

## Frequently Asked Questions for Government departments/agencies

### Who can submit a Public Sector Challenge?

Any South Australian Government agency, including statutory authorities.

### Why would my agency or department get involved?

- To solve a business challenge facing your agency or its customers where the solution is not readily available off-the-shelf commercially.
- To build workforce capability in innovation by working in partnership with startups to explore, solve and scale solutions to public sector challenges.
- To build new relationships with some of South Australia's most innovative companies
- To explore and test a range of innovative solutions through a safe, structured and staged process
- To encourage SA startups and scalable businesses to bring forward innovative solutions where the government can be the first/reference customer - part of the Government's response to the Productivity Commission's review into Public Sector Procurement (Stage 1).

### What sort of challenges are you looking for?

The best challenges are those that encourage innovation, address a public sector challenge and have the potential to scale beyond government.

### What support will we receive during the program?

The Office of the SA Chief Entrepreneur will provide a range of support to agencies participating in the program - including, information sessions, workshops to help shape challenges, facilitation and funding for feasibility studies and potentially funding for pilots/proofs of concepts. The Program Manager for Go2Gov will be the key contact during the program. There is also funding support provided (refer to "Who pays for the program?")

### What resources will we need to commit to take part?

Departments/agencies that have their public sector challenge selected must commit to:

- assigning a dedicated 'Challenge Owner' (on a part-time basis) for up to six months to participate in activities relating to challenges, including:
  - acting as the key agency/department contact for nominated challenges
  - supporting startups/early-stage businesses to respond to Calls for Proposals by hosting a limited number of information sessions and responding to requests for information or clarification relating to the challenge
  - supporting the Program Committee to review proposals and make recommendations to the Evaluation Committee
  - supporting agency activities and workshops to determine the feasibility and viability of proposed solutions as required by the Evaluation Committee
- assigning a resource to manage the contractual obligations as set out in the Innovation Development Agreement between the department/agency and startup/early-stage business. The resource may be required (part-time) for a period up to or exceeding 12 months.

- Under the Innovation Development Agreements, startups may seek access to agency staff, IT infrastructure and data (subject to meeting security and legislative requirements) in order to support agreed project outcomes. These requirements will be assessed by agencies on a case-by-case basis and documented in the Innovation Development Agreement which are to be entered into between the government agency and the startup.

### Who pays for the program?

Funding of \$2 million (over 2020-21 and 2021-22) is available under this Program through the Economic and Business Growth Fund to assist government departments/agencies (departments/agencies) to fund the trialling or piloting of startup/early-stage business solutions that addresses a challenge/problem identified by the relevant department/agency.

If at the conclusion of the project the department/agency decides to enter into a further agreement for the provision of goods and services, this will need to be funded by the relevant department/agency's internal budget. The department/agency can directly engage with the startup for a period of up to three-years.

### What happens if something goes wrong?

The Program is underpinned by a structured and staged approach, designed to reduce some of the risks associated with exploring problems/opportunities and developing new/novel solutions. Where agencies and startups work together through this program, the mutual expectations, commitments and project details are agreed and documented through an Innovation Development Agreement.

The Program is supported by a dedicated Program Manager within the Office of the SA Chief Entrepreneur who will assist in any issues that arise during the Feasibility and Proof-of-Concept stages.

### Who owns the Intellectual Property developed?

Participants keep any background IP that they bring into the program. Startups keep the IP generated through the program in order to further commercialise it. Departments/agencies will have the opportunity to access the program IP post-Program through the standard goods and services agreement with the startup if the agency chooses to.

### Can we work with other agencies and governments to issue joint challenges?

Yes, this is encouraged. The Program is also structured to support issuing of joint challenges in partnership with different levels of governments.

### Who manages this program?

This program is being delivered by the Office of the SA Chief Entrepreneur in partnership with the Department of Treasury and Finance.

### What is an eligible startup within the Program?

To be eligible, the startup/early-stage business must:

- have an Australian Business Number (ABN) and be one of the following entities:

- a. A company incorporated in Australia and headquartered in South Australia
  - b. An incorporated trustee on behalf of a trust
  - c. An individual or partnership, providing there is an agreement to form a company incorporated in Australia (and headquartered in South Australia) (i.e. contractual arrangements must be entered into by a legal entity as per (a) or (b) above); and
- have revenue (including revenue of any related bodies corporate) less than \$10 million for the previous financial year; and,
  - be less than 7 years old.

### Why are you only focusing on startups?

This Program was established to directly address recommendations made through *The South Australian Government's Response to the South Australian Productivity Commission Inquiry into Government Procurement Stage 1*, which includes a recommendation for 'Public Authorities to monitor and report on the number of proof of concept or co-design projects considered in order to encourage innovative solutions and results'.

In its response, the Government committed to developing a proposal to encourage startups and scalable businesses in the state to bring forward innovative solutions where the government can be the customer for new innovative ideas.

The SA Government has a range of other business growth and support initiatives that focus on different industry sectors and growth stages.

### Why is this program different than a standard procurement?

This Program is focused on encouraging startups and scalable businesses in the state to bring forward innovative solutions where the government can be the customer for new innovative ideas. It is designed to encourage and support the generation of new and novel solutions that are not available as commercially/off-the-shelf.

Rather than government identifying the problem, specifying the solution and then taking that to market via a standard procurement approach, this program will bring startups/early-stage businesses into the problem space along-side an agency in order to explore the problem and co-design and test innovative solutions.

This program is not designed to replace a standard procurement approach for existing products and services that are available off the shelf.

### Who else is doing this?

Governments across Australia and around the world are developing and delivering similar Innovation Challenge programs, aimed at increasing the number of startups engaged with public sector agencies in order to build and scale their innovative products and services and generate jobs and economic growth.

### Who can I talk to for further Information about the Program?

Contact the Program Manager via [DIS.SmartProcure@sa.gov.au](mailto:DIS.SmartProcure@sa.gov.au)