliations, knowledge or beliefs) in the subject matter or materials related to the project.

For the detailed application form, if you have conflicts of interests to declare, please complete the conflict of interest declaration in Appendix 3 of the detailed project application form, noting what the conflicts are and the proposed strategy to deal with them. The last column titled ‘MLA approval’ should be left blank for MLA to complete. As part of evaluating the application, MLA will consider the conflict and proposed management strategy and will either provide approval or take any other action it considers appropriate e.g. enter into discussions with you to seek to resolve or manage such conflict of interest, require you to take such steps as MLA may reasonably require to resolve or manage the conflict, or decline the funding application.

There is no conflict of interest declaration form for the preliminary application form. If there is an actual, potential or perceived conflict of interest, MLA may request further information.

## 2.20 MLA Standard Terms and Conditions

If your application is successful, your contract with MLA for the proposed project will be based on MLA’s standard terms for either Research or Consultancy work with specific arrangements for intellectual property ownership, and if applicable use of the MDC funding mechanism.

For the majority of projects and to the extent permitted by law, MLA’s terms are not open to negotiation. If you have an existing umbrella agreement with MLA, then those terms will apply.

A copy of MLA’s umbrella agreements and further explanation on the agreements is publicly available and fully explained on MLA’s website - see [MLA agreements.](https://www.mla.com.au/about-mla/mla-agreements/)

You must be willing to agree to MLA’s standard umbrella agreements for MLA to consider your application. As part of the contract, there will be a Statement of Work which sets out the details of the project. The Statement of Work will be based on your competed application form.

*[Internal MLA note to MLA staff: If you’re not sure which umbrella agreement should be used for a project, please ensure you consult MLA Legal for guidance.]*

## 2.21 Warranty

The application should be approved and signed by the Applicant’s authorised signatory, with the following declarations:

* The signatory has authority to make the warranties and submit the application.
* Information in the application is accurate, and the project will be performed in accordance with all statutory, professional and ethical standards and best practice guidelines.
* in relation to any personal information provided to MLA in the application, the Applicant has read section 1.3 of these guidelines, and before providing any personal information to MLA, notified and obtained consent from all individuals to whom the personal information relates that it will be disclosing their personal information to MLA for the purposes of this application / the project, and provided those individuals with information about where they may find [MLA's Privacy policy.](https://www.mla.com.au/general/privacy/)
* Any conflicts of interest are declared.
* Any application for MDC contribution is based on the amounts funded either directly from the Applicant or from another eligible funding source as set out in section 2.12 of this document and the Applicant’s co-funding contribution is not derived from the Commonwealth Government, as MLA is unable to match such funds. For more information, see Appendix 1.
* Furthermore, for MDC funded projects, Applicants seeking a lower 8% access fee must provide a declaration and evidence of the Applicant’s levy payer status e.g. producer or processor. Some non-levy paying industry participants may also be eligible for the reduced 8% access fee e.g.

operators of an eligible research farm. Otherwise the access fee will be charged at 12%. As part of a detailed application form, you will be required to attach evidence of levy payer status or other eligibility for reduced access fee at Appendix 4 to the MLA Project Funding Application Form, e.g.

invoice or receipt for the levy.

# Appendix 1 – MLA Donor Company Funding & Access Fees

**How does MDC funding & MDC Milestone Payments work?**

Using Commonwealth funds, MDC can match up to 40% of voluntary and eligible partner contributions in projects. Projects may also include non-matched funding from other sources such as Government grants or contributions from other research or commercial organisations.

The project application form becomes the basis of a statement of work between the Participant and MLA and will set out a schedule of milestones and their related contribution payments.

MLA will issue invoices to the MDC Participant for the Participant’s contribution (typically 60%) towards each milestone cost.

MLA can only claim the Commonwealth’s matching contribution (typically 40%) for an MDC Participant contribution received in MLA’s bank account. For this reason, MLA will invoice the MDC Participant for their contribution, before the MDC Participant can invoice MLA for the full (matched) contracted milestone amount. This will be paid following successful completion of the milestone.

For MDC funded projects, MLA requires a declaration that the Applicants’ co-funding contribution is not derived from the Commonwealth Government, as MLA is unable to match such funds. Note that Commonwealth sourced funding can be included within a project but will not be able to be matched by contributions from the MDC.

**What are Access Fees?**

Project management, administration and corporate overheads for MDC funded projects are not funded via industry levy funds. As a result, these costs are funded using access fees.

The MDC access fees are currently either 8% or 12% of the eligible MDC Applicant contribution to the project depending on the type of investment partner. Industry levy payer Applicants whose primary commercial purpose is red meat livestock production or processing using the MDC funding mechanism incur a lower 8% fee for their MDC co-funding access. All other MDC Participants pay 12%.

Please note the following:

* The access fee is invoiced quarterly.
* Extensions to the contracted timeframe or increases to the project cost after contracting will attract additional access fees (proportionally applied over time and/or the variation amount).
* A declaration is required for MDC funding Applicants seeking the lower 8% access fee, providing evidence that the Applicant is a levy payer e.g. producer or processor.

#### MDC Funding Example

Table 1 shows overall funding for a typical MDC based project incurring a 12% access fee on the Participant contribution.

**MDC R&D project**

|  |  |
| --- | --- |
| Project R&D budget | $200,000 |
| **Total project value** | **$200,000** |
|  |  |
| Participant contribution (R&D) @ 60% | $120,000 |
| MDC contribution (R&D) @ 40% | $80,000 |
| Participant contribution (12% Access Fee) @ 60% | $14,400 |
|  |  |
| **Total Participant cash contribution (R&D + Access Fees)** | $134,400 |
| **Total MDC cash contribution (Matched R&D)** | $80,000 |

Table 2 below shows how contributions and invoices are calculated for a typical milestone.

#### MDC R&D project milestone

|  |  |
| --- | --- |
| Project milestone value | $50,000 |
|  |  |
| MLA invoices MDC contribution to Participant @ 60% | $30,000 |
| **Participant pays contribution to MLA** | ($30,000) |
|  |  |
| Participant invoices MLA for milestone value | $50,000 |
| MLA pays Participant upon successful completion of milestone | ($50,000) |

# Appendix 2 – Risk

Project proposals should identify the risks that may derail delivery of the outcomes or have other negative consequences. Also consider the cause of the risk and its likely impact. Risks may include but are not limited to areas such as:

|  |  |
| --- | --- |
| **Risk Area (nonexhaustive)** | **Examples only** |
| **Legal, regulatory, ethics** | * Use of devices or methods that may violate state-based laws. * Working outside the boundaries of regulatory areas (e.g. genetic manipulation). |

**Financial** • Cost increases due to inflation or unforeseen additional costs; incorrect assumptions during the budget planning.

* Failure to account for fluctuations in foreign exchange rates.
* Delayed milestones resulting in unexpected additional costs.
* Limited financial resources/capital to deliver the project.

|  |  |  |
| --- | --- | --- |
| **Technical** | • | Untested or unproven methodology or technology. |
|  | • | Poor design of the research as results are only applicable to limited producer groups due to narrow sampling. |
|  | • | Difficulty in accessing lab facilities/demonstration sites, procuring research materials or obtaining research expertise. |
|  | • | System issues impacting the collection or use of data. |

**Stakeholder engagement** • Poor engagement or participation from industry or community groups.

* Lack of cooperation from or weak consultation with various stakeholder groups.
* Work being discredited as biased or irrelevant.
* Potential miscommunication of objectives or outcomes to participant groups.
* Mismanaged stakeholder expectations.
* Protests from activist groups.

|  |  |  |
| --- | --- | --- |
| **Operational** | • | Over-reliance on a small pool of resources (e.g. personnel or site/facility); key person risk. |
|  | • | Conflict of interest between provider and MLA decision makers, or future commercialisation partners. |
|  | • | Freedom to operate issues stemming from infringement of IP, ownership of IP or poorly managed IP interests. |
|  | • | Poor oversight and governance of project objectives and outcomes. |
|  | • | Delays to milestone deliverables due to poor management of the project. |
|  | • | Personal information or commercially sensitive information is collected or used without consent. |
|  | • | Variable weather events (e.g. drought, bushfires, floods, natural disasters) cause delays to establishing research sites. |

**Environmental, social** • Negative impact on land, waterways or other landscapes. **and governance** • High production of waste products or carbon emissions.

* Breach to environmental regulations and standards.
* Research activities may breach state-based animal welfare and human ethics legislations.
* Risk to the community in the event diseases escape the confines of a lab.
* Modern slavery practices may be present in conducting some research activities.

|  |  |  |  |
| --- | --- | --- | --- |
| **Adoption or extension** |  | • | Lack of buy-in/interest from producers or processors; lack of uptake/appetite by industry. |
|  |  | • | Value of the project is not understood or clearly communicated. |
|  |  | • | Limited capability or capacity in the industry to drive adoption or extension services. |
|  |  | • | Regulatory barriers to the pathway to market. |

**WHS** • Weak safety protocols in operating machinery or poor farm practices resulting

in injuries or worse.

* Accidents at demonstration sites.
* Poor food handling practices breach food safety standards.
* Contaminants in food processors are not identified.

|  |  |  |
| --- | --- | --- |
| **Data security and privacy** | • | Poor data collection, management and retention processes may breach privacy laws. |
|  | • | Weak data protection leaves information vulnerable to unintended release of information. |
|  | • | Unclear ownership of data leading to missed adoption or commercialisation opportunities. |

#### Risk matrix guide

Refer to the consequence and likelihood tables below as a guide to assess and rate risks. Consequence categories are not limited to those in the table below and should consider relevant consequences to your project.

#### Consequence table

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **Consequence** |  |  |
| **1** | **2** | **3** | **4** | **5** |
| **Safety, Health and Welfare** | Ailments not requiring medical treatment | Minor injury requiring first aid treatment | 1 serious injury causing hospitalisation or multiple minor  injuries | 1 life threatening injury or multiple serious injuries causing hospitalisation due to MLA’s negligence | 1 death or multiple lifethreatening  injuries due to MLA’s negligence |
| **Reputation** | Adverse national / regional media coverage with negligible impact, resolves through  routine  management processes | Adverse national / regional media coverage requiring internal reviews | Adverse national / regional media coverage and / or regulator inquiry and / or loss of members or funding less than 1% | Adverse national / regional media coverage and / or regulator investigation, parliamentary inquiry and / or loss of members or funding between 1 – 10% | Adverse international media coverage and / or government  investigation and / or loss greater than 10% or members of funding |
| **Financial** | < $50,000\* | $50,001 -  $250,000\* | $250,001 - $2M\* | $2M - $10M\* | > $10M\* |
| **Organisational Objectives** | Minor disruptions to the achievement of objectives; very strong impact made to the industry; majority KPIs met | Would require some adjustments to achieve objectives;  strong positive  impact made to the  industry; most  KPIs met | Would require significant adjustments to achieve objectives; average positive impact made to the industry; at least half of the  KPIs met | Would threaten the achievement of objectives; small positive impact made to the industry; some KPIs met | Would stop the achievement of objectives; very minimal to no positive impact  made to the  industry; little or no KPIs met |

\*per occurrence

#### Likelihood scale

|  |  |  |  |
| --- | --- | --- | --- |
| **Likelihood** | **5** | **Almost**  **Certain** | Expected in most circumstances. Has occurred on an annual basis in the past or circumstances are in train that will cause it to happen. |
| **4** | **Likely** | Has occurred in the last few years or has occurred recently in other similar organisations or circumstances have occurred that will cause it to happen in the short term. |
| **3** | **Possible** | Has occurred at least once in our history or is considered to have a 5% chance of occurring in the current planning cycle. |
| **2** | **Unlikely** | Has never occurred in our past but has occurred infrequently in other similar organisations or is considered to have around a 1% chance of occurring in the current planning cycle. |
| **1** | **Rare** | Exceptional circumstances only. Is possible but has very much less than a 1% chance of occurring in the current planning cycle. |

Based on the results of the assessment, risk ratings can be reported using the consequence and likelihood matrix (see below).

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | **Consequence** |  |
| **1** | **2** | **3** | **4** | **5** |
| **Insignificant** | **Minor** | **Moderate** | **Major** | **Catastrophic** |
| **Likelihood** | **5** | **Almost Certain** |  |  |  |  |  |
| **4** | **Likely** |  |  |  |  |  |
| **3** | **Possible** |  |  |  |  |  |
| **2** | **Unlikely** |  |  |  |  |  |
| **1** | **Rare** |  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Low** | **Medium** | **High** | **Extreme** |