

Advance Queensland Ignite Ideas Fund - Guidelines for Applicants

Introduction

Advance Queensland is working to set the scene for a future Queensland today. It is a transformational agenda for change designed to spur innovation-led economic growth by translating Queensland's great ideas into commercial success.

This includes investing in innovation to generate jobs today and in the future, attract and retain the best and brightest minds, grow Queensland's reputation and capacity to deliver world class products and services for Queenslanders, and establish new industries that will provide jobs for the future.

The **Ignite Ideas Fund** supports startups and small to medium Queensland businesses to commercialise market ready innovative ideas that will help them grow and compete in a global market and create new jobs.

Grants of up to \$250,000 (excluding GST) are available to support activities that will test and implement commercialisation plans for a product, process or service that is at or beyond minimum viable product or market ready stage.

Funding

The Ignite Ideas Fund comprises two tiers:

- Tier One:
Applicants can apply for up to **\$100,000** (excluding GST) per project which may be used to fund from 60 to 100 per cent of total eligible project costs depending on the size of the applicant organisation.

- Tier Two:
Applicants can apply for greater than **\$100,000 up to \$250,000** (excluding GST) per project which may be used to fund up to 50 per cent of total eligible project costs.

The following table outlines the required cash contribution for applicants - according to full time equivalent staff (FTEs) employed by the organisation at the time of application:

	Tier One - up to \$100,000	Tier Two - \$100,000 up to \$250,000
Organisation size (FTEs)	Matched funding contribution from applicant	
Micro (0-4)	0%	50%
Small (5 – 19)	20%	
Medium (20 – 199)	40%	

- Tier One project activities must be completed within 12 months.
- Tier Two project activities must be completed within 24 months.

Eligibility criteria

To be eligible for funding, the organisation must at the time of submitting its application:

- be the Queensland registered and based business that is undertaking the project
- have less than 200 full time equivalent staff (FTEs).
- must be registered for GST (at time of application)
- have a Queensland developed and owned (or rights assigned) highly innovative (new)

product, process or service which is at or beyond, minimum viable product or market ready stage

- have a clearly defined project that has the potential to achieve high growth for the business and benefit Queensland's economy
- provide clear evidence that they have the business skills and financial capacity to successfully deliver the project
- provide clear evidence of demand or support from identified customer(s), industry partner(s) and/or investor(s).

In addition to the above, applicants for Tier Two funding must:

- have been trading for two years or more
- provide accountant prepared financial statements (including profit and loss statement and balance sheet) for the previous two financial years.

Notes on eligibility and match funding requirements:

The number of full-time equivalent employees an applicant has will be determined by including all entities forming part of a group of entities comprising a controlling entity and one or more controlled entities operating together to achieve objectives consistent with those of the controlling entity.

Government departments or agencies, local government and government owned corporations are not eligible for funding.

Eligible projects

The project must:

- commence within 90 days after the Queensland Government signs the application approval
- be completed within the agreed project timeframe
- have a distinct set of activities, with commercialisation aims and outcomes achievable within set timeframes.

Ineligible projects

The following projects are ineligible:

- expenditure and/or capital works that are not specifically related to commercialising the innovation
- projects that are not at or beyond minimum viable product or market ready stage.
- projects that are not focused on commercialising unique, new or significantly improved products, processes or services
- distribution, purchase or import of existing products or technology without significant adaptation
- provision of consultancy services
- projects involving liquor, gambling, tobacco, adult services and illicit substances or involving illegal activities
- multi-level marketing activities .

Eligible project activities

Eligible activities are those that will assist the applicant to prove that their commercialisation strategy will work. The following are examples of eligible activities:

Proof of market

- testing market response or demand
- attendance at trade delegations/trade shows as an exhibitor specific customer/investor engagement activities
- travel to engage with potential investors or major customers
- market research
- minor product or service design modifications in response to market requirements.
- intellectual property protection including research and securing a provisional patent.
- investigation of production and assembly options
- access to specialist equipment and facilities.

Proof of product, process or service

- field tests
- specialist testing and/or demonstration to provide proof of technical feasibility

- intellectual property protection including research and securing a provisional patent.
- investigation of production and assembly options
- access to specialist equipment and facilities.

Applicant contribution

All applicants requiring matched funding contributions must provide a declaration from their organisation’s accountant or Chief Financial Officer outlining their ability to meet the matched funding requirement.

If applicants are using funds from a third party (investors, customers or partners) to meet matched funding requirement, evidence of a formal agreement with the third party must be provided.

You are eligible to apply for the program if you have already received Queensland Government grant funding for another purpose. However, your cash contribution cannot be sourced from any existing Queensland Government grant funding.

*Note: in-kind and non-cash contributions are **NOT** considered eligible contributions.*

Eligible project costs

- Eligible project costs may include: project specific services costs provided by unrelated external parties (including professional and technical services)
- intellectual property research and provisional patent costs
- market and customer research
- technical research and development to correct or improve the product to meet customer / market requirements totalling up to \$20,000 (excluding GST)
- consumables used for the project
- travel, accommodation and subsistence costs where a full itinerary and travel outcomes report is furnished

- capital expenditure or leasing costs for the acquisition of new or used plant and equipment totalling up to \$20,000 (excluding GST) – for project use only.
- training costs that are project specific
- salary and on-costs, specifically workers compensation, payroll tax, employer superannuation, parental leave, recreation leave and long service leave only, for staff and contractors working solely on activities for the funded project.
- only claims for **new** staff and contractors employed to work solely on the funded project. Organisations with less than 20 FTEs can claim for new or existing staff and contractors.

Claimable Employee costs (including on-costs)		
FTEs	Type of Employee	
at time of application	Existing	New Project
0-4	Yes	Yes
5-19	Yes	Yes
20-200	No	Yes

Ineligible project costs

Ineligible costs include the following:

- business as usual or general operational costs undertaken by either the business or any other entity, including administrative, marketing / sales, distribution and production costs.
- training costs that are not project specific.
- conference fees
- marketing costs that are not project specific including general advertising website development / upgrade and promotional costs of the business or any other entity
- employee benefits, allowances, bonuses, fringe benefits or like.
- financial advice
- costs to building a prototype or minimum viable product
- any entertainment costs whether project related or not.
- compliance fees and licences

- inventory costs and warehousing cost
- distribution costs other than to send samples for market / customer acceptance testing
- research and development activities, other than for market testing and minor improvements to the innovation to address customer / market needs
- capital expenditure, leasing or rental costs related to existing buildings, plant or equipment/capital
- research and development activities with no potential commercial outcomes within the 1-2 year project timeframe.

Assessment criteria

1. Innovation and market potential

You should demonstrate:

- the product, process or service is clearly innovative, unique and new
- the product, process or service addresses an identified/significant market need
- a sound understanding of potential market/s and competitors
- clear evidence of demand or support from identified customer(s), industry partner(s) and or investor(s) (provide letters of support).

2. Project planning, feasibility, budget and timeframes

You should demonstrate the project:

- is well planned and feasible via a project budget with key milestones/ timeframes
- establishes the market/commercial potential of the product, process or service within a reasonably short commercialisation timeline
- can be resourced and funded (applicant's contribution)
- key project risks have been identified and risk mitigation strategies addressed.

3. Technical and management capability

You should demonstrate sufficient capability and capacity to deliver the project by:

- providing evidence of any prior projects conducted

- providing adequate background information on the founder/management team/investor(s) to demonstrate that the applicant has the requisite management and technical skills to successfully complete the project
- identifying the ability to secure critical external expertise, if required

4. Benefits to Queensland and regional impact

- You should clearly state how the State of Queensland will benefit from the project by addressing: how the project will contribute to increased employment, including during execution of the project and projected jobs should the project be successful (also any at risk jobs that will be retained as a result of the project)
- how the project will benefit any Queensland regions (outside of south east Queensland)
- the export market potential
- any other benefits to Queensland.

Conditions of funding

- Only eligible expenditure incurred on or after the project start date can be claimed by successful applicants.
- The project start date must be not less than 10 business days after the closing date of the funding round in which the application was submitted and not more than 90 days following the execution of a funding agreement between a successful applicant and the Department.
- Any project expenditure made prior to notification of outcomes for the Ignite Ideas Fund is made at the applicant's own risk – there is **no** guarantee of funding approval at any stage of the application process.
- Milestone payments will be made based on acceptance of a letter of offer (the initial milestone), satisfactory completion of other agreed project milestones, and project completion to the satisfaction of the department (the final milestone).
- Completion of milestones will include submission of a financial acquittal report and a

milestone report and approval by the department.

- The financial acquittal report should provide evidence of all expenditure on eligible project activities including invoices from suppliers and reconciled against bank statements showing project expenditure.
- A separate payroll report must demonstrate salary expenditure and project role (or backfill role) of each employee salary claim
- A separate travel itinerary and outcomes report must accommodate all travel and accommodation claims
- The milestone report should outline all the key activities conducted as part of the milestone and provide evidence of their completion.
- After approval of the milestone report and the financial acquittal report by the department the applicant will be directed to provide an invoice to the department for payment of the milestone amount. This invoice will then be paid within 30 days.
- Applicants must provide evidence of eligible expenditure acquittal against the initial milestone funding and each subsequent funding before additional funding will be provided.
- A final milestone payment will be made upon the provision of documentary evidence that all project requirements have been satisfied, including evidence that total project expenditure has been incurred and project contributions have been made by all relevant parties.
- Total project expenditure, in the case of any recipient with greater than FTEs, will include both the eligible grant expenditure and the eligible recipient contribution expenditure in accordance with the funding agreement.
- Applicants must not submit more than one application in a given round of funding (where two or more businesses have totally or significantly boards and or shareholders in common, only one application will be accepted).

- One project per business can be funded at any given time. (where two or more businesses have totally or significantly boards and or shareholders in common, only one of those businesses can be funded at a given time)

IP considerations

Intellectual property (IP) relating to the product, process or service that will be commercialised by the project must belong to the applicant business
or

the applicant business must have exclusive, irrevocable and perpetual rights to commercialise the IP.

If the IP is not legally protected the applicant must demonstrate that appropriate protective measures are in place.

Application assessment

All applications received are subject to an eligibility and due diligence processes. Eligible applications will be assessed in a competitive, merit based process against the program's assessment criteria and each other applicant by a panel of independent, external assessors with relevant industry, commercial, technology or scientific research expertise.

You may be contacted during the assessment process to clarify information provided in the application and/or request further information to enable due diligence and probity assessments.

Applicants will be notified by email of the outcome of their applications. Successful applicants will have 15 days to accept a letter of offer.

Privacy

The Queensland Government collects and collates information from the application form to evaluate applications for the program. Only authorised departmental officers and approved grant assessors have access to this information.

Applicants should note that broad details of successful proposals, agreed outcomes, progress and the level of funding awarded may be published by the Queensland Government. Some information may be used to promote funded projects.

Your personal information will not be disclosed to any other third party without your consent, unless required by law or for the purposes of *Information Privacy Act 2009*.

For audit purposes, the Queensland Government is required to retain the applications and other supplied supporting material.

The provisions of the *Right to Information Act 2009* apply to documents in the possession of the Queensland Government.

How to apply

Applications can be completed and submitted online.

Your application consists of:

- a completed online application form
- acknowledgement of reading and accepting the terms and conditions
- a project budget
- a project plan
- a project team profile (CV)
- project slide deck (max 10 slides) and/or short video pitch or website links.
- provide clear evidence of demand or support from identified customer(s), industry partner(s) and or investor(s). NOTE: Letters of support from organisations must be on organisation's letterhead, signed including the person's title and contact details. All letters and emails must be dated and have contact details for the author.
- letter from the Applicant's accountant. or Chief Financial Officer outlining the organisation's ability to meet any matched funding requirement.
- details and a letter confirming any third party funding contributions.

All Tier Two applicants must also provide accountant prepared financial statements for the previous two financial years, including a profit and loss statement and a balance sheet.

Applicants must advise the department of changes which are likely to impact on eligibility for the Ignite Ideas Fund.

There is no implicit guarantee of approval at any stage of the application process.

Further information

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