

Department of Jobs, Tourism, Science and Innovation



GOVERNMENT OF WESTERN AUSTRALIA



Innovation Ecosystem Support

2023-24 Guidelines

Contents

1.	Introduction	2
2.	Western Australia's Innovation Strategy	2
3.	Overview and objective: X-TEND WA	3
4.	Eligibility criteria	4
5.	Evaluation criteria	5
6.	Scope of activities	6
7.	Co-investment	7
8.	Follow on funding	7
9.	How the application process works	7
	9.1. Stage 1: Develop and submit your application	8
	9.2. Stage 2: Eligibility checks	8
	9.3. Stage 3: Evaluation	8
	9.4. Stage 4: Notification of Outcome	9
10	.How the funding works	9
11	.Other terms and conditions	10
	11.1. Reporting	10
	11.2. Freedom of Information Act 1992	10
	11.3. Conflict of Interest	11
	11.4. Tax Information for Applicants	11

1. Introduction

The Western Australian Government has reinvested another \$16.7 million in the New Industries Fund (NIF) over four years (2021-25) that will continue to support and accelerate new and emerging businesses to diversify the Western Australian economy and create new WA jobs and industries.

An additional \$9.1 million has been provided to the NIF for 2023-2025 and supports the State's Innovation Strategy and associated Innovation Action Plan.

Building jobs and new industries requires an industry-led approach to innovation and business competitiveness. The NIF was initially established in 2017 to support a self-sustaining innovation environment that encourages collaboration and private sector investment. This is helping grow State and regionally significant competitive advantages, and helping to create the required levels of skills for the jobs of the future.

The NIF is run by the Western Australian Department of Jobs, Tourism, Science and Innovation (JTSI). The NIF provides funding for a number of initiatives to foster an innovative and diversified Western Australian that is competitive, sustainable and attractive to investors, industry and entrepreneurs.

This document is written for organisations who wish to apply for the X-TEND WA program. If you have any questions about the NIF or the program please contact the innovation staff at innovation@jtsi.wa.gov.au.

2. Western Australia's Innovation Strategy

The Strategy's goal is to inspire a new generation of innovators to solve our challenges and encourage the economy to move in exciting, new directions. The mission is to elevate Western Australian innovation onto the global radar and propel the local ecosystem into a new phase of growth. The strategy sets itself the following 10-year goals to realise this vision. Western Australia will become a:

- World leader in research and inventiveness
- Location of choice for product and technology development, translation and testing
- Home to globally-focussed organisations that scale, creating new jobs
- Adopter of new technologies and a tech transfer haven
- A place where innovation is inclusive and purposeful, rewarded and respected

To achieve these 5 goals, the Government is taking action in 7 priority areas:



- **Skills, people and culture:** The Western Australian Government will invest in building additional talent across the State and attracting talent globally.
- **Research and tech transfer:** The Western Australian Government will set out a bold new science and research agenda, fit for the decade ahead, and seek to maximise technology transfer opportunities across the State's growing economy.
- **Networks, precincts and shared facilities:** The Western Australian Government will accelerate efforts to enable innovation hubs, precincts and shared facilities to strengthen the innovation ecosystem across the State.
- Access to capital: The Western Australian Government will encourage the growth of an active local venture capital market for WA innovators and investigate other ways to ensure there is access to sufficient capital.
- **Procurement and supply chains:** The Western Australian Government is making procurement easier for WA startups and small businesses to provide access to major industry and Government contracts, and will work with partners to open market access to global supply chains.
- **Diversity and inclusion:** The Western Australian Government will grow and foster the diversity and inclusiveness of the Western Australian economy, providing opportunities for greater participation in new and innovative economic activity by underrepresented groups.
- **Promotion and adoption:** The Western Australian Government will elevate efforts to promote and celebrate the outstanding scientific, technological and innovative capability of WA internationally and at home, supporting the adoption of new technologies and innovations across businesses and communities.

For more information on the WA Innovation Strategy, please visit the website.

3. Overview and objective: X-TEND WA

Ensuring the NIF supports those industries where there is potential for job growth is critical to the future of Western Australia. WA is fortunate to have talented people and many competitive advantages. The State Government is leveraging and building on these competitive advantages and focusing on growing industries that enrich lives, create jobs and diversify the economy.

In order to create new jobs and industries there is a recognised need for services to expand the capability of entrepreneurs and support their innovation journey.

There is also a need to expand the educational opportunities of investors and corporates to deliver better access to investment capital to coincide with the journey of entrepreneurs and innovative business owners in Western Australia.

X-TEND WA is a competitive co-investment grants program that invests in organisations that deliver initiatives which assist and support the WA Innovation Ecosystem. This may take the form of one or more of:

- 1. Programs that assist Western Australian entrepreneurs, startups, emerging businesses and small to medium sized enterprises to grow their capability to better navigate their commercialisation journey.
- 2. Organisations that run programs that enhance investor education, engendering confidence for investment in innovative projects in Western Australia.
- 3. Support for other programs such as: entrepreneurs in residence, co-working spaces, recurring events, incubators or innovation hubs that grow capability and networks in regional Western Australia and/or promote a more diverse and inclusive innovation ecosystem.

Please note:

- Funding for X-TEND WA is subject to available funds. All funding decisions are final and at JTSI's absolute discretion.
- Funding may be available up to, but will not exceed, \$100,000 (+GST) per entity.
- A valid application does not automatically entitle an applicant to funding under X-TEND WA.

4. Eligibility criteria

In order to be considered eligible for X-TEND WA, applicants must meet the following criteria:

- Have an Australian Business Number (ABN) and/or Australian Company Number (ACN);
- Have the business/organisation's (including not-for-profits) registered business address in the State of Western Australia; or
- Be an Australian business/organisation not located in the State of Western Australia, that agrees to register a business address in the State of Western Australia.
- Be made by a valid legal entity that can enter into a funding agreement with the Western Australian Government;



- Be a solvent Western Australian based non-government organisation (business or not-for-profit);
- Put forward a proposal that aligns with one or two of the streams within the Scope of Activities, as indicated at Item 6 below;
- Clearly explain how the proposal will contribute to job creation and economic diversification in Western Australian; and
- Include a project plan that includes a timeline, deliverables, a clear and reasonable budget, resources, risks, IP management, stakeholder engagement and how impact/success will be measured.

Employees and Officers of JTSI, and their immediate families, are not eligible to apply.

Previous X-TEND WA recipients may apply for the same initiative but must demonstrate a strong market need.

5. Evaluation criteria

Eligible applications are required to address the following Evaluation Criteria via the X-TEND WA <u>online grant platform</u>. The applications will be scored against the Evaluation Criteria to determine the extent to which the application meets the investment requirements of Government and whether they offer value for money as an investment and against other applications.

The New Industries Fund will invest up to, but not exceeding, \$100,000 (+GST) per successful application. Applications seeking funding in excess of \$100,000 will not be considered.

The six, equally weighted Evaluation Criteria used to assess application are as follows:

- 1. The extent to which the program or initiative provides a comprehensive solution to a market need within the Western Australian innovation community.
- 2. Uniqueness applications will need to demonstrate how the program or initiative is unique in the innovation space. Uniqueness may be supported by verification of ownership of the program.
- Contribution to two or more of the 7 priority action areas in the WA Innovation Strategy (Skills, people and culture; Research and tech transfer; Networks, precincts and shared facilities; Access to capital; Procurement and supply chains; Diversity and inclusion; and, Promotion and adoption)
- 4. Return on investment to the State, including job creation and economic diversification.



- 5. Capability and capacity of proponent to deliver the program or initiative, including track record.
- 6. Feasibility of the proposed program or initiative, including risk, affordability and a project plan which includes how the program or initiative will be promoted to attract the maximum number of people within the target audience and how you will measure success.

6. Scope of activities

JTSI is seeking applications which deliver initiatives that assist, support and grow the WA Innovation Ecosystem. This may take the form of educational forums, mentoring, ideation, incubator, accelerator, scale up and investor ready programs, co-working spaces, recurring events and innovation hubs. Initiatives will be delivered over 12 months. JTSI will accept applications from entities, with a proven track record of success that can deliver activities in one or two of the following streams:

- Entrepreneurial education programs which equip startup founders and entrepreneurs with the understanding and skills to successfully navigate the commercialisation process. Examples include: business mentoring, ideation, incubators, accelerators, scale up and investor ready programs where there is a strong market need. High valued programs which provide entrepreneurs, startups, innovation-drive enterprises or SME's with high impact potential to build successful, sustainable and scalable businesses are strongly encouraged.
- 2. **Investor education** programs which educate and activate current and potential investors, through providing best practice tools to make more successful investment decisions for investing in local innovation ventures. By doing so this will encourage the availability of more private capital for emerging industries, improving overall outcomes for Western Australian enterprises.
- 3. **Broader ecosystem support** other (than above) programs, co-working spaces, entrepreneurs in residence, recurring events, incubators and innovation hubs that educate and build networks in regional Western Australia and/or promote a more diverse and inclusive innovation ecosystem.

A focus on diversity and inclusion is strongly encouraged in all applications.

Applications will be particularly welcomed for initiatives that aim to improve entrepreneurial and/or investor education for **regional**, **female** and **indigenous** entrepreneurs and innovators.

X-TEND WA is open to all investor markets and industry sectors that clearly demonstrates a strong market need.



The initiative must be delivered in Western Australia and contribute towards the growth of the innovation community. Applications that strengthen innovation ecosystem collaboration and improve access to, or participation in, the Western Australian innovation community are encouraged.

7. Co-investment

A 1:1 co-investment is preferred in this process. However, it is recognised that some vital initiatives may not be able to attract this level of co-investment. As such partial or non-matched co-funding applications may be considered and evaluated on a case by case basis where a demonstrated market need is shown and at JTSI's absolute discretion.

Applications that focus on **regional**, **indigenous** and/or **female** founders may not be expected to provide as much co-contribution, and in some cases, none at all (depending on the attractiveness of the application). Applicants can make the case for less co-investment in their application.

The co-investment cannot comprise or include funds, sponsorship or otherwise from the Western Australian State Government.

8. Follow on funding

Applicants are invited to identify if their program or initiative will run for 1 or 2 years in the application process. Successful X-TEND WA recipients will be funded for an initial 12 months. Additional follow on funding for the second year, (not exceeding \$100,000) may be considered based on the proven outcomes from the first year; a demonstrated strong market need; and is subject to available government funding and at JTSI's absolute discretion.

9. How the application process works

To be considered for funding for X-TEND WA, your application can be submitted via the <u>online grants platform</u> at any time.

Applications are welcome at anytime, once they are ready for submission. Please note that an independent panel will review submitted applications during October 2023 and again, in February 2024.

The successful applicants selected from the October 2023 assessment, will be required to be available to sign funding agreement documentation during November 2023.

The successful applicants selected from the February 2024 assessment will be required to be available to sign funding agreement documentation during March 2024.



The application evaluation comprises four stages and each stage is described below.

9.1. Stage 1: Develop and submit your application

Applicants should consider <u>New Industries Fund - X-TEND WA Guidelines</u> prior to completing their written application. Applications must be completed via the <u>online grant platform</u>.

Applications can be submitted at any time of the year but they will only be assessed during October and February.

JTSI officers cannot review and quality check your application. However, you should feel free to ask specific questions, especially if you would like to clarify the requirements.

Applicants are to exercise caution when using generative AI tools in the preparation of grant applications, given it may not be possible to monitor or manage subsequent use of information entered into generative AI databases.

Applicants must certify that all information provided in their applications is accurate, as they are accountable for any misinformation and factual errors more broadly, including those resulting from the use of generative AI in their applications.

Applicants should appreciate that the X-TEND WA grant application process does require an investment of time, and they should weigh this against the likely competitiveness of their application.

9.2. Stage 2: Eligibility checks

Once you complete your application it will be assessed by JTSI to make sure that it has all the required information and meets the basic criteria for the program.

If your application does not meet these basic requirements it will not be assessed further. You will be notified via email at the end of the process as to the outcome of your application.

In some circumstances (for example, if a simple point needs to be clarified) JTSI officers may contact you to request additional information to assist with progressing your application. See Item 5 for eligibility criteria.

9.3. Stage 3: Evaluation

Your application will be evaluated to determine the extent to which the application meets the investment requirements of Government and whether it offers value for money as an investment.

As there will likely be multiple applications competing for a finite pool of funds, there will be a competitive assessment to identify the strongest applications.



JTSI will draw on a range of information to understand and assess your application. The application form, and its supporting documentation, will be the first piece of information JTSI considers.

The panel may also draw on information that it gathers from referees, Internet and other sources, as well as financial due diligence checks conducted by the panel and JTSI officers.

Evaluation panel members will be required to complete a conflict of interest declaration and any conflicts will be managed.

Applications will be scored against the six evaluation criteria (see section 5 above) to determine whether they offer value for money as an investment and against other applications. This scoring will be used to make a recommendation to JTSI along with advice on the strengths and weaknesses of each application. JTSI makes the final decision on awarding funding.

JTSI reserves the right to subject any application to a competitive process, or not proceed at all, should the proposal fail to meet any of the above criteria to JTSI's satisfaction at any point during the assessment process outlined in this document.

9.4. Stage 4: Notification of Outcome

You will be advised of the outcome of your application by emailed letter once JTSI has made a decision. JTSI's decision is final and no further correspondence will be entered into.

If your application is successful the letter will include an offer of funding and you will be asked to enter into a Financial Assistance Agreement (FAA).

10. How the funding works

Your funding will be managed under a Financial Assistance Agreement (FAA), which will link payments to agreed milestones and key performance indicators. Initiatives will be funded for a set value (not exceeding \$100,000) and specified purpose and duration. Your project plan needs to clearly identify the components of your program or initiative that the funding from X-TEND WA will be applied. X-TEND WA funding <u>cannot</u> be spent on 'business as usual' salaries for existing staff.

JTSI reserves the right to check the financial stability of all selected applicants before funding agreements are finalised.

No rights to financial assistance accrue until such time as the FAA has been executed by JTSI.

Any follow on funding will be subject to: WAES Guidelines



- achievement of deliverables and key performance indicators that are agreed in the funding agreement;
- evaluation of outcomes;
- available funds; and
- at JTSI's absolute discretion.

The provision of financial support under this program shall be at the absolute discretion of JTSI and is subject to the availability of funds.

11. Other terms and conditions

11.1. Reporting

If you receive funding from this program, you will be required to undertake reporting against your Key Performance Indicators as part of milestone payments.

You will also be requested to provide JTSI impact measurements, on an annual basis, outside of the term of your agreement to determine the effectiveness of the State's investment in X-TEND WA.

It is expected that all recipients of NIF funding add their organisation to <u>Dealroom</u>, under the 'Accelerators', 'Workplaces', 'Universities' section, or as appropriate. Here you can add your organisation and grant information, that then becomes visible to the WA Innovation Ecosystem, unlocking features and helping the database become more complete.

11.2. Freedom of Information Act 1992

JTSI is subject to the *Freedom of Information Act 1992*, which provides a general right of access to records held by Western Australian State and Local Government agencies.

Information that relates to the receipt of State Government financial support may be tabled in the Western Australian Parliament. This information could include names of recipients, the amounts of financial support, the name of the project/activity and, possibly, a brief description of the project/s funded. This could result in requests for more detail to be released publicly. Likewise, recipients may be mentioned in Ministerial media releases, on the JTSI website, and social media platforms.

Further information on the operation of the *Freedom of Information Act 1992* can be obtained from JTSI's website.

11.3. Conflict of Interest

You will be required to complete a conflict of interest form that discloses any information that might be relevant to an actual, perceived or potential conflict of interest.

11.4. Tax Information for Applicants

JTSI regards this grant program as having sufficient nexus for supply, and as such grant funds will be inclusive of GST.

Grant Recipients must provide JTSI with a tax invoice inclusive of GST.