



## Government Grants Could Assist Your Clients

Hello, I'm Peter Towers, Managing Director of ESS BIZTOOLS. Welcome to Accountants Minute.

Today we're going to look at government grants. Some of the government grants offered by the Australian government are available for small/medium enterprises and as accountants and advisors I hope that you're aware of these grants so you can advise your clients about them.

- The **Industry Skills Fund** is available for any type of business with a grant being made available to assist individual owners and employees to improve their skills, subject to there being a nexus between the skills training and the anticipated activities within the business. It's a very interesting grant. It is targeted towards the government priority industries, but any type of industry can apply for the grant.

The government's priority industries are:

- Advanced Manufacturing
- Mining Equipment, Technology and Services
- Oil, Gas and Energy Resources
- Medical Technologies and Pharmaceuticals
- Food and Agribusiness

The government also has this quaint term called "enabling technologies" and there are four industry groups there, so if a business within those industry groups has been working for one of those five priority industries then they are also included in this overall description of priority industries. Those industries are:

- Freight and Logistics
- Infrastructure Related Construction
- Information and Communication Technology
- Digital Technology
- Professional Services but primarily in a scientific area

Other types of businesses can apply, but they need to have a very good case which they've made in their submission.

- Micro businesses - 0 to 4 full time equivalent employees - grant 75%
- Small businesses - 5 to 19 full time equivalent employees - grant 66% (if the business is located in northern Australia - 75%)
- Medium sized businesses - up to 199 full time equivalent employees - 50% (if the business is located in northern Australia - 75%)
- Large businesses - more than 200 full time equivalent employees - 25% (if the business is located in northern Australia - 50%)

Northern Australia is defined as the area in Queensland and Western Australia north of the Tropic of Capricorn and the whole of the Northern Territory.

That's the Industry Skills Fund, it's well worth your while talking to your clients and working out what skills they need to improve. Some of our subscribers have been able

to receive some of the grant money paid to them because accountants have been able to introduce additional training to their client's team which has been accepted by the Industry Skills Fund as being a contribution towards how the business is going to perform.

Think about it....

- The **Business Growth Grant** is for companies and is directly targeted at those priority industries that I mentioned earlier. They're the only industries that are eligible for the Business Growth Grant. When I analyse how many different types of businesses are included in those 9 industries, I have come to a list of over 650 business types, so there is plenty there for you to look at. In fact, I'd be amazed if the average accountancy business in Australia didn't have, at least, 10 businesses that fit into this category.

The turnover is \$1.5M to \$100M and, if the business is located in Northern Australia, the minimum turnover is only \$750,000. The grant is \$20,000 maximum on a 50/50 basis, meaning that if the client is attracting a grant of \$20,000, there is \$40,000 in the pool for anything that is going to improve the business' performance.

I personally have undertaken business plans, budgets, cashflow forecasts, lean management reviews, personal property securities register, due diligence training and some other activities like corporate governance all under that funding, so it's worth thinking about.

The client could also get someone to redesign their factory, to hire a Workplace Health & Safety consultant and plenty of other things they could do.

- **Accelerating Commercialisation** is the largest grant of the Federal government targeted at small/medium enterprises. Any type of entity can apply, but if a grant is going to be offered to you by the government, you then have to form a company. At that stage, you're going to receive a substantial amount of government grant money. The turnover can be from \$0 to \$20M, so this is really targeted at people who have developed new products, processes or services and want to raise money to assist in the commercialisation process.

Over recent weeks I've talked to you a number of times about Early Stage Innovation Companies and perhaps applying for an Accelerating Commercialisation Grant could be done in conjunction with the concept of getting the company self-assessed as being an Early Stage Innovation Company. That will lower the amount of percentage of the company that the directors have to allocate to investors and, in some respects, it will make the investors a lot happier that they can see that the company has been able to secure a grant from a major fund like the Accelerating Commercialisation Grant Fund. So think about it....

- **Export Market Development Grant** - applications for the year ended 30th June 2016 close on the 30th November 2016. If you haven't already checked to see if any of your clients were exporting during the 2015/16 fiscal year, or planning to export and who have spent more than \$15,000 in exporting activities. Remember if they have not previously lodged an application before they can in fact combine the expenditure for export market activities in 2014/15 and 2015/16 to obtain their minimum \$15,000 expenditure and the subsidy is 50% of eligible expenditure under this grant, up to a maximum payout of \$150,000.

This funding covers things like:

- overseas representatives that the company might have appointed
- marketing consultant
- overseas visits that your clients had to make
- communication costs
- product samples that have been sent to overseas buyers

- participation, registration fees
- insurance etc., for Trade Fairs
- promotional material that's been produced and sent overseas
- bringing overseas' buyers to Australia to see the premises, products and meet the team from the Australian business

Don't forget though... **applications close** on the **30th November 2016** with Austrade.

- The **Northern Australia Tourism Initiative** is available for companies that have been operational for 3 years. The owners of the businesses do not have to reside in Northern Australia, they can be located anywhere in Australia and I know there are a lot of absentee owners of businesses situated in Northern Australia. Remember Northern Australia is defined as the area in Queensland and Western Australia north of the Tropic of Capricorn and the whole of the Northern Territory.

If you have clients in those areas that are in the following businesses:

- accommodation - that's an obvious one
- cafes, restaurants,
- clubs
- pubs
- taverns
- bars
- passenger transport
- tour operators
- cultural services
- sports and recreation
- retail trade - if the retail trade is generating more than 45% of its income from tourists.

Tourists are not overseas tourists; it's just tourists, so it obviously can be Australian tourists and overseas tourists. The minimum turnover for this grant is \$750,000. The maximum turnover is \$100M. It's very similar to the Business Growth Grant that I mentioned earlier. The grant is \$20,000 maximum on a 50% basis and again it's for any activity which the government is satisfied will contribute to an improvement in the business' performance. There are great opportunities for accountants and advisors under this grant also, so why not have a good look at the location of businesses that your clients own, if you're situated in an area that is not in Northern Australia. Are any of your clients' businesses in Northern Australia? Perhaps they could access this grant and for those who have businesses in Northern Australia, there is a great opportunity to seek out this grant funding.

So that you can be well informed as to how all of this applies, we have arranged a special webinar on **Wednesday 28th September 2016 at 12-noon (AEST)** that is going to feature Graham Bell who is the Case Manager for the Northern Australia Tourism Initiative from Cairns. Graham is going to discuss how this funding works and he'll be emphasising once again that the applications can come from anywhere in Australia, as long as the business is being operated in the area that is now defined as Northern Australia. Please [Click here](#) to register to attend the webinar.

If you'd like to obtain a paper that you can distribute to your clients who, you believe, might be interested in government grants, we have produced a paper - "Northern Australia Tourism Initiative". A complimentary copy of this paper is attached to this transcript.

If you have any questions at all on any aspect of grants, you could contact us or better still you could go to our special grant finder website - [www.essbizgrants.com.au](http://www.essbizgrants.com.au) - where you can sign up for a 2 week free trial of the system so you can try one or two of your clients' businesses on the website so you can see the fantastic information it gives you to identify grants for your clients which could also lead to some very interesting business activities and therefore income, for your accountancy or advisory business.

Have a wonderful day.

Peter Towers

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