

How to get a government grant

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Getting a government grant can be a great way to accelerate the growth of your business. But while there are some valuable grants around - check out our story on the best government grants at a state and federal level to get an idea of the biggest and most popular grants available - the process of applying for a grant can be complex, daunting and time consuming.



To help you navigate the maze, we've talked to some of Australia's expert grant consultants to get the best tips, traps and warnings for getting a government grant.

What you will need

Before you rush out to get a grant, consider the following requirements:

Time. This isn't really free money from the government - finding a grant, preparing the necessary documentation, meeting with the right government officials and then reporting on your progress all takes many hours.

Professional help. You can have a go at applying for a government grant by yourself, but many experts (and many government departments) recommend getting help from a professional who is experienced in the grants process. There are hundreds of consultants specialising in government grants, but a good accountant and lawyer will also be important sources of advise.

Money. If you're going to get help from professionals, it's going to cost you. Given this fact, it's worth making sure it's actually worth your time and money to get the grant you're applying for.

Finding grants that can help your business

There nothing more annoying than struggling along and suddenly learning that a colleague or competitor has just received a government grant. But actually finding which grants you are eligible for is not an easy task.

Here are some places to start:

Government websites. Most governments now have a grant finder tool on their websites which allow a company to search through available grants, usually organised according to industry sectors. The Federal Government's grant finder tool can be found **here**.

Industry associations. Industry associations usually provide a fountain of knowledge about the grants available for your specific sector.

Government bodies. The business advisers attached to Federal Government's Enterprise Connect centres offer free business reviews to eligible businesses and will be able to point you towards appropriate grants.

Grant consultants. These experts know the ins and outs of the grants world and should be able to pinpoint the best grants for you. Of course, this service will cost you.

When to seek professional help

The process of applying for some government grants can be so complex that many companies seek professional help, either from an accountant, lawyer or business adviser, or from a specialist grant consultant, who will prepare your application, meet with the right government officials and

generally make sure you get your money. Indeed, most grant consultants operate on a success fee, typically 5-10% of the grant value.

But it can be worth it. Katrina Gerhardt, a grant consultant with Brisbane firm Campbell Stewart, cites Austrade data that show consultant-prepared applications for the Export Market Development Grant obtain grants 15-20% higher than self-prepared applications.

But when should a company bring in external grant help?

Bruce Patten, founder of grant consultancy firm Patten Group says he often tells clients that there are number of grants they can apply for themselves, such as a number of NSW State Government and even the COMET grant (a Federal Government grant for companies looking to commercialise technology).

Ross Turetsky, managing director of Grant Solutions, says companies need to consider three things when deciding whether to get external help: their level of expertise, the amount of money they have to spend and the time they have available.

He says most larger companies have no time, but a bit of money to invest in a consultant, while smaller firms have plenty of time to spend preparing their application but very little cash to spend getting professional help.

Gerhardt says grant consultants should be involved right from the start, preferably even before the company applies for a grant. "If they are there from the start, we can even advise them on how to structure their business," she says. For example, the R&D tax concession is only available to businesses that are incorporated; changing this structure before a company makes an application is therefore crucial.

Patten agrees. "You've got to look at grants the same way you look at tax planning. You don't wait until the end of the year to start finding ways to reduce your tax bill."

But there are others who say that companies applying for grants need to take some ownership of the process. One source who works inside a government grants program says consultants should consult, not completely take over.

"The company really needs to 'own' that grants process. Too many grants from consultants come in looking like consultants' grants," he says.

"And if you are going to be applying for a number of grants, it's really important to get familiar with the process and the amount of work required, and develop some expertise in that area."

Turetsky says that even those companies that use grant consultants must ensure that at least one manager is given the role of following the grants process closely.

"Someone has to be the champion. For me, as an external consultant it's hard to be really effective unless I can get a lot of help from inside the company."

Application tips and traps

If you decide to tackle the grants process yourself, here are some tips from grant consultants on how to get the best result:

Make sure you're eligible. Sounds obvious, but Ross Turetsky says experience tells him around 10% of grant submissions get knocked back purely because they are ineligible.

"Companies get excited and apply, but they don't actually read all the criteria." A common mistake is that companies believe they are eligible for a grant because they work in a particular industry or area, but don't realise that the specific project for which they seek funding is ineligible. Don't give the grant assessors a simple reason to deny your application!

Give yourself time. Several grant consultants said companies often underestimate the amount of time and effort it takes to prepare a grant. While each grant is different, Peter Nolle from grants consultancy Treadstone says companies should set aside three to four weeks (that's with one person working on the application full-time) for one of the big, competitive grants.

Use the correct application forms. Another tip that sounds obvious, but Ross Turetsky says many of the online forms provided by government departments are a nightmare - very difficult to use, not compatible with spelling and grammar checking and generally unwieldy. But while it's tempting to prepare your own forms, don't do it - it just makes it harder for the assessors if it's in a non-standard form. "Do the whole application process in Word, use spell check and grammar check and then cut and paste," Turetsky suggests.

Make sure you understand the objectives of the grant and the legislation supporting it.

Bruce Patten says some bureaucrats who assess grants can unfortunately take a bit of a policing attitude to applications - looking for what's wrong, rather than all the things that are right about a company's application. As such, companies need to be very careful about the wording of their grant. "By using the wrong word, they can shoot themselves in the foot." If you've decided to have a go at the grant yourself, consider getting a consultant to at least go through it before you press send.

Make yourself stand out by establishing your credibility. In a competitive grants process, it's essential to differentiate yourself from your rivals and Turetsky and Nolle agree that the best way to do this is to establish your credibility and minimise the risk for the assessors. Turetsky likes to picture the relevant minister standing up in Parliament and defending your grant application - you want to give that minister as much help as possible. Nolle says things that can help establish your credibility include endorsements from customers and industry groups, information about previous grants you've won and financial data. Another thing assessors like to see is a board of advisers, or at least proof that your management team has different types of experience.

Make sure your funding sources are sorted out. Many grants involve funding 50% of the costs of a project. Nolle says it's crucial to have your other funding source sorted out well in advance.

Ensure your record keeping systems are robust. Many grants, including the Export Market Development Grant, require proof of money spent, so make sure you keep all receipts, invoices and other documentation to support your application.

Demonstrate commercial understanding. This is a particular tip for companies applying for R&D grants, who might have a great piece of technology but a weak plan for actually commercialising that technology. "Where innovation is concerned, there are usually few competitors because you are going into a new area. But there will be substitutes, and many businesses fail to see that," Nolle says.

If in doubt, ask questions. If you are having trouble with any part of your obligation, get on the phone and ask questions of the grants project leader. This is another area where having a grant consultant - someone who knows the right person to approach - can be beneficial. "As a consultant I feel that you need to know a grant inside out, reading all the guidelines and talking with the people who are part of the project team," Turetsky says. "As much contact time as you can get, the better."

After you've won the grant

Once you've celebrated your grant win, there are still a few obligations you'll need to meet, primarily involving the reporting of key milestones. You'll need to ensure your record keeping and reporting systems are working well, but as Bruce Patten points out, this won't be a problem for most good businesses.

Read more on:

Government grants

Federal Government Enterprise Connect
Patten Group
COMET
Export Market Development Grant