

Freedom of Information

From: s22
Sent: Thursday, 11 August 2022 4:31 PM
To: s22
Subject: FW: Conversation with s22 [SEC=OFFICIAL]

From: s22 @industry.gov.au]
Sent: Tuesday, 10 December 2019 1:19 PM
To: s22 @industry.gov.au>; s22 @industry.gov.au>
Subject: Conversation with s22

s22 2:10 PM:

By the way, the guidelines state that the escalation point is the "Head of Division AusIndustry – Innovation Programs "

I assume that means s22 are you happy if i go back to s47F advising i have escalated to the Incubator Support Program Manager, who will escalate it to the Head of Division?

s22 2:13 PM:

Also, if s47F does call me s47F I am now uncomfortable talking to s47F given s47F

s47F Are you ok for me to tell s47F to put future correspondence in writing?

s22 2:19 PM:

Just say you have sent it to program management and we will review the complaint and escalate as necessary.. We need to read through this and we will probably have s22 call s47F later in the week or next week.

OFFICIAL

s22

From: s22
Sent: Thursday, 13 February 2020 1:53 PM
To: s22
Subject: Conversation with s22

s 22/ s47E(c)



s 22 1:40 PM:
can we talk later, I'm about to go into s22 re that complaint we were discussing this morning, then Div meeting

s 22/ s 47E(c)





Australian Government
Department of Industry,
Innovation and Science

Business

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Program Guidelines

Incubator Support

An element of the Entrepreneurs' Programme

Version - November 2017

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1. Entrepreneurs' Programme - Incubator Support processes

The Entrepreneurs' Programme is designed to achieve Australian Government objectives

This grant opportunity is part of the above Program, which contributes to Department of Industry, Innovation and Science's Outcome 1. The department works with stakeholders to plan and design the program according to the *Commonwealth Grants Rules and Guidelines*.



The grant opportunity opens

We publish the grant guidelines on business.gov.au and GrantConnect. There are two components:

New and Existing Incubators

Expert in Residence



You complete and submit a grant application

Before you submit your final application for a New and Existing Incubators grant, you can provide a draft application for review.



We assess all grant applications

We assess all applications against eligibility criteria and notify you if you are not eligible. Where your application is subject to merit assessment, we then assess your application against the merit criteria including an overall consideration of value for money and compare it to other applications.

We refer applications for New and Existing Incubators grants to an Innovation and Science Australia committee for review.



We make grant recommendations

We provide advice to the decision maker on the merits of each application.



Grant decisions are made

The decision maker decides which applications are successful.



We notify you of the outcome

We advise you of the outcome of your application. We may not notify unsuccessful applicants until grant agreements have been executed with successful applicants.



We enter into a grant agreement

We will enter into a grant agreement with successful applicants. The type of grant agreement will be based on the nature of the grant and proportional to the risks involved.



Delivery of grant

You undertake the grant activity as set out in your grant agreement. We manage the grant by working with you, monitoring your progress and making payments.



Evaluation of the Entrepreneurs' Programme and Incubator Support

We may evaluate the specific grant activity and Incubator Support as a whole. We base this on information you provide to us and that we collect from various sources.

2. Introduction

These guidelines set out the funding rules for the Incubator Support initiative (the initiative) for applicants. The initiative was announced as part of the National Innovation and Science Agenda (NISA) in December 2015 and is an element of the Entrepreneurs' Programme.

As part of its 2017 Budget, the government announced that the initiative would be refined to ensure it reflects the importance the Australian Government places on regional development. These guidelines detail the initiative including the changes to further facilitate regional incubators and maximise outcomes for regional areas.

The Department of Industry, Innovation and Science (the department) is responsible for administering the program according to the requirements of the [Commonwealth Grants Rules and Guidelines](#)¹ (CGRGs).

The Incubator Support initiative was previously included as part of the complete Entrepreneurs' Programme - Program Guidelines. These guidelines will come into effect on 1 December 2017 and will replace Schedule E of the Entrepreneurs' Programme guidelines.

We will publish any relevant information on [business.gov.au](#) and GrantConnect.

We have defined key terms used in these guidelines in Appendix A.

You should read this document carefully before you fill out an application.

3. Program overview

The Entrepreneurs' Programme is the Australian Government's flagship initiative for business competitiveness and productivity at the firm level.

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

The program is expected to deliver the following outcomes:

- improved business capability
- effective business, research and commercialisation networks
- improved business and commercialisation performance
- value to participants.

There are different elements within the Entrepreneurs' Programme. The primary focus is on providing access to the best advice and networks to help businesses solve problems, rather than focusing on financial assistance.

These guidelines provide information on the Incubator Support initiative. To find information on the other elements visit [business.gov.au](#) or [GrantConnect](#).

4. Initiative overview

The \$23 million Incubator Support initiative supports the Australian Government's commitment to:

- assist Australian start-ups to develop the capabilities required to achieve commercial success in international markets and realise their economic potential faster than they otherwise would

¹ <http://www.finance.gov.au/resource-management/grants/>

- develop Australia's innovation ecosystem including in regional areas.

The initiative provides grant funding through two components to deliver Incubator Support projects, both of which require a funding contribution from applicants. These are:

4.1 New and Existing Incubators

The objective of the New and Existing Incubators component is to:

- help develop new incubators in regional areas and/or sectors with high potential for success in international trade
- boost the effectiveness of high performing incubators, including funding support to expand their services and/or develop the innovation ecosystem
- encourage incubators to work with more data-driven start-ups that use public data as part of their business.

4.2 Expert in Residence

The objective of the Expert in Residence component is to:

- increase the capabilities of incubators and improve the chance of commercial success for start-ups in international markets by organising and providing access to top quality research, managerial and technical talent through incoming and outgoing secondments of national or international experts.

The initiative's intended outcomes are to:

- support new Australian incubators targeting innovative start-ups to assist them to trade internationally
- expand the scale and operations of existing Australian incubators to increase innovative start-ups' chances of success in international markets
- develop new innovative Australian start-ups with a focus on international markets
- create opportunities for Australian start-ups to develop sustainable international businesses through access to open public data.

In addition to these granting components, regional incubator facilitators are available to assist potential applicants, particularly in regional areas, to engage with the initiative.

The initiative will also assist successful applicants to access public data, and will promote start-ups through case studies on the data.gov.au portal.

5. Regional incubator facilitators

In line with other elements of the Entrepreneurs' Programme, this initiative offers the services of skilled facilitators to assist regional incubators engage with the initiative and increase their chances of success. These facilitators will be allocated to particular regional areas. However, they may operate outside their regions where there is capacity and demand. This service is available to all applicants with a particular emphasis on regional incubators.

Contact details for the regional incubator facilitators are on business.gov.au.

Regional incubator facilitators will work primarily with regional incubators to:

- assist applicants and potential applicants by:
 - encouraging joint applications
 - providing advice, mentoring and specialist expertise

- assisting them to develop their professional networks and improve their national and international connections
 - disseminating and sharing knowledge between regional and metropolitan incubators, to prepare applications and develop new activities.
 - providing feedback on draft applications for New and Existing Incubators grants
 - providing feedback to unsuccessful applicants on weakness with their applications
- b. encourage innovation and links between business, industry, universities and research institutions and all levels of government by:
- seeking to identify best practice techniques for regional economic development, and adapting and implementing these techniques in regional areas
 - supporting the five key areas of focus outlined in the Australian Government's [Regions 2030: Unlocking Opportunity](#) report (jobs and economic development, infrastructure, health, education and communications)
 - understanding and drawing on knowledge from the Industry Growth Centres
 - providing feedback to the department on issues facing incubators, particularly in regional areas.
- c. supporting the delivery of the Entrepreneurs' Programme by:
- promoting and marketing the Incubator Support initiative
 - facilitating referrals through engaging with advisers and facilitators from other elements of the Entrepreneurs' Programme
 - undertaking other activities as determined by the Program Delegate.

6. Grant amount

6.1 New and Existing Incubators

- The minimum grant amount is \$26,000
- The maximum grant amount is \$500,000

The maximum grant percentage varies depending on your project location as defined in the [regional locator tool](#). For this initiative, we consider Inner Regional, Outer Regional, Remote and Very Remote locations as regional areas and all other locations as major cities.

- Incubators in major cities may receive a maximum grant of 50 per cent of the eligible project value.
- Incubators with projects located in regional areas may receive up to 65 per cent of the eligible project value.

If you apply for the greater percentage, you will need to demonstrate in your application that your project is located in a regional area. We consider your project is located in a regional area if you can attribute at least 80 per cent of your eligible project value to activities in a regional area.

6.2 Expert in Residence

The grant amount will be up to 50 per cent of total eligible project value.

- The minimum grant amount is \$5,000
- The maximum grant amount is \$100,000

7. Your contribution and contributions from other government sources

7.1 New and Existing Incubators

The minimum cash contribution you must make to your project also varies depending on your project location.

- Incubators in major cities must make a minimum cash contribution of 30 per cent of the eligible project value.
- Incubators with projects located in regional areas must make a minimum cash contribution of 15 per cent of the eligible project value.

7.2 Expert in Residence

The minimum cash contribution you must make to your project is 30 per cent of the eligible project value.

7.3 All applicants

The maximum in-kind contribution you can make is 10 per cent of eligible project value. You will need to provide details of how you calculated the dollar value of any in-kind contributions. For additional guidance on in-kind contributions, refer to appendix D.

The maximum contribution from other government sources is 10 per cent of eligible 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.

Where a local government organisation is the lead applicant, it can fund the total eligible project value through the grant and its own contributions.

The breakdown of the funding limits for all projects are summarised in the following table.

Funding source	New & Existing Incubator projects in major cities	New & Existing Incubator projects in regional areas	Expert in Residence projects
Max Incubator Support grant (%)	50	65	50
Max other government sources* (%)	10	10	10
Max in-kind contribution (%)	10	10	10
Minimum cash contribution (%)	30	15	30

Table 1 Limits of funding sources

*Where a local government organisation is the lead applicant, it can fund the total eligible project value through the grant and its own contributions.

8. Project duration

8.1 New and Existing Incubators

The maximum project duration is 24 months.

8.2 Expert in Residence

The maximum project duration is 12 months.

9. Eligibility criteria

We cannot consider your application if you do not satisfy all eligibility criteria.

9.1 Who is eligible?

To be eligible you must

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

and be one of the following entities:

- an entity incorporated in Australia
- an incorporated trustee on behalf of a trust
- an incorporated not for profit organisation
- a publicly funded research organisation (PFRO) as defined in Appendix A
- a local government agency or body as defined in Appendix A.

Joint applications are acceptable and encouraged, provided you have a lead applicant who is the main driver of the project and is eligible to apply. For further information on joint applications, refer to section 11.2.

9.1.1 Who is not eligible?

You are not eligible to apply if you are

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

9.2 New and Existing Incubators

9.2.1 Additional eligibility requirements

In order to be eligible you must provide

- evidence from your board (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding
- for grants over \$50,000, an Accountant Declaration that confirms you can fund your share of the project costs. You must use the Accountant Declaration form available on business.gov.au and GrantConnect.

9.2.2 Eligible projects

To be eligible your New and Existing Incubators project must:

- include eligible activities and eligible expenditure
- have an eligible project value of at least \$52,000 for projects in major cities
- have an eligible project value of at least \$40,000 for projects in regional areas

9.2.3 Multiple projects

You can apply for up to two grants at the same time from either component. If both projects are supported you must have successfully completed one of the projects including submitting a satisfactory final report, before you can apply for another grant. You can only have two projects running at the same time.

9.2.4 Eligible activities

Eligible activities must directly relate to the project and may differ between the two components.

Examples of eligible activities include:

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

This is not an exhaustive list of eligible activities. We may approve other activities where they are consistent with the program objectives and expected outcomes. The Program Delegate makes the final decision on whether an activity is eligible.

9.3 Expert in Residence

9.3.1 Additional eligibility requirements

Where your project involves incoming experts, additional eligibility requirements include:

- experts are not a current employee of your incubator
- a resume for each expert, outlining their experience and capabilities.

Where your project involves an outgoing expert to other incubators, additional eligibility requirements include:

- a letter of commitment from the host incubator or incubators they are visiting
- a satisfactory summary of your project that describes how the new knowledge will benefit your incubator and innovative start-ups in line with program objectives.

9.3.2 Eligible projects

To be eligible your Expert in Residence project must:

- include eligible activities and eligible expenditure
- have an eligible project value of at least \$10,000.

9.3.3 Multiple projects

You can apply for up to two grants at the same time from either component. If both projects are supported you must have successfully completed one of the projects including submitting a satisfactory final report, before you can apply for another grant. You can only have two projects running at the same time.

9.3.4 Eligible activities

Examples of eligible activities include:

- a workshop where an expert gives advice on developing business activities, for example in international markets
- 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
- national or international exchanges with an expert from another incubator either in Australia or overseas.
 - incoming experts must bring new capabilities and undertake activities that help build your capabilities in the expert's area of expertise. You can include one or more incoming experts in your project.
 - an outgoing expert must be embedded in a host incubator that will commit to the sharing of capabilities and knowledge that will benefit your incubator. We allow one outgoing expert per project, however this expert may visit multiple host incubators.

This is not an exhaustive list of eligible activities. We may approve other activities where they are consistent with the program objectives and expected outcomes. The Program Delegate makes the final decision on whether an activity is eligible.

9.4 Eligible expenditure

You can only spend grant funds on eligible expenditure you have incurred on an agreed project as defined in your grant agreement.

- For guidance on eligible expenditure, see Appendix B.
- For guidance on ineligible expenditure, see Appendix C.
- For guidance on in-kind contributions, see Appendix D.

The Program Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be a direct cost of the project
- be incurred by you for approved project activities.

We may update the guidelines on eligible expenditure from time to time. If your application is successful, the version in place when you submitted your application applies to your project.

You must incur the project expenditure between the project start and end date for it to be eligible unless stated otherwise.

You must not commence your project until your grant agreement is executed.

We cannot waive the eligibility criteria under any circumstances.

10. The merit criteria you need to address

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 grant amount requested. You should define, quantify and provide evidence to support your answers. The application form displays text limits.

10.1 New and Existing Incubators

To be competitive, you will need to address all merit criteria in your application. We will assess your application against each merit criterion using the weighting indicated.

We will only award funding to applications that score highly against all merit criteria, as these represent best value for money.

10.2 Expert in Residence

If you are applying for a grant of \$50,000 or less we will assess you against the eligibility criteria only and this section does not apply to you. If you are applying for a grant greater than \$50,000 you will need to address merit criteria two in your application.

10.3 Merit criterion 1

Management and business capability (40 points)

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

- a. Describe key personnel:
 - time commitment to incubator
 - evidence of national or global entrepreneurship and commercialisation experience
 - evidence of linkages to international innovation ecosystems
 - community management skills
 - 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.

Describe your incubator's operating model, and how it can foster the development of innovative start-ups in international markets.

- a. How will you leverage your networks to deliver services and opportunities to start—ups? Provide evidence of linkages, agreements and support from other players in the innovation ecosystem.
- b. What services do you provide? These may could include:
 - seed funding
 - co-location
 - structured program
 - mentoring
 - cohort-based entry and exit
 - professional services

- networking events.
- c. How will you fund ongoing operations after the grant ends? For example:
 - If you are an existing incubator, provide evidence of your current funding model
 - 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.

10.4 Merit criterion 2

Benefit to your incubator, start-ups and the broader innovation ecosystem (50 points)

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
- c. developing the capability of incubators to facilitate and foster innovative start-ups with the potential to operate in international markets
- d. developing new incubators' capabilities in regional Australia, that support internationally focussed start-ups
- e. developing and collaborating with start-ups that use public data as part of their business.

10.5 Merit criterion 3

Impact of the grant (10 points)

You should demonstrate this by identifying

- a. whether your project will go ahead without the grant. Explain how the grant will impact your project in terms of scale, timing and reach.
- b. your justification for the funding amount requested with respect to the scale of the project, grant period and intended outcomes
- c. the total investment and contributions the grant will leverage. Where you include in-kind contributions you should justify how you calculate the dollar value.

11. How to apply

Before applying you should read and understand these guidelines, the sample [application form](#) and the sample [grant agreements](#) published on business.gov.au and GrantConnect.

You can submit an application at any time. If you are applying for a New and Existing Incubators grant, you may submit one draft application. We will provide feedback on your draft application, which may be provided by regional incubator facilitators. You should address this feedback before submitting your final application.

To apply, you must

- complete the online [Incubator Support application form](#) on business.gov.au

- provide all the information requested
- address all eligibility and merit criteria relevant to your application
- include all necessary attachments.

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.

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 any false or misleading information and may not progress your application. If you find an error in your application after submitting it, you should call us immediately on 13 28 46.

If we find an error or information that is missing, we may ask for clarification or additional information from you that will not change the nature of your application. However, we can refuse to accept any additional information from you that would change your submission after the application closing time.

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 by calling 13 28 46.

11.1 Attachments to the application

You must attach supporting documentation to the application form in line with the instructions provided within the form.

We require the following documents with your application

- trust deed (where applicable)
- letter of support from project partners (where applicable)
- evidence to support your claims against the merit criteria (where applicable)
- an accountant declaration (for grants over \$50,000).

11.1.1 New and Existing Incubators

- detailed project budget
- detailed project plan
- evidence from your board (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding.

11.1.2 Expert in Residence

- for each incoming expert, a resume outlining their experience and capabilities
- for an outgoing expert, a letter of commitment from the overseas incubators they are visiting.

11.2 Joint applications

We recognise that some organisations may want to join together as a group to deliver a project. In these circumstances, you must appoint an eligible entity as the lead organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application should identify all other members of the proposed group and include a letter of support from each of the project partners. Each letter of support should include

- details of the partner organisation

- an overview of how the partner organisation will work with the lead organisation and any other partner organisations in the group to successfully complete the project
- an outline of the relevant experience and/ or expertise the partner organisation will bring to the group
- the roles/ responsibilities the partner organisation will undertake, and the resources it will contribute (if any)
- details of a nominated management level contact officer.

You should have agreed arrangements in place with all parties.

12. How we assess your application (selection process)

12.1 New and Existing Incubators

If you provide a draft application, we will provide feedback and identify where you can strengthen your claims against the merit criteria.

The formal decision process does not commence until we receive your final application.

When we receive your final application, we first assess it against the eligibility criteria and then against the merit criteria.

Only eligible applications will proceed to the merit assessment stage. We review these applications against the merit criteria and refer them to an Innovation and Science Australia committee. The committee will assess your application against the merit criteria and compare it to other eligible applications before recommending which projects to fund.

The assessment committee may seek additional advice from independent technical experts.

To recommend it for funding it must score highly against each merit criterion. While the committee assess all applications against the same merit criteria, they will score your application relative to the project size, complexity and grant amount requested. The evidence you provide to support your application should be proportional to the size and complexity of your project.

12.2 Expert in Residence

We first assess your application against the eligibility criteria. If you are applying for a grant of \$50,000 or less we will assess your application against the eligibility criteria only. For grants greater than \$50,000, we will also assess your application against merit criterion two.

For all applications, if the selection process identifies unintentional errors in your application, we may contact you to correct or clarify the errors. You cannot make any material alteration or addition.

12.3 Final decision

12.3.1 New and Existing Incubators

The Minister decides which grants to approve taking into account the recommendations of the committee and the availability of grant funds.

12.3.2 Expert in Residence

The Program Delegate decides which grants to approve taking into consideration the application assessment and the availability of grant funds.

12.3.3 All applicants

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 (or similar) project. 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 consider it for assessment.

The Minister and Program Delegate's decisions are final in all matters, including

- the approval of applications for funding
- the amount of grant funding awarded
- the terms and conditions of funding.

We cannot review decisions about the merits of your application.

The Minister and Program Delegate will not approve funding if there is insufficient program funds available across relevant financial years for the program.

13. If your application is successful

13.1 Grant agreement

You must enter into a grant agreement with the Commonwealth. We use two types of grant agreements in this program. Our selection will depend on the size and complexity of your project. Sample [grant agreements](#) are available on [business.gov.au](#) and GrantConnect

We must execute a grant agreement with you before we can make any payments. We are not responsible for any of your project expenditure until a grant agreement is executed. If you choose to start your project before you have an executed grant agreement, you do so at your own risk.

The approval of your grant may have specific conditions determined by the assessment process or other considerations made by the Minister or Program Delegate. We will identify these in the offer of funding.

The Commonwealth may recover grant funds if there is a breach of the grant agreement.

13.1.1 Exchange of letters grant agreement

For Expert in Residence projects we will use an exchange of letters as your grant agreement. We will send you a letter of offer advising that your application has been successful. You accept the offer by signing and returning to us. We consider the agreement to be executed (take effect) from the date you sign the letter. You will have 30 days from the date of our letter to sign and return to us otherwise the offer may lapse.

13.1.2 Simple grant agreement

We will use a simple grant agreement for all New and Existing Incubators projects.

You will have 30 days from the date of a written offer to execute this 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. The offer may lapse if both parties do not sign the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application. We will

review any required changes to these details to ensure they do not impact the project as approved by the Minister or Program Delegate.

13.2 How we pay the grant

The grant agreement will state the

- maximum grant amount we will pay
- proportion of eligible project value covered by the grant (grant percentage)
- any in-kind contributions you will make
- any financial contribution provided by you or a third party

We will not exceed the maximum grant amount under any circumstances. If you incur extra costs, you must meet them yourself.

For Expert in Residence grants under \$50,000 and less than six months, we will pay 100 per cent of the grant on execution of the grant agreement. You will be required to report how you spent the grant funds at the completion of the project.

For all other grants, we will make an initial payment on execution of the grant agreement. The initial payment and subsequent payments will be up to six monthly in advance, based on your forecast eligible project expenditure and adjusted for unspent amounts from previous payments. Payments are subject to satisfactory progress on the project.

We set aside a minimum of 10 per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory final report demonstrating you have completed outstanding obligations for the project. We may need to adjust your progress payments to align with available program funds across financial years and/or to ensure we retain a minimum 10 per cent of grant funding for the final payment.

13.3 How we monitor your project

You must submit progress reports in line with your grant agreement. We will provide sample templates for these reports as appendices in the grant agreement. You will also be able to download them from business.gov.au and GrantConnect. We will remind you of your reporting obligations before a report is due. We will expect you to report on

- progress against agreed project milestones
- contributions of participants directly related to the project
- project expenditure, including expenditure of grant funds.

The amount of detail you provide in your reports should be relative to the project size, complexity and grant amount.

We will monitor the progress of your project by assessing reports you submit and may conduct site visits to confirm details of your reports if necessary. Occasionally we may need to re-examine claims, seek further information or request an independent audit of claims and payments.

13.3.1 Progress reports

Progress reports must

- include details of start-ups supported
- include evidence of your progress towards completion of agreed project activities
- show the total eligible expenditure incurred to date
- show the eligible project value to date

- include evidence of expenditure
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

We will only make grant payments when we receive satisfactory progress reports.

You must discuss any project or milestone reporting delays with us as soon as you become aware of them.

13.3.2 Final report

When you complete the project, you must submit a final report.

Final reports must

- include details of start-ups supported
- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project
- be submitted by the report due date
- be in the format provided in the grant agreement.

13.3.3 Audit report

Where your total eligible project value is greater than \$500,000 you must provide an independently audited financial acquittal report.

A financial acquittal report will verify that you spent the grant in accordance with the grant agreement.

You must use the financial acquittal report template attached to the sample grant agreement.

13.3.4 Ad-hoc report

We may ask you for ad-hoc reports on your project. This may be to provide an update on progress, or any significant delays or difficulties in completing the project.

13.4 Compliance visits

We may visit you during the project period or after you finish your project to review your compliance with the grant agreement. We may also inspect the records you are required to keep under the grant agreement. We will provide you with reasonable notice of any compliance visit.

13.5 Grant agreement variations

We recognise that unexpected events may affect project progress. In these circumstances, you can request a variation to your grant agreement, including

- changing project milestones
- extending the timeframe for completing the project but within the maximum 12 or 24 month period as outlined in section 8
- changing project activities

Note the initiative does not allow an increase of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the grant agreement end date. We can provide you with a variation request template.

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 program funding in the relevant year to allow for the revised payment schedule. If we cannot move the funds, you may lose some grant funding.

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

- how it affects the project outcomes
- consistency with the program policy objective and any relevant policies of the department
- changes to the timing of grant payments
- availability of program funds.

13.6 Keeping us informed

You should let us know if anything is likely to affect your project or organisation.

We need to know of any key changes to your organisation or its business activities, particularly if they affect your ability to complete your project, carry on business and pay debts due.

You must also inform us of any changes to your

- name
- addresses
- nominated contact details
- bank account details.

If you become aware of a breach of terms and conditions under the grant agreement you must contact us immediately.

You must notify us of events relating to your project and provide an opportunity for the Minister or their representative to attend.

13.7 Evaluation

We may evaluate the program to determine the extent to which the funded activity is contributing to the program objectives and outcomes. We may use information from your application and project reports for this purpose. We may also interview you, or ask you for more information to help us understand how the program impacted you and the beneficiaries of services funded by the program and to evaluate how effective the program was in achieving its outcomes. We may contact you up to two years after you finish your project for more information to assist with this evaluation.

13.8 Tax obligations

If you are registered for the Goods and Services Tax (GST), we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office](#). We do not provide advice on tax.

14. Conflicts of interest

14.1 Your conflict of interest responsibilities

A conflict of interest will occur if your private interests conflict with your obligations under the grant. Conflicts of interest could affect the awarding or performance of your grant. A conflict of interest can be

- real (or actual)
- apparent (or perceived)
- potential.

We will ask you to declare, as part of your application, any perceived or existing conflicts of interests or that, to the best of your knowledge, there is no conflict of interest.

If you later identify that there is an actual, apparent, or potential conflict of interest or that one might arise in relation to your grant, you must inform us in writing immediately.

14.2 Our conflict of interest responsibilities

We recognise that conflicts of interest may arise with our staff, technical experts, advisory committee members and others delivering the program between

- their program duties, roles and responsibilities and
- their private interests.

We manage our conflicts of interest according to the *APS Code of Conduct (section 13 (7) of the Public Service Act 1999)*. We publish our [conflict of interest policy²](#) on the department's website.

Program officials must declare any conflicts of interest. If we consider a conflict of interest is a cause for concern, that official will not take part in the assessment of relevant applications under the program.

15. How we use your information

Unless the information you provide to us is

- confidential information as per 15.1, or
- personal information as per 15.2,

we may share the information with other government agencies for a relevant Commonwealth purpose such as

- to improve the effective administration, monitoring and evaluation of Australian Government programs
- for research
- to announce the awarding of grants.

2

<https://www.industry.gov.au/AboutUs/InformationPublicationScheme/Ourpolicies/Documents/Conflict-of-Interest-and-Inside-Trade-Expectations-Policy.pdf>

15.1 How we handle your confidential information

We will treat the information you give us as sensitive and therefore confidential if it meets one of the four conditions below

1. You clearly identify the information as confidential and explain why we should treat it as confidential.
2. The information is commercially sensitive.
3. Disclosing the information would cause unreasonable harm to you or someone else.
4. You provide the information with an understanding that it will stay confidential.

15.1.1 When we may disclose confidential information

We may disclose confidential information

- to the committee and our Commonwealth employees and contractors, to help us manage the program effectively
- to the Auditor-General, Ombudsman or Privacy Commissioner
- to the responsible Minister or Assistant Minister
- to a House or a Committee of the Australian Parliament.

We may also disclose confidential information if

- we are required or authorised by law to disclose it
- you agree to the information being disclosed, or
- someone other than us has made the confidential information public.

15.2 How we use your personal information

We must treat your personal information according to the Australian Privacy Principles (APPs) and the *Privacy Act 1988*. This includes letting you know

- what personal information we collect
- why we collect your personal information
- to whom we give your personal information.

We may give the personal information we collect from you to our employees and contractors, the committee, and other Commonwealth employees and contractors, so we can

- manage the program
- research, assess, monitor and analyse our programs and activities.

We, or the Minister, may

- announce the names of successful applicants to the public
- publish personal information on the department's websites.

You may read our [Privacy Policy](http://www.industry.gov.au/Pages/PrivacyPolicy.aspx)³ on the department's website for more information on

- what is personal information
- how we collect, use, disclose and store your personal information

³ <http://www.industry.gov.au/Pages/PrivacyPolicy.aspx>

- how you can access and correct your personal information.

15.3 Public announcement

We will publish non-sensitive details of successful projects on, business.gov.au and [department's website](#)⁴. We are required to do this by the *Commonwealth Grants Rules and Guidelines* and the [Australian Government Public Data Policy Statement](#)⁵, unless otherwise prohibited by law. This information may include

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation's industry sector.

We publish this information to ensure open access to non-sensitive data within Australian Government agencies to enable greater innovation and productivity across all sectors of the Australian economy.

15.4 Freedom of information

The *Freedom of Information Act 1982* (FOI Act) applies to all documents we create, receive or store about the program. If someone requests a document under the FOI Act, we will release it (though we may need to consult with you and/or other parties first) unless it meets one of the exemptions set out in the FOI Act.

16. Grant acknowledgement

If you make a public statement about a project funded under the program, we require you to acknowledge the grant by using the following:

'This project received grant funding from the Australian Government.'

17. Enquiries and feedback

For further information or clarification, you can [contact us](#) on 13 28 46 or by web chat or through our online enquiry form on business.gov.au.

We may publish answers to your questions on our website as Frequently Asked Questions.

The AusIndustry [Customer Service Charter](#) is available at business.gov.au. AusIndustry uses customer satisfaction surveys to improve its business operations and service.

If you have a complaint, call us on 13 28 46. We will refer your complaint to the appropriate manager.

If you are not satisfied with the way we handle your complaint, you can contact:

⁴ <http://www.industry.gov.au/Pages/default.aspx>

⁵ <http://www.dpmc.gov.au/resource-centre/data/australian-government-public-data-policy-statement>

Head of Division
AusIndustry – Innovation Programs
Department of Industry, Innovation and Science
GPO Box 2013
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](http://www.ombudsman.gov.au/)⁶ with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

⁶ <http://www.ombudsman.gov.au/>

Appendix A. Definitions of key terms

Term	Definition
AusIndustry	The division of the same name within the department.
Department	The Department of Industry, Innovation and Science.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 9.2.3.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in 9.4.
Eligible expenditure guidelines	The guidelines that are at Appendix B.
Eligible project value	The total of eligible expenditure and allowable in-kind contributions on an Incubator Support project.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding.
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
Grantee	The recipient of grant funding under a grant agreement.
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.
Guidelines	These guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.
Incubator	A business support organisation that fosters innovative start-ups, focused on international trade, through the provision of services such as seed funding, co-location, mentoring, professional services and access to business networks. It can include accelerators and germinators
Innovation and Science Australia	The statutory board established by the <i>Industry Research and Development Act 1986</i> (Cth) (the Act) and amended in 2016.
Local government agency or body.	A local governing body as defined in the <i>Local Government (Financial Assistance) Act 1995</i> (Cth).
Minister	The Commonwealth Minister for Industry, Innovation and Science.

Term	Definition
Open data	Datasets made available for others to use without restriction on use or redistribution in its licensing conditions.
Non-income-tax-exempt	Not exempt from income tax under Division 50 of the <i>Income Tax Assessment Act 1997</i> (Cth) or under Division 1AB of Part III of the <i>Income Tax Assessment Act 1936</i> (Cth).
Personal information	Has the same meaning as in the <i>Privacy Act 1988</i> (Cth)
Program Delegate	An AusIndustry general manager within the department with responsibility for the initiative.
Program funding or Program funds	The funding made available by the Commonwealth for the program.
Project	A project described in an application for grant funding under the program.
Public data	Data collected or generated by the public service for policy development and public administration. Also known as Public Sector Information.
Publicly funded research organisation (PFRO)	All higher education providers listed at Table A and Table B of the <i>Higher Education Support Act 2003</i> (Cth).
Regional area	Locations listed in as Inner Regional, Outer Regional, Remote and Very Remote in the regional locator tool .

Appendix B. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We will update this guidance from time to time, so you should make sure you have the current version from business.gov.au and [GrantConnect](#) before preparing your application.

The Program Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be incurred by you within the project period
- be a direct cost of the project
- be incurred by you for approved project audit activities
- meet these eligible expenditure guidelines.

B.1 Outline

You must only use grant funds for eligible expenditure directly related to the project. Eligible expenditure can include, but is not limited to:

- salaries and on-costs for Australian personnel directly employed for the project activities (This should be calculated on a pro-rata basis relative to their time commitment).
- contractor costs, for example third party providers that provide business support to start ups
- costs of developing and delivering workshops, conferences, professional development, networking events forums and courses (including travel costs for key participants)
- workshops in support of the activities, knowledge transfer and capability development
- costs related to recruiting or contracting specialist staff directly related to the project
- purchase of computing equipment and software directly related to the project.

B.2 How we verify eligible expenditure

If your application is successful, we will ask you to verify the project budget that you provided in your application when we negotiate your grant agreement. You may need to provide evidence for major costs such as labour.

The grant agreement will 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.

If requested, you will need to provide the agreed evidence along with your progress reports.

You must keep payment records of all eligible expenditure, and be able to explain how the costs relate to the agreed project 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.

Where your total eligible project value is greater than \$500,000 you must provide an independently audited financial acquittal report at the end of the project. This report will audit all eligible expenditure from the project.

B.3 Labour expenditure

Eligible labour expenditure for the grant covers the direct labour costs of employees you directly employ on the core elements of the 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.

We consider costs for project management activities eligible labour expenditure. However, we limit these costs to 10 per cent of the total amount of eligible labour expenditure claimed.

We only consider labour expenditure for leadership and administrative staff as eligible expenditure where they are directly delivering eligible activities. We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, for any other activities.

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 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.

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.

For periods of the project that do not make a full financial year, you must reduce the maximum salary amount you claim proportionally.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

B.4 Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30 per cent allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the provision of computers.

You should calculate eligible salary costs using the formula below:

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

You cannot calculate labour costs by estimating the employee's worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.

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
- ATO payment summaries, pay slips and employment contracts.

B.5 Contract expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

- another organisation
- an individual who is not an employee, but engaged under a separate contract.

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

- the nature of the work they perform
- the applicable fees, charges and other costs payable.

Invoices from contractors must contain:

- a detailed description of the nature of the work
- the hours and hourly rates involved
- any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the costs must be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

- an exchange of letters (including email) setting out the terms and conditions of the proposed contract work
- purchase orders
- supply agreements
- invoices and payment documents.

You must ensure all project contractors keep a record of the costs of their work on the project. We may require you to provide a contractor's records of their costs of doing project work. If you cannot provide these records, the relevant contract expense may not qualify as eligible expenditure.

B.6 Travel and overseas expenditure

We will consider value for money when determining whether the cost of overseas expenditure is eligible. This may depend on

- how the overseas expenditure is likely to aid the project in meeting the program objectives
- the proportion of total grant funding that you will spend on overseas expenditure.

B.7 Other eligible expenditure

Other eligible expenditures for the project may include:

- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure (where applicable)
- costs of acquiring technology
- reasonable fitout expenditure directly related to the project
- for new incubators only, marketing, communications, promotional costs and website design.

Other specific expenditures may be eligible as determined by the Program Delegate.

Evidence you need to supply can include supplier contracts, purchase orders, invoices and supplier confirmation of payments.

Appendix C. Ineligible expenditure

This section provides guidelines on what we consider ineligible expenditure. We may 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.

The Program Delegate may impose limitations or exclude expenditure, or further include some ineligible expenditure listed in these guidelines in a grant agreement or otherwise by notice to you.

Examples of ineligible expenditure include:

- investment of money in exchange for equity into start-ups
- prize money awarded to start-ups through competitions
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to having an executed grant agreement in place
- non-project-related staff training and development costs
- marketing, communications, promotional costs and website design – except for New Incubators – see Appendix B
- financial costs, including interest and debt financing
- building, construction, utilities and lease expenses
- maintenance costs
- purchasing, leasing, depreciation of, or development of land
- 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)
- depreciation of plant and equipment
- opportunity costs relating to any losses due to allocating resources to the agreed grant project
- routine operational expenses, including printing and stationery, postage, legal and accounting fees and bank charges
- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.

Appendix D. In-kind contributions

In-kind contributions are non-cash contributions towards your eligible project value. In-kind contributions can count towards a maximum of 10 per cent of your eligible project value.

In order for in-kind contributions to count towards your eligible project value they must directly relate to the project and eligible activities. They may include:

- staff salaries where the staff member is not employed by your organisation
- access to facilities such as office accommodation
- access to services such as coaching and mentoring, business planning
- access to resources such as ICT software.

Where the Program 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.

Appendix E. Accountant declaration

Incubator Support Accountant declaration

Role of person making declaration	Accountant or Chief Financial Officer (CFO)
Name	
Contact details	
Qualification	<input type="checkbox"/> Chartered Accountant <input type="checkbox"/> Certified Practicing Accountant <input type="checkbox"/> CPA Australia <input type="checkbox"/> Chartered Accountants Australia and New Zealand <input type="checkbox"/> Institute of Public Accountants
Membership number	
Applicant's name	
Applicant's ABN	

I declare that:

- ☐ On the basis of the evidence [applicant name] has supplied to me, I consider that [applicant name] is able to fund its share of the cost of the proposed project from the following source of funding - [insert source of funding].
- ☐ This opinion is based on the applicants share being [insert amount] out of total project expenditure of [insert amount].
- The applicant is part of a consolidated group for tax purposes. Yes ☐ No ☐

Signature

Signed on this day of 20