

## AUSTRALIAN GOVERNMENT GRANTS AND ASSISTANCE

### BUSINESS GROWTH GRANTS PROGRAM

Paper 014-170

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## **AUSTRALIAN GOVERNMENT GRANTS AND ASSISTANCE**

### **BUSINESS GROWTH GRANTS PROGRAM**

  

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#### **1. Introduction To Business Growth Grant**

The Entrepreneurs Programme – Business Management initiative consists of two elements:

- **Business advice and facilitation services** to small and medium business to help build capacity, improve capability, extend networks and take advantage of growth opportunities in Australian and/ or markets in other countries. Independent advisers and facilitators provide business advice and facilitation services to eligible businesses for one of three streams:
  - business evaluation
  - growth services
  - supply chain facilitation.

The advisors/facilitators will work with applicants to develop a plan on how to achieve their business goals in these areas.

- **Business growth grants** assist applicants to implement their plan's recommendations.

The intended outcomes of Entrepreneurs' Programme – Business Management are:

- improved management skills;
- improved business systems and process;
- improved ability to identify and leverage growth opportunities;
- extended business networks to increase market and supply chain participation;
- improved business performance;

which together will increase the applicant's business' capability to trade in Australian markets and/or markets in other countries.

#### **2. Business Advice and Facilitation**

The Business Management initiative provides access to a national network of experienced business advisers and facilitators to assist applicants to improve their business practices, become more competitive, and take advantage of growth and collaboration opportunities in order to increase their business' capability to trade in Australian markets and/or markets in other countries.

Business advisers and facilitators tailor services based on:

- the applicant's capability improvement needs;
- the maturity of the business;
- the applicant's capacity and commitment to implement improvements.

Business advisers and facilitators have extensive industry experience to build the capabilities of the applicant's business to access or increase trade in Australian markets and/or markets in other countries across a range of areas including:

- business management
- innovation
- collaboration
- export activities
- supply chain facilitation
- business growth.

Depending on the applicant's business situation, the applicant may access advice and facilitation services through one of three streams:

**1. Business evaluation:**

Provides an analysis of the applicant's business carried out on-site by an independent and skilled business adviser. Working with the applicant, the business adviser will develop a Business Evaluation Action Plan with detailed analysis and recommendations to increase the applicant's business' capability to trade in Australian markets and/or markets in other countries.

**2. Growth services:**

Provides access to skilled and experienced business advisers for up to two years to help the applicant's business develop the skills, knowledge, strategies and connections to accelerate growth in Australian markets and/or markets in other countries. Working with the applicant, a business adviser will develop a Growth Plan to help the applicant realise their Australian and/or export growth opportunity, then provide support, advice, mentoring and access to networks to get their plan working for them.

**3. Supply chain facilitation:**

Provides support to strengthen opportunities, improvements and linkages within an identified Supply Chain Opportunity, to improve the applicant's business' capability to contribute to the applicant's purchaser's trade in Australian markets and markets in other countries. Support can include developing a Supplier Improvement Plan, engagement with or introduction to buyers, and information services.

The level of engagement for business advice and facilitation will vary depending on individual business requirements.

The Program Delegate (who is an AusIndustry Senior Responsible Officer with responsibility for the program) may vary the services available.

Business Management services may also include events such as:

- information sessions and workshops that feature industry specialists and/or guest speakers;
- opportunities to network with industry stakeholders.

## **2.1 Eligible Businesses**

The Business Management initiative is targeted at Australia's Growth Sectors. To be eligible you must satisfy one of the following:

- be operating in one or more Growth Sectors
  - Advanced Manufacturing;
  - Food and Agribusiness;
  - Medical Technologies and Pharmaceuticals;
  - Mining Equipment, Technology and Services;
  - Oil, Gas and Energy Resources;

- have the skills, capability, intellectual property or expertise and intent to operate in one of the Growth Sectors
- provide Enabling Technologies and Services to one or more of the Growth Sectors.

## 2.2 Eligible Applicants

To be eligible applicants must:

- have an Australian Business Number (ABN);
- be registered for GST.

Applicants must be one or more of the following:

- a company, incorporated in Australia;
- an incorporate trustee applying on behalf of a trust.

Applicant must also:

- have the intent and opportunity to engage in or increase trade in Australian markets and/or markets in other countries, or (for the supply chain facilitation stream) have the intent and opportunity to engage in trade with a purchaser so as to directly and demonstrably contribute to or enhance its trade in Australian markets and/or markets in other countries;
- have an annual turnover or operating expenditure within the following range in the current or previous two financial years:
  - between \$1.5 million and \$100 million; or
  - between \$750,000 and \$100 million if the applicant is from Remote Australia or Northern Australia;
- have operated in Australia and filed Business Activity Statements showing ongoing trading in at least three consecutive years.

The applicant may still be eligible if their business structure, ownership or Australian Company Number/Indigenous Company Number has changed within the three consecutive year period. In this case, the applicant will need to satisfy the Program Delegate that the Business Activity Statements are for the same business. This could include providing evidence that, during this period, the business:

- carried out essentially the same business activities;
- had essentially the same management staff;
- was operating from the same locations;
- was using essentially the same assets in deriving its revenue.

The applicant may also still be eligible, subject to Program Delegate approval, if they have received an Accelerating Commercialisation grant **OR** intend to supply in connection with the Australia-European Southern Observatory (ESO) Strategic Partnership, with the endorsement of Australia's Industry Liaison Officer to the ESO.

## 2.3 Ineligible Applicants

An applicant is not eligible to apply if they are:

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

An applicant is not eligible for a business advice or facilitation service that is the same as one provided to the applicant in the last five years.

## 2.4 Application

Applicants will need to log in or set up an account to access the department's online portal. The portal allows the applicant to apply for and manage a grant or service in a secure online environment.

To apply, the applicant must:

- complete and submit the application through the portal;
- provide all the information requested;
- address all eligibility criteria;
- include all necessary attachments.

The applicant may apply for business advice or facilitation at any time during the life of the Business Management initiative and may apply to access more than one service.

In the application form, the applicant will need to nominate which business advice or facilitation service will best meet their needs.

## 2.5 Timing of Business Advice and Facilitation

Applicants can apply for a business advice and facilitation service at any time.

Expected Timing

### Activity

Assessment of applications

Notification of outcomes

Earliest start date of the service

### Timeframe

Continuous assessment

Within ten working days of receipt of a complete application

When the application is approved, the applicant's assigned business adviser will contact them to arrange a suitable time.

## 2.6 Approval Process

The Program Delegate will decide which applications are eligible. The department will respond to the applicant within ten working days of submitting a complete application.

If the applicant is interested in receiving a service involving a higher level of engagement, for example on-going guidance and support to realise a growth opportunity, they may need to provide further evidence to demonstrate their capacity and commitment to take advantage of the business opportunity.

## 2.7 Notification

If the Program Delegate approves the application for business advice or facilitation, the department will assign a business adviser or facilitator who will contact the applicant to discuss their business advice or facilitation service. After initial discussions with the business adviser or facilitator, they may recommend that the applicant access an alternative business advice or facilitation service or another government program that better meets the applicant's needs.

If the applicant is unsuccessful, the department will email the applicant, outline the reasons that they were not successful and give them an opportunity to discuss the outcome with the department.

### **3. Business Growth Grant**

If the applicant's business adviser/facilitator recommends specific business improvement activities to increase the applicant's business' capability to trade in Australian markets and/or markets in other countries, the applicant can apply for a Business Growth Grant.

#### **3.1 Aim of the Business Growth Grant**

The grant is available to support strategies that improve the abilities and skills of the applicant's business to trade in Australian markets and/or markets in other countries. It is not intended to support fixes for problems that are part of ordinary, everyday operations of the business.

The grant period is twelve months, with the exception of Business Growth Grants for Northern Australian tourism businesses (see Appendix C). For each business management service the applicant receives, they may only apply for a single grant to implement some or all the recommendations in their plan.

The department cannot consider the application if the applicant does not satisfy all eligibility criteria.

The applicant cannot use funding from other Commonwealth, state, territory or local government grants to fund their share of eligible project costs.

#### **3.2 Business Growth Amount**

Business Growth Grants are small grants to engage external expertise to help the applicant implement the recommendations in their plan.

- The grant amount will be up to 50% of eligible project costs (grant percentage).
- The minimum grant amount is \$2,500 (excluding GST).
- The maximum grant amount is \$20,000 (excluding GST).

#### **3.3 Eligibility**

An applicant can apply for a Business Growth Grant if they meet all of the following conditions:

- the business has received a completed plan from a business advice or facilitation service;
- have not previously received a Business Growth Grant to implement recommendations from the plan under which the applicant is applying;
- are applying within twelve months of receiving a completed plan from the applicant's advice or facilitation service, unless otherwise agreed by the Program Delegate, with the exception of Business Growth Grants for Northern Australian tourism businesses (see Appendix C);
- the applicant's project comprises eligible activities;
- the applicant's project has at least \$5,000 in eligible expenditure;
- the applicant's project has not commenced.

### **3.4 Transitional Arrangements**

If the applicant has already received a Business Growth Grant prior to 7 December 2018, under the guidelines in place at that time, but have not received funding for all recommendations under their completed plan, the applicant may be eligible for one further opportunity to fund those remaining recommendations if:

- the applicant has not received the maximum grant of \$20,000;
- the applicant is applying within twelve months of receipt of their completed plan from their advice or facilitation service, unless otherwise agreed by the Program Delegate;
- the applicant's proposed activities meet the eligibility requirements;
- the applicant's proposed activities have not commenced.

If the applicant meets these conditions, they will have a single opportunity to apply for a grant up to a maximum of \$20,000 less the amount of grant they have already received.

Businesses that meet these conditions will receive application advice by email.

### **3.5 Eligible Projects**

The applicant's project is the suite of recommendations that the applicant intends to implement from their business advice or facilitation service.

To be eligible the applicant's project must:

- include eligible activities and eligible expenditure;
- have at least \$5,000 in eligible expenditure.

### **3.6 Eligible Activities**

An eligible activity must meet all of the below:

- links to an area of need as defined in the recommendations of a completed plan from a business advice or facilitation service;
- will embed new capability to trade in Australian markets and/or markets in other countries; and
- engages services external to the applicant's business.

### **3.7 Eligible Expenditure**

The applicant can only spend Business Growth Grant funds on eligible expenditure they have incurred on an agreed project as defined in the Grant Agreement.

Eligible expenditure items are the costs of implementing the business improvement activities that the applicant's business adviser/facilitator recommended in their completed plan.

To be eligible, expenditure must also:

- be a direct cost of the project;
- be incurred between the project start and end date.

The department may update the guidelines on eligible and ineligible expenditure from time to time. If the application is successful, the version in place when the applicant submitted their application applies to the project.

The applicant must not commence their project until they execute a Grant Agreement with the Commonwealth.

### 3.8 Ineligible Expenditure

Ineligible expenditure includes:

- business as usual activities (wages, office expenses, maintenance costs, accounting, legal, compliance and government fees);
- sales activity (advertising, representatives, printing and placement, trade shows);
- capital expenditure;
- cost of maintaining existing software;
- cost of maintaining existing industry certifications;
- cost of registering patents and intellectual property.

### 3.9 How to Apply

The applicant must have received a business advice or facilitation service to apply for a Business Growth Grant, which is available to assist the applicant to implement activities that their business adviser or facilitator has recommended in their completed plan.

To apply, the applicant must log in to our online portal on [business.gov.au](http://business.gov.au), complete the application form and provide all the information requested.

The applicant is responsible for making sure their application for business advice and facilitation, and their application for a Business Growth Grant, is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code 1995* (Cth). If the department considers that the applicant has provided false or misleading information, they may not progress the application. If the applicant finds an error in their application after submitting it, they should call the department immediately on 13 28 46.

If the applicant needs further guidance around the application process or if they are unable to submit an application online [contact us](#) at [business.gov.au](http://business.gov.au) or by calling 13 28 46.

### 3.10 Timing of Grant Opportunity

The applicant must apply for a Business Growth Grant within twelve months of receiving a completed plan from their advice or facilitation service, unless otherwise agreed by the Program Delegate, with the exception of Business Growth Grants for Northern Australian tourism businesses (see Appendix C).

Expected timing

<b>Activity</b>	<b>Timeframe</b>
Assessment of applications	Continuous assessment
Notification of outcomes	Within ten working days of receipt of a complete application
Earliest start date of project	At execution of Grant Agreement
End date of grant commitment	Twelve months from execution of Grant Agreement, with the exception of Business Growth Grants for Northern Australian tourism businesses (see Appendix C).

### 3.11 Approval Process

The Program Delegate will consider applications for grant funding with regard to the following:

- appropriate market value for the proposed services;



- available Business Growth Grant funds.

### 3.12 Notification of Application Outcomes

If the Program Delegate approves the application for a Business Growth Grant, the department will email the applicant, and include in the email any specific conditions attached to the grant.

If the applicant is unsuccessful, the department will email the applicant, outline the reasons that they were not successful and give them an opportunity to discuss the outcome with the department.

Applicants can submit a new application for the same (or similar) project. The applicant should include new or more information to address the weaknesses identified in their previous application. If a new application is substantially the same as a previous ineligible or unsuccessful application, the department may refuse to consider it.

### 3.13 Grant Agreement

The applicant must enter into a Grant Agreement with the Department of Industry, Innovation and Science, acting on behalf of the Commonwealth, to receive a grant. Sample [grant agreements](#) are available on [business.gov.au](http://business.gov.au) and [GrantConnect](#).

The department will manage the Grant Agreement through their online portal. Accepting the agreement through the portal is the equivalent of signing a Grant Agreement. After the applicant has accepted it, the department will execute the agreement. Execute means both the applicant and the Commonwealth have entered into the Grant Agreement. The department will notify the applicant when this happens and a copy of the executed agreement will be available through the portal. The agreement will not become binding until it is executed.

The department must execute a Grant Agreement with the applicant before they can make any payments. The applicant must not start any Business Growth Grant activities until a Grant Agreement is executed.

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

If the applicant enters an agreement under the Entrepreneurs' Programme, they cannot receive other grants for the same activities from other Commonwealth, state or territory government granting programs.

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

### 3.14 Payment of Funds

The Grant Agreement will state the:

- maximum grant amount the department will pay;
- proportion of eligible expenditure covered by the grant (grant percentage);
- any financial contribution provided by the applicant or a third party.

The department will not exceed the maximum grant amount under any circumstances. If the applicant incurs extra costs, they must meet these themselves.

The department will pay 100% of the grant at the end of the grant period, subject to completion of the project. The department will pay this when the applicant submits a satisfactory end of project report demonstrating they have completed outstanding obligations for the project.

The applicant may submit their end of project report before the end of the grant period and seek an earlier payment, but this will be subject to sufficient program funding being available at that time.

Where the applicant has incurred less expenditure than estimated in their application, the department will adjust the applicant's final payment accordingly.

### 3.15 Monitoring of Project

The applicant must submit an end of project report through the department's online portal in line with the [Grant Agreement](#). The department will provide a sample of this report as an appendix in the Grant Agreement. The department will remind the applicant of their reporting obligations before a report is due.

#### End of project report

When the applicant completes the project, they must submit an end of project report.

End of project reports must:

- identify achievement of activities and outcomes as specified in the Grant Agreement;
- identify the total eligible expenditure incurred for the project;
- be submitted by the report due date.

#### Compliance

The department may conduct a compliance review at the end of the project to review the applicant's compliance with the Grant Agreement. The department may also inspect the records the applicant is required to keep under the Grant Agreement. The department will provide the applicant with reasonable notice of any compliance visit.

### 3.16 Tax Obligation

Grants are assessable income for taxation purposes, unless exempted by a taxation law

## 4. Growth Sectors

Sector	Definition
Advanced Manufacturing	Businesses that adopt innovative technologies or business practices to improve or develop manufactured products, processes or services. This includes the adoption of improvements or innovations across any of a range of manufacturing steps, such as concept, research and development, design, production, logistics, marketing and after-sales services, in order to achieve high-value products, services or business outcomes, including improved responses to market demands.

Sector	Definition
	Businesses that supply integral services, technologies or inputs to the manufacturing processes of businesses described above.
Food and Agribusiness	<p>Businesses that undertake food or beverage production, or supply integral services or technologies to support food or beverage production.</p> <p>Businesses that provide integral services, technologies or inputs to support primary production of food and beverages.</p> <p>This definition excludes businesses that are food retailers (including restaurants and cafes) or primary producers, except where they can demonstrate they also substantially undertake the above activities.</p>
Medical Technologies and Pharmaceuticals	<p>Businesses that develop or produce therapeutic, medical or pharmaceutical products or technologies, including complementary medicines.</p> <p>Businesses that provide integral services, technologies or inputs to the development and production of therapeutic, medical or pharmaceutical products or technologies.</p> <p>This definition excludes businesses that are hospitals, medical and other health care services, residential care services, social assistance services and retailers of medical and pharmaceutical goods, except where they can demonstrate they also substantially undertake the above activities.</p>
Mining Equipment, Technology and Services	Businesses in mineral exploration, extraction and mining supply chains, including businesses that provide integral services, technologies and equipment for mining and minerals extraction.
Oil, Gas and Energy Resources	<p>Businesses engaged in the exploration, development and extraction of energy and fuels from oil, gas, coal and uranium.</p> <p>Businesses that provide integral services, technologies and equipment for use in oil, gas and energy resource sectors.</p>
Enabling Technologies and Services	<p>Businesses that provide enabling or supporting technologies, inputs or services to drive business growth or improve business competitiveness in one or more of the five Growth Sectors.</p> <p>Enabling technologies and services underpinning the five Growth Sectors include: freight and logistics; infrastructure related construction and</p>

Sector	Definition
	<p>services; information and communications technologies; digital technologies; and professional services.</p> <p>Outside of these key enabling technologies and services, this definition includes other businesses that enable or support one of the five Growth Sectors through a direct commercial relationship, but excludes routine business operational activities such as legal advice, financial accounting/bookkeeping services, catering and insurance.</p>

## 5. Northern Australia

Northern Australia relates to the area in Queensland and Western Australia that is north of the Tropic of Capricorn Northern and all of the Northern Territory.

## 6. Remote Australia

Remote Australia is the area described in the Australian Bureau of Statistics Remoteness Classification 2016, refer to the [ABS Remoteness Structure](#).

## 7. Supply Chain Opportunity

A Supply Chain Opportunity is an identified opportunity for supply chain improvement derived from market needs and supported by buyers within supply chains. It has the commitment of both the supplying and buying stakeholders within the supply chain.

In order to provide the greatest benefit and a targeted service to eligible businesses, the Department engages with decision makers within supply chains, project proponents and delivery partners to identify and characterise Supply Chain Opportunities.

### **AN IMPORTANT MESSAGE**

The forms and commentaries contained in this paper are provided as a guide only and should not form the sole basis for any advice in relation to the particular situation of any person without first obtaining proper professional advice.

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