



Regional  
NSW

# Accelerating Regional Innovation Fund

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August 2022



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## Message from the Deputy Premier

We know regional NSW is home to many great innovators, entrepreneurs and future leaders of industry. It's a place where you can turn an idea or a long-held dream into reality, carving a path for yourself in business and making a real difference in your community. We encourage innovation and ingenuity, and the NSW Government is committed to finding ways to support businesses in practical and meaningful ways.

That's why we are excited to announce the new Accelerating Regional Innovation Fund, with grants ranging from \$300,000 to \$700,000 to help regional businesses learn, grow and achieve their full potential. The fund will directly support accelerator and incubator programs that deliver the right expertise on a regional level. We aim to fund programs that can help businesses learn new skills and knowledge, to access new mentor and consumer networks and expand their investment opportunities. We know many hardworking local businesses have the drive and passion to succeed, and the Accelerating Regional Innovation Fund will help equip them with the tools they need to make that happen.

The NSW Government's 20-Year Economic Vision for Regional NSW highlighted a number of key and emerging industries that have the potential to drive social and economic growth in regional NSW, and this new funding will focus on supporting them. From manufacturing and food production to renewable energy and ecotourism, the Accelerating Regional Innovation Fund will help these industries look to the future and find new avenues for success.

We encourage all business incubator and accelerator programs to see if you are eligible for the funding opportunities available, and see how you can make a difference to the future economic landscape in your community. Strong economies mean more employment, more local career opportunities and greater prosperity for residents, businesses and their families. We know regional NSW is a powerhouse of ideas and innovation and we are excited to see what the future holds.

**The Hon. Paul Toole, MP**

Deputy Premier

Minister for Regional NSW

Minister for Police

## Overview

The 20-Year Economic Vision for Regional NSW outlines the NSW Government's priorities and plans to achieve long-term social and economic growth for regional NSW communities. It identifies new emerging sectors and future industries with the potential to refresh, restart and regrow the regional NSW economy and highlights the NSW Government's commitment to supporting them.

New businesses, start-ups and entrepreneurs in these focus industries will play an important role in delivering the objectives of the Vision. We recognise regional entrepreneurs face additional barriers to those in metro centres. It is important regional businesses can access the right support, knowledge, training and networks to help them succeed.

The \$3 million Accelerating Regional Innovation Fund (ARIF) aims to achieve this by funding incubator and accelerator programs that can provide this targeted support to new businesses in focus industries across regional NSW.

The focus industries are:

- Advanced manufacturing
- Renewable energy and gas
- Technology-enabled primary industries
- Critical minerals
- Ecotourism (technology-enabled)
- Recycling and waste management
- High-quality food products

The Accelerating Regional Innovation Fund will support programs that help businesses improve their capability and competitiveness, drive economic growth, and equip regional entrepreneurs with the skills needed to lead change and expansion. It will support programs that provide new knowledge, skills, training, networking, investment opportunities and other activities that will help new businesses prosper.

## Objective

The objective of the Accelerating Regional Innovation Fund is to fund accelerator and incubator programs that support regional entrepreneurs and start-ups in emerging sectors and future industries outlined in the refreshed 20-Year Economic Vision for Regional NSW:

Accelerator and incubator programs will support business to:

- develop business capability and performance
- expand network connections within the regional NSW innovation ecosystem
- achieve growth in revenue and profitability
- access capital raising opportunities.

## Targets

To fund programs that will support up to 2,000 regional entrepreneurs, start-ups or small-medium enterprises (SMEs over two years) in at least one of the emerging sectors or future industries of the refreshed 20-Year Economic Vision for Regional NSW.

## Key dates and timelines

Applications open	4 August 2022
Applications close	2pm (AEST) 30 September 2022
Assessment period (target)	Mid-September – November 2022
Notification / Announcements	From 9 December 2022. Public announcement by the NSW Government may occur at any time after a grant is approved.
Programs completed	30 June 2024

## Eligibility criteria

### Eligible applicants

To be eligible for funding under the Accelerating Regional Innovation Fund applicants must:

- be an existing incubator or accelerator that can assist entrepreneurs, new businesses and start-ups in the focus industries
- be an existing incubator or accelerator that has been operational for at least two years
- have an Australian Business Number (ABN) and be registered for GST
- be financially viable and demonstrate that they are likely to remain so over the duration of the project
- have the demonstrated skills and capacity to deliver relevant programs and support
- have at least \$20 million public liability insurance or be able and willing to secure before entering into a Funding Deed if successful
- applicants can be based in regional NSW, Newcastle or Wollongong
- be able to demonstrate they can commence within six months of the announcement of funding and be completed by 30 June 2024.

Applicants must also be one of the following entities:

- a company, incorporated in Australia
- an incorporated trustee on behalf of a trust
- an incorporated not for profit organisation
- a publicly funded research organisation.

Organisations that are not one of the entities identified above but meet all other criteria of the program may also be considered. Joint applications are acceptable, provided the lead applicant is an eligible entity. If the application is successful, the lead applicant will enter into the Funding Deed and be ultimately responsible for the project.

### Ineligible applicants

Ineligible applicants include:

- an individual (including sole traders and partnerships)

- Australian or NSW Government agencies, State Owned Corporations or statutory authorities
- Local Government Authorities or their Section 355 Committees
- organisations that do not have an ABN
- unincorporated associations
- organisations that are insolvent
- Incubators or Accelerators located in Greater Sydney, including the Blue Mountains, Wollondilly, and Hawkesbury Local Government Areas.

The Department of Regional NSW, at its sole discretion, can take into account any other factors consistent with the objectives of the program. The Department may also determine an applicant to be ineligible for funding if a person associated with the applicant or its business activity could pose a reputational or other risk to the NSW Government or the community.

### **Eligible programs**

Programs offered by accelerators and incubators must support regionally based entrepreneurs, new businesses and start-ups in at least one of the identified new and emerging focus industries.

The focus industries are:

- Advanced manufacturing
- Technology-enabled Primary Industries
- Renewable energy
- Critical minerals
- Ecotourism (technology-enabled)
- Recycling and waste management
- High-quality food products

Examples of eligible programs include:

- providing new knowledge and business skills, including technical knowledge, customer acquisition and/or business development methods
- creating or providing access to new networks, including mentors, researchers and customers.
- delivering innovation-based events, training, and workshops
- facilitating access to investor networks for capital raising opportunities.

### **Ineligible programs**

Ineligible programs include:

- programs focused on certificate or degree level qualifications
- programs requiring ongoing funding from the NSW Government
- programs not aligned to the objective of the Accelerating Regional Innovation Fund
- programs that have already received NSW Government or other funding for the same outputs and outcomes.

Funding under the Fund cannot be applied to the day-to-day operations of an organisation not related to an eligible program. This includes activities that focus primarily on marketing and promotion of the organisation.

## Eligible grant amounts

The minimum grant amount per application is \$300,000. The maximum grant application is \$700,000. All grants are GST exclusive.

## Co-contributions

Applicants are strongly encouraged to make a financial co-contribution to their programs and demonstrate this in their funding applications, however it is not a mandatory eligibility requirement. The delivery or viability of programs should not be dependent on co-contributions that have not been secured.

## Eligible costs

Eligible costs are those incurred by the applicant that directly relate to the delivery of an eligible program and can include:

- labour costs of employees directly employed to deliver the core elements of the program
- contract expenditure for program activities that you contract others to do
- up to 10 per cent of the total project cost for travel related expenditure limited to the reasonable cost of accommodation and transportation required to conduct agreed program and collaboration activities in NSW
- staff training that directly supports the achievement of program outcomes
- financial auditing of program expenditure
- costs of acquiring technology directly related to the delivery of the program
- project management costs, administration costs and contingency, limited to 20 per cent of the total funding request

## Ineligible costs

Ineligible program costs include:

- investment of money in exchange for equity in the organisation
- prize money
- research not directly supporting eligible activities
- financing costs, including debt financing, interest or insurance
- non-program-related staff training and development costs
- costs related to obtaining resources used on the program, including interest on loans, job advertising and recruiting, and contract negotiations
- general operational expenditure, including but not limited to maintenance costs, utilities, communications, office computing facilities, printing and stationery, postage, legal and accounting fees, marketing, promotional costs, website design and bank charges
- costs related to the purchase, leasing, depreciation, or development of land
- costs related to the preparation of the grant application, any project variation requests, and any project reports (except costs related to the preparation of independent audit reports required by the Department of Regional NSW)
- retrospective funding to cover any program component that is incurred prior to a grant being awarded (provided a Letter of Offer)
- travel or overseas costs that exceed 10 per cent of total project costs except where otherwise approved by the Department of Regional NSW.

Other costs may be ineligible where the Department of Regional NSW decides they do not directly support the achievement of the planned outcomes for the program or are contrary to the objective of the program.

## Assessment criteria

All applications that meet the eligibility criteria must also meet the relevant assessment criteria to receive funding. Eligible applications will be assessed against:

Criteria	Description	Score Weight
Alignment with the Accelerating Regional Innovation Fund objectives	<p>Applicants must demonstrate the program will:</p> <ul style="list-style-type: none"> <li>support the development of business capability and performance of regional entrepreneurs and start-ups</li> <li>expand networks connections for entrepreneurs and start-ups within the regional NSW innovation ecosystem</li> <li>optimise opportunities for regional entrepreneurs and start-ups to raise capital</li> <li>support entrepreneurs and start-ups to grow revenue and profitability</li> <li>support regional NSW based entrepreneurs and start-ups in at least one of the focus industries of the refreshed 20-Year Economic Vision for Regional NSW.</li> <li>create new jobs in regional NSW. Applicants must demonstrate the expected number of entrepreneurs and start-ups the program is likely to support</li> </ul>	30
Deliverability	<p>The applicant can demonstrate the program is deliverable by June 2024. Considerations include:</p> <ul style="list-style-type: none"> <li>the applicant's past performance in delivering similar programs</li> <li>the applicant can demonstrate financial viability and they are likely to remain so over the duration of the program the suitability and experience of the staff or arrangements to deliver the program</li> <li>the applicant's access to networks, including mentors, investors, researchers and customers</li> <li>the applicant's capacity to provide or develop opportunities to entrepreneurs or start-ups, i.e. access to fund raising opportunities.</li> </ul>	30
Affordability	<ul style="list-style-type: none"> <li>the program is cost-effective and represents value for money</li> <li>the extent of co-contribution (including cash and in-kind) to the project activities as a share of the total program costs</li> </ul>	20
Outcomes for young people, Aboriginal and/or Torres Strait Islander individuals and people with disability	<ul style="list-style-type: none"> <li>The program demonstrates support for entrepreneurs, new businesses or startups, who are young, and/or Aboriginal and/or Torres Strait Islander individuals and/or is a person with disability</li> <li>The program has a focus and commitment to employment and training outcomes for young people, and/or Aboriginal and/or Torres Strait Islander individuals and/or people with disability.</li> </ul>	20



Other factors that may be taken into account when assessing a program's suitability for funding and the final ranking include:

- geographical impact and industry spread of programs across regional NSW
- amount of funding available
- suitability of programs for other government funding opportunities
- whether an applicant is likely to be viable over the life of the program and the creation of the project's benefits
- poor past performance of the applicant or key project personnel

## How to apply

Applications must be submitted online via SmartyGrants. To apply, please visit the [Accelerating Regional Innovation Fund webpage](http://www.nsw.gov.au/ARIF) (www.nsw.gov.au/ARIF).

Applicants must include the following documents as part of their applications:

- completed application form
- detailed project scope identifying all the elements of the program
- detailed project budget
- financial statements (trading, profit and loss statements and balance sheets) for two consecutive years starting from the latest available year or other evidence of financial viability if statements are not available, for example a signed statement from an external accountant
- evidence the program aligns to at least one of the emerging sectors or future industries of the refreshed [20-Year Economic Vision for Regional NSW](#)
- evidence of experience delivering projects similar in scope and scale to the program, or otherwise can demonstrate capability and capacity to deliver the program
- confirmation of the applicant's co-contribution to the program if required
- how the program will contribute to employment and training outcomes for young people, Aboriginal and/or Torres Strait Islander individuals and people with disability and how these will be measured.
- other expected outcomes of how the program will support the regional NSW innovation ecosystem
- evidence of at least \$20 million in public liability insurance.

## Assessment of applications

The Department of Regional NSW will assess applications against the eligibility criteria set out in these guidelines. Where there is uncertainty or risk of unintended outcomes arising from the eligibility requirements, a practical approach will be taken to resolve these issues.

The Department of Regional NSW will assess all programs deemed eligible against the assessment criteria set out in these guidelines.

During the assessment process, the Department of Regional NSW may ask applicants to provide additional information to assist in the assessment process. Advice may be sought from other NSW Government agencies or other sources to assist in the assessment of projects.

An Assessment Panel will be convened to and will consist of:

- representatives from the Department of Regional NSW (including the Assessment Panel chairperson)
- a representative from Investment NSW
- an independent probity advisor.

Industry experts, either internal or external to the NSW Government, may advise the Assessment Panel during the assessment.

The Assessment Panel will consider the relative merits of each program against the assessment criteria, including if the program is suitable and recommended for funding.

Final eligibility and suitability determinations will be made at the discretion of the Assessment Panel, with advice and recommendations from the Department of Regional NSW.

## Decision-making

The Assessment Panel will provide advice to the Department of Regional NSW on the suitability of each program for funding.

The Assessment Panel may recommend part-funding of programs if there is insufficient funding available for the whole program or where only a component of the program is considered suitable/eligible.

The Assessment Panel will provide advice to the Department on the suitability of each program for funding.

The relevant Departmental delegate will approve the programs and funding amounts.

All programs may be referred to other NSW or Australian Government funding programs for consideration.

## Important terms and conditions

Applicants should note:

- the NSW Government may choose to publicly announce funding for individual applications, including the expected benefits created by the funding the program. It may also use information provided in the grant to develop case studies
- requests for variations or changes to the program will only be considered in limited circumstances
- successful applicants will be required to pay back unspent funds, or any funds not spent in accordance with the Funding Deed
- successful applicants will be required to participate in a program evaluation after the project has commenced. The evaluation will require applicants to provide evidence of project outcomes and measurable benefits consistent with the fund's objectives, focusing on activities that will facilitate regional start-ups and entrepreneurs to grow revenue, raise funds and create employment
- all recipients of NSW Government funding should acknowledge this financial support. Visit the [Sponsorship and funding acknowledgement webpage](http://www.nsw.gov.au/branding/sponsorship-and-funding-acknowledgment-guidelines) for more information (www.nsw.gov.au/branding/sponsorship-and-funding-acknowledgment-guidelines)

- all awarded grants will be GST exclusive. If you are registered for GST, this will be applied on top of the agreed grant value when payment is made to you. Grants are assessable income for taxation purposes, unless exempted by a taxation law. It is recommended applicants seek independent professional advice about taxation obligations or seek assistance from the Australian Taxation Office. The NSW Government does not provide advice on individual taxation circumstances
- the Department of Regional NSW reserves the right to undertake an audit of grant funding. Organisations should ensure that records are kept up to seven years after project completion in the result of an audit.

## Unsuccessful applicants

Unsuccessful applicants will be notified in writing of the outcome of their application and will be provided with the opportunity to arrange a feedback information session.

## Getting support

Visit the [Accelerating Regional Innovation Fund webpage](http://www.nsw.gov.au/ARIF) (www.nsw.gov.au/ARIF) for more information, including Frequently Asked Questions (FAQs) and other resources to assist with applications.

Department of Regional NSW staff are available to support you with the application process. Email [regionalnsw.business@regional.nsw.gov.au](mailto:regionalnsw.business@regional.nsw.gov.au) or call 1300 679 673 for assistance.

Applicants should seek advice from their legal, business and financial advisers to determine the suitability of the funding before applying.

## Complaints

Any concerns about the program or individual applications should be submitted in writing to [regionalnsw.business@regional.nsw.gov.au](mailto:regionalnsw.business@regional.nsw.gov.au). If you do not agree with the way the Department of Regional NSW handled the issue, you may wish to contact the NSW Ombudsman via [ombo.nsw.gov.au](http://ombo.nsw.gov.au).

## Government Information (Public Access) Act 2009 (NSW)

Applicants should be aware that information submitted in applications and all related correspondence, attachments and other documents may be made publicly available under the Government Information (Public Access) Act 2009 (NSW). Information that is deemed to be commercially sensitive will be withheld.

The Government Information (Public Access) Act 2009 (NSW) makes government information accessible to the public by:

- requiring government agencies to make certain sorts of information freely available
- encouraging government agencies to release as much other information as possible
- giving the public an enforceable right to make access applications for government information
- restricting access to information only when there is an overriding public interest against disclosure.

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