

Female Founders Co-Investment Fund

Application Help Guide

Last updated 01.03.2023

Definitions

Definition of “startup”

For the purpose of this program, a startup is a company or trust, started in the past five years, that is not part of an enterprise group and is searching for a repeatable, scalable and innovative business model or product using science and technology.

Definition of “scaleup”

For the purpose of this program, a scaleup is a valuable former startup company or trust that is not part of an enterprise group, has found a repeatable, scalable and innovative business model or product and is expanding rapidly in terms of at least one of number of employees, revenue, profit, or number of customers. Exporting either interstate or overseas.

Definition of ‘Queensland based’

For the purpose of this program, the applicant organisation must be both operating in and must have a Queensland headquarters. To demonstrate this, the applicant’s Australian Business Register (ABR) ABN profile’s ‘Main Business Location’ must be listed as being in Queensland at the time of the application.

Definition of “investment”

For the purposes of this program, investment refers to formalised funding received by the applicant organisation through an agreement with an eligible investment entity or entities. This does not include in-kind investment of services or other non-monetary contributions.

Definition of ‘eligible pre-seed or seed investment’

Pre-seed and Seed investment are typically the early investment rounds for a startup engaged with a professional investment entity and can range in value. For the purposes of this program, it is anticipated the investments are likely to fall between the investment range of \$150,000 and \$600,000.



General

Queensland female founders are a priority cohort

Female founders were identified as a priority cohort in the Queensland Government's *Advance Queensland's Innovation for a Future Economy 2022-2032 Roadmap*. A Roadmap priority is that Queensland has a well-connected, inclusive and thriving innovation ecosystem.

More details are available at <https://advance.qld.gov.au/innovation-future-economy>

Female founded business considerations

For the purposes of this program, a 100% female-founded business is one in which all founding members at the point of incorporation (or the trustee or owners of the trustees of a trust) are female-identifying persons.

This is demonstrated by:

- **Individual ownership:** All shareholders at the point the business was incorporated (registered as an entity) were female/female-identifying persons
OR
- **Trust ownership:** All trustees or director/controlling shareholders of the corporate trustee of a trust are female/female identifying persons
OR
- **Company ownership:** If interests in the applicant entity are held by a company, the above rules still apply

At the time of application the business must also have more than 50 per cent (i.e. at least 50.01%) female ownership. The current ownership of the business does not have to be the same as at the time of incorporation.

Indigenous business considerations

An Indigenous business is one that is at least 50 per cent or more owned by an Aboriginal person and/or a Torres Strait Islander person.

Non-SEQ business considerations

A Non-SEQ business is headquartered outside of local government councils in Brisbane, Redlands, Gold Coast, Logan, Scenic Rim, Somerset, Lockyer Valley, Ipswich, Sunshine Coast, Noosa and Moreton Bay.

Regional business considerations

A regional business is headquartered outside of the Brisbane City Council boundary.

Undertaking eligible investment

At the time of application, the applicant must have a lead investor and provide evidence of proposed investment terms, but must not yet have signed and finalised the investment with all listed investors.

Eligibility

Previous funding considerations

Applicants cannot apply for grant funding if the applicant organisation and/or related parties have received any other government, funding or investment (directly or through an accelerator) which totals more than \$500,000.

Additionally, any investment entities who have previously invested in the organisation will be ineligible for the program, including follow-on investments and incubator/accelerator programs.

Previous Advance Queensland support considerations

The applicant will not be eligible to apply to the program if the organisation, or any related parties, have previously received any type of Ignite Ideas Funding. However, support through other Advance Queensland programs which provide services such as learning and development programs will not impact the applicant.

Investment considerations

This program is not currently accepting crowdfunding as an eligible investment method. At the time of application, the applicant's nominated investment method must be dated after program opening (14 February 2023), executed by all parties, and no investment funds have been received.

All final documentation (including final term sheets, executed shareholder agreements or subscription agreements) must be dated after the provisional approval date.

The applicant's final investment amount can differ to the amount provided in the initial application. However, the final investment must still include the nominated eligible investment entity (lead investor) and fall within the overall limit of eligible pre-seed/seed investment (at least \$150,000). Total secured investments which falls below this window will not be eligible, and provisional approval will be withdrawn. The application will be reviewed if there is a significant discrepancy between the proposed application amount and the final investment secured, or if the lead investor contribution changes significantly.

Investment limit considerations

The applicant's Pre-Seed or Seed investment can total more than \$600,000, however the maximum grant investment for the applicant organisation will remain at the maximum \$200,000 regardless of the final investment amount. Applicants must apply with Pre-Seed or Seed level investment where the applicant organisation is engaging in its first investment with a new professional entity are eligible. Further Series A (B, C etc.) investment rounds are not eligible.

Applicants who apply with a convertible note must ensure it cannot be redeemed within the first 12 months. As a convertible note is an instrument of debt, this is to ensure the applicant organisation is able to meet their intended growth plan for the duration of the funding period, the convertible note cannot be redeemed until the completion of their funding commitments.

Further considerations

The applicant organisation does not need to be classified as an early-stage innovation company (ESIC) to apply. However, the applicant should familiarise themselves with the [ATO definition of an early-stage innovation company](#).

Application Process

Amending applications after submission

Applications cannot be amended; however, you must advise the Queensland Government of any changes that are likely to affect your eligibility.

Providing supporting documentation after submission

Only information submitted at time of application will be considered by the Assessment Panel. This excludes the specified information required after the Applicant has received provisional approval.

Number of applications

Multiple applications will not be accepted from the same applicant organisation or related parties.

Application result outcomes

Applicants will be advised of the outcome at the earliest possible time once the assessment process and due diligence have been conducted. Provisional approval may take up to six weeks however this is an indicative timeframe only.

Provisional approval

Applicants will be provisionally approved when the assessment panel has reviewed their application and advised the applicant of their approval via email. Applicants will then have 120 calendar days from this date to leverage further funding, secure their investment round and provide all remaining evidence as per the guidelines in order to be fully approved for funding.

Application steps

1. The Applicant secures an eligible lead investor
2. The Applicant applies for Female Founders Co-Investment Funding
3. Advance Queensland advises the Applicant if they are provisionally approved for funding (through a formal letter)
4. The Applicant has **120 calendar days** to leverage additional and/or secure their investment in the nominated round
5. The Applicant finalises and secures their eligible investment raise within the timeframe
6. The Applicant provides evidence of the finalised investment agreements (signed by all parties)
7. The Applicant is fully approved for Female Founders Co-Investment funding (enters into a Financial Incentive Agreement)
8. The Applicant (now Recipient) provides evidence of their receipt of the investment funds
9. The Recipient receives their first milestone payment

Applicant data collection

The department collects broad applicant data for reporting purposes, but this data is captured and reported at a high level. Data will be collected for reporting purposes including businesses that identify as female, indigenous, regional and non-SEQ.

Sharing applicant data

For the purposes of this program the application submitted by the applicant, including all attachments, will be provided to an external contracted provider to perform due diligence checks and assessment of the investment terms to ensure they meet the criteria of the program.

Completing the FFCF application form

The application form asks 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 which may provide further explanation of the business and product/service, a pitch deck, or a Dataroom link.

Demonstrating an innovation focus

The application should clearly demonstrate how the organisation meets one or more of the principles listed in the [ATO defined principles-based innovation test](#).

Demonstrating organisational capability

The applicant should consider:

- including background information on the founder/management team/investor(s) illustrating their relevant skills and experience
- identifying the ability to secure critical external expertise, where required
- including details of any governance / advisory boards.

Business plan

The application should set out a clear plan for scaling your business and effectively utilising the investment funding. It should include current financial statements (e.g., cashflow, cashflow projection), a growth plan demonstrating use of funds and at least 12-month runway, and a 12-month organisational budget. This can be in the form of a pitch deck.

Investment information

The applicant must provide the primary investment document which outlines all known and eligible investment parties and their investment contribution, a letter of support from the lead investor, as well as confirmation that the applicant organisation has received the funding once the investment has been secured.

Checking the status of your 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.

Funding

Paying Female Founders Co-Investment funding

Funding is paid in two instalments over a period of 12 months. Generally, the first payment is made following execution of the Financial Incentive Agreement between the recipient and the Queensland Government. For the purposes of this program the confirmation from the recipient that they have received their investment from the investor(s) is also required. The remaining payment will be made following the submission of a satisfactory final report detailing the outcomes, and expenditure of the grant funding.

Information required for reporting

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 investment against the planned Milestone Activities and

Outcomes in the Financial Incentive Agreement. Applicants will also be required to provide regular investor updates to Advance Queensland.

Grant payments and GST

All applicants must be registered for GST and all grant amounts will be paid inclusive of GST.

Expending 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.

Conditions of award

Modifying the growth plan

Should the applicant need to modify their growth plan after they have been approved, the department has a Project Variation procedure, whereby recipients can request variations to their Financial Incentive Agreements. Decisions are made to approve variation requests on a case-by-case basis. Recipients will be provided more information about the variation process after execution of the Financial Incentive Agreement.

120 calendar day timeframe

The competitive nature of this program means that applicants who have been provisionally approved for funding and are unable to supply evidence of their finalised investment within the specified timeframes will risk having their funding allocated to the next provisionally approved applicant.

Loss of investor

The applicant organisation must immediately notify the department of any changes to the investment terms. The funding may be withdrawn/returned if any of the investors do not proceed with the investment. The department will consider if the applicant will be able to deliver on their funding milestones without the investor.

Remaining in contact

The department will contact the applicant/recipient organisation up to 12 months after the end of the funding to gather information on the progress of the organisation and impact of the funding.

Unsuccessful applicants

Obtaining feedback on unsuccessful applications

Feedback will be provided to all unsuccessful applicants in writing, outlining the key strengths of the application and the areas the application could be improved. Feedback is based on the details provided by the assessment panel. Additional feedback may be requested once written feedback has been received.