NSW Cyber Security strategy: NSW Accelerator in Residence program

Expression of Interest

Investment NSW

January 2022

Contents

Acknowledgement of Country

We would like to acknowledge the traditional custodians of the lands across New South Wales. We pay our respects to the Aboriginal Elders of these lands, past and present. We acknowledge the deep connection to Country that Aboriginal people have and recognise Aboriginal people as the original custodians of this land.

Invitation for Expression of Interest to operate Cyber Security-focused Accelerator in Residence Program

The NSW Government invites interested parties to submit an Expression of Interest (EOI) to operate the Accelerator in Residence (Accelerator) program (Program). The successful applicant will be awarded a grant of AUD 975,000 to operate the Accelerator over a three-year period ending June 2024.

	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Total
Funding per financial year (1 July to 30 June)	$325,000	$325,000	$325,000	$975,000

The NSW Cyber Hub (a business unit of Investment NSW) is administering the competitive grant process for the Accelerator Program on behalf of the NSW Government.

What we are looking for

We are looking for a world-leading organisation with a proven track record of running cyber-specific accelerators. The successful applicant will implement innovative approaches to program delivery to help cyber businesses grow and scale globally.

In assessing applications, strong emphasis will be placed on applicants with international networks, enabling participating businesses to gain access to financing and investment channels, export pathways, and world-class mentorship (see 'What we want the Accelerator to achieve' below).

Applications from Australian organisation(s) in partnership with international organisations are welcome (see 'Evaluation Criteria' below).

The ideal Accelerator operator will establish a plan to make it a leading Asia-Pacific accelerator, attracting interest from start-ups and scale-ups from around the world.

Overview of Accelerator in Residence Program

The NSW Government's vision for the State is nothing less than to become a world leader in cyber security: protecting, growing, and advancing our digital economy. This vision is supported by the 2021 NSW Cyber Security Strategy (Strategy).

The four key principles of the Strategy are:

1. Lead by example – in best practice and cyber resilience
2. Be progressive and proactive to facilitate cyber workforce expansion
3. Seek opportunities to grow cyber industry commercialisation
4. Provide practical support to reduce barriers to business growth

The four key pillars of the Strategy are:

1. Increase the NSW Government's cyber resiliency
2. Help NSW cyber security businesses grow
3. Enhance cyber security skills and workforce
4. Support cyber security research and innovation

The Accelerator in Residence Program is an initiative under Pillar 2 of the Strategy.

The Program is designed to attract new participants to NSW and build local innovation and scaling capability in technology and cyber. The Program aims to scale and grow the number of cyber businesses in NSW, create more high value cyber jobs, attract investment into these businesses and facilitate export opportunities in global networks.

The Accelerator will be overseen by the NSW Cyber Hub. The NSW Cyber Hub was conceived of by the Strategy as a 'front door' for the cyber industry into NSW Government, and sits within Investment NSW.

A competitive grant process will be undertaken by the NSW Cyber Hub to attract the highest calibre applicant with deep international connectivity that can demonstrate the best delivery model for the Accelerator.

What we want the Accelerator in Residence Program to achieve

The primary outcomes for the Accelerator will be measured by reference to the success of businesses participating in the Accelerator that is demonstrably a result of the businesses participation in the program.

Accordingly, the primary outcomes for the Accelerator will include:

- Revenue generation
- Jobs created
- Client outcomes including partnership and contract wins

- Servicing and exporting to international markets
- Investment and fundraising

Secondary outcomes for the Accelerator include:

- International businesses that expand to NSW, to participate in the Program.
- Measurable increase in connectivity of the cyber security ecosystem.

More detail on the Accelerator's outcomes by reference to timeframes (i.e., short, medium, and long-term) is set out below under the heading "Goals for the Accelerator".

Grant Process

The NSW Cyber Hub (a business unit of Investment NSW) is administering the two-step competitive grant process for the Accelerator Program on behalf of the NSW Government. The objective of the grant process is to identify an organisation to operate the Accelerator over the three years ending in June 2024. The grant process will include:

1. Expression of Interest (EOI)
2. Request for Proposal (RFP)

EOI

The EOI process encourages interested parties to register their interest and demonstrate their suitability against the EOI requirements. An evaluation panel, appointed by the NSW Cyber Hub, will then assess qualified respondents who meet all evaluation criteria, and short list respondents who are assessed as being best suited to proceed to the next stage. These shortlisted respondents will then be invited to submit an RFP.

RFP

The RFP documentation will be made available to shortlisted EOI respondents via email.

During the RFP process, shortlisted respondents from the EOI stage will be asked to further demonstrate their suitability to operate the Accelerator by (amongst other things) providing information including financial viability, value for money (including sustainability of the Program beyond NSW Government funding), added value, a business model for the Accelerator, and outlining reporting requirements (e.g., for tracking progress against the stated goals for the Program).

Selected RFP respondents may be invited to:

- participate in a negotiation process regarding aspects of their proposal; and/or
- consider forming a consortium; and/or
- attend an interview with the RFP evaluation panel.

The RFP process will allow the evaluation panel, on behalf of the NSW Government, to identify a preferred candidate for operating the Accelerator. The preferred candidate will be recommended to senior executive approval within Investment NSW. The preferred candidate must be a legal entity as it will be required to enter into a funding agreement with Investment NSW. The funding agreement will set out the funding offer and conditions, including compliance with applicable regulatory requirements.

The NSW Cyber Hub reserves the right to open a dialogue between two preferred candidates encouraging them to negotiate to enter into a consortium together, if the evaluation process suggests that such a consortium would maximise the achievement of Program outcomes. However, if such a consortium is not feasible this will not disqualify either preferred candidate and the candidate ranked highest by the evaluation panel will be selected.

As part of the due diligence during the RFP process, the NSW Cyber Hub also reserves the right to require selected RFP respondents to:

(a)   provide evidence of corporate status or relevant registrations or documentation evidencing establishment and ownership of the respondent (and, if applicable, other organisations in the consortium); and

(b)   provide financial statements from the previous two years and be subject to a credit check to confirm their financial position.

Goals for the Accelerator

The Accelerator Program is intended to meet the following goals:

1. Short term:
   - Growth in knowledge and awareness of the Accelerator Program, including events conducted to build and develop capabilities for NSW and Australia.
   - Number of new solutions and ideas.
   - Number of start-ups and scale-ups supported.
   - Accelerated adoption of cyber technologies.
   - Connection with students and early-stage professionals and accelerated job creation.

2. Medium-term:
   - Improved economic outcomes for NSW cyber businesses.
   - Accelerated commercialisation of ideas.
   - Fast tracked growth from start-up to scaleup.
   - Increased pipeline of jobs for students and early-stage professionals.

3. Long term outcomes are:
   - Enhance cyber preparedness and greater cyber capability for NSW and Australia.
   - Investment raised by NSW cyber businesses above the industry average.
   - Capital raised/investment in alumni businesses.
   - Number of jobs created at alumni businesses.
   - Business (revenue) success above the industry average.
   - Jobs and highly skilled jobs in NSW cyber businesses above the industry average.
   - Continuous pipeline of start-ups and scale ups.
   - Viable business survival post scale up.

Evaluation Criteria

The mandatory requirements will be assessed on a pass / fail basis.

Mandatory requirements

- Be well established with a minimum two years' experience scaling and growing cyber security businesses with resources, networks and mentors that can be leveraged or demonstrated ability to do so.
- Have a NSW based ABN (that is, an applicant's ABN registration must show its main business location is in NSW), or an intention to register such an ABN if application is successful. In the case of joint applications (for example, an application from an international-based organisation in partnership with an Australian organisation), the lead applicant must have a NSW based ABN (or intention to register one).
- Demonstrate how the applicant(s) will target and attract cohort participation from underrepresented individuals or businesses that are managed by underrepresented individuals, such as women in STEM, Aboriginal people, and individuals with a disability.
- Applicant must align with the 2021 NSW Cyber Security Strategy and satisfy relevant State and Federal Government policy and legislative requirements.

Evaluation criteria

In addition to the mandatory requirements, the responses will be assessed against the following evaluation criteria for the purposes of short-listing candidates for the RFP process.

- Demonstrates how the candidate's proposed model for the Program will accelerate the growth of cohort businesses (refer to 'What we want the Accelerator to achieve' above).
- Innovativeness of the proposal, with a focus on the services and delivery mode that will be used.
- Demonstrates how the Accelerator will connect to the wider cyber security industry and ecosystem.
- Demonstrates depth of international networks and connections, and how these may be leveraged in the delivery of the services in the Accelerator.
- Demonstrates the sustainability of the proposed operating model for the Accelerator beyond NSW Government funding.
- Demonstrates a detailed pathway to financial self-sufficiency, including revenue generation.

The evaluation will be based on a scored, non-weighted approach. The evaluation panel will consist of three people including one independent probity adviser.

Timeline

Date	Detail
22 December 2021	Information session for interested participants (recording to be made available) and expressions of interest applications open
12:00pm 4 February 2022	EOI closes
Week commencing 14 February 2022	Complete assessment and review of the EOI responses
15 February 2022	RFP released to shortlisted applicants
5pm 28 February 2022 *	RFP closes
March 2022*	Successful applicant announced
April 2022*	Accelerator Program opens
July 2024	NSW Government funding agreement ends

*Dates are indicative

Contact us:

If you have any questions regarding the Accelerator in Residence or the grant process, please contact

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Please note that Investment NSW has a Christmas Holiday shutdown period between 25th December 2021 until 9th January 2022. Questions over this time will be responded to after the shutdown period.

Investment NSW