Ignite Ideas Fund – Round 12

Frequently Asked Questions

8 March 2024

> This document is intended to supplement *the Ignite Ideas Fund – Round 12 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. If the product or service was at the development stage to be eligible for one program, it would be ineligible for the other program. 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 Ideas Fund is a competitive grant program. Only eligible applications will be considered for funding. It is popular and likely to be significantly oversubscribed this round. 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. It 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 merit 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. How many projects are likely to be funded this round?

The number of projects to be awarded funding is dependent on the amount of funding allocated to the funding round and the quality of the applications submitted.

12. How do I demonstrate that my product is at minimum viable product stage?

The Ignite Ideas Fund requires your product or service to be at, or beyond, the minimum viable product stage.

Minimum viable product stage is a development stage within the commercialisation pipeline where a product or service has:

- progressed beyond initial proof of concept/prototype stage
- fully developed core features and functionalities
- undergone testing and validation, including pilot trials with potential customers
- been refined to incorporate feedback from the trials and testing
- reached the point of market readiness and is at the stage where customers will pay for it.

The diagram below may help you to determine what stage of development your product or service is at in relation to achieving minimum viable product.
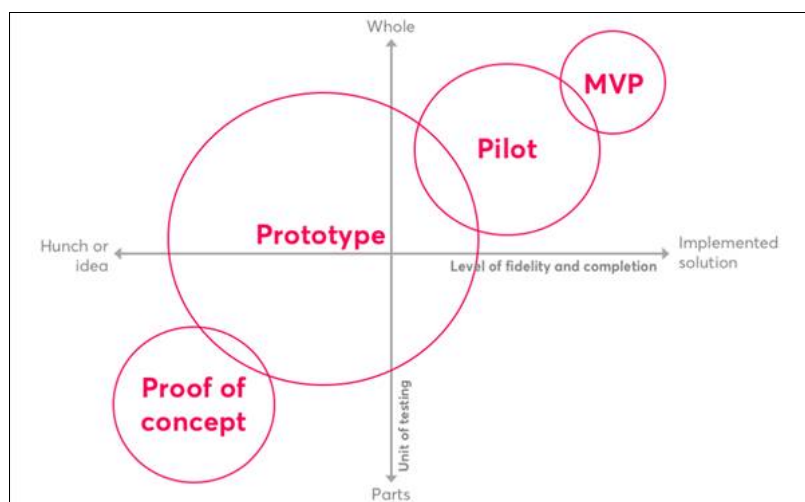
Source: https://www.nesta.org.uk/blog/proof-of-concept-prototype-pilot-mvp-whats-in-a-name/

13. What is meant by a product being 'in the market'?

A product or service is considered to be 'in the market' once the business has well developed marketing material, a website and/or online presence, is actively promoting the product or service and has had paying customers for a period of time beyond any free trials (for example, at least six months).

If the type of commercialisation activities funded through the Ignite Ideas Fund have largely been completed for your product or service (i.e., sales and marketing, exhibiting at trade shows, engaging investors, securing patents and trademarks) then it is likely to be considered as already 'in the market' or commercialised.

An applicant organisation may have customers it has worked with to develop the prototype or pilot the product or service, that have undertaken free trials and become initial paying customers (often heavily discounted). These initial customers are important to demonstrate demand for the product or service and that customers are prepared to pay (and how much). This validates that the business can commercialise profitably. In this scenario, the product or service would **not** be considered as 'in the market' as new customers have not been acquired.

14. My product is already in the market, can I apply to the Ignite Ideas Fund to take a new and improved version of my product into market?

Funding under Tier 1 and Tier 2 of the Ignite Ideas Fund is only available to commercialise a product or service into the market for the first time. The funding does not support commercialisation of the next version or iteration of an existing product or service already in the market.

15. 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 and/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 and/or service demonstration at pre-commercial scale**
Product and/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 and/or service innovation is ready for commercial deployment to target customer markets.

16. Can I apply for Ignite Ideas funding if I am currently receiving, or have previously received, other government funding for the project?

You cannot apply for Ignite Ideas funding if you have already received funding from either the state, federal or local government for the proposed project activity, i.e., to commercialise the same/similar product or service.

17. Can I apply for Tier 2 funding if I have already received Tier 1 funding for the same product or service?

If applying for Tier 2 funding, the applicant organisation and/or related parties must not have received any Ignite Ideas funding previously to commercialise the same/similar product or service.

18. How is the disclosure of information about my product protected?

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.

19. 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.

20. How do I demonstrate that my project has a clear focus on commercialisation?

Ensure that your product or service has achieved minimum viable product status prior to application. Activities to bring the innovation to this stage are not considered to be commercialisation activities for the purpose of the Ignite Ideas Fund.

Your application should set out a clear plan for commercialising your innovation and increasing customer sales. It should clearly demonstrate that the plan is achievable within the project timeframe.

Activities considered 'commercialisation' for the purpose of Ignite Ideas funding are:

- sales and marketing
- exhibiting at trade delegations/trade shows
- customer/investor engagement
- product or service demonstration as required by new customers/markets
- investigation of production and assembly options
- securing intellectual property protection including research, engaging specialist advice and securing patents.

Consideration will be given to allow matched funding to include:
- limited specialist testing as required by new customers/markets
- minor corrections or improvements to the product or service to meet customer/market requirements.

21. How do I demonstrate that my project will result in outcomes and benefits for Queensland?

The outcomes of the project should be clearly defined and quantified, as far as possible, in terms of economic, social, regional and/or environmental benefits.

In identifying economic benefits of the project, you should consider:
- sales and/or revenue from the developed product or service
- direct employment effects
- its contribution to an increased level of entrepreneurship and innovation

- any benefit that will be delivered to regional Queensland
- any benefit that will be delivered to Indigenous businesses and/or people
- its potential to benefit and/or grow one of Queensland's priority industries
- its alignment with and/or contribution to any current Queensland Government policy/industry roadmap/priority industry.

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

The application forms ask specific questions that will 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.

The Full 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 commercialisation 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 commercialisation 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. 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 Ideas 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.

25. Are clinical trials an eligible activity/cost under the Ignite Ideas Fund?

Ignite Ideas funding is only available to commercialise highly innovative new products or services that have already reached minimum viable product stage or beyond.

Clinical trials do not qualify for Ignite Ideas funding given testing is ongoing and typically takes years to complete before the product or service is ready to commercialise.

26. Are costs related to intellectual property protection eligible under the Ignite Ideas Fund?

Ignite Ideas funding can be used to cover the reasonable costs of protecting intellectual property. However, Ignite Ideas funding cannot be used to cover costs relating to the ongoing maintenance and/or renewal of existing intellectual property protection.

27. What costs can be covered by the applicant organisation cash contribution?

The cash provided by the applicant organisation can be used to cover any direct project costs. Direct project costs are costs that are specific to the project (i.e., excluding any business-as-usual costs) and are actual incurred costs with a transaction taking place that can be evidenced (rather than notional, proportional or 'missed opportunity' cost).

28. Can I include in-kind costs in my matched funding contribution?

In-kind costs and non-cash contributions are not considered eligible for matched funding requirements.

29. If my application is successful, am I required to spend all the grant funding in Queensland?

It is expected that, wherever possible, the grant funding will be spent within Queensland, i.e., if you are purchasing goods or services that are available in Queensland, it is expected that you would purchase them from within Queensland.

Expenditure outside Queensland is acceptable only where it is a prerequisite to ensure successful completion of the project, for example, the costs of travel and accommodation required to engage with potential new customers in a new market, and/or, the costs of procuring expertise, products, or services that are essential to the project but not available within Queensland.

30. If my application is successful, when will I receive the grant funding?

Ignite Ideas funding is paid in instalments throughout the lifecycle of the project. Generally, the first payment is made following execution of the funding agreement between the recipient and the Queensland Government. The remaining payments are made following the submission of satisfactory reports detailing the progress, outcomes, and expenditure of the project.

Tier 1 recipients will receive the approved funding in instalments, as follows:

- 50 per cent on execution of the funding agreement
- 40 per cent on completion of milestone 1
- 10 per cent on completion of milestone 2 (final).

Tier 2 recipients will receive the approved funding in instalments, as follows:

- 25 per cent on execution of the funding agreement
- 25 per cent on completion of milestone 1
- 25 per cent on completion of milestone 2
- 15 per cent on completion of milestone 3
- 10 per cent on completion of milestone 4 (final).

31. 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 Ideas 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.

32. What metrics or indicators are used to measure the success of supported start ups?

Each project will have its own specific metrics, such as website views, new customers, or sales. At a program level, success is based on new products and services entering the market, business survival rates, export rates, ecosystem strengthening, and jobs supported. Examples of successful past recipients can be found on the Ignite Ideas webpage.

33. Are demonstration units eligible expenses under the Ignite Ideas Fund?

The cost of producing units for demonstration is eligible under the Ignite Ideas Fund and can be included in the budget as product demonstration costs. Production costs for commercial sales are not supported.

34. Are 'production' costs eligible under the Ignite Ideas Fund?

The Ignite Ideas Fund will cover the cost to investigate how to produce at scale. It will also cover the cost of production at a small scale for customer demonstration.

Costs of large scale production to meet demand, i.e., commercial sales, are not eligible.

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

This can be challenging, especially if the service elements cannot be protected through traditional intellectual property 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.

Not everything is patentable, but you need to demonstrate that you have carefully considered your intellectual property position and have a strategy in place to protect your innovation.

36. Do I need to have a completed commercialisation plan and will such a plan be required at the Full Application stage?

Applicants are not required to submit a separate commercialisation plan document but will be required to provide significant details on their commercialisation plan as part of the application process.

37. If I apply for an Ignite Spark Program grant (and am successful) 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 project is complete and the product or service has reached minimum viable product stage.

38. 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.

39. 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.

40. What are the main industries that you are focusing on?

The Ignite Ideas Fund does not have any specific industry focus.