



Australian Government
Department of Innovation
Industry, Science and Research

AUSTRALIAN GOVERNMENT PROGRAMS AND INCENTIVES AVAILABLE TO THE ICT INDUSTRY

AS AT AUGUST 2011

This guide provides a summary of Australian Government assistance programs that are available to the Information and Communications Technology (ICT) Industry. It has information about a range of Australian Government programs which can help you to create, innovate, grow and compete globally.

There are five sections:

1. Creating innovative Australian ICT solutions, products and services
2. Getting advice, support and capital to develop an Australian ICT business
3. Selling ICT products and services to the Australian Government
4. Exporting Australian ICT products and services
5. Linking with and enhancing Australian ICT science and research capabilities

The best place to go for information about all aspects of running an Australian business is the Australian Government business portal www.business.gov.au. The portal offers you simple and convenient access to all the government information, transactions and services you need. It is a whole-of-government service providing essential information on planning, starting and running your business. Other information can be found at www.innovation.gov.au/Industry/InformationandCommunicationsTechnologies.

Refer to supplied websites for the most up-to-date information.

1. Creating innovative Australian ICT solutions, products and services

The Government has outlined its innovation agenda for Australia over the next decade in *Powering Ideas: An Innovation Agenda for the 21st Century*. More information about Powering Ideas can be found at <http://www.innovation.gov.au/Innovation/Policy/Pages/PoweringIdeas.aspx>.

Program/Incentive	Program Description / Background	Benefits for ICT businesses
Commercialisation Australia	<p>Commercialisation Australia will assist researchers, individuals and innovative firms to convert their ideas into successful commercial ventures. Commercialisation Australia will provide an integrated suite of assistance measures that will be tailored to the needs of each successful applicant.</p> <p>5 years, with ongoing funding of \$82 million a year thereafter.</p>	<p>Researchers, entrepreneurs and innovative firms looking to commercialise innovative products, processes and services, are eligible under Commercialisation Australia to receive:</p> <ul style="list-style-type: none"> • specialist advice and services to build the skills, knowledge and linkages necessary to successfully commercialise their ideas; • funding of up to \$250,000 for proof of concept activities; • funding up to \$200,000 overview years to assist recruitment of experienced senior executives; and • funding of up to \$2 million for early stage commercialisation activities. <p>Website: http://www.commercialisationaustralia.gov.au/</p>
Research and Development (R&D) Tax Credit	<p>The \$1.8 billion R&D Tax Credit was introduced on 1 July 2011 to encourage Australian industry to undertake research and development (R&D) activities.</p>	<p>A 40 per cent non-refundable credit (equivalent to a 133 per cent concession) is available to companies undertaking eligible R&D in Australia with a turnover of more than \$20 million is available to multinationals and in circumstances where the intellectual property is owned overseas.</p> <p>A 45 per cent refundable credit — equivalent to a tax concession of 150 per cent — is available for companies undertaking eligible R&D in Australia with an annual turnover of less than \$20 million. This means that small and start-up firms have access to a tax refund of 45 per cent of their R&D spending when they file their tax return even if they finish an income year in a tax loss position.</p> <p>From 1 January 2014 the Government will introduce quarterly payments for small and medium businesses.</p> <p>Website: http://www.ausindustry.gov.au/innovationandrandd/randdtaxcredit/Pages/RandDTaxCredit.aspx</p>

<p>Green Car Innovation Fund (GCIF)</p>	<p>The GCIF provides assistance over ten years, commencing 2009–10, to Australian companies for projects, individuals and other entities that significantly reduce fuel consumption and/or greenhouse gas emissions of passenger motor vehicles.</p> <p>Grants are provided at a ratio of \$1 of government funding for every \$3 of eligible company expenditure.</p>	<p>Australian companies developing innovative technology solutions that significantly reduce the fuel consumption and/or greenhouse gas emissions of passenger motor vehicles are eligible under the GCIF to receive grant funding to support the costs of their R&D early-stage commercialisation efforts.</p> <p>Website: www.ausindustry.gov.au/Manufacturing/Pages/home.aspx</p>
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2. Getting advice, support and capital to develop an Australian ICT business

The Australian Government has a range of programs to help ICT companies turn their ideas and products into successful businesses.

Program/Incentive	Program Description / Background	Benefits for ICT businesses
Enterprise Connect	<p>Enterprise Connect is a \$50 million a year program designed to help small to medium enterprises develop the skills, tools and knowledge to improve their competitiveness, productivity and growth.</p>	<p>Software development and interactive entertainment firms are eligible to receive a free Enterprise Connect Business Review to help identify opportunities to improve their business. Through the Tailored Advisory Service, Enterprise Connect also offers up to \$20,000 in matching funding to then help firms implement recommendations arising from the Business Review.</p> <p>Certain eligibility requirements such as a \$2 million minimum level of turnover apply. Further information on Enterprise Connect and eligibility is available at: www.enterpriseconnect.gov.au</p>
Researchers in Business	<p>The Australian Government committed \$10 million within Enterprise Connect to support the placement of researchers from universities or public research agencies into SMEs where such a placement would help develop and implement new ideas with commercial potential.</p> <p>Researchers in Business aims to help break down the cultural divide between industry and the research sector, speed the dissemination of expertise and accelerate the adoption of new ideas and technologies in order to increase competitiveness of firms.</p>	<p>ICT businesses are eligible under Researchers in Business to access funding to subsidise the cost of paying an eligible researcher to work with them on particular projects that develop commercial potential and create new capabilities within the firm.</p> <p>Researchers in Business can provide ICT businesses with funding of up to 50 per cent of salary costs, to a maximum of \$50,000. Placements can be for a period of 2 to 12 months. Researchers must spend a significant time period working on-site within the firm.</p> <p>Certain eligibility requirements such as a \$1 million minimum level of turnover apply. Further information on Researchers in Business and eligibility is available at: www.enterpriseconnect.gov.au</p>

Small Business Support Line (SBSL)	The \$10 million Small Business Support Line provides small business owners with a single point of contact to access information and referral services to improve their business sustainability and help manage their business.	SBSL provides small businesses, including any small ICT business, with a free service offering advice and support over the phone. SBSL provides assistance for small businesses on matters such as finance and cash flow management, business planning and diagnostic services, legal, accounting and taxation services, personal stress and hardship counselling, occupational health and safety, intellectual property and Government regulation. The SBSL toll-free-number 1800 777 275, open Monday to Friday from 8:00 am to 8:00 pm. Further information is available at: http://www.ausindustry.gov.au/SBSL
National Workforce Development Fund	The National Workforce Development Fund (NWDF) provides funding of \$558 million to support the training of existing workers and new workers in areas of identified business and workforce development need.	The NWDF provides opportunities for enterprises to partner with registered training organisations to design and deliver training packages. Applications are to be submitted through Innovation and Business Skills Australia. A link to the IBSA NWDF application process is at: http://surveys.ibsa.org.au/TakeSurvey.aspx?SurveyID=86K0396 . Further information is available at: www.deewr.gov.au/Skills/Programs/SkillTraining/nwdf
Suburban Jobs	The Suburban Jobs Program is a \$100 million commitment by the Australian Government to support State, Territory and local governments to plan and provide for employment hubs to support local jobs, close to residential areas in order to reduce travel times to work and services. The four-year Suburban Jobs Program will commence in 2011-12 and conclude in 2014-15.	The Suburban Jobs Program will focus on the outer suburbs of our major cities that are experiencing pressures from population growth and transport affordability. It will also provide grants to companies who fund innovative ways to use the National Broadband Network to reduce travel times. Check the website at: http://www.environment.gov.au/sustainability/suburbanjobs/index.html for announcements about program updates and detail regarding eligibility for funding.
Digital Enterprise	The \$12.4 million Digital Enterprise initiative will assist small to medium and not-for-profit organisations in local communities to benefit from the National Broadband Network.	The Digital Enterprise initiative will provide small and medium businesses with group training seminars as well as one-on-one advice on how they can use the National Broadband Network to make greater use of online opportunities to grow and enhance their businesses efficiency and better achieve their organisation goals. The initiative will be offered to 40 communities to first benefit from the NBN. For information about the NBN rollout, visit www.nbnco.com.au/our-network/maps.html . Continue to check the website www.dbcde.gov.au/digitalenterprise for more information eligibility and selection criterion is developed.
Venture Capital Limited Partnerships Program (VCLP)	An entitlement program that provides new venture capital funds and their foreign investors with an exemption from capital gains tax on eligible investments. The program is aimed at stimulating the Australian venture capital sector by attracting foreign investors.	ICT businesses looking to fund growth at any stage of their development, which have less than \$250 million in assets, may be able to access venture capital from funds registered under VCLP. There are currently 41 private sector venture capital funds (includes five conditional registrations) a number of which target ICT investments. Further information and contact details for VCLP capital funds are available at: www.ausindustry.gov.au/VentureCapital/Pages/home.aspx

<p>Early-Stage Venture Capital Limited Partnerships Program (ESVCLP)</p>	<p>ESVCLP is an entitlement program that provides flowthrough tax treatment (ie. it is not a taxing point) and any returns on its investments are tax exempt in the hands of its investors (limited partners), both domestic and foreign.</p> <p>The program aims to stimulate Australia's venture capital sector by making available to fund managers a world-class investment vehicle for early-stage investment.</p>	<p>Early-stage Australian ICT businesses looking to fund growth may be able to access capital from funds registered under the ESVCLP program if their total assets are no more than \$50 million and their primary activity is not finance or property development. A number of registered ESVCLP funds target ICT investments.</p> <p>Further information and contact details for ESVCLP capital funds are available at: www.ausindustry.gov.au/VentureCapital/Pages/home.aspx</p>
<p>Innovation Investment Fund (IIF) Program</p>	<p>The IIF program is an ongoing venture capital program that invests in private sector venture capital funds to assist small companies in the early stages of development to commercialise the outcomes of Australia's R&D capability.</p> <p>The program is competitive and the decision on whether a company enters the program (and the level of financial assistance provided) is made by the private sector fund manager, not the Government.</p>	<p>Start-up businesses that are supported under the IIF program have access to capital and the managerial expertise of a private sector venture capital fund manager to assist in commercialising the company's innovation. A number of the IIF fund managers have a particular preference for investing in start-up ICT businesses.</p> <p>Further information and contact details for IIF fund managers is at: www.ausindustry.gov.au/VentureCapital/Pages/home.aspx</p>

3. Selling ICT products and services to the Australian Government

The Australian Government can help Australian companies who wish to sell ICT to the Government. The Government offers assistance consistent with achieving value for money and with Australia's international trading obligations.

Program/Incentive	Program Description / Background	Benefits for ICT businesses
<p>AusTender</p>	<p>AusTender provides centralised publication of Australian Government business opportunities, annual procurement plans, multi-use lists and contracts awarded. Businesses can register their area of business interest in an AusTender profile and receive free automatic notification via email of the latest opportunities as they are published. The site also provides links to Australian Government procurement policy documents, guidelines and general information that will assist in understanding the Australian Government procurement environment.</p>	<p>For ICT businesses looking for opportunities to sell their goods and services to Australian Government agencies, AusTender (www.tenders.gov.au) provides centralised publication of all Australian Government tenders, annual procurement plans, multi-use lists and contracts awarded.</p>

Limited Liability in Commonwealth Government ICT Contracts.	The Australian Government's ICT liability policy requires agencies subject to the Financial Management and Accountability Act 1997 to, in most cases, limit (cap) the liability of ICT suppliers at appropriate levels based on the outcomes of a risk assessment. Unlimited liability should only be required when there is a compelling reason.	For ICT businesses seeking to access the Government ICT market, the limited liability policy (specifically developed for ICT procurements) seeks to reduce the liability coverage required for Government ICT contracts and decrease the costs of tendering and supplying the Government. ICT companies can refer to Finance Circular 2006/03 , to familiarise themselves with the policy guidance issued to Government agencies concerning the ICT liability policy. ICT companies can also refer to A Guide to Linking Supplier Liability in ICT Contracts with Australian Government Agencies for an insight into how Government procurement officers implement the limited liability policy.
Selling to the Australian Government – A Guide for Business	The Australian Government developed a practical guide to help businesses navigate selling to Government agencies.	For ICT businesses seeking to sell goods and services to the Australian Government, this Guide provides insight and guidance on how the government market works, the rules that apply when the Government buys from the private sector, where to find business opportunities and how to win government business. A copy of the Selling to Government Guide is available on the Department of Finance and Deregulation website at www.finance.gov.au .
Small and Medium Enterprise (SME) participation procurement policy for large ICT procurements	For ICT contracts with an expected value of \$20 million or more, Australian Government agencies, subject to flexible administration, are to ensure that prime tenderers meet a minimum SME participation level of 10 per cent of the contract value for ICT hardware purchases, and 20 per cent of the contract value for ICT services purchases.	This procurement policy encourages prime contractors set aside a minimum share of their contract for SMEs to participate as subcontractors. Website: www.innovation.gov.au/Industry/InformationandCommunicationsTechnologies

4. Exporting Australian ICT products and services

The Australian Government actively pursues every opportunity to open up global markets for our exporters and to encourage investment flows across all sectors.

Program/Incentive	Program Description / Background	Benefits for ICT businesses
Export Market Development Grants (EMDG) Scheme	The EMDG Scheme is a key Australian Government financial assistance program for aspiring and current exporters. Administered by Austrade, the EMDG supports a wide range of industry sectors and products, including inbound tourism and the export of intellectual property and know-how outside Australia.	Eligible Australian firms can claim 50 per cent of their eligible export promotion expenditure above a threshold of \$10,000. A maximum grant of \$150,000, subject to there being available funds in the Scheme, applies. There are other eligibility requirements. Website: www.austrade.gov.au/What-Is-EMDG/default.aspx Email enquiries: www.austrade.gov.au/EMDG-general-enquiry-form/default.aspx

<p>Tradex Scheme</p>	<p>The Tradex Scheme promotes economic activity leading to exports, and helps make Australian industry more internationally competitive.</p>	<p>Manufacturers can register to import goods without incurring the up-front payment of customs duty or other taxes, provided that the goods are subsequently exported or incorporated in goods that are exported.</p> <p>Tradex allows manufacturers to achieve cash flow advantages because it provides an up-front exemption rather than the need to apply for a drawback (which relies on a return of the duty to the exporter only after the re-export has occurred).</p> <p>Website: www.ausindustry.gov.au/ImportandExport/Pages/home.aspx</p>
<p>Export Finance and Insurance Corporation (EFIC)</p>	<p>EFIC is a self-funding statutory corporation, wholly owned by the Government of the Commonwealth of Australia. As Australia's export credit agency, EFIC provides specialist finance and insurance services to Australian companies exporting and investing overseas.</p> <p>EFIC operates beyond the limits of the commercial market. It provides the support when financial, country or industry risks exceed the capacity available in financial markets.</p>	<p>For Australian companies looking to export their goods and services, EFIC can help them obtain unsecured pre-shipment finance where they do not have sufficient security to obtain additional bank finance. EFIC can provide a range of finance and insurance facilities to assist businesses export Australian goods and services.</p> <p>Website: www.efic.gov.au</p>

5. Linking with and enhancing Australian ICT science and research capabilities

Through a suite of initiatives, funding programs, statutory authorities and agencies the Australian Government supports Australian researchers to participate in leading-edge science with both domestic and international partners.

Program/Incentive	Program Description / Background	Benefits for ICT businesses
CRC Program	<p>The CRC Program is aimed at delivering significant economic, environmental and social benefits to Australia by supporting end-user driven research partnerships between end-users and publicly funded researchers that address clearly articulated, major challenges that require medium to long term collaborative efforts.</p> <p>The Government has committed \$665 million to the CRC Program over 4 years from 2010–11.</p>	<p>The CRC Program provides a mechanism for ICT companies to engage with ICT researchers to cooperatively tackle new and previously unsolved technology challenges. There are currently four CRCs with an ICT focus:</p> <ol style="list-style-type: none"> 1. Capital Markets CRC 2. CRC for Infrastructure and Engineering Asset Management 3. CRC for Spatial Information-2 4. Smart Services CRC <p>Website: https://www.crc.gov.au/Information/default.aspx</p> <p>The 14th selection round closed on 1 July 2011. Check website for announcements of the successful CRCs.</p>
CSIRO ICT Centre	<p>The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is Australia's national science agency that develops science and innovative solutions for industry, society and the environment.</p> <p>The ICT Centre is one of the largest ICT research facilities in Australia and it seeks to transform Australian industries and society through the application of innovative ICT research on national needs. The current focus areas being led by the ICT Centre include wireless broadband, e-health and sensor and sensor networks research.</p>	<p>The CSIRO ICT Centre provides a range of partnering and technology transfer arrangements. The ICT Centre employs almost 300 research scientists, software engineers and PhD students and comprises five capability laboratories. These are:</p> <ul style="list-style-type: none"> • Autonomous Systems • Information Engineering • Wireless and Networking Technologies • Australian e-Health Research Centre (a joint venture with the State of Queensland) <p>Tasmanian ICT Centre (established in 2006, the Centre received a \$50 million funding package, including \$45 million from the Australian Government, to allow its work to continue for another five years form 2011-12. The funding will help Tasmania build the skills and tools needed to benefit from the digital age.).</p> <p>Further information can be found at www.csiro.com.au/science/ICT.html</p>

<p>National ICT Australia (NICTA)</p>	<p>NICTA is Australia's ICT Centre of Excellence focused on developing use-inspired basic research to address the ICT challenges facing industry, community and the national interest.</p> <p>The Government has provided a four year extension of NICTA funding from mid-2011 to mid-2015 totalling \$185.5 million.</p>	<p>NICTA helps strengthen Australian ICT research capabilities and build a sustainable Australian ICT sector by:</p> <ul style="list-style-type: none">• making fundamental advances in ICT that can underpin the development of globally competitive products, processes and services;• building innovative ICT companies; and• contributing skills and outcomes that change the profile of the ICT industry. <p>Website: www.nicta.com.au</p>
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