

# MVP Ventures

## Program Guidelines



---

# Contents

---

About the Program	3
Eligibility Criteria	4
Assessment Criteria	7
How to Apply?	8
Assessment process	9
Successful Applicants	10
Appendix A – Eligible Expenditure	14
Appendix B – Ineligible Expenditure	15
Appendix C – Technology Readiness Levels Index (TRL)	16
Appendix D – Definitions	17

---

# About the Program

MVP Ventures (the Program) is designed to support startups and innovative small and medium enterprises (SMEs) in the product lifecycle between early-stage research and mature investment opportunities.

This Program provides grants to drive the commercialisation of highly innovative and new products or processes.

This document sets out:

- the purpose of the program opportunity
- the eligibility criteria
- how program applications are assessed
- how the program will be monitored and evaluated
- responsibilities and expectations in relation to the Program.

## Objective

The objective of the Program is to:

- support businesses to increase the commercialisation of innovative products and processes in NSW
- attract and retain commercialisation activities in NSW.

The Program targets new products or processes within Technology Readiness Level (TRL) 3 – 9 to help them move along the TRL scale and enable them to attract large-scale private investment. The TRL scale is at Appendix C.

The Program is designed to support businesses throughout their commercialisation journey and innovative firms who successfully complete projects funded under the Program are permitted to reapply for additional funding to make further progress along the TRL scale.

## Program funding

The Department of Enterprise, Investment and Trade (the Department) will provide up to \$3 million per annum for the Program to 30 June 2027.

The minimum grant amount is \$25,000 and the maximum grant amount is \$50,000.

## Key dates

Applications Round 1	<b>Opens:</b> 4 December 2023 <b>Closes:</b> 16:30 AEST 30 April 2024
Notification of (EOI)	Within 15 business days of an EOI Application submission. Successful applicants will be invited to submit a Detailed Application.
Notification of Detailed Application Outcome	Within 30 business days of the Detailed Application submission. Detailed Applications will be accepted no later than 30 April.
Successful Applications Announced	Ongoing
Applications Round 2	<b>Opens:</b> 1 July 2024 <b>Closes:</b> 16:30 AEST 30 April 2025

Please note: Processing times are dependent on the Department receiving all required documentation with your submitted application. Based on the Key Dates and processing times, please ensure you leave adequate time to submit your application.

## Definitions

Capitalised terms throughout this document are defined in Appendix D: Definitions.



---

# Eligibility criteria

We cannot consider your application if it does not satisfy all the eligibility criteria.

## Who is eligible for funding?

To be eligible, you must:

- have an Australian Business Number (ABN);
- be non-tax exempt;
- be Headquartered in NSW;
- have an account with an Australian financial institution;
- be one of the following entity types:
  - a company incorporated in Australia; or
  - an incorporated trustee on behalf of a trust in Australia; and
- hold intellectual property (IP) or rights to commercialise.

You must also:

- not be an entity or a subsidiary of a group of companies that has an Aggregated Turnover that is more than A\$1 million for each of the three financial years prior to the lodgement of your application; and
- not be an entity or a subsidiary of a group of companies that has more than a total of 20 FTE.

## Who is not eligible for the grant?

You are not eligible if you are:

- insolvent
- an individual
- an unincorporated association
- a trust
- a partnership
- receiving or have received NSW Government or federal assistance from another program for the same purpose
- a federal, state, territory or local government agency or body (including government business enterprises)
- any organisation not included under Who is eligible for funding?
- currently receiving funding under the MVP Ventures Program.

## Eligible projects

To be eligible, your project must:

- be related to the commercialisation of your product or process
- involve progressing your product or process along the Technology Readiness Level (TRL) scale between 3 and 9
- be aligned to one of the following NSW Government Industry Development Framework priority industries
  - Agriculture and agrifood
  - Resources
  - Defence and aerospace
  - Clean energy and waste
  - Medical and life sciences
  - Digital systems and software
  - International education
  - Visitor economy
  - Advanced manufacturing
  - Biotechnologies
  - Digital technologies
- demonstrate a minimum 50 per cent cash contribution (see Co-Contribution on page 5)
- have a Validating Entity that will qualify and evaluate the quality, functionality and intended behaviours of the product or process
- be completed within 12 months of funding (the “Project Period”)
- undertake funded activities in NSW
- demonstrate why sufficient funding for the entire project cannot be accessed from alternative sources and that the project would not proceed in NSW without government support
- include only Eligible Expenditure.

For example, eligible projects could include:

- prototyping and piloting studies
- demonstrating the commercial viability of an innovative product or process to a customer or investor
- completing the development of an innovative product or process
- demonstrating a product or process in an operational environment.

For example, eligible projects **do not** include:

- basic research or technical experiments
- developing a product or process for internal use only (i.e., not for sale)
- commercialising the next version or iteration of an existing product or process where updates and changes are minor.

---

## Co-contribution

### Eligible co-contribution

To be eligible under this Program, you must provide a 50 per cent cash co-contribution towards the costs of the proposed project. Your project should only include Eligible Expenditure and cannot use in-kind (non-cash) contributions as matched funding.

For example, if an applicant requests an MVP Ventures grant of \$25,000 (excl. GST) and the total cost of the proposed project is \$50,000 (excl. GST), the applicant will need to co-contribute \$25,000 in cash.

Evidence of having the full co-contribution amount, or immediate access to it, must be clearly demonstrated at the time of submitting the application and at the time of funding agreement execution.

Evidence accepted includes:

- a letter or transaction bank statement from an Australian financial institution dated within the last 30 days.
- a duly executed Investor Agreement under the laws of NSW dated within the last 30 days (which may be conditional on receiving an MVP Ventures grant).

### Ineligible co-contribution

The following forms of evidence will not be considered an acceptable form of co-contribution for the proposed project:

- a letter or transaction bank statements from a Self-Managed Super Fund
- an Investor Agreement from a related party
- other Commonwealth grants or grants from other State jurisdictions including NSW.

If a form of evidence includes a trust, we will require a copy of either the original trust deed or an ASIC company statement to confirm the trustees of the trust.

## Eligible Expenditure

We will pay 50 per cent of all Eligible Expenditure. Funding will only be provided to projects based on eligible expenditure that is non-recurring and directly related to the development and commercialisation of your product or process, including:

- wages
- consultant fees
- direct prototyping materials
- equipment
- other direct costs including patent filing costs for new IP and travel costs.

Only the costs of materials and labour used directly on your project are considered eligible expenditure if they are purchased from third parties. There may be exceptional circumstances where an associated party may be a supplier or a subcontractor within a project. In these circumstances we would require a full explanation as to why this option is required.

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

### The following expenditure limits apply:

Expenditure Category	Total Project Costs	Max. Government contribution
Wages	Up to \$50,000	Up to \$25,000
Reasonable travel costs	Up to \$4,000 (excl. GST)	Up to \$2,000
Intellectual property costs	Up to \$15,000 (excl. GST)	Up to \$7,500

For additional guidance on Eligible Expenditure, refer to Appendix A.

For additional guidance on Ineligible Expenditure, refer to Appendix B.



## Validating Entity

It is a requirement at the time of your application that you nominate a Validating Entity who you intend to use to validate your Eligible Project. A Validating Entity is intended to support the Department to assess and provide a third-party validation that your project has achieved its objective to progress your product or process along the Technology Readiness Level (TRL) scale between 3 and 9.

A Validating Entity must be one of the following:

- a company incorporated in Australia; or
- a statutory corporation; or
- an incorporated trustee on behalf of a trust in Australia; or
- a Publicly Funded Research Organisation;

and must

- be able to demonstrate they have the relevant technical or industry expertise in the field that your product or process is being developed.

The Validating Entity you select should be a third-party organisation that is not affiliated with you or your business and is required to be at 'arms-length'.

For example:

- If your Validating Entity is involved in the development of the intellectual property for your product or process, it is highly likely that there is a conflict of interest and will not be considered at arms-length.
- A Validating Entity could be a consultant with relevant technical experience, an industry leader in your field, or a potential customer with an understanding of the product or process being developed (the consultant or industry leader will be reviewed on a case-by-case bases).

All costs associated with validating your project's development will be considered eligible expenditure and should be included in your application.

If you need to change your Validating Entity during your project, you may do so in writing to the Department.



# Assessment criteria

Applications for funding for eligible projects will be assessed against and must meet the following criteria.

---

## Criteria 1: Innovation

You must clearly demonstrate that your product or process is a new or improved product or process whose technological characteristics are significantly different from before.

---

## Criteria 2: Commercialisation

You must clearly demonstrate that your product or process has:

- a well-defined problem or opportunity that your product or process responds to; and
- evidence of commercial viability, including:
  - the size of the potential market
  - the value created by your product
  - the product's competitive advantage.

---

## Criteria 3: Deliverability

You must clearly detail how you intend to deliver your product or process by outlining:

- the project outcomes, key activities, milestones, project costs and risks
  - the expected progress of your product from the current TRL (project commencement) to the proposed TRL at the project completion date
  - a project team with the capacity and appropriate management, commercial, professional, and technical expertise to deliver the project.
- 



---

# How to Apply?

Before applying, you must read and understand these guidelines and the sample funding agreement.

These documents may be found at [investment.nsw.gov.au/MVPVentures](https://investment.nsw.gov.au/MVPVentures)

The Program has a two-stage application process, consisting of an EOI and a Detailed Application.

## Expression of Interest

To apply you must:

- complete the online EOI form on [deit-pd.smartygrants.com.au/MVPV23](https://deit-pd.smartygrants.com.au/MVPV23)
- provide all the information requested, including supporting documentation, in line with the instructions provided within the form
- meet all the eligibility criteria
- submit your application by the Key Dates.

We require the following documents be provided with your EOI application:

- a pitch deck (maximum 10 slides) or a link to an online video clearly demonstrating how your product or process meets the innovation criteria (maximum 3 minutes)
- evidence of financial turnover (a completed accountant declaration and financial statement including profit and loss)
- evidence of less than or equal to 20 FTE (a completed accountant declaration).

Templates and additional guidance are available at [investment.nsw.gov.au/MVPVentures](https://investment.nsw.gov.au/MVPVentures)

## Detailed application

If your EOI application is successful, you will be invited to submit a detailed application. You will be required to:

- complete the online application form provided to you
- provide all the information requested, including supporting documentation, in line with the instructions provided within the form
- meet all the eligibility and assessment criteria.

We require the following documents be provided with your application:

- evidence of Co-contribution.

You are responsible for ensuring that your application clearly addresses the questions and provides complete and accurate information. Giving false or misleading information is a serious offence under *the Crimes Act 1900 No 40* (NSW) and we will investigate any false or misleading information and may exclude your application from further consideration.

If you find an error in your application after submitting it, you should contact us immediately at [investment.nsw.gov.au/contact-us](https://investment.nsw.gov.au/contact-us). We are not obligated to accept any additional information, nor requests from you to correct your application after the Application Round has closed.

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.

You should keep a copy of your application and any supporting documents. You will receive a confirmation upon successfully submitting your application through the online portal.

If you need further guidance around the application process or if you are unable to apply online, please contact us at [investment.nsw.gov.au/contact-us](https://investment.nsw.gov.au/contact-us)

## Joint (consortia) applications

If you wish to submit a joint application, you must appoint a 'lead organisation'. Only the lead organisation can apply and enter into a funding agreement with the Department.

The Department, at its sole discretion, can take other factors into account that may cause a business to be ineligible for support, such as any personnel or business activities that could cause reputational or other risk to the NSW Government.

This may include an assessment of the applicant's management, its Directors and Officers and entities or individuals that exercise control over an applicant, to ensure that all relevant parties are fit and proper persons to receive funding.

You must have a legal arrangement with all parties prior to the execution of the funding agreement.



# Assessment process

The MVP Ventures Program has a two-stage application process.

## Assessment of applications

- Expression of Interest
- Detailed Application

Eligible applications will be considered based on a non-competitive process and will be assessed in the order in which they are received. Throughout the assessment process, we may request additional information from applicants. Advice and information may also be sought from other NSW Government agencies or other parties (such as third-party credit assessors and technical experts) to assist with the assessment of applications.

## Decision-making

The Department's Program delegate, being the Secretary or Deputy Secretary (SES Band 3 equivalent) will make final grant approvals, taking into account the availability of funds for the purpose of the Program.

The Department's decision is final in all matters including:

- the approval of the grant
- the grant amount to be awarded.

We may also consider other factors that may affect our decision to provide the grant including whether there are any conflicts of interest, whether the applicant and any person associated with the applicant are fit and proper and whether there is any reputation risk associated with providing the grant.

The Department's Program delegate will not approve funding if there are insufficient program funds available within the relevant financial years for the Program.

## Notification of application outcome

We will advise you of the outcome of your EOI application within 15 business days. Applicants invited to submit a Detailed Application will be advised of their outcome within 30 business days of submission of the detailed application, subject to the Department receiving all required documentation with the submitted application.

Unsuccessful applicants will be notified in writing of the outcome of their application. If you are unsuccessful, we will advise you of the reasons why your application was unsuccessful. You can submit a new application for the same (or similar) project. You should include new or more information to detail how you addressed the feedback. If a new application is substantially the same as a previous ineligible or unsuccessful application, we may refuse to consider it for assessment.



---

# Successful applicants

Successful applicants will be notified in writing via email and/or letter.

## Notification

If you are successful, we will advise you of any specific conditions attached to the grant including a request to keep the grant confidential for a period of time, if an announcement is likely to be made by the NSW Government.

## Funding Agreement

Successful applicants will be required to enter into a funding agreement with the NSW Government.

The funding agreement will outline your project outcomes, activities and eligible expenditure. You will be required to evidence completion of the activities and the eligible expenditure to receive your funding.

You will have 40 business days from the date of a written offer to execute a funding agreement with the Department. The offer may lapse if you do not sign the funding agreement within this time.

The Department makes no binding funding commitment to the applicant unless and until both parties have signed the funding agreement. Each agreement includes standard terms and conditions that cannot be changed.

The successful applicant must also provide a copy of the signed funding agreement and any other supporting documentation relevant to the grant, or as requested by the Department.

You should not make financial commitments reliant on this Program until we have formally advised that you are successful, and a funding agreement is signed and executed by both parties.

The sample funding agreement may be found at [investment.nsw.gov.au/MVPVentures](https://investment.nsw.gov.au/MVPVentures)

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations. We do not provide advice on your particular taxation circumstances.

## How we pay the grant

The funding agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant
- the 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.

We will pay the grant via milestone payments set out in the funding agreement.

The milestones are structured based on your total grant funding:

- Milestone 1 – 35 percent of the total funding on execution of a funding agreement.
- Milestone 2 – Non-financial milestone between 3 and 6 months of executing your funding agreement, or as otherwise agreed in writing. Requires satisfactory completion of a progress report. If the project is not progressing or delayed, please reach out to the Department as soon as possible to discuss your options.
- Milestone 3 – Minimum 6 months after executing your funding agreement, up to 65 percent of the total funding for the final instalment.

The final milestone cannot be less than 6 months from the date of your executed funding agreement. For the avoidance of doubt, there will be no further instalments made after Milestone 3, any unspent or unclaimed project costs (including claims that are not sufficiently evidenced) will be forfeited.

## How we acquit eligible expenditure

If your application is successful, we will ask you to verify key project information when we provide you your funding agreement.

Funding will be approved for the various expense categories listed in your application. After your funding agreement is executed, changes to an expense category (e.g., wages) may be permitted but you cannot exceed the total approved funding for that expense category.

You will be required to provide evidence of all approved Eligible Expenditure when you claim your final milestone payment. We will pay 50 per cent of evidenced project expenditure. You must keep payment records of all project expenditure and be able to explain how the costs relate to the agreed project activities.

Evidence of expenditure includes invoices and proof of payment to substantiate that payment has been made. At any time, we may ask you to provide records of the expenditure you have made. If you do not provide these records when requested, we may not fund these costs.

## How we monitor your grant activity

We need to know of any key changes to your organisation, particularly if they affect your ability to complete your project, carry on business or meet the obligations under your funding agreement.

You must inform us of any changes to your:

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

If you become aware of an actual or potential breach of the terms and conditions under the funding agreement you must notify us immediately in writing.





---

## Reporting

At the completion of your funded project, you must submit a completion report in line with the timeframes in the funding agreement. You will need to report progress against your intended outcomes, as outlined in the funding agreement.

Your completion report must:

- include details of your final progress achieved against the agreed project activities
- identify the total eligible expenditure incurred for the project
- include a signed declaration from the Validating Entity
- be submitted with the final payment claim.

## Evaluation

We will evaluate the Program to measure how well the outcomes and objectives have been achieved. We may use information from your application and 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 to evaluate how effective the Program was in achieving its outcomes. We may contact you up to 3 years after you receive your final payment associated with the Program for more information to assist with this evaluation.

## Acknowledgement

All recipients of NSW Government funding should acknowledge this financial support in accordance with the Funding Acknowledgement Guidelines for Recipients of NSW Government grants available at [nsw.gov.au/branding/sponsorship-and-funding-acknowledgment-guidelines](https://nsw.gov.au/branding/sponsorship-and-funding-acknowledgment-guidelines)

You must seek our written consent prior to any significant public announcement, marketing, press announcements, or official launch in relation to the Program.

## Probity

The Department will make sure the Program is fair and accountable according to the published guidelines and incorporates appropriate safeguards against fraud, unlawful activities, and other inappropriate conduct.

## Conflicts of Interest

Any conflicts of interest could affect the performance of the Program. There may be a conflict of interest, or perceived conflict of interest, if the Department staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial, or personal relationship with a party who can influence the application selection process
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation received a grant under the Program.

You may be asked 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 an actual, apparent, or perceived conflict of interest, you must inform us immediately.

Conflicts of interest for the Department will be handled as set out in the Department's Code of Ethics and Conduct.

## Enquiries and feedback

Any enquiry you have about the assessment process or the outcome of your application for the Program should be submitted in writing to [investment.enquiries@investment.nsw.gov.au](mailto:investment.enquiries@investment.nsw.gov.au)

If you do not agree with the way we have handled your enquiry or complaint, you may wish to contact the NSW Ombudsman. The NSW Ombudsman will not usually look into a complaint unless the matter has been first raised directly with the Department.

### NSW Ombudsman

Level 24, 580 George Street,  
Sydney NSW 2000

[www.ombo.nsw.gov.au/](http://www.ombo.nsw.gov.au/)



## Privacy

We treat your personal information according to the Department's Privacy Management Plan available at [www.investment.nsw.gov.au/privacy/](http://www.investment.nsw.gov.au/privacy/) and the *Privacy and Personal Information Protection Act 1998* (NSW).

This includes letting you know:

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

Your personal information can only be disclosed to someone for the primary purpose for which it was collected unless an exemption applies.

We may also use or disclose information about grant recipients under this Program for reporting purposes, including

- recipient company name
- recipient Local Government Area
- project name
- funding amount.

## Records Management

We comply with the management, storage and retention requirements of the *State Records Act 1998* (NSW) to the extent it applies to any documents created by the Department's, funding applications or funding recipients under this Program.



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

You should be aware that information 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 types of information freely available
- encouraging government agencies to release as much 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.

## Disclaimer

The Department does not guarantee or warrant and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency, or completeness of any material contained in this publication. Information in this publication is provided as general information only and is not intended as a substitute for advice from a qualified professional.

The Department recommends that users exercise care and use their own skill and judgement in using information from this publication and that users carefully evaluate the accuracy, currency, completeness, and relevance of such information. Users should take steps to independently verify the information in this publication and, where appropriate, seek professional advice.

The guidelines are subject to change at any time at the sole discretion of the Department.

---

# Appendix A – Eligible expenditure

This section provides guidance on eligible expenditure. We reserve the right to update this advice from time to time.

To be eligible, expenditure must:

- be incurred by you within the Project Period
- be a direct cost of the project and not be provided for the benefit or profit of affiliate persons
- be incurred by you to undertake the required project activities
- meet the eligible expenditure guidelines.

## Eligible cost categories

You must record your eligible project expenditure under the following heads of expenditure:

### Wages

Costs of gross wages or salary paid to leadership staff and employees for activities which can be specifically identified and measured as having been performed on the project.

It is encouraged that, where possible, the grant funding will support employees located in NSW. However, wages for employees outside of NSW and/or Australia are eligible. You will be required to provide evidence of employment and work completed on the project when you make a claim.

Eligible salary expenditure includes an employee's total remuneration package as stated on their PAYG Annual Payment Summary submitted to the Australian Taxation Office. On costs are not eligible.

Wage costs are only eligible for the hours that an employee works directly on project activities during the Project Period.

No more than 50 per cent of the total grant can be counted towards wage expenditure.

### Consultant fees

Costs of contractors or consultants incurred for work or services that are specifically identified and measured as directly contributing to the delivery of the project, performed by organisations or individuals who are not employees of the entity, and who are engaged under a separate contract.

Consultant fees outside of NSW and/or Australia are eligible.

Prior to starting any project work, all contractors and consultants must have a written contract, purchase order, or formal agreement, directly related to the project that specifies:

- the nature of the work to be performed
- the hours and hourly rate in Australian dollars
- all applicable fees and costs payable.

Invoices must be in Australian dollars, detailed and relate directly to the project. Activities performed by consultants and contractors must themselves qualify as eligible expenditure. Costs must be deemed reasonable by the Department.

## Direct Prototyping Materials

Costs of construction and operation of prototypes contributing directly to proving the commercial viability of a new product or process. Costs of tools and materials necessary to undertake the project.

The scale of expenditure must be reasonable to prove the concepts underpinning the project or establishing its commercial viability. Overheads and ancillary costs are not eligible.

Importance of direct prototyping materials to the project must be demonstrated to the satisfaction of the Department.

## Equipment

The capital costs of equipment, which are incurred and paid and can be specifically identified as having been purchased for Project activities.

Equipment costs include, but are not limited to, the purchase of equipment necessary for the Project activities, costs to alter or modernise the equipment, costs to get the equipment into working order, and shipping costs.

Computing and smart devices including, but not limited to, computers, laptops, servers, tablets, iPads, mobile phones, smart watches and fitness trackers are not eligible under this category.

Importance of equipment to the project must be demonstrated to the satisfaction of the Department.

## Other direct costs

### Patent filing costs for new intellectual property (IP)

IP costs generated by your project are eligible. This cost is allowable up to a total project cost of \$15,000 (i.e., \$7,500 or 50% will be claimable). Trademark related costs are not eligible.

Regulatory compliance costs are eligible if necessary to carry out the project.

### Travel Costs

Reasonable travel costs, up to a total project cost of \$4,000 (i.e., \$2,000 or 50% will be claimable), may be claimed for individuals identified in the wages expense category where travel is necessary and incurred exclusively for the progression of the project. Travel costs must be at economy travel only. Itemised details and justification for the expenditure are required.

---

# Appendix B – Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure.

Expenditure is ineligible if it is not directly related to the development and commercialisation of innovative products or processes and is not within eligible expenditure categories.

We may update this guidance from time to time, so you should make sure you have the current version from the [investment.nsw.gov.au/MVPVentures](https://www.nsw.gov.au/MVPVentures) website before preparing your application.

We may also impose limitations or exclude expenditure, or further include some ineligible expenditure listed in these guidelines, in a funding agreement or other means by notice to you.

The following are examples of ineligible costs:

- costs incurred prior to us executing a funding agreement with you
- all forms of advertising and the production of promotional material (including websites and applications whose primary purpose is advertising or promotion)
- financing costs, including interest
- capital expenditure (other than detailed in eligible expenses) for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation, or extension of facilities such as buildings and laboratories
- costs involved in the purchase or upgrade/hire of software (including user licences), cloud or other hosting services
- costs such as rental, renovations and utilities
- costs relating to the hire and lease of equipment
- insurance costs
- debt financing
- losses on other projects or contracts
- depreciation of plant and equipment
- fines and penalties
- unreasonable compensation for officers and employees
- entertainment expenses
- donations/sponsorships/gifts
- routine operational expenses, including communications, accommodation, rent, office computing facilities, printing and stationery, postage, legal and accounting fees, and bank charges
- costs related to preparing the grant application, preparing any project reports, and preparing any project variation requests.

This list is not exhaustive and applies only to the expenditure of 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 C – Technology Readiness Levels Index (TRL)

Technology Readiness Level		Description
<b>Basic technology research</b>	<b>1</b> Basic principles observed and reported	Lowest level of technology readiness. Scientific research begins to be translated into applied research and development (R&D). Examples might include paper studies of a technology's basic properties.
	<b>2</b> Technology concept and/or application formulated	Invention begins. Once basic principles are observed, practical applications can be invented. Applications are speculative and there may be no proof or detailed analysis to support the assumptions.
<b>Research to prove feasibility</b>	<b>3</b> Analytical and experimental critical function and/or characteristic proof of concept	Active R&D is initiated. This includes analytical studies and laboratory studies to physically validate the analytical predictions of separate elements of the technology.
<b>Technology development</b>	<b>4</b> Product and/or process validation in laboratory environment	Basic technological products and/or processes are tested to establish that they will work.
	<b>5</b> Product and/or process validation in relevant environment	Reliability of product and/or process innovation increases significantly. The basic products and/or processes are integrated so they can be tested in a simulated environment.
<b>Technology demonstration</b>	<b>6</b> Product and/or process prototype demonstration in a relevant environment	Prototypes are tested in a relevant environment. Represents a major step up in a technology's demonstrated readiness. Examples include testing a prototype in a simulated operational environment.
<b>System commissioning</b>	<b>7</b> Product and/or process prototype demonstration in an operational environment	Prototype near or at planned operational system and requires demonstration of an actual prototype in an operational environment (e.g., in a vehicle).
	<b>8</b> Actual product and/or process completed and qualified through test and demonstration	Innovation has been proven to work in its final form and under expected conditions. In almost all cases, this TRL represents the end of true system development.
<b>Systems Operation</b>	<b>9</b> Actual product and/or process proven successful	Actual application of the product and/or process innovation in its final form or function.



---

# Appendix D – Definitions

---

Full Time Equivalent (FTE)	<p>FTE means the full-time equivalent employees including contractors directly engaged based on a 38-hour week. i.e.</p> $\frac{\text{FTE equals total hours worked for period}}{38 \text{ hours} \times (\text{no. of weeks in the period})}$
Aggregated Turnover	<p>The annual turnover plus the annual turnover of any entities that the business is connected with, where 'turnover' refers to the ordinary income that is derived in the income year in the course of running the business.</p>
Ordinary income	<p>Ordinary income relates to the activities undertaken by the company as part of its normal business operations. Ordinary activities would not include economic contributions by the owners, revenue attributable to transactions or events that are outside of day-to-day activities, donations, and government grants.</p>
Department	<p>The Program is administered by Investment NSW, within the Department of Enterprise, Investment and Trade (DEIT or 'the Department').</p>
Eligible Expenditure	<p>Refer to Appendix A of the Program Guidelines.</p>
Financial Institution	<p>For the purpose of this Program, Financial Institutions are defined as Australian Authorised Deposit-taking Institutions (ADIs).</p>
Funding agreement	<p>A funding agreement is a legal document that outlines the terms, conditions and obligations of funding your project.</p>
Grantee	<p>The recipient of grant funding under a funding agreement.</p>
Headquartered in NSW	<p>The business applying must be operating and must be headquartered in NSW. To demonstrate this, your Australian Business Register (ABR) ABN profile 'Main Business Location' must be listed as being in NSW at the time of application.</p>
Ineligible Expenditure	<p>Refer to Appendix B of the Program Guidelines.</p>
Intellectual Property (IP)	<p>Intellectual Property (IP) means creations of the mind or intellect that can be legally owned. Your IP includes the intangible assets you create for your business, i.e.: designs and automated processes. Under the Program, trademarks and copyright are not considered an eligible form of IP.</p>
Investor Agreement	<p>An Investor Agreement is defined a formal written contract that contains the details relating to the investment and the relationship between the investor and the business. The Investor Agreement must be duly executed witnessed signed and dated.</p> <p>Investor Agreement may be in the form of:</p> <ul style="list-style-type: none"><li>• Future Equity e.g. SAFE Agreements</li><li>• Debt financing e.g. convertible notes</li></ul> <p>For agreements that involves purchase of shares, evidence of the fund transfer is required at the time of contract execution.</p> <p>Letter of assurance is not accepted.</p>

---

---

---

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)
Project Period	The 12 month period following execution of your funding agreement, or otherwise agreed in writing with the Department.  The minimum project period is six months.  The maximum project period is 12 months.
Technology Readiness Level or TRL	Has the meaning given to that term in Appendix C.

---

## Copyright

This publication is protected by copyright. With the exception of: (a) any coat of arms, logo, trademark or other branding; (b) any third-party intellectual property; and (c) personal information such as photographs of people, this publication is licensed under the Creative Commons Attribution 4.0 International Licence. The license terms are available at the Creative Commons website at: <https://creativecommons.org/licenses/by/4.0/legalcode>.


The Department requires that it be attributed as creator of the licensed material in the following manner: © State of New South Wales (Department of Enterprise, Investment and Trade), (2021). You may also use material in accordance with rights you may have under the Copyright Act 1968 (Cth), for example under the fair dealing provisions or statutory licenses. The use of any material from this publication in a way not permitted by the above license or otherwise allowed under the Copyright Act 1968 (Cth) may be an infringement of copyright. Infringing copyright may expose you to legal action by, and liability to, the copyright owner. Where you wish to use the material in a way that is not permitted, you must lodge a request for further authorisation with the Department.

More information

 [investment.nsw.gov.au](https://investment.nsw.gov.au)

## Contact us

 [investment.nsw.gov.au/contact-us](https://investment.nsw.gov.au/contact-us)

 Phone: +61 24908 4800

Level 9, 52 Martin Place, Sydney NSW 2000

Office hours: Monday to Friday 9am – 5pm

GPO 5341 Sydney NSW 2001

© State of NSW 2023

