

# Business Growth Fund

## Round 5 Guidelines

### About the program

The Business Growth Fund (BGF) grants program (Program) targets high-growth businesses who can **accelerate growth**, **drive Queensland's economy** and **employ more Queenslanders**.

### Program key details

Business size	Small to medium-sized businesses with 5-49 employees (headcount)
Opening date	Stage 1: 9am, Monday 8 May 2023
Closing date	Stage 1: 5pm, Friday 2 June 2023
Application process	<ul style="list-style-type: none"> <li>• Stage 1: Expression of interest (EOI)</li> <li>• Stage 2: Full application</li> <li>• Stage 3: Pitch</li> </ul>
Grant type	Competitive – not all applications will be funded
Available funding	\$50,000-\$75,000 per project
Co-contribution	At least 40%
Project length	12 months
Payment milestones	<ul style="list-style-type: none"> <li>• 20% on approval</li> <li>• 40% with 3-month report</li> <li>• 40% on acquittal at 12 months</li> </ul>
Key documents	<ul style="list-style-type: none"> <li>• Terms and Conditions</li> <li>• Frequently Asked Questions</li> <li>• Preview of the EOI application form</li> </ul>

The program provides funding for small to medium-sized high-growth businesses to buy **specialised equipment**, enabling them to unlock growth potential, increase production, expand their workforce, and maximise economic returns to move them into the next stage of growth.

Funded businesses are expected to:

- Increase confidence for growth, transitioning from small to medium-sized
- increase productivity, turnover, profit and/or employment by 20%, and
- improve confidence to automate, scale up, increase market share, diversify and/or exploit exporting opportunities.

The program is administered by the Department of Employment, Small Business and Training (DESBT).

## Available funding

You may be eligible for funding of up to **\$75,000** (excluding GST) and not less than **\$50,000** (excluding GST). Funding is paid in three parts:

1. On approval of your application – 20%
2. On completion and assessment of your 3-month report – 40%
3. On acquittal and assessment at project completion – 40%

Successful applicants must co-contribute at least 40% of project costs.

DESBT will not fund projects with:

- a total cost of less than \$83,333 (excluding GST) or
- payments made before submitting the Stage 2: Full Application (project must not have commenced substantially).

The table below shows the breakdown of total project costs and the co-contribution amounts.

	Minimum	Maximum
<b>Total project costs (excluding GST)</b>	<b>\$83,333</b>	<b>\$125,000*</b>
Your contribution (at least 40% of total project costs)	\$33,333	\$50,000
Total grant funding	\$50,000	\$75,000

\* The total project cost can be more than \$125,000, but the maximum amount DESBT will contribute is \$75,000.

## Eligibility criteria

You must be an established and financially sound small to medium-sized Queensland business with the potential for high-growth within the next two years.

High-growth is defined as an average annualised 20% increase in turnover, and/or employment in the last two years.

### Detailed eligibility criteria

To be eligible for this grant, your business must have:

- a **minimum of 5 employees** and **maximum of 49** at the time of applying for the grant (by headcount);
- an **active Australian Business Number (ABN)** and be **registered for GST**;
- a **Queensland headquarters**;
- a **minimum trading history of five years** at the time of applying for the grant;
- a **minimum turnover of \$500,000** for the last financial year;
- competitive opportunities in domestic or international markets;
- experienced **two years of high-growth** and have clearly defined high-growth and employment opportunities in Queensland;
- **not** been **approved for funding** under an earlier BGF round; and
- not be insolvent or have owners/directors that are an undischarged or currently bankrupt;

Your business must maintain this eligibility for the **duration** of the grant funded activity.

## Eligible and ineligible activities

The grant funding must be used to purchase **specialist equipment** to meet business growth. The equipment must have a direct link to **increasing employment** and **maximising economic returns**.

### Eligible activities

**Specialist equipment** is considered an independent or additional piece of complex machinery that will have a direct impact on the operations of the business to increase, automate or enhance productivity and present a significant investment to the business.

The impact of the equipment unique to the growth of the business and local economy will be taken into consideration.

Examples of **eligible highly specialised equipment** include (but are not limited to):

- ✓ production equipment to meet otherwise unachievable growth demand
- ✓ advanced manufacturing or digital equipment and systems, or
- ✓ advanced logistics systems and equipment

### Non-eligible activities

We **will not fund**:

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>✗ activities bought using crypto-currencies, cash, barter, or services in-kind</li><li>✗ GST, registration and fees</li><li>✗ real estate/property, hire, lease, or rental fees</li><li>✗ goods, services, or fees from related parties (see related party definition below)</li><li>✗ travel</li><li>✗ franchise fees</li><li>✗ purchase of stock</li><li>✗ general business operating costs (e.g., bookkeeping/accounting, tax returns, marketing/advertising activities)</li><li>✗ delivery fees, credit card surcharges and international transaction fees</li></ul> | <ul style="list-style-type: none"><li>✗ services or standard digital technology not considered specialist to the extent required (as determined by assessment panel)</li><li>✗ memberships and joining fees</li><li>✗ salaries</li><li>✗ non-specialised office equipment (e.g. desks, chairs, PCs, laptops, monitors).</li><li>✗ fleet vehicles, other motor vehicles, trailers, or forklifts</li><li>✗ bain maries, fridges, or ovens</li><li>✗ dental chairs</li></ul> |
|--|---|

*\*Related parties include companies with common shareholdings or directors, employees or immediate family.*

## Application process

Applying is completely free via the DESBT SmartyGrants portal once the grant round opens.

**Applicants will be notified at the end of each stage (EOI shortlisting, Full Application shortlisting and post Pitch) of their outcome.**

This grant program is competitively assessed in three stages meaning not all applications will be funded:

- **Stage 1: Expression of interest** See page 4
- **Stage 2: Full Application** See page 5
- **Stage 3: Pitch** See page 6

Stage 1 will open for expressions of interest (EOI) at 9am, Monday 8 May 2023.

Stage 1 will close for EOI applications at 5pm, Friday 2 June 2023. DESBT provided notice of the grant and access to supporting documents on 22 April 2023.

## Detailed application process

### Stage 1: Expression of Interest

In your Expression of Interest (EOI) application, you will be asked to:

Details	Supporting Evidence
<ul style="list-style-type: none"><li>• confirm the business meets the eligibility criteria (see page 2)</li><li>• core business and contact information</li><li>• provide details of your growth over the last two years</li><li>• provide a summary of the project, how it innovative and how the equipment is <b>highly specialised</b></li><li>• provide a description of the high-growth opportunity through implementing your project; and</li><li>• confirm your financial contribution.</li></ul>	<ul style="list-style-type: none"><li>• <i>Verify the main business location</i> (see below – if applicable)</li><li>• <i>Verify the link between trust and business conducting the business activity</i> (see page 5 – if applicable)</li><li>• provide a <b>letter from a registered accountant<sup>3</sup> declaring:</b><ul style="list-style-type: none"><li>○ <b>2020/21 and 2021/22 turnover and employee headcount</b></li><li>○ <b>2022/23 actual + projected (May and June) turnover and employee headcount</b></li></ul></li><li>• provide a copy of the related <b>business plan</b>.</li></ul> <p><sup>3</sup> The accountant must be registered with either:</p> <ul style="list-style-type: none"><li>• <a href="#">Certified Practicing Accountant</a> (CPA) or</li><li>• <a href="#">Chartered Accountants Australia and New Zealand</a> (CA ANZ) or</li><li>• <a href="#">Institute of Public Accountants</a> (IPA)</li></ul>

### **Verify the main business location (MBL) – if applicable**

If your Australian Business Register profile (shown in the application form) shows that your MBL is not in Queensland:

1. Answer No to the question - "In the "Information from the Australian Business Register" box above, is the main business location in Queensland?"
2. Attach evidence of Queensland Headquarters.

**Acceptable evidence** includes:

- a copy of the applicant's Australian Securities and Investment Commission (ASIC) Company Statement listing a Queensland address as 'principal place of business', or
- an accountant's letter confirming the business has changed to a Queensland MBL.

### **Verify link between trust and business conducting the business activity – if applicable**

If you nominate an ABN of a trust in your application, you will need to provide evidence of the two entities being clearly related and operated by the same parties.

**Acceptable evidence** includes:

- a copy of the applicant's ASIC Company Statement listing both entities, and
- an accountant's letter confirming the two entities are operated by the same parties outlining the business relationship.

## **Stage 2: Full Application**

If your **Stage 1** EOI application is shortlisted, you will be invited to submit a full application.

In addition to the information provided in the EOI, in the full application you will be asked to:

Details	Supporting Evidence
<ul style="list-style-type: none"><li>• update the core business and contact information</li><li>• provide detail on whether you will need to secure other financial support to fund your co-contribution</li></ul>	<ul style="list-style-type: none"><li>• provide a simple <b>balance sheet</b> – including the current asset, debt and equity structure of the business. Clearly and separately identify the value of the intellectual property held by the business, who holds the debt, and on what terms</li><li>• provide a simple <b>profit and loss</b> statement for the 2021/22 and 2022/23 financial years</li><li>• provide independent supplier <b>quote/s (no more than 3) or proposals</b> that provide comprehensive details of the specialised equipment that you will be purchasing as part of the project (see below for details).</li></ul>

**NB.** Once shortlisted to progress to Stage 3: Pitch, applicants **cannot** vary their project.

### **Supplier quotes**

Quotes must include:

- Supplier details – supplier name, ABN (if Australian), contact details and website URL.
- Details of the project, description of services and outline of key activities.
- Quotes must be a formal quote/proposal on the supplier's letterhead.
- A screenshot/print out of the shopping cart if it is for an online purchase.

## Stage 3: Pitch

If your Full Application is shortlisted, you will be invited to pitch your project to business experts and DESBT executives.

The panel pitch is a critical stage in the application process, providing an opportunity to draw out the merits of the project proposed to be part funded by the grant.

Shortlisted applicants are required to present a succinct and compelling pitch of 5 to 10 minutes, followed by 10 minutes of questions from the panel.

To assist you to prepare for this stage, DESBT provides an optional practice pitch session to specifically provide feedback on the delivery, content and style of the pitch.

## Assessment

A competitive assessment process is conducted during each stage of the application process.

Applications will be **assessed** for **compliance** against the **eligibility criteria** and their **competitiveness** against the program guidelines and **assessment criteria**, as follows:

Applicants must demonstrate the extent to which the grant funded activity will:

1. support the business to reach its high-growth goals
2. be likely to create jobs growth within the business
3. demonstrate value for money

DESBT may also consider equitably distributing successful applications across the state, industry sectors (including priority sectors) and be representative of Queensland's diverse business population.

## Notification of outcome

DESBT will advise all applicants of the outcome of their application following each stage of the application process. Successful Stage 3 applicants will receive a Letter of Agreement outlining the funding agreement.

## Funding agreement and payment

Grant recipients enter into a funding agreement with DESBT and receive funding of up to **\$75,000** (excluding GST) and not less than **\$50,000** (excluding GST). Funding is paid in three parts:

1. On approval of your application – 20%
2. On completion and assessment of your 3-month report – 40%
3. On acquittal and assessment at project completion – 40%

The funding agreement consists of:

1. the **Letter of Agreement**;
2. any other terms agreed in writing between the parties;
3. the Business Growth Fund grant program **Terms and Conditions**;
4. these **Guidelines**; and
5. the application submitted by the applicant relating to the grant funded activity.

## Recipient completed activities

Recipients must complete their project within 12 months of receiving their approval letter.

You must keep all application evidence, supplier quotes, corresponding invoices, receipts and bank transactions for audit purposes.

If you vary your approved project in any way, you must inform DESBT immediately. See the [Review of decisions and variation page](#) for more information.

## Reporting

Recipients must complete:

1. a **three-month progress report** – The report is to include details on the progress you have made with your project, any issues you've experienced and answer some questions about the process so far.
2. complete a **final acquittal report** on completion of the project – The report is to include details on the assets/services received, project implementation, and the impact on the business including the results and outcomes received.

## How to apply

Grant applicants have at least **a month** to prepare their EOI application – it will open at 9am, 8 May 2023. Submit your application by completing these steps.

1. Read the key documents and information:
  - these Guidelines,
  - [Terms and Conditions](#)
  - [Frequently Asked Questions](#)
  - [Sample EOI application form](#)
2. Check your eligibility
3. Apply for a [DESBT SmartyGrants Applicant account](#) (if you don't have one already)
4. Ensure your **ABR profile** for your business is up to date (check your ABN status, GST status and Main Business Location)
5. Submit your application

Note: A virtual queue, may be used on the SmartyGrants portal following the EOI stage opening.

If you enter the virtual queue, the estimated wait times will be displayed. EOIs can be completed anytime while the stage is open.

Before you submit, your application must:

- be complete, include all required supporting evidence and every question validated.
- include only realistic and probable answers
- be submitted by the business, not a third-party<sup>1</sup>
- be the only application you submit - only **one application** is allowed per eligible **business or financial beneficiary**<sup>2</sup> under each round.

<sup>1</sup> Third parties can include a business or a financial advisor, such as an accountant, or the supplier mentioned in the grant funded activity. Third party can also relate to IP addresses (where you submit your application from).

<sup>2</sup> DESBT considers a related party and/or financial beneficiary to be those who gain an advantage and/or profits from something including receipt or distribution from a trust, will or life insurance policy. This can include companies with common shareholdings, directors, employees, or immediate family.

Apply at [Business Growth Fund Program | Business Queensland](#) when the grant opens.



## Further information

For more information about grants or your application, call the DESBT **Small Business Hotline 1300 654 687** or [grants@desbt.qld.gov.au](mailto:grants@desbt.qld.gov.au)

Policy Owner:	Deputy Director-General, Investment Department of Employment, Small Business and Training
Approval Date:	18 April 2023
Effective Date:	22 April 2023
Version:	1.0

## Privacy Statement

DESBT is collecting your personal information for the purposes of:

- managing the Business Growth Fund grants program;
- promoting relevant issues and services to you; and
- researching and reporting on grant programs.

DESBT, including its employees, may use and disclose the personal information provided in the application to third parties for these purposes. Third parties include:

- Queensland government departments and agencies
- Commonwealth government departments and agencies
- Other state or territory government departments and agencies; and
- non-government organisations.

DESBT or the Minister responsible for the Small Business portfolio may publish grant recipient information on government websites or in media releases while publicising the outcomes of the program. Published information may include business name, funding amount, suburb/postcode, and outcome details.

DESBT will only use your information for these purposes. DESBT will handle your personal information in accordance with the *Information Privacy Act 2009*. DESBT will not otherwise use or disclose the information unless authorised or required by law.

You may view the Queensland Government's privacy guide at [www.qld.gov.au/legal/privacy](http://www.qld.gov.au/legal/privacy)

## Disclaimer

This publication is to be used as a guide only. The authors have taken reasonable steps to ensure the publication is accurate at the time of publication. The State of Queensland accepts no responsibility and gives no warranty, guarantee or representation about the accuracy, reliability, timeliness or otherwise of the information contained within the publication. The State of Queensland expressly excludes legal liability in all jurisdictions concerning the use or reliance of any information contained in this publication. Any direct or consequential loss or damage suffered because of reliance on this information is the user's sole responsibility. Persons using information contained in this publication should conduct their own enquiries and rely on independent professional advice. This exclusion shall extend to all users and related parties who may suffer loss because of the use of information contained in this publication and applies despite any negligence on the part of the State of Queensland.