

Government Commercial and R&D Funding

The following summary of grants has been contributed by Simon Lempriere of The Resources Group, www.trg.co.nz

Technology NZ schemes

SmartStart

SmartStart grants allow companies to engage an independent technology consultant to investigate where technological innovation and R&D projects could benefit the company. Consultancy can be used to assist in project design, planning and assessment, establishing the technology gap and verifying the opportunities, advice and guidance, feasibility studies, international technology acquisition and strategic technology planning.

The SmartStart assistance is dependent upon there being a credible prospect of a significant R&D project to be undertaken as a result of the findings. SmartStart will meet up to 50% of qualifying external expenditure up to the value of \$5,000 including GST. In certain circumstances this amount can be higher.

Grants for Private Sector R&D

The Grants for Private Sector R&D scheme is designed to encourage companies to undertake R&D and is almost about quantity rather than quality research. You must focus on research and then undertake development as a result of that research.

For every three dollars you spend on R&D, you are reimbursed one dollar. It provides for a grant of up to \$100,000. That means the total project needs to be \$300,000 including GST or greater to get the full \$100,000.

Reports and payments are filed quarterly. Your time and the time of employees in your company qualify, as do the materials used in developing

prototype equipment. The scheme is also used for R&D into manufacturing processes and systems where the research will result in an improved and therefore more competitive process.

Technical Assessment Project

A Technical Assessment Project is a short programme of experimentation required to determine whether or not the first step (or intermediate step) in a development project is likely to be successful or whether some other critical factor is technically feasible.

The grant explores the business opportunity, the technical plan, increasing the technical knowledge and skills within your company, and also a brief view of the market you hope to sell into. The fund makes a 1:1 contribution towards project costs, up to \$100,000 including GST.

Technology for Business Growth

The Technology for Business Growth (TBG) scheme is a much higher-level scheme aimed at assisting companies, generally already undertaking R&D, to take their technical capabilities to a new higher level. TBG investments are targeted at innovative, high-risk, technology-based R&D projects that aim to develop high added-value, high-margin, technology-based products or processes and services.

This scheme requires that there be a significant technology gap to be overcome and that the outcome should generate substantial revenue for your company. It is a complex process and is similar to that of a Company Information Memorandum. It provides for 1:1 funding and the project can be spread over a period of up to five years, although one to three years is more typical.

Technology for Industry Fellowships

The Technology for Industry Fellowships (TIF) programme enables students and experienced researchers to assist and complete R&D projects in companies. TIF supports science, technology and engineering projects conducted in and managed by New Zealand companies. The Fellow must spend a minimum of 50% of their time on the project in the company. This scheme operates on three levels, Undergraduate, Education and Expert, with varying rates of co-funding.

NZT&E schemes

Enterprise Development Fund

The Enterprise Development Fund (EDF) is available to entrepreneurs, start-ups, existing businesses and groups of three or more businesses. The Fund is divided between Enterprise Development Grants and Enterprise Network Grants. Enterprise Development Fund grants are offered to successful applicants on a 50:50 reimbursement basis up to \$20,000 including GST.

The Enterprise Development Grant can assist with qualifying costs and contracting external advisors who can provide expert knowledge to the project's success. Of most value to clients is the ability to reimburse half the cost of patent and other intellectual property protection costs, market surveys (in other than New Zealand and Australia — a CER consideration), and expertise used to assist with prototype development. This is a contestable grant scheme.

An Enterprise Network is a group of three or more New Zealand companies co-operating strategically to increase their earnings by building capability and/or targeting specific international opportunities. Each company retains its separate identity and owner control, while gaining the benefits of critical mass and scale. Enterprise Networks can receive funding, advice and access to NZTE's global network to assist them with international market development and the transfer of international business skills.

Growth Services Fund

This is a NZ Trade & Enterprise initiative and is designed to help you undertake commercially promising projects that would otherwise be deferred due to a lack of capability. This lack might be financial, managerial, technological or something else. The fund provides assistance for upgrading management capability where you are aware of weaknesses.

The Fund is accessible only for companies who have been identified as having clear and significant growth potential and for whom a development plan has been compiled by Client Services staff. The fund is intended to assist with new initiatives and new directions, and is aimed at having a significant impact on the business leading to substantial, sustained growth. The goal is to support businesses of medium size — specifically, those with an annual turnover of about \$5 million to \$50 million.

A business with a higher turnover than \$50 million but fewer than 100 staff would also be eligible. A subsidiary (one owner over 50%) inherits the eligibility of its parent. The project needs to have credible potential for a significant expansion of the business's turnover or employment and preferably both. In turnover, 'significant' means an average annual increase of 20% (and at least \$1 million) a year over five years. In employment, it means an additional 20 full-time equivalent staff in three years, or an additional 50 in five years.

International Business Exchange Programme

Part of the Growth Services Fund, the NZ Trade & Enterprise International Business Exchange Programme facilitates the transfer of international business skills that are not readily available in New Zealand to small and medium-sized New Zealand businesses with potential for high growth.

The programme aims to achieve this by contributing to opportunities for these businesses (and their promising staff) to build:

- capabilities in areas that are likely to be critical to the growth of those businesses into internationally competitive organisations; and

- significant international networks with overseas experts and strategic partners able to contribute to the growth of their capabilities in these critical areas.

The programme provides successful applicants with financial assistance of up to \$75,000 including GST for an approved international business exchange.