

# Advance Queensland Ignite Ideas Fund - Guidelines for Applicants

## Introduction

The **Ignite Ideas Fund** aims to support small to medium Queensland businesses to scale-up **market ready, innovative** product, process or service to global markets.

The Funding helps cutting edge firms to grow, compete in global markets and create new jobs.

Grants of up to \$250,000 (excluding GST) are available to support activities that **test and execute** commercialisation plans for a new, innovative product, process or service that is **market-ready**; or in a local market and ready to **scale into new markets**; or has the potential to **significantly disrupt or ‘step-change’ key industries in Queensland**.

## 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 One project activities must be completed within 12 months.
- Tier Two:  
Applicants can apply for **\$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.
- Tier Two project activities must be completed within 24 months.

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%	

## Eligibility criteria

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

- **be registered and head-quartered in Queensland**
- have **less than 200 full time equivalent staff (FTEs)**
- 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/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:

- focused on commercialising unique, new or significantly improved products, processes or services
- be market-ready, OR already be in a local market and ready to scale into new markets, OR have the potential to significantly enhance or 'step-change' a key Queensland industry
- 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.
- Applicants who have received previous Ignite Ideas Funding are eligible to apply provided they can demonstrate significant project outcomes have been achieved from the

previous grant funding (e.g. jobs creation, benefits to Qld).

## Ineligible projects

The following projects are ineligible:

- **NOT** market-ready, or in a local market and ready to scale into new markets, or have the potential to significantly enhance or 'step-change' key industries in Queensland.
- 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
- expenditure and/or capital works that are not specifically related to commercialising the innovation
- 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 execute their commercialisation strategy. 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 (to a maximum of 20 percent of funds requested)
- 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.

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

If applicants are using funds from a third party (investors, customers or partners) to meet matched funding requirements, 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.

## Eligible project costs

**Please read carefully as eligible costs should be detailed in your budget.** 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 (to a maximum of 20 percent of funds requested)
- 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, 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 and 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

**Please read carefully, ineligible costs may be included in your budget, but grant funds cannot be used to pay for ineligible 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 attendance 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 and weighting

To be considered as a successful applicant the grant application must score highly in all five assessment criterion.

#### 1. Innovation and market potential (= 25%)

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. Market readiness (= 15%)

Market readiness can be assessed against Technology Readiness Levels (TRL):

TRL	Description
0	Idea, unproven concept, no testing performed
1	Basic research, principles observed, no experimental proof
2	Technology formulation, concept and application formulated
3	Applied research, first lab tests
4	Small scale prototype, built in a testing environment
5	Large scale prototype, early user testing
6	Prototype system user tested close to expected performance
7	Demonstration system operating at pre-commercial scale
8	First of a kind commercial system, first paying customers
9	Full commercial application, available to customers

Your application should demonstrate the product, process or service is:

- already in a local market and ready to scale into new markets = TRL8-9
- OR market-ready and operating at pre-commercial scale = TRL 6
- OR is at minimum TRL5 with the potential to significantly enhance or 'step-change' a key Queensland industry.

### 3. Project planning, feasibility, budget and timeframes (= 20%)

You should demonstrate that the project:

- is well planned and feasible via:
  - a) a project plan with key milestones and timeframes
  - b) a detailed budget for the entire project, not just for the amount of funding you are seeking
- establishes the market/commercial potential of the product, process or service is valid via:
  - a) a competitor analysis outlining who competitors are and the market differentiation factors for your product/service
  - b) business/financial model outlining how the project will grow revenue and/or increase sales
- can be resourced and funded (applicant's contribution)
- key project risks have been identified and risk mitigation strategies addressed.

### 4. Technical and management capability (= 15%)

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

- including a simple and succinct business plan
- 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
- including details of any advisory boards.

### 5. Benefits to Queensland and regional impact (= 25%)

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
- how it might contribute to high levels of entrepreneurship or innovation in a region(s) in Queensland
- 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 outline 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 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).
- Only 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 application will be accepted).

## 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 eligibility and due diligence processes. **Please read the Guidelines and instructions provided throughout the application form carefully to ensure all required attachments are provided. If the required documentation is not provided, applications will be deemed ineligible for funding.**

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 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 must consist of:

- ✓ a completed online application form
- ✓ acknowledgement of reading and accepting the terms and conditions
- ✓ Required attachments including:
  - a) a project budget
  - b) a project plan
  - c) competitor analysis
  - d) business/financial model
  - e) risk analysis
  - f) business plan
  - g) a project team profile (CV)
- ✓ additional documents to demonstrate the product/service - slide deck (max 10 slides) and /or short video pitch or website links.
- ✓ letters providing 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 the 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

**Web:** [advance.qld.gov.au](http://advance.qld.gov.au)

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