

Ignite Spark Program – Round 2

Frequently Asked Questions

8 March 2024

This document is intended to supplement the Ignite Spark Program – Round 2 Guidelines, and provides additional clarification and explanation for applicants. It is important to read the Guidelines in the first instance.

1. Should I apply for the Ignite Spark Program or the Ignite Ideas Fund?

The Ignite suite of programs include two funding programs:

- Ignite Spark Program, supports projects to progress a functional prototype into a market-ready product
- Ignite Ideas Fund, supports projects to commercialise a market-ready product.

Applicants should consider carefully which program is the right fit by identifying the stage in the commercialisation pipeline their product or service has reached. Refer to the *Ignite Program Fit Guide* (Appendix 1), the *Ignite Spark Program – Round 2 Guidelines* and the *Ignite Ideas Fund – Round 12 Guidelines* for more information to assist you to determine the Ignite program that fits with the development stage of your product or service.

2. Is it feasible / recommended to apply to both the Ignite Spark Program and the Ignite Ideas Fund with the same project?

It is not feasible, as the each of the programs focuses on a different stage of product or service development. You need to identify which program is the right fit. Refer to the *Ignite Program Fit Guide* (Appendix 1).

3. Can I apply to both the Ignite Spark Program and the Ignite Ideas Fund with different products?

Yes, if you can clearly demonstrate that the two products are completely distinct and separate from each other, i.e., they are not relying on the same technology or IP, and are at the appropriate development stage for each of the grants.



4. What is the application process?

The Ignite Spark Program is a competitive grant program. Only eligible applications will be considered for funding. It is likely to be significantly oversubscribed. To reduce the amount of time and effort required of applicants, a two-stage application process has been adopted.

Stage 1 – the **Expression of Interest** stage allows applicants to submit a concise summary of their proposed project. It also allows the Queensland Government to identify, at an earlier stage, the projects that demonstrate the highest level of merit.

Applicants who are unsuccessful at Expression of Interest stage will receive notification quickly, enabling them to pursue other options and/or work towards an improved application for future rounds.

Stage 2 – the **Full Application** stage is by invitation only, for applicants with the highest ranked Expression of Interest applications. Stage two requires a more comprehensive and evidenced application.

5. What if I miss the deadline for submitting an application?

Late submissions will not be accepted.

6. Can I make a change to my application after I have submitted it?

Only information submitted at time of application can be considered by the assessment panel.

However, you must advise the Queensland Government of any changes that occur after submission of an application that are likely to affect your eligibility.

7. Can I submit more than one Expression of Interest application?

Multiple applications will not be accepted from the same applicant organisation or related parties. Where two or more businesses have directors and/or shareholders in common, only one application will be accepted.

In the case that two applications are submitted by an organisation or related parties, the first application lodged will be deemed the application submitted for assessment. Subsequent applications lodged will be deemed ineligible.

8. How will my application be assessed?

All applications will be assessed for eligibility at the Expression of Interest stage and the Full Application stage, with only eligible applications progressing to assessment.

Applications will be assessed on their merit against the assessment criteria with only the most meritorious applications being approved for funding. There is no implicit guarantee of approval at any stage in the process.

Applications will also be subject to a due diligence process.

While all applications are assessed competitively against the same criteria, the Queensland Government reserves the right to recommend female-led, regional, and Indigenous businesses for funding in cases where those applications are competitive, providing significant benefits to the state and are identified as meritorious by the independent assessment panel.

9. When will I find out the outcome of my application?

Applicants will be advised of the outcome of their Full Application at the earliest possible time but please note that this stage involves a more detailed assessment and due diligence process and timeframes are dependent on the quality and volume of the applications submitted.

10. Can I check on the status of my submitted application?

Applicants will be notified in writing of the outcome of their application in due course. No early indication of likely success of an application can be provided to applicants.

11. Can I apply for Ignite Spark Program funding if my organisation is currently receiving, or has previously received, other government funding?

You cannot apply for Ignite Spark Program funding if you have already received funding from either the state, federal or local government for the same project activity, i.e., to test, validate and/or demonstrate the same/similar product or service. If you have received/are receiving funding for a separate activity/project this does not affect your eligibility for the Ignite Spark Program.

12. My product or service is at proof of concept stage, can I apply to the Ignite Spark Program?

Proof of concept stage would be too early in the product development process to be considered under the Ignite Spark Program. The product or service must have reached the **functional prototype** stage to be considered.

13. My product is in the market and I am developing an improved version of it. Can I apply for funding to support the progression of the improved version towards market readiness?

Ignite Spark Program funding aims to support the progression of new products or services at the functional prototype stage towards the stage where they are ready to enter the market. If your product or service is already in the market, i.e., has paying customers, then it is not eligible for the Ignite Spark Program.

The program does **not** support development of the next version or iteration of an existing product or service already in the market. Projects that will take an existing product or service from an overseas market and make small adjustments to adapt it to meet the specific preferences, needs, regulations, or cultural considerations of the Australian market are **not** eligible for Ignite Spark Program funding.

14. I commenced some project activity and/or incurred costs prior to the execution of a funding agreement, can I include these activities/costs in my first progress report?

Only activities that commence after the project start date should be reported. Any project expenditure incurred prior to the project start date cannot be claimed from the Ignite Spark Program funds or be counted as part of the applicant contribution. The project start date will be agreed as part of the negotiation of the funding agreement and is generally no earlier than the funding agreement execution date.

15. What costs related to intellectual property protection are eligible?

Ignite Spark Program funding can be used to cover costs to obtain professional advice on the protection of intellectual property as well as reasonable costs of protecting intellectual property.

Ignite Spark Program funding **cannot** be used to cover costs relating to the ongoing maintenance and/or renewal of existing intellectual property protection.

16. Can I claim for the cost of commercialisation activities?

If your innovation has reached the minimum viable product stage and is ready to take to the market, it is **not** eligible for support under the Ignite Spark Program (but may be eligible under the Ignite Ideas Fund). Commercialisation activities to take a product or service into the market are **not** eligible for Ignite Spark Program funding.

17. What types of activities are considered to be eligible under the Ignite Spark Program?

The types of activities considered to be *testing, validation, demonstration* and *minor market-driven modifications* for the purpose of Ignite Spark Program funding include:

- specialist testing as required by customers/markets
- third party specialist services to support validation
- industry compliance testing
- small scale production of prototype specifically for the purpose of showcasing/demonstration
- design for manufacturing assembly and design for manufacturing at scale
- design review for manufacturability, building product cost models and risk assessment
- minor corrections or improvements to the product or service to meet customer/market requirements
- investigating intellectual property protection including research, engaging specialist advice and securing protection.

18. What can I include in my project budget?

Expenditure to be claimed from the Ignite Spark Program funding, or as the applicant contribution, must relate to the 'eligible activities' detailed above with the following expenditure types considered to be eligible:

- **salaries** (including salary-related on-costs) for founders, and existing and new employees to a total value that does not exceed 20 per cent of the total project cost

Example

An organisation is awarded \$75,000 from the Ignite Spark Program and is providing \$15,000 in matched funding. Total project cost is \$90,000.

No more than \$18,000 (from the total funding pool) can be claimed for salary costs.

- **equipment** not exceeding \$9,000 per item to a total value that does not exceed 10 per cent of the total project cost

Example

An organisation is awarded \$50,000 from the Ignite Spark Program and is providing \$5,000 in matched funding. Total project cost is \$55,000.

No more than \$5,500 (from the total funding pool) can be spent on equipment, whether this is one piece of equipment costing \$5,500 or multiple pieces of equipment with a total cost of \$5,500.

Example

An organisation is awarded \$75,000 from the Ignite Spark Program and is providing \$15,000 in matched funding. Total project cost is \$90,000.

No more than \$9,000 (from the total funding pool) can be spent on equipment, whether this is one piece of equipment costing \$9,000 or multiple pieces of equipment with a total cost of \$9,000.

A piece of equipment costing more than \$9,000 is not eligible to be claimed (from total funding pool) either in full or in part, i.e., you cannot purchase an item for \$10,000 and claim \$9,000 of the cost as an eligible cost under the Ignite Spark Program.

- **travel and accommodation** to a total value that does not exceed 10 per cent of the total project cost

Example

An organisation is awarded \$50,000 from the Ignite Spark Program and is providing \$5,000 in matched funding. Total project cost is \$55,000. Project budget includes \$5,500 for travel and accommodation (i.e., 10 per cent of the total project cost). Project commences and incurs costs of \$6,000 on travel and accommodation.

\$5,500 (from the total funding pool) can be claimed on travel and accommodation costs. Only reasonable travel costs will be deemed eligible, i.e., economy airfares and modest accommodation costs.

- **consumables**
- **third party provider costs** (testing/validation services and freight/transport services).

19. What is the Technology Readiness Level (TRL) index?

The TRL index is a globally accepted benchmark tool for tracking progress and supporting development of a specific technology through the early stages of the innovation chain. The following information may assist applicants in assessing the TRL of their project.

Level and Description

- 1. Basic research, principles observed, no experimental proof**

Lowest level of technology readiness. Scientific research begins to be translated into applied research and development (R&D). Examples might include paper studies of a technology's basic properties.

- 2. Technology formulation, concept and application formulated**

Once basic principles are observed, practical applications can be invented. Applications are speculative, and there may be no proof or detailed analysis to support the assumptions. Examples are still limited to analytic studies.

- 3. Critical function or Proof of Concept established**

Active R&D is initiated. This includes analytical studies and laboratory studies to physically validate the analytical predictions of separate elements of the technology.

- 4. Small scale prototype, validation in lab or simulated testing environment**

The basic technological components are integrated to establish that the pieces will work together.

- 5. Large scale prototype, similar system validation in lab or simulated testing environment**

Reliability of product or service innovation increases significantly. The basic technological components are integrated so they can be tested in a simulated testing environment.

- 6. Prototype system tested close to expected performance**

Prototypes are tested in a relevant environment. Represents a major step up in a technology's demonstrated readiness. Examples include testing a prototype in various simulated operational environment, for example, alpha testing.

- 7. Product or service demonstration at pre-commercial scale**

Product or service near or at planned operational system and requires demonstration with potential customers in an operational environment, for example, pilot testing, beta testing.

- 8. First of a kind commercial system, first customers**

Innovation has been proven to work in its final form and under expected conditions (pre commercial demonstration). In almost all cases, this TRL represents the end of true system development and initial customers have been secured.

- 9. Full commercial application, available to paying customers**

No further testing or product enhancement is typically required. Actual application of the product or service innovation is ready for commercial deployment to target customer markets.

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20. Why is the application form restricting the amount of information I can provide in response to questions?

Both the Expression of Interest and Full Application form have word limits applied to each response to avoid unnecessarily long responses. Applicants are encouraged to present responses in a clear and concise manner.

21. How do I demonstrate that the project has a clear focus on the testing, validation and demonstration of a functional prototype?

Ensure that you can evidence that your product or service is at a functional prototype stage at the time of application. Your application should set out a clear plan for progressing your innovation to minimum viable product stage ready to be sold to paying customers and attractive to investors. It should clearly demonstrate that the plan is achievable within the project timeframe.

22. Can I attach additional information to support my application?

The application forms ask specific questions to assist the applicant to respond to the assessment criteria and assist the assessors to determine which applications will be shortlisted. Applicants should therefore focus on these questions.

In addition to these questions an applicant can provide a business website or visual representation to support the responses provided. For example, photos of the product or a process flow diagram illustrating how the product or service will benefit the targeted customers.

The application form will prompt you for any required supporting documentation. Any documentation provided that is additional to that requested will not be considered by assessors.

23. How do I complete the *Project Activities and Outcomes* section of the Full Application form?

Detail the key project activities to be completed, split into six-monthly reporting periods. You also need to detail the expected outcomes of these activities (i.e., how you will measure the ongoing success of the project at the end of each reporting period).

As a guide, each milestone should have five to ten dot points describing the key activities and outcomes for each stage of the project with numbers, targets or rates of completion, where possible.

You should ensure that any jobs to be created are included in your *Project Activities and Outcomes*.

It is important to be as realistic and specific as you can when completing this section. Should your application for funding be successful you will be required to report actual progress and achievements against the *Project Activities and Outcomes* which will be incorporated into the funding agreement.

24. If my application is successful, will I have to provide evidence of project progress and expenditure to receive grant payments?

Yes, recipients must demonstrate that the project has been delivered in accordance with the funding agreement and provide evidence that the outcomes have been achieved and expenditure has been incurred to the satisfaction of the department.

An online progress report template will be provided for completion by recipients. Recipients will be required to complete the report to outline the progress of the project against the planned project activities and outcomes; the number of jobs created; details of expenditure of Ignite Spark Program funds and applicant funds; and any potential media opportunities.

Recipients must provide details of all expenditure on the project in the form of a categorised transaction listing. In addition, recipients will be required to provide payment evidence in the form of invoices, pay slips, receipts, and bank statements, as appropriate.

Once the department is satisfied with the information provided, recipients are required to submit a valid tax invoice for the instalment amount (including GST), addressed to the Department of Environment, Science and Innovation.

25. Are demonstration units eligible costs under the Ignite Spark Program?

The cost of producing units for demonstration is eligible. They can be included in the budget as 'customer acceptance testing' costs. Production costs for commercial sales are not supported.

26. Are 'production' costs eligible under the Ignite Spark Program?

The Ignite Spark Program will cover the cost of small-scale prototype production for the purpose of demonstration, validation or testing. The cost of large-scale production to meet demand, i.e., commercial sales, is not eligible.

27. How do I prove that a service is innovative?

This can be challenging, especially if the service elements cannot be protected through traditional IP means like patents, copyrights, or trademarks. However, there are several ways to demonstrate the innovation of a service:

- clearly articulate its unique value proposition and how the service offers something different or better compared to existing alternatives
- provide evidence of the demand or need for the service and how it fills a gap in the market
- if there are innovative technologies, methodologies, or processes behind the service, explain how they work and why they are unique or groundbreaking.

You need to demonstrate that you have carefully considered your IP position and have a strategy in place to protect your innovation.

28. If I am successful for an Ignite Spark Program grant will this restrict my eligibility to apply for an Ignite Ideas Fund grant in the future for the same product or service?

Recipients of the Ignite Spark Program can apply for the Ignite Ideas Fund for the same innovative product or service once the Ignite Spark Program project is complete and the product or service has reached minimum viable product stage.

29. If the funds from the grant can be used for investigating intellectual property protection, including research, engaging specialist advice, and securing protection, how is the disclosure of information about my product protected during the application process?

Our external assessors are procured through a standing order arrangement that requires them to keep all information contained in funding applications confidential and not use it except for the purposes of the assessment (unless information is required to be disclosed by law).

Where applicants have not obtained intellectual property protection this should be stated in the application and disclose only what is absolutely necessary to enable the product or service developed to be understood by the assessors.

30. Would showing how much we are spending outside the funding parameters of the grant have any impact on our probability of getting the grant?

You are required to provide a detailed project budget for the grant funding sought and the applicant contribution. It is not necessary to include other business costs in the budget. It may be useful to explain additional activities and developments occurring within the business as part of your application if it assists in answering a question.

31. In the eligibility criteria, it states that 'development of a concept for a new business' is not an eligible project. Does this mean new businesses are not eligible to apply for Ignite Spark funding?

New businesses are eligible for Ignite Spark Program if they have developed an innovative product or service and it has reached the functional prototype stage. Ignite Spark funding is not a business start-up grant.

32. If the applicant organisation is owned solely by the applicant and there are franchises attached (owned by other entities), do the FTEs from the other franchises have to be included in the count for the applicant organisation?

To calculate the FTE size for the purpose of this funding, you need to factor in the total number of employees, including those from the parent company, subsidiary and affiliated companies with a financial and ownership relationship.

33. How do I demonstrate that the product or service is ready to be validated in an industrially or operationally relevant environment?

By demonstrating the product or service has reached functional prototype stage, i.e. the core functionalities and features of the final project have been built and technical aspects and performance have been validated.

34. Can the matched funding come from a grant?

Applicants can source cash contributions internally or from investors, customers, or business partners. A grant would be eligible as matched funding if it was not provided by a local, state or federal government and if it was contributing towards the specific eligible project activities. The grant funds must be without any prior commitments or restrictions tied to them.

35. What are the main industry focus of the program?

The Ignite Spark Program does not have any specific industry focus.