

FREQUENTLY ASKED QUESTIONS - RESEARCH, COMMERCIALISATION AND STARTUP FUND

Prospective applicants are encouraged to firstly read the Research, Commercialisation and Startup Fund (**Fund** or **RCSF**) Guidelines. If you have further queries, please email RCSFcontact@sa.gov.au.

1. When can I apply for each stream?

Stream 1 - Strategic Research Initiatives	Funding from this Stream will be awarded through calls for proposals to address specific initiatives. The details of timing and funding available will be specified with each round.
Stream 2 – Startup and Early Stage Company Incentive	Expressions of Interest can be submitted at any time using the online application form.
Stream 3 – Entrepreneurship and Innovation Ecosystem Initiatives	Funding from this Stream will be awarded through calls for proposals to address specific initiatives. The details of timing and funding available will be specified with each round.

2. Where are the full application forms for the various streams?

Stream 2:

Application forms for Stream 2 will be provided to applicants that progress through the expression of interest (EOI) stage.

Stream 1 and 3:

Calls for proposals to address specific initiatives will be announced with details of timing, funding and application forms to be specified with each round.

3. Can State Government agencies involved in research and commercialisation including (but not limited to) SA Health, Local Health Networks, apply for the Fund?

Yes; however, the involvement of partner organisations is seen as important for the translation of research. Funding co-contributions from agencies are acceptable; however, it is preferred that non-Government sources of funding also be sought. However, companies spun out of these agencies that are established as independent legal entities may lead applications for the Fund.

4. Are funding co-contributions required?

Some level of co-contribution is required for all applications. Refer to the guidelines for specific requirements under each stream.

The temporary waiver of matched funding for Stream 2 introduced in May 2020 in response to the impact of COVID-19 is no longer available.

5. Does a startup business count as an industry participant under stream 1?

Yes, as long as the business is a South Australian based legal entity and has an ABN. This includes a body established by or under an Act of the State or a company or registered body within the meaning of the *Corporations Act 2001 (Cth)*.

6. For stream 1, are funding programs administered by “funding bodies” eligible?

Stream 1 is able to support funding programs where State Government co-funding is permissible; however, specific calls will be made from time to time for applications to targeted funding programs.

7. Is the information that I provide confidential?

During the EOI process, you should only include information that you do not consider confidential. However, you may include confidential information in your application, and it will be treated in accordance with the provisions set out in the Application Form. You will also be required to submit a non-confidential summary of your proposal as part of your application. In accordance with the Freedom of Information Act 1991 (SA), documents held by the Department for Innovation and Skills (Department) or the Department for Treasury and Finance may be required to be made available to general public, unless the information is exempt.

8. Can I apply for multiple streams of the Fund?

Yes, you can, provided your proposals are for different projects/initiatives.

9. How long will the application process take from submission to a decision?

This depends on several factors including the stream applied for, the size of the requested grant, the quality of application and the complexity of the required due diligence. The RCSF Assessment Panel will convene approximately every six weeks to assess applications and make recommendations to the Minister for Innovation and Skills.

10. How do I get notified if my application is successful?

You will receive a letter from the Minister for Innovation and Skills which will provide details of the support awarded for your proposal and outline the next steps.

11. What happens if my application is approved?

The Department for Treasury and Finance (the Treasurer) will enter into a contract with you. This contract will detail the project period, scope, milestones, eligible expenditures, reporting requirements and, if applicable, repayment conditions. As soon as the contract is executed, you will be able to submit your first invoice and receive your first tranche payment (subject to any pre-requisites).

12. How do I get notified if my application is unsuccessful?

You will receive notification from the Department for Innovation and Skills. You will be able to contact your case officer to seek feedback.

13. What support will I get during my application?

You will be assigned a case officer as your main point of contact during and after your application. The case officer may provide feedback prior to submitting your application and may contact you to ask questions during the assessment of your application.

14. If unsuccessful, can I re-apply?

Yes, subject to the Fund being open to proposals/applications and your new application being sufficiently improved/revised. Your new proposal/application will go through the same assessment process.

15. What happens if I need to alter the scope of work/timeframes/milestones/expenditure?

The Department understands that external factors and the uncertain nature of research and commercialisation can impact on a business and/or a project. Should changes be required, you should contact the Department for Innovation and Skills (RCSFcontact@sa.gov.au) with your request to vary the contract as soon as possible. An officer from the Department will then discuss with you whether the variation can be accommodated. Please note that if the contract has terminated (e.g. the end date has passed), then it can no longer be amended.

16. Do I have to spend the grant money in South Australia?

No. Although the preference is to work with local suppliers/partners, we understand that not all capabilities/competencies are available in South Australia. It is up to you to justify what makes sense for your organisation and to wisely use local or external resources including those from overseas.

17. What support will I get if I am awarded a grant?

A case officer will remain engaged with you if or when necessary. They will be available for any questions related to the grant management but also for additional support (e.g. brainstorming session, introduction to key contacts and so on).

18. How does the financial acquittal work?

Depending on your project you may be required to provide interim financial acquittals or simply a final financial acquittal at the end of the grant. You will have to provide a report (templates will be provided) including all relevant invoices and proof of payments.

19. What happens from a communication (media) and marketing perspective?

This question is addressed in the contract. The South Australian Government will have the right to publish media releases mentioning your company/grant. Only non-confidential pre-agreed information will be used.

20. What is the minimum and maximum project period?

Projects must not exceed four years in duration. Please check the eligible duration of each stream in the RCSF guidelines.

21. Who sits on the RCSF Assessment Panel?

RCSF Assessment Panel meetings will include between 1 and 3 independent panel members.

22. If I am awarded a grant, how will payments be made?

The payment schedule (tranches) will be determined based on the project milestones and the applicant's cash-flow forecast. Payments are usually made in advance to allow coverage of expenses related to the next milestone. A final payment is made in arrears once the project completion report is validated and the financial acquittal completed for the entire project (State Government funding + matching component).

23. What happens at the end of the grant?

Once the project is completed (report and financial acquittal validated) you may have some ongoing reporting requirements as detailed in the contract.

24. Are projects focused on creative industries eligible to apply for the RCSF?

The RCSF is not exclusive to any group of industry sectors or commercial applications. Refer to section 3.2 of the RCSF Guidelines and the requirements for each funding stream.

25. When can I begin incurring expenditure towards the project from my matched funding?

An applicant may, entirely at their own risk, choose to incur expenditure towards their project using their matched funding, at the earliest from the 'Project Commencement Date', which is the date when the applicant's proposal is recommended for approval by the RCSF Assessment Panel (which is prior to Ministerial approval and execution of the funding contract).

26. Can directors and shareholders of the company, who wish to invest additional funding towards a new project, or new stage of the project, qualify as eligible value-add investors under Stream 2 - Incubator pathway?

Yes, provided that the investment being committed is for a new project or subsequent stage of an existing project and the investor provides added value by working actively to support the startup to grow. The RCSF is a competitive program with a fixed amount of funding available so applicants that demonstrate how the involvement of third parties (accelerators, incubators and/or value-add investors) are integral to the success of their project, are more likely to rank strongly in the assessment process.

27. Can a loan or a grant from a private company be counted towards the matched funding component?

The Guidelines do not exclude an applicant from using a loan or grant from a private company as the matched funding component noting the specific criteria for the Incubator and Scale-up Pathways within Stream 2 (refer to the Guidelines).

28. Are Simple Agreement for Future Equity (SAFE) notes an acceptable form of investment under the Incubator and Scale-up Pathways of Stream 2?

Yes, the Guidelines do not exclude the SAFE investments however the terms of conditions of that investment may be reviewed as part of the application's assessment. The investor providing the SAFE investment will still need to satisfy the specific criteria for the Incubator and Scale-up Pathways within Stream 2 (refer to the Guidelines).

29. If I have previously received or been granted funding from the South Australian Government, can I apply to the RCSF?

If an applicant has previously received a grant from the State Government for the same project, or stage of a project, then the applicant is not entitled to further funding from the RCSF. An applicant is permitted to apply for a different or subsequent stage of the project having demonstrated progress as a result of previous funding from the State Government.

30. Can sweat equity count be counted towards the matched funding component?

Applicants need to provide a minimum of 50% cash towards the matching component of their project. Sweat equity contributions will be treated as an in-kind contribution, however, the RCSF is a competitive program and applicants that provide greater cash contributions are more likely to rank strongly in the assessment process. Documentation will be required to substantiate any sweat equity component.

31. How are royalty payments calculated? When do royalty obligations take effect?

Royalty payments are calculated on net sales revenue, that is revenue from sales, less product returns and allowances. Royalty obligations commence from the project completion date and after net sales revenue exceeds \$250,000 in any financial year, subject to negotiation.

Eg. Net sales revenue = \$250,001 p.a. x 3% = \$7,500 royalty

Once repayment obligations commence, these obligations continue until the full amount of the grant (plus CPI) is repaid, acknowledging that repayment obligations may vary from year to year depending on net sales revenue. Recipients can choose to repay their obligations as a lump sum.

The repayment obligations continue if a recipient company is acquired or undergoes a change of ownership.