



Australian Government
**Department of Industry,
Innovation and Science**

Entrepreneurs' Programme - Programme Guidelines Version 8

October 2016

I, **The Hon Greg Hunt MP**, Minister for Industry, Innovation and Science,
issue the following *Programme Guidelines* to the *Department*.

Dated

Minister for Industry, Innovation and Science

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Purpose

1. The purpose of the *Programme Guidelines* is to provide the framework for the operation and administration of the *Programme*.
2. The *Programme Guidelines* are not an exclusive statement of the Australian Government's requirements for the *Programme*.
3. The *Programme Guidelines* do not create any legal, equitable or other relationship between the Commonwealth and an *applicant*.
4. The *Programme* comprises four *Elements*:
 - a) *Business Management*;
 - b) *Innovation Connections*;
 - c) *Accelerating Commercialisation*; and
 - d) *Incubator Support*.
5. Parts 1, 2 and 3 of the *Programme Guidelines* apply to all *Elements* of the *Programme*. There is a separate schedule for each *Element* that contains clauses only relevant to that *Element*. Additional schedules may be added from time to time by the *Minister*.

Commencement

6. The *Programme Guidelines* commenced on 1 July 2014.
7. *Entrepreneurs' Programme - Programme Guidelines* Version 8 replaces the *Entrepreneurs' Infrastructure Programme - Programme Guidelines* Version 7.

Authority

8. The *Programme Guidelines*:
 - a) are made by the *Minister*;
 - b) may be amended by the *Minister* from time to time; and
 - c) may be amended by the *Programme Delegate*, for the purpose of making minor amendments to fix errors or omissions, from time to time.

Interpretation

9. All italicised terms (excluding references to legislation) are defined in Appendix 1 and apply for the purpose of interpreting the *Programme Guidelines*. These definitions are not intended to be a substitution for the defined terms in any *Deed of Services and Release* or *Funding Agreement*.
10. The *Programme Guidelines* should be read in conjunction with the relevant *Customer Information Guides* available on business.gov.au.

11. In the event of any inconsistency between the *Programme Guidelines* and the *Customer Information Guides*, the *Programme Guidelines* prevail.

Part 1 – Programme Overview

Introduction

12. The *Programme* was announced as part of the 2014-15 Federal Budget.
13. The *Programme* is the Australian Government's flagship initiative for business competitiveness and productivity at the firm level. It forms part of the Australian Government's industry policy outlined in the Industry Innovation and Competitiveness Agenda, released on 14 October 2014 and the National Innovation and Science Agenda, announced on 7 December 2015.
14. The *Programme* was expanded to northern Australian *Tourism Businesses* through the *Our North, Our Future: White Paper on Developing Northern Australia* on 18 June 2015. The *Programme* will form links with the Australian Small Business Advisory Service (ASBAS) programme to coordinate delivery of services to *Tourism Businesses* in *Northern Australia*.
15. The *Programme* will form links with the *Industry Growth Centres* to improve the capability and collaborative capacity of the identified *Growth Sectors*.
16. The *Department* is responsible for administering the *Programme*.

Programme Objective

17. The objective of the *Programme* is to drive business growth and competitiveness by supporting business improvement and innovation connections in targeted *Growth Sectors* and the commercialisation of novel products, processes and services.

Programme Outcomes

18. In meeting the *Programme* objective, the *Programme* is expected to deliver the following outcomes:
 - a) Improved business capability;
 - b) Effective business, research and commercialisation networks;
 - c) Improved business and commercialisation performance; and
 - d) Value to *Participants*.

Part 2 – Programme Governance

Roles and Responsibilities

The Minister

19. The *Minister* will appoint a *Programme Delegate* to administer the *Programme*.
20. The *Minister* will make the final decision on which New and Existing *Incubator Support* applications to support.
21. The *Minister's* decision is final and will not be reviewed.

Programme Delegate

22. The *Programme Delegate* is authorised to make decisions in relation to the administration of the *Programme* and to give directions to the *Department* as to the interpretation of the *Programme Guidelines* and other documents used in relation to the *Programme*.
23. The *Programme Delegate* must have regard to the *Programme's* policy rationale and objective when performing any function or making any decision in relation to the *Programme*.
24. The *Programme Delegate* is responsible for:
 - a) ensuring overall efficient and effective administration of the *Programme*;
 - b) approving and amending all customer documentation, including *Customer Information Guides*;
 - c) engaging *Industry Partners* to employ *Business Advisers*, *Business Facilitators* and *Innovation Connections Facilitators*;
 - d) engaging Industry Sector Directors;
 - e) engaging *Commercialisation Advisers*;
 - f) engaging members of the *Expert Network*;
 - g) delivering and approving supporting events, domestic roadshows and international missions;
 - h) determining whether an *Eligible Corporation* qualifies as an *Eligible Partner Entity*;
 - i) determining the eligibility of applications;
 - j) entering into and varying *Funding Agreements* and *Deeds of Services and Release* on behalf of the *Department*;
 - k) authorising payment of *Grants* by the *Department* to *Recipients*;

- l) monitoring the performance of *Business Advisers, Business Facilitators, Industry Sector Directors, Innovation Connections Facilitators* and *Commercialisation Advisers*;
 - m) ensuring that data is collected and available for *Programme* monitoring and evaluation;
 - n) briefing the *Minister* about the *Programme*;
 - o) facilitating and assisting in independent evaluations of the *Programme*; and
 - p) any other responsibilities under the *Programme* as required by the *Minister*.
25. Decisions of the *Programme Delegate* are final and will not be reviewed.

Innovation and Science Australia

26. *Innovation and Science Australia* will provide strategic oversight of the *Programme*.
27. *Innovation and Science Australia* will provide merit assessments and merit rankings of *Accelerating Commercialisation Grant* applications to the *Programme Delegate*; and merit assessments of New and Existing *Incubator Support* applications to the *Minister*.

AusIndustry

28. The *Department*, through *AusIndustry*, delivers the single business service which includes one website (business.gov.au), one contact centre (13 28 46) and one national network of highly qualified staff that both deliver Australian Government programmes and provide expert support.

Industry Partners

29. The *Department* may engage *Industry Partners* to employ *Business Advisers* and *Business Facilitators* to assist in the delivery of *Business Management*, and *Innovation Connections Facilitators* to assist in the delivery of *Innovation Connections*.

Commonwealth's Rights

30. Nothing in the *Programme Guidelines* should be construed to give rise to any contractual obligations or rights, expressed or implied, by the issue of the *Programme Guidelines* or the submission of an application for a *Service* or *Grant* under the *Programme*.
31. No agreement will be created between a successful *applicant* and the Commonwealth, as represented by the *Department*, until a *Funding Agreement* or *Deed of Services and Release* is formally executed.
32. Notwithstanding the approval of an application for a *Grant* or *Service*, the provision of a *Grant* or *Service* by the Commonwealth, and the amount of a *Grant*, is subject to available Commonwealth funding and changes in Commonwealth policy.

Announcements

33. The *Department* will report on its website, information on individual *Grants* as required by paragraph 5.3 of the [Commonwealth Grants Rules and Guidelines](#), available on the Department of Finance's website.
34. In addition, the *Minister* or the *Department* may publicly announce information about successful activities and details of *Participants* that the *Department* determines is not confidential (see clause 52), including the:
 - a) name of the *Participant*;
 - b) description of the activity and its objectives;
 - c) amount of funding awarded (where applicable).

Conflicts of Interest

35. The *Department* will maintain procedures for managing conflicts of interest for staff within the *Department*, technical experts and other third parties involved in the management, assessment and evaluation of: the *Programme*, applications and the delivery of *Activities*. Conflicts of interest will be managed in accordance with these procedures. A *conflict of interest* can arise in situations where a person has an interest or relationship, whether real, perceived or potential, that conflicts with a duty they hold or where they have a role that conflicts with another role.
36. The *Department's* [procedures for managing conflicts of interests](#) by its employees are in accordance with the requirements of the [APS Code of Conduct](#) (section 13(7) of the *Public Service Act 1999 (Cth)*), the *Public Governance, Performance and Accountability Act 2013 (Cth)* and the *Public Governance Performance and Accountability Rule 2014*.
37. The *Department* will manage potential, perceived and actual *Innovation and Science Australia* member conflicts of interest through a *conflict of interest* process that requires *Innovation and Science Australia* members to declare any *conflict of interest* by members and exclude those members from the application assessment process if the *Programme Delegate* determines that the *conflict of interest* is material.
38. *Industry Partners, Industry Sector Directors, Business Advisers, Business Facilitators, Innovation Connections Facilitators* and *Commercialisation Advisers* must identify to the *Department* any actual, perceived or potential conflicts of interest they believe will or may arise during the delivery of the *Programme* and, where a conflict is identified, specify how that conflict will be addressed and monitored to ensure it does not compromise the outcomes desired of the *Programme*.

Feedback and Complaints

39. Information about feedback and complaints handling concerning the *Programme* is included in the relevant *Customer Information Guide* and the Customer Service Charter published on business.gov.au.

40. Complaints concerning decisions will, in the first instance, be directed to the appropriate manager within the *Department*.
41. If the *applicant* is not satisfied with the complaint resolution procedure, the *applicant* may escalate the complaint to the *Programme Delegate*.
42. The *applicant* is also entitled to lodge a complaint with the Commonwealth Ombudsman.
43. Details on how *applicants* may lodge a complaint are published on business.gov.au.

Programme Contact Details

44. Any queries regarding the *Programme Guidelines* should be directed to business.gov.au or the contact centre on 13 28 46.

Protection of Information

45. The use and disclosure of information provided to the *Department*, *Business Advisers*, *Industry Partners*, *Business Facilitators*, *Innovation Connections Facilitators* and *Commercialisation Advisers* by an *applicant* (including information provided as part of any application) is regulated by the relevant provisions and penalties of the *Public Service Act 1999 (Cth)*, the *Public Service Regulations*, the *Archives Act 1983 (Cth)*, the *Privacy Act 1988 (Cth)*, the *Crimes Act 1914 (Cth)*, the *Criminal Code Act 1995 (Cth)* and general law.

Use and Disclose of Information

46. Unless the information provided to the *Department* is:
 - a) *Personal Information* in accordance with sections 47 to 51; or
 - b) *Confidential Information* in accordance with sections 52 to 53

the *Department* may disclose the information to any person for any purpose directly related to the activities and functions of the Australian Government, including but not limited to the purpose of:

- a) announcing the awarding of *Grants*;
- b) improving the effective administration, monitoring and evaluation of this or other Commonwealth programmes; or
- c) conducting research within the *Department* or another Commonwealth agency.

Personal Information

47. The *Department* is bound by the Australian Privacy Principles (APPs) outlined in Schedule 1 of the *Privacy Act 1988 (Cth)*. The APPs regulate how the *Department* may collect, use, disclose and store *Personal Information*.

48. 'Personal Information' under the *Privacy Act 1988 (Cth)* means information or an opinion (whether true or false) about a natural person who is reasonably identifiable.

Use of Personal Information

49. *Personal Information* obtained by the *Department* will only be used by the *Department* and may be disclosed to:

- a) the *Minister*, the Parliamentary Secretary, and their Office; and
- b) other Commonwealth Ministers; and
- c) *Industry Growth Centres*; and
- d) *Industry Partners, Industry Sector Directors, Business Advisers, Business Facilitators, Innovation Connections Facilitators and Commercialisation Advisers*; and
- e) other Commonwealth, State or Territory government departments and agencies; and
- f) technical, financial, economic, and/or industry experts (including auditors); and
- g) *Departmental* contractors,

for the purposes of:

- h) administering the *Programme* and any related purposes, including programme and policy evaluation and development; and
- i) *Departmental* research, analysis, and evaluation; and
- j) reporting and consultation with other Commonwealth, State or Territory government agencies; and
- k) reviewing applications to provide technical or financial advice on a contract basis; and
- l) referring *Participants* to *Industry Growth Centres*,

except where authorised or required by law (see section 54).

50. An *applicant* or *Participant* must obtain consent from an individual before providing their *Personal Information* to the *Department* or any other third parties, except where authorised or required by law.
51. For further information as to how the *Department* handles *Personal Information*, please refer to the *Department's* [Privacy Policy](#).

Confidential Information

52. The *Department* will treat an *applicant's* or *Participant's* information as *Confidential Information* if:

- a) the information is clearly identified as confidential; and
- b) the information has the necessary quality of confidence (that is, it must be significant information which is private and not already in the public domain).

Use and Disclosure of Confidential Information

53. Unless the *Department* obtains an *applicant's* or *Participant's* consent, the *Department* will not disclose *Confidential Information* other than to:

- a) the *Minister*, the Parliamentary Secretary, and their Office; and
- b) other Commonwealth Ministers; and
- c) *Industry Growth Centres*; and
- d) *Industry Partners, Industry Sector Directors Business Advisers, Business Facilitators, Innovation Connections Facilitators and Commercialisation Advisers*; and
- e) other Commonwealth, State or Territory government departments and agencies; and
- f) technical, financial, economic, and/or industry experts (including auditors); and
- g) *Departmental* contractors,

for the purposes of:

- h) administering the *Programme* and any related purposes, including programme and policy evaluation and development; and
- i) *Departmental* research, analysis, monitoring and evaluation; and
- j) reporting and consultation with other Commonwealth, State or Territory government agencies; and
- k) reviewing applications to provide technical or financial advice on a contract basis; and
- l) sectoral analysis by *Industry Growth Centres*.

Disclosure of Information Where Authorised or Required by Law

54. In addition to anything in these *Programme Guidelines*, from time to time the *Department* may be authorised or required by law to disclose information (including *Personal Information* and *Confidential Information*) to other persons, including but not limited to:

- a) a Commonwealth Minister and Ministerial Office;
- b) a House or a Committee of the Parliament of Australia;
- c) the Auditor-General under the *Auditor-General Act 1997 (Cth)*;

- d) the Commonwealth Ombudsman under the *Ombudsman Act 1976 (Cth)*; and
- e) the Privacy Commissioner under the *Privacy Act 1988 (Cth)*.

Information Storage

- 55. Any information obtained will be stored and held in accordance with the *Department's* obligations under the *Archives Act 1983 (Cth)*.

Freedom of Information

- 56. All documents created or held by the *Department* in relation to the *Programme* are subject to the *Freedom of Information Act 1982 (Cth)* (FOI Act). Unless information is exempt it will be made available to the general public if requested under the FOI Act.
- 57. All Freedom of Information (FOI) requests are to be referred to the FOI Coordinator in the *Department*. Decisions regarding requests for access will be made by an authorised officer in accordance with the requirements of the FOI Act.

Programme Evaluation

- 58. The *Department* will monitor and evaluate the performance of the *Programme*.
- 59. *Participants* will be required to provide performance and evaluation data to the *Department*, which will be analysed at various times to measure the effect of the *Programme* on *Participants*.

Tax Obligations

- 60. *Grants* under the *Programme* may attract the Goods and Services Tax (GST). *Grant* payments are increased to compensate for the amount of this tax.
- 61. *Grants* under the *Programme* may be treated as assessable income for taxation purposes. On this basis, *applicants* are recommended to seek their own independent professional advice on their taxation obligations.

Part 3 – Programme Delivery

Supporting Events

62. In addition to the specified *Activities* outlined in the schedules, the *Department* may conduct targeted and facilitated events in support of the *Programme*. These events may feature industry specialists, *Business Advisers*, *Business Facilitators*, *Innovation Connections Facilitators*, *Commercialisation Advisers* or guest speakers.

Eligibility

63. Each *Element* has specific eligibility requirements. Refer to the relevant schedule for more information.

Applications

64. To apply for any *Activity* under the *Programme* an *applicant* must, unless advised otherwise, complete the *application form* relevant to that *Activity* and submit the application electronically through business.gov.au.
- a) *Applicants* should read the relevant *Customer Information Guide* prior to completing the application. A Customer Information Guide is not required for the Incubator Support element as all relevant information is available in Schedule E and business.gov.au.
65. An application for the *Programme* must:
- a) be completed by the *applicant* or an authorised representative of the *applicant*, and
 - b) provide all the information required by, and specified in, the *application form*.

Application Assessment

66. The *Programme Delegate* will determine whether an application is an *Eligible Application*.

Business Management

67. *Business Management* (excluding *Growth Services*) uses a demand-driven selection process whereby *applicants* whose application is deemed to be an *Eligible Application* will receive the *Service* or *Grant*:
- a) up to the limit of available funding; and
 - b) subject to revision, suspension or abolition of the *Activity*.
68. *Growth Services* uses a non-competitive open merit-based selection process.

Innovation Connections

69. *Innovation Connections* uses a demand-driven selection process whereby *applicants* whose application is deemed to be an *Eligible Application* will receive the *Service* or *Grant*:
- a) up to the limit of available funding; and
 - b) subject to revision, suspension or abolition of the *Activity*.

Accelerating Commercialisation

70. *Accelerating Commercialisation Grant* uses a competitive open merit-based selection process.
71. *Portfolio Services* uses a non-competitive open merit-based selection process.

Northern Australia Tourism

72. *Northern Australia Tourism* uses a demand-driven selection process whereby *applicants* whose application is deemed to be an *Eligible Application* will receive a *Service* or *Grant*:
- a) up to the limit of available funding; and
 - b) subject to revision, suspension or abolition of the *Activity*.

Incubator Support Initiative

73. New or Existing Incubator Support Grant uses a competitive open merit-based selection process.
74. Expert-in-Residence uses a demand-driven selection process whereby *applicants* whose application is deemed to be an *Eligible Application* will receive a *Grant*:
- a) up to the limit of available funding; and
 - b) subject to revision, suspension or abolition of the *Activity*.

Submission of a New Application

75. The *Programme Delegate* may reject an application if that application is for a business or project that is substantially the same as a previous ineligible or unsuccessful application.

Application Approval

76. Subject to eligibility assessment, merit assessment (if applicable) and available funding, the *Minister* or the *Programme Delegate* (where applicable) may approve the provision of a *Service* or *Grant* to an *applicant*.
77. The *Programme Delegate* may approve the *Department* entering into a *Deed of Services and Release* or a *Funding Agreement* with an *applicant*.

78. If *Programme* funding is no longer available, information will be published on business.gov.au.
79. *Applicants* will be advised formally of the outcome of their application in writing by the *Department*.

Provision of Other Services

80. Consistent with the objectives of the *Programme*, the *Programme Delegate* may, with the consent of the *applicant*, approve for an *applicant* to receive an alternative *Service*, if it is deemed by the *Programme Delegate* to be more suitable to the *applicant's* needs, provided the *applicant* satisfies all relevant eligibility criteria. In this case, the *applicant* may not be required to submit a separate *application form* unless a merit assessment is required.
81. Consistent with the objectives of the *Programme*, the *Programme Delegate* may agree, on a case by case basis, to provide a *Participant* in the *Portfolio* with the opportunity to access *Services* from *Business Management* or *Innovation Connections* without having to satisfy the relevant eligibility criteria, subject to the conditions outlined in the *Accelerating Commercialisation Customer Information Guide*.

Deeds of Services and Release and Funding Agreements

82. To receive *Portfolio Services*, *Participants* will be required to enter into a *Deed of Services and Release* with the *Department* which sets out the terms of the *Service*.
83. Before any *Grant* is paid, *Participants* will be required to enter into a *Funding Agreement* with the *Department* which sets out the terms of the *Grant*.
84. Among other things, a *Deed of Services and Release* or *Funding Agreement* must:
- a) require that the *Participant* conduct the activities to which the application relates;
 - b) provide for variation and termination of the *Deed for Services and Release* or *Funding Agreement* and set out dispute resolution procedures;
 - c) include any other matters that the *Programme Delegate* considers necessary for the administration of the *Programme*; and
 - d) not be inconsistent with the laws and policies of the Commonwealth, a State, a Territory or the *Programme Guidelines*.
85. In addition to clause 84 a *Funding Agreement* must:
- a) ensure that the *Department* is empowered to recover the *Grant* in circumstances where the *Participant* has not complied with the terms and conditions set out in the *Funding Agreement*;
 - b) specify the maximum amount of the *Grant* and the timing, method and conditions of delivery of the relevant activities; and

- c) require that the *Recipient* provide evidence of expenditure claimed.
86. Samples of *Deed of Services and Release* and *Funding Agreements* will be available on business.gov.au.

Variations

87. The *Programme Delegate* may, at their discretion, agree with a *Participant* to vary the *Deed of Services and Release* or *Funding Agreement*, including an increase in the *Grant* amount.
88. A variation to a *Deed of Services and Release* or *Funding Agreement* will only be considered by the *Programme Delegate* if it:
- a) is consistent with the *Programme's* and *Element's* objective;
 - b) is appropriate in all circumstances;
 - c) can be accommodated within available *Programme* funding;
 - d) is in writing; and
 - e) is requested prior to the *Deed of Services and Release* or *Funding Agreement* end date.

Schedule A

Business Management

Introduction

89. *Business Management* provides advice and facilitation services to improve business capabilities and networks, fostering competitive businesses for the future.
90. *Business Management* is supported by *Industry Partners* and delivered through a national network of experienced *Business Advisers* and *Business Facilitators*.
91. *Business Management* commenced on 1 July 2014.

Transition Arrangements

92. *Participants* that applied for an activity under *Business Management* prior to the date of effect of this Guideline will receive that *Activity* in accordance with the version of the *Programme Guidelines* in effect at the time of the application for that *Activity*.

Objective

93. The objective of *Business Management* is to encourage and assist small and medium businesses to improve their capabilities, extend their networks and take advantage of growth opportunities.

Outcomes

94. Key outcomes from *Business Management* may include that:
 - a) *Participants* improve their management skills;
 - b) *Participants* improve their business systems and processes;
 - c) *Participants* improve their ability to identify and leverage growth opportunities;
 - d) *Participants* extend their business networks to increase their market and supply chain participation; and
 - e) *Participants* improve their business performance.

Activities

95. *Applicants* may apply for one or more of the following *Business Management Activities*: *Business Evaluation*, *Supply Chain Facilitation*, *Growth Services* and *Business Growth Grant*.

Business Evaluation

96. A *Business Evaluation* is a range of *Services* initially comprising an evaluation by a *Business Adviser* to tailor the *Service* to the *Participant's* needs, based on the

Participant's capacity, commitment and need to undertake significant improvements. Following this evaluation a *Participant* may receive one or more of the following:

- a) business improvement advice and referrals;
- b) a detailed analysis of its business by a *Business Adviser* and recommendations for improvement presented in a *Business Evaluation Action Plan*; and
- c) support for implementation of the *Business Evaluation Action Plan* with the assistance of a *Business Adviser*.

The *Services* provided to each *Participant* will be determined by the *Programme Delegate*, based on recommendations by the *Business Adviser*.

Supply Chain Facilitation

97. *Supply Chain Facilitation* is a range of *Services* delivered to a *Participant* to facilitate access to supply chain opportunities in the *Growth Sectors*. *Participants* may attend *Customer Connections* events or undertake a *Supplier Improvement Plan* to improve their capability in meeting supply requirements.

Growth Services

98. *Growth Services* is a range of *Services* that support a *Participant*, over a 24 month period, to achieve growth through strategic business improvements and connections. A *Business Adviser* conducts initial growth opportunity and capability analyses, develops a tailored and agreed *Growth Plan*, provides access to specialist *Business Advisers* and *Business Facilitators*, and brokers connections to experts and providers to assist the business to capitalise on its growth opportunities.

Business Growth Grant

99. A *Business Growth Grant* is a *Grant* that reimburses a *Participant* for up to half of the cost of engaging a consultant (up to a maximum of \$20,000) to make business improvements that were recommended in the:

- a) *Business Evaluation Report, Business Evaluation Action Plan, Supplier Improvement Plan* or *Growth Plan*; or
- b) *Business Review Report, Continuous Improvement Report* or *Continuous Sustainable Improvement Plan* under the *Enterprise Connect* programme.

Eligibility

100. To be eligible for *Services* under *Business Management* an *applicant* must:

- a) be an *Eligible Corporation* that is non tax-exempt and is registered for GST;
- b) satisfy the sectoral eligibility criteria in clause 108;
- c) have an annual turnover or operating expenditure within the following range:

- i. between \$1.5 million and \$100 million; or
 - ii. between \$750,000 and \$100 million – for an *applicant* from *Remote Australia* or *Northern Australia*;
- d) be solvent;
 - e) have operated in Australia and filed business activity statements showing ongoing trading in at least three consecutive years¹;
 - f) satisfy the eligibility criteria specific to the relevant *Activity* (clauses 102-107); and
 - g) not be named by the Workplace Gender Equality Agency as an organisation that has not complied with the *Workplace Gender Equality Act 2012 (Cth)*.

101. The following entities are **ineligible** to apply for *Business Management*:

- a) individuals;
- b) partnerships;
- c) trusts, except for trusts with trustees that are *Eligible Corporations*; and
- d) Commonwealth, State and Local Government agencies and bodies (including government business enterprises).

Business Evaluation

102. To be eligible for a *Business Evaluation*, *applicants* must not have previously received a:

- a) *Business Evaluation Report* or *Business Evaluation Action Plan*, or
- b) *Business Review Report* under the *Enterprise Connect* programme,

in the last five years.

Supply Chain Facilitation

103. To be eligible to participate in a *Customer Connections* event, *applicants* must have completed, or be engaged in, a:

- a) *Business Evaluation*, *Supplier Improvement Plan* or *Growth Plan*; or

¹ For the avoidance of doubt, applicants may still be eligible under this sub-criterion, if an applicant's business structure, ownership and/or Australian Company Number has changed within the three consecutive year period. Applicants would be required to provide business activity statements for this period. For further information on the eligibility for *Services* under *Business Management* please see the relevant *Customer Information Guide* published on business.gov.au.

- b) *Business Review Report, Continuous Improvement Report or Continuous Sustainable Improvement Plan* under the *Enterprise Connect* programme; or
- c) an equivalent service.

104. To be eligible to receive a *Supplier Improvement Plan*, applicants must not have previously received a *Supplier Improvement Plan*, or a *Continuous Improvement Plan* under the *Enterprise Connect* programme, in the last five years.

Growth Services

105. To be eligible for *Growth Services*, applicants must not have previously received *Growth Services* in the last five years.

Business Growth Grant

106. A *Business Growth Grant* can only fund activities directly related to the implementation of recommendations identified in a:

- a) *Business Evaluation Report, Business Evaluation Action Plan, Supplier Improvement Plan, Growth Plan, or Tourism Partnership Plan*; or
- b) *Business Review Report, Continuous Improvement Report or Continuous Sustainable Improvement Plan* under the *Enterprise Connect* programme.

107. To be eligible for a *Business Growth Grant*, applicants must:

- a) apply for a *Business Growth Grant* within:
 - i. six months of receipt of a *Business Evaluation Report, Business Evaluation Action Plan* or *Supplier Improvement Plan*; or
 - ii. six months of receipt of a *Business Review Report, Continuous Improvement Report or Continuous Sustainable Improvement Plan* under the *Enterprise Connect* programme; or
 - iii. within 24 months of receipt of a *Growth Plan*,
unless otherwise agreed by the *Programme Delegate*.
- b) provide a quote from two different consultants to implement part or all of the recommendations in the report or plan identified in clause 107(a), unless otherwise agreed by the *Programme Delegate*;
- c) demonstrate the preferred consultant is bringing new areas of expertise to the business;
- d) demonstrate the work related to the *Business Growth Grant* is not part of the ordinary operations of the business;
- e) demonstrate how the activities will build identified capabilities; and

- f) be able to fund the total value of the costs of engaging the consultant before receiving the *Grant* (which is worth half of the total value up to a maximum *Grant* of \$20,000).

Sectors

108. To be eligible for *Services* under *Business Management*, *applicants* must:
- a) be operating in one or more of the *Growth Sectors*; or
 - b) provide *Enabling Technologies and Services* to one or more of the *Growth Sectors*; or
 - c) demonstrate they are committed to, and have the skills, capability, intellectual property or expertise to operate in, one of the *Growth Sectors* in the future.

Applications

109. Applications for *Services* under *Business Management* may be lodged at any time during the life of the *Programme*.
110. Applications for *Business Growth Grants* must be made within the time period set out in clause 107(a).
111. Applications for *Activities* under *Business Management* will be assessed against the relevant eligibility criteria by the *Programme Delegate*.
112. Other than for *Growth Services*, *applicants* whose application is deemed to be an *Eligible Application* will receive the *Service* or *Grant* up to the limit of available funding and subject to revision, suspension or abolition of the *Activity*.
113. Applications for *Growth Services* will also undergo a merit assessment as outlined in clauses 115-118.
114. Information relating to the application process is provided in the relevant *Customer Information Guide* published on business.gov.au.

Assessment Process

Growth Services

115. Only applications for *Growth Services* that are deemed to be *Eligible Applications* will proceed to the merit assessment stage.
116. During the merit assessment stage, a *Business Adviser* will use evidence provided in the application and during an on-site meeting with the *applicant* to assess the *applicant* against the following equally weighted merit criteria:
- a) Growth opportunity;
 - b) Growth commitment; and
 - c) Resources and capacity to execute a growth plan.

117. The *Programme Delegate* will take the *Business Adviser's* assessment into account when deciding whether to approve an application for *Growth Services*.
118. Further guidance on the *Growth Services* assessment process is available through the *Growth Services Customer Information Guide* published on business.gov.au.

Payment of Grants

119. *Grants* will be paid in arrears following the completion of the *Business Growth Grant* activities and acquittal of associated costs.

Business Advisers and Business Facilitators

120. The role of the *Business Advisers* and *Business Facilitators* includes, but is not limited to:
- a) providing advice, mentoring and specialist expertise to *Participants*;
 - b) assisting *Participants* in developing their professional networks and providing connections;
 - c) fostering innovation, productivity, and continuous improvement in *Participants*;
 - d) alliance building between *Participants*;
 - e) mapping capability and connections for *Participants*;
 - f) providing recommendations to *Participants* to embed improvements in their business;
 - g) engaging specialists for provision of specialist services and advice;
 - h) understanding and drawing on knowledge from the *Industry Growth Centres*;
 - i) providing the *Department* with industry intelligence;
 - j) *Programme* marketing and promotional activities; and
 - k) undertaking other activities agreed by the *Programme Delegate*.

Schedule B

Innovation Connections

Introduction

121. *Innovation Connections* provides businesses with expert guidance on knowledge-related issues and links businesses with appropriate knowledge providers and research organisations.
122. *Innovation Connections* is supported by *Industry Partners* and delivered through a national network of *Innovation Facilitators*.
123. *Innovation Connections* commenced on 1 January 2016 and is a continuation and expansion of the former *Research Connections*.

Transition Arrangements

124. *Participants* that applied for an *Activity* under the former *Research Connections* will receive that *Activity* in accordance with the version of the *Programme Guidelines* in effect at the time of the application for the *Activity*.

Objective

125. The objective of *Innovation Connections* is to encourage and assist small and medium businesses to access knowledge, engage with *Researchers* and foster innovation.

Outcomes

126. Key outcomes from *Innovation Connections* may include that:
- a) *Participants* improve their use of technology;
 - b) *Participants* improve their ability to address research problems;
 - c) *Participants* improve their ability to innovate;
 - d) *Participants* extend their networks to leverage research capability; and
 - e) *Participants* improve their business performance.

Activities

127. *Applicants* may apply for one or more of the following *Innovation Connections Activities*: *Innovation Connections Facilitation* and *Innovation Connections Grant*.

Innovation Connections Facilitation

128. An *Innovation Connections Facilitation* is a *Service* that provides a *Participant* with assistance to address knowledge or research related issues. A *Participant* may receive one or more of the following:

- a) diagnosis of knowledge-related issues and/or opportunities;
- b) identification of critical research areas for improvement;
- c) identification of strategic research opportunities to expand into new or existing markets;
- d) identification of appropriate sources of expertise, suppliers of technology and technical knowledge advice;
- e) mapping of pathways for research sector engagement and collaboration; and
- f) facilitated access to Science, Technology, Engineering and Mathematics (STEM) expertise.

129. At the conclusion of the *Innovation Connections Facilitation*, *Participants* will be provided with an *Innovation Facilitation Report* which may include recommendations to address the *Participant's* identified research needs and opportunities.

Innovation Connections Grant

130. An *Innovation Connections Grant* is a *Grant* which reimburses a *Participant* for up to half the cost, over a period of up to 12 months for the cost of a:

- a) *Researcher Placement*, up to a maximum of \$50,000; or
- b) *Business Researcher Placement*, up to a maximum of \$50,000; or
- c) *Graduate Placement*, up to a maximum of \$30,000.

Eligibility

Innovation Connections Facilitation

131. To be eligible for an *Innovation Connections Facilitation* an *applicant* must:

- a) be an *Eligible Corporation* that is non tax-exempt and is registered for GST; and
- b) satisfy the sectoral eligibility criteria in clause 135; and
- c) have an annual turnover or operating expenditure within the following range:
 - i. between \$1.5 million and \$100 million; or
 - ii. between \$750,000 and \$100 million – for an *applicant* from *Remote Australia* or *Northern Australia*;
- d) be solvent; and

- e) have operated in Australia and filed business activity statements showing ongoing trading in at least three consecutive years²; and
- f) must not have previously received a Research Connections Facilitation or an *Innovation Connections Facilitation*, unless otherwise agreed by the *Programme Delegate*; and
- g) not be named by the Workplace Gender Equality Agency as an organisation that has not complied with the *Workplace Gender Equality Act 2012 (Cth)*.

132. The following entities are **ineligible** to apply for *Innovation Connections*:

- a) individuals;
- b) partnerships;
- c) trusts, except for trusts with trustees that are *Eligible Corporations*; and
- d) Commonwealth, State and Local Government agencies and bodies (including government business enterprises).

Innovation Connections Grant

133. To be eligible for an *Innovation Connections Grant*, applicants must:

- a) have received a Research Facilitation Report or an *Innovation Facilitation Report*; and
- b) be undertaking one of the following *Activities* recommended in the *Research or Innovation Facilitation Report*:
 - i. a Researcher Placement; or
 - ii. a Business Researcher Placement; or
 - iii. a Graduate Placement.
- c) be able to fund the total value of the cost of the *Innovation Connections Project* before receiving the *Innovation Connections Grant*; and
- d) identify the proposed research provider, research employee, graduate or post-graduate; and
- e) apply for an *Innovation Connections Grant* within 12 months of receiving a Research Facilitation Report or an *Innovation Facilitation Report*, unless otherwise agreed by the *Programme Delegate*.

²For the avoidance of doubt, applicants may still be eligible under this sub-criterion, if an applicant's business structure, ownership and/or Australian Company Number has changed within the three consecutive year period. Applicants would be required to provide business activity statements for this period. For further information on the eligibility for *Innovation Connections Facilitation* please see the *Innovation Connections Customer Information Guide* published on business.gov.au.

134. To be eligible for an *Innovation Connections Grant*, applicants must not have previously received either a *Research Connections Grant* or an *Innovation Connections Grant* in the last five years, except where a second *Grant* is provided for by the same *Research Facilitation Report* or *Innovation Facilitation Report* (clause 141).

Sectors

135. To be eligible for an *Innovation Connections Facilitation*, applicants must:

- a) be operating in one or more of the *Growth Sectors*; or
- b) provide *Enabling Technologies and Services* to one or more of the *Growth Sectors*; or
- c) demonstrate they are committed to, and have the skills, capability, intellectual property or expertise to operate in, one of the *Growth Sectors* in the future.

Applications

136. Applications for an *Innovation Connections Facilitation* may be lodged at any time during the life of the *Programme*.
137. Applications for an *Innovation Connections Grant* must be made within the time period set out in clause 133(e).
138. Applications for *Activities* under *Innovation Connections* will be assessed against the relevant eligibility criteria by the *Programme Delegate*.
139. Applicants whose application is deemed to be an *Eligible Application* will receive the *Service* or *Grant* up to the limit of available funding and subject to revision, suspension or abolition of the *Activity*.
140. The *Programme Delegate* may agree that a *Publicly Funded Research Organisation* can enter into a *Funding Agreement* with the *Department* for an *Innovation Connections Grant* at the request of an *applicant* for the purposes of providing research capability to that *applicant*.
141. Within six weeks of the completion of a *Research Connections Project* or an *Innovation Connections Project*, a *Recipient* may apply for a second *Innovation Connections Grant* to undertake a new *Innovation Connections Project*. A maximum of two *Innovation Connections Projects* may be supported under an *Innovation* or *Research Facilitation Report*.
142. Information relating to the application process is provided in the *Innovation Connections Customer Information Guide* published on business.gov.au.

Payment of Grants

143. An *Innovation Connections Grant* will reimburse the *Recipient* as set out in clause 130 of acquitted *Innovation Connections Project* costs, in accordance with the *Funding Agreement*.

Innovation Facilitators

144. The role of the *Innovation Facilitators* includes, but is not limited to:

- a) providing advice and mentoring to *Participants* to foster innovation, productivity, and continuous improvement;
- b) identifying strategic research opportunities for *Participants*;
- c) mapping existing capability of the research sector;
- d) connecting *Participants* to relevant research providers;
- e) providing recommendations to *Participants* regarding knowledge-related issues;
- f) understanding and drawing on knowledge from the *Industry Growth Centres*;
- g) *Programme* marketing and promotional activities; and
- h) undertaking other activities agreed by the *Programme Delegate*.

Schedule C

Accelerating Commercialisation

Introduction

145. *Accelerating Commercialisation* provides expert guidance, connections and financial support to assist small and medium businesses, entrepreneurs and researchers to find the right commercialisation solutions for their novel product, process or service.
146. The *Department* will engage a national network of experienced *Commercialisation Advisers* to assist in the delivery of *Accelerating Commercialisation*.
147. *Accelerating Commercialisation* commenced on 1 November 2014.

Transitional Arrangements

148. *Commercialisation Australia* programme participants will continue to receive the services outlined in their *Commercialisation Australia* funding agreements in accordance with the terms and conditions of that agreement. These participants will receive *Portfolio Services* for the duration of the agreed *Commercialisation Australia* project and for an additional 24 months following the project's completion.

Objective

149. The objective of *Accelerating Commercialisation* is to encourage and assist small and medium businesses, entrepreneurs and researchers to commercialise novel products, processes and services.

Outcomes

150. Key outcomes for *Accelerating Commercialisation* may include that:
- a) *Participants* improve their ability to commercialise intellectual property;
 - b) *Participants* improve their ability to attract private investment;
 - c) *Participants* commercialise novel products, processes and services;
 - d) *Participants* extend their networks to accelerate their commercialisation process; and
 - e) *Participants* improve their business performance.

Activities

151. *Applicants* may apply for one or more of the following *Accelerating Commercialisation Activities: Commercialisation Guidance, Accelerating Commercialisation Grant and Portfolio Services*.

Commercialisation Guidance

152. *Commercialisation Guidance* is a range of *Services* for which a *Participant* may receive one or more of the following from *AusIndustry* or a *Commercialisation Adviser*:

- a) feedback on their eligibility for other *Activities* under *Accelerating Commercialisation*;
- b) referral to other Federal, State and Territory Government programmes;
- c) referral to *Services* of *Business Management* or *Innovation Connections*;
- d) guidance and feedback on the proposed *Commercialisation Project* or *Commercialisation Strategy*; and
- e) guidance on the application processes for other *Activities* under *Accelerating Commercialisation*.

Accelerating Commercialisation Grant

153. An *Accelerating Commercialisation Grant* is a *Grant* to support eligible *Commercialisation Projects* for up to 50 per cent of the *Eligible Expenditure*, up to a maximum of:

- a) \$250,000 for *Commercialisation Offices* and *Eligible Partner Entities*; or
- b) \$1 million for all other *applicants*.

154. *Accelerating Commercialisation Grant Recipients* will also receive *Portfolio Services* for the duration of agreed project in their *Funding Agreement*, and up to an additional 24 months at the discretion of the *Programme Delegate*.

Portfolio Services

155. *Portfolio Services* are a range of *Services* which provide *Participants* with commercialisation assistance. *Services* could include one or more of the following:

- a) support from a *Commercialisation Adviser* who may provide the services listed in clause 195;
- b) an opportunity to access the *Expert Network* (via a *Commercialisation Adviser*) to help make business connections, create opportunities to raise capital and/or enter new markets;

- c) exposure to investors and multi-national corporations through domestic and international roadshows; and
- d) inclusion in the *Portfolio*.

The *Services* provided to each *Participant* will be determined by the *Programme Delegate*, taking into account the *Participant's* objectives as outlined in their *application form* or *Commercialisation Australia* funding agreement.

156. The *Portfolio* is an aggregation of *Accelerating Commercialisation Participants* brought together for global visibility to investors, other entrepreneurs, domain experts, supply chains and strategic corporations.

157. *Participants* of *Portfolio Services* only will be included in the *Portfolio* for up to 24 months, as outlined in their *Deed of Services and Release* and at the discretion of the *Programme Delegate*.

Eligibility

158. To be eligible for *Accelerating Commercialisation*, *applicants* must:

- a) have a novel product, process or service they wish to commercialise and trade to customers external to the state or territory of the *applicant's* place of business;
- b) satisfy the eligibility criteria specific to the relevant *Activity* (clauses 159-167); and
- c) not be named by the Workplace Gender Equality Agency as an organisation that has not complied with the *Workplace Gender Equality Act 2012 (Cth)*.

Commercialisation Guidance

159. To be eligible for *Commercialisation Guidance*, *applicants* need to satisfy clauses 158(a) and 158(c) only.

Accelerating Commercialisation Grant

160. To be eligible for an *Accelerating Commercialisation Grant*, *applicants* must be:

- a) an *Eligible Corporation* that is non tax-exempt and is registered for GST; or
- b) an *Eligible Corporation* that is an incorporated trustee registered for GST acting for a trust; or
- c) a *Commercialisation Office* or *Eligible Partner Entity*; or

- d) an individual, partnership or trustee who agrees to form an *Eligible Corporation*, that is non tax-exempt and is registered for GST, before signing a *Funding Agreement*.

161. In addition, to be eligible for an *Accelerating Commercialisation Grant*, *applicants* must:

- a) have received *Commercialisation Guidance*; and
- b) have a combined annual turnover of less than \$20 million for each of the three financial years prior to the lodgement of the application; and
- c) be undertaking a *Commercialisation Project* that satisfies the conditions specified in clauses 168-170; and
- d) have ownership, access to, or the beneficial use of, any intellectual property that is the subject of, or is necessary to carry out the *Commercialisation Project*; and
- e) submit an application that contains sufficient information to undertake a merit assessment; and
- f) be able to demonstrate an ability to fund at least 50 per cent of the *Eligible Expenditure* from non-Government Grant Sources.

162. Applications from *Commercialisation Offices* and *Eligible Partner Entities* are not required to satisfy clause 161(b).

163. In clause 161(b) the combined annual turnover must include the turnover of the *applicant* and of each *Related Body Corporate* (if any) at the time the *Programme Delegate* receives the application, except where the *applicant* is controlled by a *Publicly Funded Research Organisation* or *Eligible Partner Entity*, in which case the turnover of the *applicant* in isolation must be less than \$20 million for each of the three financial years prior to the lodgement of the application.

Portfolio Services

164. To be eligible to apply for *Portfolio Services* only, *applicants* must:

- a) be an *Eligible Corporation* that is non tax-exempt and is registered for GST; or
- b) an *Eligible Corporation* that is an incorporated trustee registered for GST acting for a trust; or
- c) be a *Commercialisation Office* or *Eligible Partner Entity*; or
- d) be an individual, partnership or trustee who agrees to form an *Eligible Corporation* that is non tax-exempt and is registered for GST before signing a *Deed of Services and Release*.

165. In addition, to be eligible to apply for *Portfolio Services* only, *applicants* must:
- a) have received *Commercialisation Guidance*; and
 - b) have a combined annual turnover of less than \$20 million for each of the three financial years prior to the lodgement of the application; and
 - c) have a *Commercialisation Strategy* that aims to achieve at least one of the following:
 - i. complete the development of a novel product, process or service; or
 - ii. prove commercial viability of a novel product, process or service; or
 - iii. expand commercialisation of its novel product, process or service in existing markets or into new markets; and
 - d) have ownership, access to, or the beneficial use of, any intellectual property that is the subject of, or is necessary to carry out the *Commercialisation Strategy*; and
 - e) submit an application to receive *Portfolio Services* for a period of 24 months or less; and
 - f) submit an application that contains sufficient information to undertake a merit assessment.
166. Applications from *Commercialisation Offices* and *Eligible Partner Entities* are not required to satisfy clause 165(b).
167. In clause 165(b) the combined annual turnover must include the turnover of the *applicant* and of each *Related Body Corporate* (if any) at the time the *Programme Delegate* receives the application, except where the *applicant* is controlled by a *Publicly Funded Research Organisation* or *Eligible Partner Entity*, in which case the turnover of the *applicant* in isolation must be less than \$20 million for each of the three financial years prior to the lodgement of the application.

Commercialisation Project

168. A *Commercialisation Project* must aim to achieve at least one of the following:
- a) complete the development of a novel product, process or service; or
 - b) prove commercial viability of a novel product, process or service; or
 - c) make the first sales of a novel product, process or service in Australia or overseas; or
 - d) guide the *applicant* towards commercialisation of its novel product, process or service.

169. The *Commercialisation Project* may cover activities at a specific stage of the commercialisation process, or cover the entire process from determining a commercialisation strategy to achieving first sales.
170. There is no minimum duration for a *Commercialisation Project* but the project must not exceed a maximum of 24 months.

Applications

171. Applications for *Accelerating Commercialisation* may be lodged at any time during the life of the *Programme*.
172. *Application forms* for *Accelerating Commercialisation Grants* and *Portfolio Services* can be accessed by contacting *AusIndustry* through business.gov.au or the contact centre on 13 28 46.
173. Applications for *Activities* under *Accelerating Commercialisation* will be assessed against the relevant eligibility criteria by the *Programme Delegate*.
174. A *Recipient* of an *Accelerating Commercialisation Grant* may apply for another *Accelerating Commercialisation Grant* for the next stage of their eligible *Commercialisation Project*, subject to the conditions outlined in the *Accelerating Commercialisation Customer Information Guide* published on business.gov.au. In this circumstance the *applicant* will not be entitled to receive *Commercialisation Guidance* for a second time.
175. Further information relating to the application process is provided in the *Accelerating Commercialisation Customer Information Guide* published on business.gov.au.

Assessment Process

176. Only applications for *Accelerating Commercialisation Grants* that are deemed to be *Eligible Applications* by the *Programme Delegate* under clauses 158 and 160-163 will proceed to the merit assessment stage.
177. Only applications for *Portfolio Services* that are deemed *Eligible Applications* by the *Programme Delegate* under clauses 158 and 164-165 will proceed to the merit assessment stage.
178. The *Department* will prepare a report on all *Eligible Applications* for *Accelerating Commercialisation Grants* and *Portfolio Services*, prior to merit assessment. Each report will include a due diligence report, undertaken by a *Commercialisation Adviser*, that investigates the claims made in the application against the merit criteria.

Merit Criteria

179. Merit criteria for *Accelerating Commercialisation* are:

- a) Need for funding;
- b) Market opportunity;
- c) Value proposition;
- d) Execution plan;
- e) Management capability; and
- f) National benefits.

180. The merit criteria listed at clauses 179(b)-(f) are equally weighted.

181. In assessing the merit criteria, priority will be given to applications that have a *Commercialisation Project* or *Commercialisation Strategy* within one of the *Growth Sectors* through additional credit against the 'National benefits' merit criterion (clause 179(f)).

182. *Accelerating Commercialisation Grant* applications from *Commercialisation Offices* and *Eligible Partner Entities* are not required to satisfy the 'Need for funding' merit criterion (clause 179(a)).

183. Further guidance on the merit criteria is available through the *Accelerating Commercialisation Customer Information Guide* published on business.gov.au.

Accelerating Commercialisation Grant

184. The *Programme Delegate* will refer *Eligible Applications* for *Accelerating Commercialisation Grants* to *Innovation and Science Australia* for merit assessment and merit ranking.

185. *Eligible Applications* for an *Accelerating Commercialisation Grant* from *applicants* other than *Commercialisation Offices* and *Eligible Partner Entities* will firstly be assessed against the 'Need for funding' merit criterion (clause 179(a)) by *Innovation and Science Australia*.

- a) If found meritorious against the 'Need for funding' merit criterion (clause 179(a)) the application will be assessed on a competitive basis against the merit criteria listed in clauses 179(b)-(f) by *Innovation and Science Australia*.
- b) If not found meritorious against the 'Need for funding' merit criterion (clause 179(a)) the application will be rejected by the *Programme Delegate*.

186. Where merit assessments and merit rankings have been provided by *Innovation and Science Australia* to the *Programme Delegate*, the *Programme*

Delegate must take the merit assessments and merit rankings into account when deciding whether to approve an application.

187. Further guidance on the *Accelerating Commercialisation Grant* assessment process is available through the *Accelerating Commercialisation Customer Information Guide* published on business.gov.au.

Portfolio Services

188. *Eligible Applications* for *Portfolio Services* will undergo a non-competitive assessment against the merit criteria listed in clauses 179(b)-(f) by a panel of *Commercialisation Advisers*.
189. The *Programme Delegate* will take the panel's recommendations into account when deciding whether to approve an application for *Portfolio Services*.
190. Further guidance on the *Portfolio Services* assessment process is available through the *Accelerating Commercialisation Customer Information Guide* published on business.gov.au.

Agreements

191. To receive an *Accelerating Commercialisation Grant* the successful *applicant* will be required to enter into a *Funding Agreement* with the *Department*.
192. To receive *Portfolio Services* the successful *applicant* will be required to enter into a *Deed of Services and Release* or a *Funding Agreement* with the *Department*.
193. In addition to the requirements under Part 3 of the *Programme Guidelines*, any *Funding Agreement* or *Services Agreement* must:
- a) specify the type of support for the *Commercialisation Project* or *Commercialisation Strategy* to which the application relates, the timing, method and conditions of delivery of support; and
 - b) contain any other matters considered by the *Programme Delegate* as necessary for the administration of *Accelerating Commercialisation*.
194. *Funding Agreements* must specify the value of the *Grant* for the *Commercialisation Project* to which the application relates and the timing, method and conditions of the *Grant*.

Commercialisation Advisers

195. The role of the *Commercialisation Advisers* may include, but is not limited to:
- a) providing guidance to *Participants* with respect to *Accelerating Commercialisation*;

- b) conducting due diligence that investigates the claims made against merit criteria in applications;
- c) developing and maintaining links with the *Industry Growth Centres*;
- d) consulting with the relevant *Industry Growth Centre* on relevant applications and other matters as required;
- e) guiding and assisting *Participants* through the commercialisation process including facilitating access to expertise, specialist advice and professional networks;
- f) assisting *Participants* in exploring alternative means of financing commercialisation activities;
- g) providing *Commercialisation Guidance*;
- h) *Programme* and *Portfolio* marketing and promotional activities;
- i) building the *Expert Network*;
- j) facilitating commercial opportunities between the *Portfolio* and the *Expert Network*; and
- k) undertaking other activities agreed by the *Programme Delegate*.

Schedule D

Northern Australia Tourism

Introduction

196. *Northern Australia Tourism* provides advice and facilitation services to improve the business capabilities and networks of *Northern Australia Tourism* businesses so that they can better capture growth opportunities.
197. *Northern Australia Tourism* was introduced to the *Programme* as part of the “Our North, Our Future: White Paper on Developing Northern Australia”.
198. *Northern Australia Tourism* is supported by *Industry Partners* and delivered through a national network of experienced *Business Advisers* and *Business Facilitators*.
199. *Northern Australia Tourism* commenced on 29 February 2016.

Objective

200. The objective of *Northern Australia Tourism* is to encourage and assist small and medium *Tourism Businesses* in *Northern Australia* to improve their capabilities, extend their networks and take advantage of growth opportunities.

Outcomes

201. Key outcomes from *Northern Australia Tourism* may include that:
- a) *Participants* improve their management skills;
 - b) *Participants* improve their business systems and processes;
 - c) *Participants* improve their ability to identify and leverage growth opportunities;
 - d) *Participants* extend their business networks to increase their market and supply chain participation; and
 - e) *Participants* improve their business performance.

Activities

202. *Applicants* can apply for one or more of the following *Northern Australia Tourism Activities: Business Evaluation, Tourism Partnerships, Supply Chain Facilitation, Growth Services* and *Growth Grant*.

Business Evaluation for a Tourism Business

203. A *Business Evaluation* is a range of *Services* initially comprising an evaluation by a *Business Adviser* to tailor the *Service* to the *Participant’s* needs, based on

the *Participant's* capacity, commitment and need to undertake significant improvements. Following this evaluation a *Participant* may receive one or more of the following:

- a) business improvement advice and referrals;
- b) a detailed analysis of its business by a *Business Adviser* and recommendations for improvement presented in a *Business Evaluation Action Plan*; and
- c) support for implementation of *the Business Evaluation Action Plan* with the assistance of a *Business Adviser*.

The *Services* provided to each *Participant* will be determined by the *Programme Delegate*, based on recommendations by the *Business Adviser*.

Tourism Partnerships

204. *Tourism Partnerships* is a range of *Services* delivered to a group or consortium of *Participants* to facilitate and encourage joint activities for the benefit of the group or consortium (e.g. marketing and/or packaging of complementary products and services). A *Business Facilitator* will develop a *Tourism Partnership Plan* including recommendations for improvement for participating businesses.

Supply Chain Facilitation for a Tourism Business

205. *Supply Chain Facilitation* is a range of *Services* delivered to a *Participant* to facilitate access to supply chain opportunities in the tourism Sector. *Participants* may attend *Customer Connections* events or undertake a *Tourism Supplier Improvement Plan* to improve their capability in meeting supply requirements.

Growth Services for a Tourism Business

206. *Growth Services* is a range of *Services* that support a *Participant*, over a 24 month period, to achieve growth through strategic business improvements and connections. A *Business Adviser* conducts initial growth opportunity and capability analyses, develops a tailored and agreed *Growth Plan*, provides access to specialist *Business Advisers* and *Business Facilitators*, and brokers connections to experts and providers to assist the business to capitalise on its growth opportunities.

Growth Grant for a Tourism Business

207. A *Growth Grant* is a *Grant* that reimburses a *Participant* for up to half of the cost of engaging a consultant (up to a maximum *Grant* of \$20,000) to make

business improvements that were recommended in the *Business Evaluation Report, Supplier Improvement Plan, Growth Plan or Tourism Partnership Plan*.

Eligibility

208. To be eligible for *Services* under *Northern Australia Tourism* an *applicant* must:

- a) be an *Eligible Corporation* that is non tax-exempt and is registered for GST;
- b) be located and/or have significant operations in *Northern Australia*;
- c) satisfy the criteria to be a *Tourism Business* (refer *Customer Information Guidelines* for Northern Australia Tourism Initiative);
- d) have an annual turnover or operating expenditure between \$750,000 and \$100 million;
- e) be solvent;
- f) have operated in Australia and filed business activity statements showing ongoing trading in at least three consecutive years³;
- g) satisfy the eligibility criteria specific to the relevant *Activity* (clauses 210-215); and
- h) not be named by the Workplace Gender Equality Agency as an organisation that has not complied with the *Workplace Gender Equality Act 2012 (Cth)*.

209. The following entities are **ineligible** to apply for *Northern Australia Tourism*:

- a) individuals;
- b) partnerships;
- c) trusts, except for trusts with trustees that are *Eligible Corporations*; and
- d) Commonwealth, State and Local Government agencies and bodies (including government business enterprises, federal, state/territory and local tourism bodies and regional tourism organisations).

Business Evaluation for a *Tourism Business*

210. To be eligible for a *Business Evaluation*, *applicants* must **not** have previously received a *Business Evaluation Report* or *Business Evaluation Action Plan*, in the last five years.

Tourism Partnerships

211. Each member of the group or consortium must satisfy the eligibility criteria set out in clauses 208 and 209 to be eligible *Participants*. The group or consortium may apply for a *Growth Grant* via a lead business to facilitate and encourage eligible joint activities identified in the *Tourism Partnership Plan*. Being part of a group or consortium receiving a *Tourism Partnership Service* does not preclude the business from accessing an *Activity* in its own right.

Supply Chain Facilitation for a *Tourism Business*

212. To be eligible to participate in a *Customer Connections* event, *applicants* must have completed, or be engaged in, a:

- a) *Business Evaluation, Tourism Partnership, Supply Chain Facilitation or Growth Services*; or
- b) *Business Review Report, Continuous Improvement Report or Continuous Improvement Plan* under the *Enterprise Connect* programme; or
- c) an equivalent service.

213. To be eligible to receive a *Supplier Improvement Plan*, *applicants* must **not** have previously received a *Supplier Improvement Plan*, or a *Continuous Improvement Plan* under the *Enterprise Connect* programme, in the last five years.

Growth Services for a *Tourism Business*

214. To be eligible for *Growth Services*, *applicants* must not have previously received *Growth Services* or *Growth Services* in the last five years.

Business Growth Grant for a *Tourism Business*

215. A *Growth Grant* can only fund activities directly related to the implementation of recommendations identified in a *Business Evaluation, Tourism Partnership Plan, Supplier Improvement Plan* or *Growth Plan*.

216. To be eligible for a *Growth Grant*, *applicants* must:

- a) apply for a *Growth Grant* within:
 - i. six months of receipt of a *Business Evaluation Report, Tourism Partnership Plan, Business Evaluation Action Plan* or *Supplier Improvement Plan*; or
 - ii. 24 months of receipt of a *Growth Plan*,

unless otherwise agreed by the *Programme Delegate*.

- b) provide a quote from two different consultants to implement part or all of the recommendations in the report or plan identified in clause 215, unless otherwise agreed by the *Programme Delegate*;
- c) demonstrate the preferred consultant is bringing new areas of expertise to the business;
- d) demonstrate the work related to the *Growth Grant* is not part of the ordinary operations of the business;
- e) demonstrate how the activities will build identified capabilities; and
- f) be able to fund the total value of the costs of engaging the consultant before receiving the *Grant* (which is worth half of the total value up to a maximum *Grant* of \$20,000).

Applications

217. Applications for *Services* under *Northern Australia Tourism* may be lodged at any time during the life of the *Programme*.
218. Applications for *Growth Grants* must be made within the time period set out in clause 216 216.a).
219. Applications for *Activities* under *Northern Australia Tourism* will be assessed against the relevant eligibility criteria by the *Programme Delegate*.
220. Other than for *Growth Services*, *applicants* whose application is deemed to be an *Eligible Application* will receive the *Service* or *Grant* up to the limit of available funding and subject to revision, suspension or abolition of the *Activity*.
221. Applications for *Tourism Growth Services* will also undergo a merit assessment as outlined in clauses 223-226.
222. Information relating to the application process is provided in the relevant *Customer Information Guide* published on business.gov.au.

Assessment Process

Tourism Growth Services

223. Only applications for *Growth Services* that are deemed to be *Eligible Applications* will proceed to the merit assessment stage.
224. During the merit assessment stage, a *Business Adviser* will use evidence provided in the application and during an on-site meeting with the *applicant* to assess the *applicant* against the following equally weighted merit criteria:
- a) Growth opportunity;
 - b) Growth commitment; and

- c) Resources and capacity to execute a growth plan.
225. The *Programme Delegate* will take the *Business Adviser's* assessment into account when deciding whether to approve an application for *Tourism Growth Services*.
226. Further guidance on the *Growth Services* assessment process is available through the *Growth Services Customer Information Guide* published on business.gov.au.

Payment of Grants

227. *Grants* will be paid in arrears following the completion of the *Growth Grant* activities and acquittal of associated costs.

Business Advisers and Business Facilitators

228. The role of the *Business Advisers* and *Business Facilitators* includes, but is not limited to:
- a) providing advice, mentoring and specialist expertise to *Participants*;
 - b) assisting *Participants* in developing their professional networks and providing connections;
 - c) fostering innovation, productivity, and continuous improvement in *Participants*;
 - d) alliance building between *Participants*;
 - e) mapping capability and connections for *Participants*;
 - f) providing recommendations to *Participants* to embed improvements in their business;
 - g) engaging specialists for provision of specialist services and advice;
 - h) understanding and drawing on knowledge from the *Industry Growth Centres*;
 - i) providing the *Department* with industry intelligence;
 - j) *Programme* marketing and promotional activities; and
 - k) undertaking other activities agreed by the *Programme Delegate*.

Schedule E

Incubator Support

Introduction

229. This schedule sets out the funding rules for the Incubator Support initiative (the initiative) for applicants. The initiative aligns with the requirements of the Commonwealth Grants Rules and Guidelines.⁴
230. The initiative was announced as part of the National Innovation and Science Agenda (NISA) in December 2015, and is a new element of the Entrepreneurs' Programme.
231. The Department of Industry, Innovation and Science (the department) is responsible for administering the initiative.
232. You may lodge applications for the Incubator Support initiative at any time during the life of the initiative.
233. You should read this document carefully before you fill out an application. Key terms used in these guidelines are defined in Appendix 1.

Initiative overview

234. The objective of the initiative is to assist New and Existing Incubators to:
- a) improve the prospects of Australian start-ups achieving commercial success in international markets by delivering a range of activities to Australian start-ups to develop the capabilities required to realise their economic potential in international markets faster than they otherwise would; and
 - b) develop Australia's innovation ecosystem including in Australian regions.
235. The initiative provides funding through two components to deliver Incubator Support projects, both of which require matched funding from applicants.
236. The first is support for New and Existing Incubators:
- a) to help develop new Incubators in regions or sectors with high potential for success in international trade, and
 - b) to boost the effectiveness of high performing Incubators, including funding support to expand their services and/or develop the innovation ecosystem

⁴ <http://www.finance.gov.au/resource-management/grants/>

237. The second is support for Expert-in-Residence:

- a) to organise and provide access to top quality research, managerial and technical talent through secondments of national or international expert advisers who will improve the chance of commercial success for start-ups in international markets.

238. The initiative's intended outcomes are to:

- a) support new Australian Incubators targeting innovative start-ups to assist them to trade internationally
- b) expand the scale and operations of existing Australian Incubators targeting innovative start-ups to increase their chances of success in international markets; and
- c) develop new innovative Australian start-ups with a focus on international markets.

239. If you apply for a New or Existing Incubator Support grant, we will assess your application against the eligibility criteria, merit criteria and other applications on a competitive basis.

240. If you apply for an Expert-in-Residence grant, we will assess your application against the eligibility criteria only. You only need to address the merit criteria if you apply for a New or Existing Incubator Support grant.

Grant amount and grant period

241. The grant amount will be up to 50 per cent of total Incubator Support Project Value as follows:

- a) a minimum grant amount of \$10,000 and a maximum grant amount of \$500,000 for New and Existing Incubators per project with a maximum grant period of 24 months.
- b) a minimum grant amount of \$1,000 and a maximum grant amount of \$25,000 for Expert-In-Residence per project with a maximum grant period of 12 months.

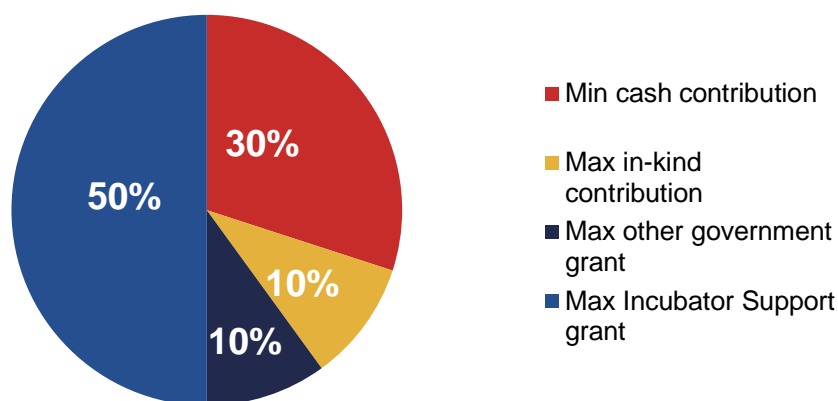


Figure 1: Limits to sources of funding as % of total project value

242. The limits for project funding contributions are outlined below.

- a) The Incubator Support grant can be up to a maximum of 50 per cent of the total project value.
- b) The cash contribution from the grantee must be a minimum of 30 per cent of the total project value.
- c) The in-kind contribution from grantee or other government sources can be up to a maximum of 10 per cent of the total project value. You will need to provide details of how you calculated the dollar value of any in-kind contributions.
- d) Other government sources can be up to a maximum of 10 per cent of your total project value. Government sources include Commonwealth, state, territory or local government. These contributions can be cash or in-kind. Where a contribution from another government source is in-kind it counts as both a contribution from another government source and an in-kind contribution.

Eligibility criteria

243. We cannot consider your application if you do not satisfy all eligibility criteria and will not waive any eligibility criteria under any circumstance.

Who is eligible?

244. To be eligible for Incubator Support, applicants must:

- a) be an existing Incubator or establishing a new Incubator that can foster and facilitate the development of innovative start-ups focused on international trade; and
- b) have an Australian Business Number (ABN); and

- c) be one of the following:
 - i) an entity incorporated in Australia;
 - ii) an incorporated trustee on behalf of a trust;
 - iii) a not for profit organisation;
 - iv) a publicly funded research organisation (PFRO), excluding government departments or agencies which undertake publicly funded research; or
 - v) local government.

245. Joint applications from consortia are acceptable, provided you have a lead applicant who is the main driver of the project and is eligible as per the list above.

246. You can apply and be funded for up to two grants at the same time. You can apply for more than two grants only after you have finished one of the funded projects and have provided your final report.

247. You are not eligible to apply if you are:

- a) an individual, partnership or trust (however, an incorporated trustee may apply on behalf of a trust)
- b) a Commonwealth or state government agency or body (including PFROs and government business enterprises).

248. To be eligible you must be able to provide the following:

- a) trust deed (where applicable)
- b) for New and Existing Incubators applications - evidence from your organisation's Board (or support from the Chief Executive Officer or director, if there is no Board) that the project is supported, and that the applicant can complete the project and meet the costs of the project not covered by grant funding
- c) for Expert-In-Residence applications - resumes outlining the experience and capabilities of the expert/s.

Eligible projects

249. To be eligible your project must:

- a) include eligible activities and eligible expenditure
- b) have a total project value of at least \$20,000 for New and Existing Incubators per project
- c) have a total project value of at least \$2,000 for Expert-In-Residence per project.

Eligible activities

250. Incubator Support will fund activities undertaken by Incubators that improve the prospects of Australian start-ups achieving commercial success in international markets. This would be achieved through Incubators assisting Australian start-ups (as determined by the Incubator) to develop the capabilities required to realise their economic potential in international markets faster than they otherwise would.

251. Eligible activities must:

- a) assist Australian start-ups to develop the capabilities required to achieve commercial success in international markets;
- b) support innovative start-ups focused on international markets to realise their economic potential faster than they otherwise would; and
- c) directly contribute to the initiative's objectives and directly relate to the project.

252. Eligible activities can include the following activities.

For New and Existing Incubators

253. Examples of eligible activities include but are not limited to Incubators:

- a) expanding mentor networks to new mentors with national or international expertise;
- b) providing or facilitating access for innovative start-ups to new resources (such as purchase of technical equipment) to promote or facilitate international trade;
- c) providing or facilitating access for innovative start-ups to new knowledge (such as customer acquisition and/ or business development methods) to promote or facilitate international trade; and
- d) facilitating innovative start-ups' access to new international networks (e.g. investors, customers peer firms).

254. This is not an exhaustive list of eligible activities for the new and existing Incubators component. The Programme Delegate makes the final decision on whether an activity is eligible. For more information contact us at business.gov.au or call the contact centre on 13 28 46.

For Expert-in-Residence

255. Examples of eligible activities include but are not limited to

- a) a workshop where an expert gives advice on developing business activities, for example in international markets; and

- b) engaging a national or international expert (with knowledge in start-up related technology and international experience) to assist start-ups address key challenges during an Incubator program.

256. This is not an exhaustive list of eligible activities for the Expert-In-Residence component. The Programme Delegate makes the final decision on whether an activity is eligible. For more information contact us at business.gov.au or call the contact centre on 13 28 46.

Eligible and ineligible expenditure

257. You can only spend grant funds on eligible expenditure you have incurred on an agreed project as defined in the grant agreement. You may start your project from the date that we notify you that your application is eligible and complete. If you choose to start your project before you enter into a grant agreement with the Commonwealth, you do so at your own risk.

258. You will need to provide details and costs of all in-kind contributions. In-kind contributions must directly relate to the cost of delivering the project activities.

- a) For guidelines on eligible expenditure, see Appendix 2.
- b) For a list of ineligible expenditure, see Appendix 3.
- c) For guidelines on allowable in-kind contributions, see Appendix 4.

259. We may update the guidelines on eligible expenditure from time to time. If your application is successful, the version in place when your grant agreement is signed (by both the Commonwealth and you) will be the version that applies to your project.

The merit criteria you need to address (For New and Existing Incubators)

260. To be competitive, you will need to address all the merit criteria in your application. We will assess your application against each merit criterion using the weighting indicated. The application form asks questions that relate to the merit criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and funding amount requested. Word limits are displayed on the application form.

Merit criterion 1 – Management and Business Capability (40 points)

261. Demonstrate your ability to assist Australian start-ups to develop the capabilities required to succeed in international markets.

- a) Describe key personnel:
 - i) time commitment to Incubator;

- ii) evidence of national or global entrepreneurship and commercialisation experience;
 - iii) evidence of linkages to international innovation ecosystems;
 - iv) community management skills; and
 - v) evidence of investment attraction into start-ups;
- b) What is the track record of your organisation or team? Provide examples of start-ups previously supported, including evidence that these are bringing new-to-market or new-to-world innovative products and services to markets outside Australia.

262. Describe the operating model of your Incubator and how you can foster the development of innovative start-ups in international markets.

- a) Describe how you will leverage your networks to deliver services and opportunities to start-ups – give evidence of linkages, agreements, support from other players in the innovation ecosystem.
- b) Describe the services that you provide, which could include:
 - i) seed funding
 - ii) co-location
 - iii) structured programme
 - iv) mentoring
 - v) cohort-based entry and exit
 - vi) professional services
 - vii) networking events.
- c) Describe how you will fund ongoing operations after the grant ends. For example:
 - i) If you are an existing incubator, provide evidence of your current funding model
 - ii) If you are establishing a new incubator, provide evidence of your proposed funding model. This may include:
 - a letter of support from potential corporate or government sponsors
 - evidence of demand and willingness to pay for a co-working space.

Merit criterion 2 – Expected impact and benefits of the project (50 points)

263. Describe the distinct value proposition of your incubator. Outline the gap in the market that your project will address and describe how your project will address this gap in terms of two or more of the following outcomes:

- a) improving the commercial prospects of innovative start-ups in international markets
- b) developing Australia's innovation ecosystem so that innovative start-ups can thrive and flourish in international markets, by supporting Incubators including in the development of clusters, focussed on new regions, sectors or linked with universities
- c) developing the capability of Incubators to facilitate and foster innovative start-ups with the potential to operate in international markets
- d) in regional Australian communities, developing new incubators capabilities to support innovative, internationally focussed start-ups.

Merit criterion 3 – Value for money (10 points)

264. Will the project go ahead without the grant? Explain how the grant will impact the project in terms of size, timing and reach?

265. What is the total level of your contributions to the project? Include all cash and in-kind contributions. Explain why any in-kind contributions are integral to achieving project outcomes. Justify how you calculated the dollar value of any in-kind contributions.

How to apply

266. Before applying you should read and understand these Programme Guidelines, and the grant agreement. View the grant agreement at business.gov.au.

267. You can submit an application at any time.

268. To apply, you must:

- a) complete the online Incubator Support Initiative application form on business.gov.au
- b) provide all the information that is needed for us to assess your application
- c) address all eligibility and merit criteria, ensuring each requirement has been considered
- d) ensure all attachments are included

269. When you submit your online application we will provide you with an automated receipt number and a link. The link goes to a page where you can enter your email address to receive acknowledgment and a copy of your complete application.
270. You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code 1995* (Cth). We will investigate false or misleading information and may stop your application from being considered for the grant. If you find an error in your application after submitting it you should phone us immediately on 13 28 46.
271. If we find an error or information that is missing we may ask for clarification or additional information from you. This should not change the nature of your application. However we can also refuse any additional information, or requests to change submissions from you after the application closing time.
272. If you need further guidance around the application process or if you are unable to submit an application online contact us at business.gov.au or call the contact centre on 13 28 46.

Attachments to the application

273. The following documents are required with your application:
- a) trust deed (where applicable)
 - b) for New and Existing Incubators applications - evidence from your organisation's Board (or support from the Chief Executive Officer or director, if there is no Board) that the project is supported, and that the applicant can complete the project and meet the costs of the project not covered by grant funding.
 - c) for Expert-In-Residence applications - a resume outlining the experience and capabilities of the expert/s.
274. You must attach supporting documentation to the application form in line with the instructions provided within the form.

Applications from consortia

275. We recognise that some organisations may want to join together as a group to form consortia to deliver activities. If you are submitting a joint application for funding or submitting an application on behalf of a consortium, you must appoint a lead entity. Only the lead entity will enter into, and be responsible for the grant agreement with the Commonwealth. The lead entity must complete the application form and identify all other members of the proposed consortium in their application. The application should also include a letter of support from

each of the additional organisations involved in the proposal. Each letter of support should include:

- a) details of the additional entity
- b) an overview of how the organisation will work with the lead entity and any other consortium members to successfully complete the grant activity/ project
- c) an outline of the relevant experience and/ or expertise the organisation will bring to the consortium
- d) the roles/ responsibilities the organisation will undertake, and the resources it will contribute (if any)
- e) details of a nominated management level contact officer.

How we assess your application (selection process)

276. AusIndustry will assess applications for New and Existing Incubators against the eligibility criteria. Only eligible applications will proceed to the merit assessment stage.
277. We will refer eligible New and Existing Incubator applications to Innovation and Science Australia for assessment. Innovation and Science Australia may seek input from external advisors to inform their assessment process. Innovation and Science Australia will assess your application against the merit criteria and compare it to other eligible applications. Innovation and Science Australia will give your application a score out of 100.
278. While all applications are assessed against the same merit criteria, Innovation and Science Australia will score your application relative to the project size, complexity and grant amount requested. Larger and more complex projects should include more detailed evidence.
279. After considering your application, Innovation and Science Australia will make recommendations to the Minister on which applications are suitable for funding. To be recommended as suitable for funding, your application must score highly against each merit criterion.
280. AusIndustry will assess Expert in Residence applications against the eligibility criteria and will refer applications to the Programme Delegate to make the final decision.
281. For all applications, if the selection process identifies unintentional errors in your application, we may contact you to correct or clarify the errors, but you cannot make any material alteration or addition.

Final decision

282. The Minister decides which New and Existing Incubator grants to approve, taking into account Innovation and Science Australia's recommendations and the availability of grant funds. The Programme Delegate decides which Expert in Residence Incubator grants to approve, taking into account the availability of grant funds. The Programme Delegate is the AusIndustry general manager who is responsible for administering the initiative.
283. If you are successful, you will receive a written offer. If you are unsuccessful, we will notify you in writing and give you an opportunity to discuss the outcome with us. You can submit a new application for the same project (or a similar project) in the future. You should include new or more information to address the weaknesses identified in your previous application. If a new application is substantially the same as a previous ineligible or unsuccessful application we may refuse to accept it for merit assessment.
284. The Minister and Programme Delegate's decisions are final in all matters, including:
- a) the approval of applications for funding;
 - b) the size of funding to be awarded; and
 - c) the terms and conditions of funding.
285. The Minister and Programme Delegate must not approve funding if they reasonably consider the programme funding available across financial years will not accommodate the funding offer.
286. We cannot review decisions.

If your application is successful

Grant agreement

287. You must enter into a grant agreement with the Department of Industry, Innovation and Science, acting on behalf of the Commonwealth. A sample grant agreement is available on business.gov.au.
288. For New and Existing Incubator projects, you will have 30 days from the date of offer to execute a grant agreement with the Commonwealth ('execute' means both you and the Commonwealth have signed the agreement). During this time we will work with you to finalise details. We may withdraw the offer if both parties do not execute the grant agreement within this time. Under certain circumstances we may extend this period.
289. For Expert in Residence projects, your application together with the details in your letter of approval will form the grant agreement.

290. We will not make any grant payments until there is an executed grant agreement in place. We are not responsible for any of your project expenditure until a grant agreement is in place. You may start your project from the date that we notify you that your application is eligible and complete. If you choose to start your project before you have an executed grant agreement, you do so at your own risk.
291. The funding approval may have specific conditions as a result of the assessment process or other considerations made by the Programme Delegate or Minister. We will identify these in the offer of funding.
292. You will have up to 24 months from the project start date to complete New and Existing Incubator projects. You will have up to 12 months from the project start date to complete Expert in Residence projects. The project end date is when you have finished all project activities and milestones as stated in the grant agreement.
293. The Commonwealth may recover grant funds if there is a breach of the grant agreement.

How the grant will be paid

294. The grant agreement will state the:
- a) maximum grant amount to be paid; and
 - b) ratio of costs covered by the grant (grant ratio).
295. We will not exceed the maximum grant amount under any circumstances. If you incur extra eligible expenditure, you must meet it yourself.
296. For New and Existing Incubator projects:
- a) For projects that are less than 12 months we will pay 80 per cent of the grant on execution of the grant agreement (signed by both parties).
 - b) For projects that are more than 12 months we will pay 50 per cent of the grant on execution of the grant agreement (signed by both parties); 30 per cent of the grant amount will be paid on achievement of milestones,
 - c) We will set aside the remaining 20 per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory final report.
 - d) You must provide a final report within four weeks of completing the project.
297. For Expert-in-Residence projects:
- a) We will pay 100 per cent of the grant amount on execution of the grant agreement. You must provide a final report within four weeks of completing the project.

How we monitor your project

298. You must submit progress reports in line with the grant agreement. You will need to report on:
- a) progress against agreed project milestones;
 - b) contributions of participants directly related to the project; and
 - c) eligible expenditure of grant funds.
299. The amount of detail you provide in your reports should be relative to the project size, complexity and grant amount. We will provide you with templates during the grant agreement process.
300. We will monitor the progress of your project by assessing reports you submit.
301. Progress reports must:
- a) include the evidence that has been agreed on;
 - b) show the total eligible expenditure incurred to achieve the milestone; and
 - c) be submitted within four weeks of completing a milestone (you can submit reports ahead of time if you have completed the milestone).
302. You will need to submit a report to us as detailed in your grant agreement. We will assess your report and may conduct site visits if necessary.

Project variations

303. We recognise that unexpected events may affect project progress. In these circumstances, you can request a project variation, including:
- a) changing project milestones;
 - b) extending the timeframe for completing the project but within the maximum 12 or 24 months allowed in Programme Guidelines; and/or
 - c) changing project activities.
304. Note the initiative does not allow for an increase to the agreed amount of grant funds
305. If you want to propose changes to the grant agreement, you must put them in writing before the grant agreement end date.
306. We will not consider changes after the grant agreement end date.
307. If a delay in the project causes milestone achievement and payment dates to move to a different financial year, you will need a variation to the grant agreement. We can only move funds between financial years if there is enough funding in the relevant year to allow for the revised payment schedule.

308. You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- a) how it impacts the project outcome;
- b) consistency with the programme policy objective and any relevant policies of the department;
- c) changes to the timing of grant payments; and
- d) availability of programme funds.

Appendix 1: Glossary of Terms

The following definitions apply for the purpose of interpreting the *Programme Guidelines*. They are not intended to be a substitute for the defined terms in any *Deed of Services and Release* or *Funding Agreement*.

Accelerating Commercialisation	The <i>Element</i> described in Schedule C of the <i>Programme Guidelines</i> .
Activity or Activities	The <i>Services</i> and <i>Grants</i> listed in Schedule A (clause 93), Schedule B (clause 127), Schedule C (clause 151), Schedule D (clause 202) and Schedule E (clauses 236 and 237) for which <i>applicants</i> may apply.
Applicant	An entity that submits an application for a <i>Service</i> or <i>Grant</i> delivered under the <i>Programme</i> .
Application Form	The document issued by the <i>Programme Delegate</i> that <i>Applicants</i> use to apply for funding under the <i>Programme</i> .
AusIndustry	The division of the same name within the <i>Department</i> .
Business Adviser	A skilled adviser with private sector experience and access to an array of industry resources engaged by <i>Industry Partners</i> to assist in the delivery of <i>Business Management</i> as described in clause 120 of Schedule A and <i>Northern Australia Tourism</i> as described in clause 228 of Schedule D of the <i>Programme Guidelines</i> .
Business Evaluation	The <i>Service</i> described in clause 96 of Schedule A of the <i>Programme Guidelines</i> and the <i>Service</i> described in clause 203 of Schedule D of the <i>Programme Guidelines</i> .
Business Evaluation Action Plan	An action plan that may be provided to a <i>Participant</i> during a <i>Business Evaluation</i> that provides analyses, findings and recommendations for implementing improvements, some of which may be supported through a <i>Business Growth Grant</i> .
Business Evaluation Report	A report provided to the businesses at the completion of a <i>Business Evaluation</i> .

<i>Business Facilitator</i>	An industry skilled professional who works with business to facilitate networks, and is engaged by <i>Industry Partners</i> to assist in the delivery of <i>Business Management</i> as described in clause 120 of Schedule A and in clause 2286 of Schedule D of the <i>Programme Guidelines</i> .
<i>Business Growth Grant</i>	The <i>Grant</i> described in clause 99 of Schedule A of the <i>Programme Guidelines</i> and the <i>Grant</i> described in clause 207 of Schedule D of the <i>Programme Guidelines</i> .
<i>Business Management</i>	The <i>Element</i> described in Schedule A of the <i>Programme Guidelines</i> .
<i>Business Researcher Placement</i>	The placement of one of the <i>Participants'</i> own research employees into a <i>Publicly Funded Research Organisation</i> to work collaboratively on a specific <i>Innovation Connections Project</i> and/or access research infrastructure.
<i>Business Review Report</i>	A report provided to the business following the delivery of services under the <i>Enterprise Connect</i> programme that documents the findings and recommendations of a business review.
<i>Commercialisation Adviser</i>	A skilled adviser with private sector experience and access to an array of industry resources engaged by the <i>Department</i> to assist in the delivery of <i>Accelerating Commercialisation</i> as described in clause 195 of Schedule C of the <i>Programme Guidelines</i> .
<i>Commercialisation Australia</i>	A closed Australian Government programme.
<i>Commercialisation Guidance</i>	The <i>Service</i> described in clause 152 of Schedule C of the <i>Programme Guidelines</i> .
<i>Commercialisation Office</i>	An entity of a <i>Publicly Funded Research Organisation</i> , or an <i>Eligible Corporation</i> controlled by one or more <i>Publicly Funded Research Organisations</i> , that assists researchers in commercialising their intellectual property.

Commercialisation Project	A project which aims to commercialise novel intellectual property in the form of a novel product, process or service and satisfies clauses 1686-170.
Commercialisation Strategy	A business plan in relation to the commercialisation of a novel product, process or service.
Confidential Information	Has the meaning given to that term in clause 52 of the <i>Programme Guidelines</i> .
Conflict of Interest	The exercise of a power or making of a decision by a person in a way that may be, or may be perceived to be, influenced by either a material personal interest (whether financial or non-financial) or a material personal association.
Continuous Improvement Report	A report provided to the business following the delivery of services under the <i>Enterprise Connect</i> programme that documents the findings and the agreed prioritised action plan.
Continuous Improvement Plan	A report provided to the business following the delivery of services under the <i>Enterprise Connect</i> programme that documents the findings and the agreed prioritised action plan for continuous improvement.
Customer Connections	A <i>Service</i> provided under <i>Supply Chain Facilitation</i> which provides engagement events for small and medium businesses to connect with supply chain partners as described in clause 103 of Schedule A and in clause 212 of Schedule D of the <i>Programme Guidelines</i> .
Customer Information Guide	A document that provides prospective applicants with information on a <i>Service</i> or <i>Grant</i> including: <ul style="list-style-type: none"> • what is provided within the <i>Service</i> or <i>Grant</i> • eligibility • how to apply • the obligations of successful <i>Applicants</i> • the indicators of merit for some or all of the merit criteria.

Deed of Services and Release	A deed entered into by a <i>Participant</i> and the <i>Department</i> in relation to <i>Services</i> under the <i>Accelerating Commercialisation</i> (excludes <i>Funding Agreements</i>).
Department	The Commonwealth of Australia as represented by the Department of Industry, Innovation and Science.
Element	A subset of the <i>Programme</i> under which <i>Activities</i> are categorised being <i>Business Management</i> , <i>Innovation Connections</i> , <i>Accelerating Commercialisation</i> and <i>Incubator Support</i> .
Eligible Activities	The activities undertaken by a <i>Grantee</i> in relation to an <i>Incubator Support Project</i> that are eligible for funding support. This is decided by the <i>Programme Delegate</i> in accordance with these <i>Programme Guidelines</i> and the <i>Grant Agreement</i> .
Eligible Application	An application that meets the requirements of clauses 100-107 for <i>Business Management</i> , clauses 131-134 for <i>Innovation Connections</i> , clauses 158-167 for <i>Accelerating Commercialisation</i> , clauses 206-214 for <i>Northern Australia Tourism</i> , or clauses 241-254 for <i>Incubator Support</i> .
Eligible Corporation	A corporation incorporated under the <i>Corporations Act 2001 (Cth)</i> will be an 'eligible corporation' for the purposes of the <i>Programme</i> if its trading activities: <ul style="list-style-type: none"> a) form a sufficiently significant proportion of its overall activities as to merit it being described as a trading corporation; or b) are a substantial and not merely peripheral activity of the corporation.
Eligible Expenditure	Expenditure incurred directly on an agreed project or on agreed activities as detailed in the relevant <i>Funding Agreement</i> . For the <i>Accelerating Commercialisation Element</i> eligible expenditure is defined in the <i>Accelerating Commercialisation Customer Information Guide</i> . For the <i>Incubator Support Element</i> eligible expenditure is defined in Appendix 2 – Guidelines on eligible expenditure for Incubator Support grants.

Eligible Partner Entity	An <i>Eligible Corporation</i> whose primary purpose is research but also looks to commercialise the resultant intellectual property, and whose application for registration as an <i>Eligible Partner Entity</i> has been approved by the <i>Programme Delegate</i> .
Enabling Technologies and Services	Entities that provide enabling or supporting technologies, inputs or services to drive business growth or improve business competitiveness in one or more of the five <i>Growth Sectors</i> . Detailed guidance on <i>Enabling Technologies and Services</i> is outlined in each of the <i>Business Management</i> and <i>Innovation Connections Customer Information Guides</i> .
Enterprise Connect	A closed Commonwealth Government programme.
Entrepreneurs' Programme	A Commonwealth Government programme that provides a framework through which the government will drive business growth and competitiveness by supporting business improvement and research connections in targeted <i>Growth Sectors</i> and the commercialisation of novel products, processes and services. The <i>Entrepreneurs' Programme</i> was previously known as the <i>Entrepreneurs' Infrastructure Programme</i> .
Entrepreneurs' Infrastructure Programme	Previous name of the <i>Entrepreneurs' Programme</i> .
Expert Network	A network of experienced people able to offer knowledge, skills and insights on an honorary basis to commercialise novel intellectual property in the form of new products, processes and/or services.
Funding Agreement	A legally binding agreement between the <i>Department</i> and a <i>Recipient</i> . Also referred to as a <i>Grant Agreement</i> .
Government Grant Sources	Sources that include, but are not limited to, grants from Commonwealth, state, local and international government programmes.

Graduate Placement	The engagement of a graduate or post graduate into the business of the <i>Participant</i> to undertake a specific <i>Innovation Connections Project</i> which may be undertaken collaboratively with a <i>Publicly Funded Research Organisation</i> .
Grant	The funds provided by the <i>Department</i> to the <i>Recipient</i> as set out in a <i>Funding Agreement</i> under the <i>Programme</i> .
Grant Agreement	See definition of <i>Funding Agreement</i> .
Grantee	An entity that has been offered funding and has entered into a <i>Grant Agreement</i> with the Commonwealth in relation to the programme. See also <i>Recipient</i> .
Growth Plan	A report provided to the business following the facilitation of <i>Growth Services</i> that documents the findings and the agreed prioritised action plan for growth.
Growth Sectors	Priority industry sectors: Advanced Manufacturing; Food and Agribusiness; Medical Technologies and Pharmaceuticals; Mining Equipment, Technology and Services; and Oil, Gas and Energy Resources. Detailed guidance on the <i>Growth Sectors</i> is outlined in the <i>Customer Information Guides</i> .
Growth Services	The <i>Service</i> described in clause 98 of Schedule A of the <i>Programme Guidelines</i> and the <i>Service</i> described in clause 206 of Schedule D of the <i>Programme Guidelines</i> .
Incubator	A business support organisation that fosters innovative start-ups, focused on international trade, through the provision of services such as seed funding, colocation, mentoring, professional services and access to networks. It can include accelerators and germinators.
Incubator Support Initiative	The <i>Element</i> described in Schedule E of the <i>Programme Guidelines</i> .
Incubator Support Project	A project described in an application for an <i>Incubator Support Grant</i> . All subsequent mentions of project in Schedule E refer to an <i>Incubator Support Project</i> .

<i>Incubator Support Project Value</i>	The total <i>Eligible Expenditure</i> incurred by an <i>Incubator Support Grantee</i> on a project and the total allowable in kind contributions on the same project.
<i>Industry Growth Centre</i>	A not-for-profit company limited by guarantee responsible for delivering the Industry Growth Centres Initiative and established in <i>Growth Sectors</i> .
<i>Industry Partner</i>	An organisation engaged by the <i>Department</i> under a contract for services to deliver <i>Services</i> under <i>Business Management</i> and <i>Innovation Connections</i> .
<i>Industry Sector Director</i>	Specified personnel contracted to provide assistance and advice to the Programme Delegate in relation to the delivery of the Business Management element of the Programme.
<i>Innovation and Science Australia</i>	The statutory board established by the Industry, Research and Development Act 1986 (Cth) (the Act) and named in that Act as Innovation Australia (as at the date these Guidelines were made). Innovation and Science Australia will provide strategic direction and assist with the administration of the Australian Government's industry research and development, innovation and venture capital programs designed to promote the development, and improve the efficiency and international competitiveness of Australian industry.
<i>Innovation Connections</i>	The <i>Element</i> described in Schedule B of the <i>Programme Guidelines</i> .
<i>Innovation Connections Facilitation</i>	The <i>Service</i> described in clause 128 of Schedule B of the <i>Programme Guidelines</i> .
<i>Innovation Connections Grant</i>	The <i>Grant</i> described in clause 130 of Schedule B of the <i>Programme Guidelines</i> .
<i>Innovation Connections Project</i>	A project which incorporates recommendations from an <i>Innovation Facilitation Report</i> and which may be supported by an <i>Innovation Connections Grant</i> .

<i>Innovation ecosystem</i>	An open network of organisations that interact with each other and operate within framework conditions that regulate their activities and interactions. The three components of the innovation ecosystem – networks, innovation activities and framework conditions – collectively function to produce and diffuse innovations that have, in aggregate social or economic value.
<i>Innovation Facilitation Report</i>	A report provided to the business at the completion of the <i>Innovation Connections Facilitation</i> that documents the findings and recommendations of the <i>Innovation Connections Facilitation</i> .
<i>Innovation Facilitators</i>	An industry skilled professional who works with business, and is engaged by <i>Industry Partners</i> to provide practical advice and then facilitate access to the most appropriate research, knowledge or technical expertise in the delivery of <i>Innovation Connections</i> as described in clause 144 of Schedule B of the <i>Programme Guidelines</i> .
<i>Innovation potential</i>	The capacity of an <i>innovation ecosystem</i> to support innovative start-ups, focused on international trade based on its unique conditions and circumstances.
<i>Minister</i>	The Australian Government minister with portfolio responsibility for the <i>Programme</i> .
<i>Northern Australia</i>	All of the Northern Territory and those parts of Western Australia and Queensland above the Tropic of Capricorn. As defined in the <i>Our North, Our Future: White Paper on Developing Northern Australia</i> , July 2015.
<i>Northern Australia Tourism</i>	Schedule D of the <i>Programme Guidelines</i> .
<i>Participant</i>	An entity that receives a <i>Service</i> or is the <i>Recipient</i> of a <i>Grant</i> .
<i>Personal Information</i>	Has the meaning given to that term in clause 48 of the <i>Programme Guidelines</i> .

Portfolio	The mechanism described in clause 156 of Schedule C of the <i>Programme Guidelines</i> .
Portfolio Services	The <i>Services</i> described in clause 155 of Schedule C of the <i>Programme Guidelines</i> .
Programme	The <i>Entrepreneurs' Programme</i> .
Programme Delegate	An official of the <i>Department</i> , appointed to carry out specific functions for the <i>Programme</i> as outlined in clauses 22-25 of these <i>Programme Guidelines</i> .
Programme Guidelines	These guidelines that the <i>Minister</i> gives to the <i>Department</i> to provide a framework to operate and administer the <i>Programme</i> , as in force from time to time.
Publicly Funded Research Organisation	All higher education providers listed at Table A and Table B of the <i>Higher Education Support Act 2003 (Cth)</i> as well as Commonwealth, state and territory government departments or agencies which undertake publicly funded research. This includes, but is not limited to, Commonwealth Scientific and Industrial Research Organisation, Defence Science and Technology Organisation, Australian Institute of Marine Science and Australian Nuclear Science and Technology Organisation.
Recipient	The entity which enters into a <i>Funding Agreement</i> with the <i>Department</i> and receives payment of a <i>Grant</i> under the <i>Programme</i> . See also <i>Grantee</i> .
Region	A geographic area with definable characteristics.
Related Body Corporate	Has the same meaning as in section 50 of the <i>Corporations Act 2001 (Cth)</i> .
Remote Australia	As defined by the Australian Bureau of Statistics Remoteness Classification 2006, see the ABS Remoteness Structure for more information.

Research Connections	<i>Research Connections</i> commenced on 1 September 2014 and was expanded and relaunched as <i>Innovation Connections</i> as described in Schedule B of the <i>Programme Guidelines</i> .
Research Connections Facilitation	The <i>Service</i> described in clause 128 of Schedule B of the <i>Programme Guidelines</i> .
Research Connections Grant	The <i>Grant</i> provided under the former <i>Research Connections</i> .
Research Connections Project	A project which incorporates recommendations in a <i>Research Facilitation Report</i> and is supported by a <i>Research Connections Grant</i> .
Research Facilitation Report	A report provided to the business at the completion of the <i>Research Connections Facilitation</i> that documents the findings and recommendations of the <i>Research Connections Facilitation</i> .
Researcher	An employee of a <i>Publicly Funded Research Organisation</i> employed as a researcher or enrolled as a Higher Degree by Research student.
Researcher Placement	The placement of a <i>Researcher</i> in the <i>Participant's</i> business to work collaboratively on a specific <i>Innovation Connections Project</i> in order to develop and implement a new idea with commercial potential which may involve: <ul style="list-style-type: none"> a) the engagement of a <i>Publicly Funded Research Organisation</i> to undertake research activities on the business's behalf; or b) accessing research infrastructure; or c) accessing other forms of research capability.
Sector	A group of organisations undertaking economic activities similar with the Division level of the Australian and New Zealand Standard Industrial Classification 2006.

Services	Includes the <i>Activities</i> , other than <i>Grants</i> , described in any schedule of the <i>Programme Guidelines</i> .
Supply Chain Facilitation	The <i>Activities</i> described in clause 97 of Schedule A of these <i>Programme Guidelines</i> and the <i>Activities</i> described in clause 205 of Schedule D of these <i>Programme Guidelines</i> .
Supplier Continuous Improvement Plan	A plan provided to the business following the delivery of services under the <i>Enterprise Connect</i> programme that documents the findings and recommendations.
Supplier Improvement Plan	A tailored plan for individual small and medium businesses receiving <i>Supply Chain Facilitation</i> that identifies and addresses key capability and skills gaps and provides a series of practical recommendations to help improve access to domestic and international supply chains.
Tourism Business	Is a business that must: <ul style="list-style-type: none"> a) derive a significant portion of their revenue from visitors; and b) operate in tourism-related industries including accommodation; cafes, restaurants and takeaway food services; clubs, pubs, taverns and bars; passenger transport; tour operator services; cultural services; sports and recreation services; and retail trade.
Tourism Partnership	The <i>Service</i> described in clause 204 of Schedule D of the <i>Programme Guidelines</i>
Tourism Partnership Plan	A tailored plan for a group or consortium of small businesses receiving a <i>Tourism Partnership Service</i> that identifies joint activities or opportunities.

Appendix 2. Guidelines on eligible expenditure for Incubator Support

309. This section provides guidelines on the eligibility of expenditure. We will update these guidelines from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.
310. The Programme Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.
311. To be eligible, expenditure must:
- a) be incurred by the grantee within the project period;
 - b) be a direct cost from the project;
 - c) be incurred by the grantee for approved project audit activities; and
 - d) meet the eligible expenditure guidelines for Incubator Support grants.

How we verify eligible expenditure

312. If your application is successful, we will ask you to verify the project budget that you provided in your application when negotiating your grant agreement. You may need to provide evidence for major cost items such as labour. Evidence can include:
- a) quotes;
 - b) purchase orders;
 - c) supply agreements; and
 - d) details of all employees working on the project, including name, title, function, time spent on the project and salary.
313. The grant agreement will also include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure, including:
- a) contractor / supply agreements;
 - b) leasing or purchasing arrangements;
 - c) invoices; and/or
 - d) associated payments.
314. If requested, you will need to provide the agreed evidence along with your milestone achievement reports.

315. You must also keep payment records of all eligible expenditure, and must be able to explain how the costs relate to the agreed project milestones and activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.
316. At the end of the project, you may be required to provide an independent financial audit of all eligible expenditure from the project.

Eligible expenditure

317. Grant funds must be eligible expenditure directly related to the project. Eligible expenditure can include, but is not limited to:
- a) salaries for staff and direct salary and on-costs for Australian personnel directly employed for the project activities (on a pro-rata basis relative to their time commitment);
 - b) contractor costs, for example third party providers that provide business support to start ups;
 - c) costs of developing and delivering workshops, conferences, professional development, networking events forums and courses (including travel costs for key participants);
 - d) workshops in support of the activities, knowledge transfer and capability development;
 - e) costs related to recruiting or contracting specialist staff directly related to the project; and
 - f) purchase of computing equipment and software directly related to the project.

Labour expenditure

318. Eligible labour expenditure for the grant covers the direct labour costs of employees you directly employ on the core elements of the agreed project. We consider a person an employee when you pay them a regular salary or wage, out of which you make regular tax instalment deductions.
319. We consider costs for technical, but not administrative, project management activities eligible labour expenditure. However, these costs are limited to 10 per cent of the total amount of eligible labour expenditure claimed.
320. We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks.
321. Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the Australian Taxation Office (ATO). We consider salary-

sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

322. The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is \$150,000 per financial year.
323. For periods of the project that do not make a full financial year, the maximum salary amount you can claim will be reduced in proportion to the amount of time in the part financial year the project was taking place.
324. You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

Labour on-costs and administrative overhead

325. Eligible salary costs can be increased by an additional 30 per cent allowance to cover on-costs such as employer paid superannuation, payroll tax and workers compensation insurance, and overheads such as office rent and the provision of computers.
326. You should calculate eligible salary costs using the formula below:

$$\text{Eligible salary costs} = \text{Annual salary package} \times \frac{\text{Weeks spent on project}}{52 \text{ weeks}} \times \text{percentage of time spent on project}$$

327. You cannot base labour costs on an estimation of the employee's worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.
328. We will only consider salaries paid to principals and/or their relatives as eligible labour expenditure when the ATO has assessed tax payable on the salary
329. Evidence you will need to provide can include:
- details of all personnel working on the project, including name, title, function, time spent on the project and salary; and
 - ATO payment summaries, pay slips and employment contracts.

Contract expenditure

330. Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:
- another organisation; or
 - an individual (who is not an employee, but engaged under a separate contract).

331. All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:
- a) the nature of the work to be performed; and
 - b) the applicable fees, charges and other costs payable.
332. Invoices from contractors must contain:
- a) a detailed description of the nature of the work
 - b) the hours and hourly rates involved
 - c) any specific plant expenses paid.
333. Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense as if you had claimed it directly (without engaging a contractor). The costs must also be reasonable and appropriate for the activities performed.
334. We will require evidence of contractor expenditure that may include:
- a) an exchange of letters (including email) setting out the terms and conditions of the proposed contract work;
 - b) purchase orders;
 - c) supply agreements; and
 - d) invoices and payment documents.
335. As stated in the grant agreement, you are required to ensure all project contractors keep a record of the costs of their work on the project. You may be required to obtain and provide a contractor's records of its costs of doing project work. If you do not provide such records, the relevant contract expense may not qualify as eligible expenditure.

Other eligible expenditure

336. Other eligible expenditures for the project may include:
- a) staff training that directly supports the achievement of project outcomes;
 - b) financial auditing of project expenditure; and
 - c) costs of acquiring technology; and
 - d) reasonable fitout expenditure directly related to the project.
337. Other specific expenditures may be eligible as determined by the Programme Delegate.

Appendix 3. Ineligible expenditure for Incubator Support

338. Examples of ineligible expenditure include:

- a) investment of money in exchange for equity into start-ups;
- b) activities, equipment or supplies that are already being supported through other sources;
- c) costs incurred prior to us notifying you that the application is eligible and complete;
- d) financial costs, including interest;
- e) non-project-related staff training and development costs;
- f) insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities);
- g) depreciation of plant and equipment;
- h) building, construction and lease expenses;
- i) maintenance costs;
- j) costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations;
- k) routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges; and
- l) costs related to preparing the grant application, preparing any project reports and preparing any project variation requests.

339. Other specific expenditure may be ineligible as determined by the Programme Delegate.

Appendix 4. Guidelines on in-kind contributions for Incubator Support

340. In-kind contributions are non-cash contributions towards your total project value. In-kind contributions can count towards a maximum of 10 per cent of your total project value (which is 20 per cent of your matched funding).
341. In-kind contributions must directly relate to delivering the project activities. This can include:
- a) third party staff salaries;
 - b) access to facilities such as office accommodation;
 - c) access to services such as coaching and mentoring, business planning; and
 - d) access to resources such as ICT software.
342. You will need to detail and cost all in-kind contributions.
343. Where the Programme Delegate considers that the reported value of in-kind contributions is not consistent with current market rates or is otherwise unreasonable, we may ask you to increase the cash contributions to the project.