

Enabling Business Grant Program

Independent Program Review

Key Findings and recommendations

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Background

The Enabling Business Grant Program (EBGP) was an election commitment from the Tasmanian 2024 state election and delivered as part of the implementation of the Small Business Growth Strategy 2026.

The \$1 million program was delivered by the Department of State Growth (the Department) as the second round of the Small Business Growth Strategy Grant Program. Its objectives were to support Tasmanian small businesses to grow, adapt and innovate by providing grants of between \$2,500 and \$10,000 for capital purchases that aligned with the Strategy's themes, particularly themes three (Enabling business) and four (Technology).

A co-contribution of 30 per cent was required from successful applicants towards the cost of their capital purchases.

The grant program guidelines were released on 31 May 2024, and promotion took place between June and October of that year. Small businesses were encouraged to prepare early as the program was expected to be highly popular.

The program opened at 2:00 pm, 22 October 2024 and closed approximately three hours later as it was significantly oversubscribed. It was closely monitored from the time of opening and within three hours, 410 applications had been received totalling \$3.2 million in grant requests.

This was not a competitive grant program. Applications were assessed in order of receipt until the allocated budget was fully expended.

Context of the independent review

Following the unexpected early closure of the program, the Department received feedback from potential applicants in relation to the processes put in place to deliver the program.

Feedback questioned the fairness of the grant process, including whether a fair and equitable opportunity was provided for eligible applicants to apply, and there was disbelief that the total funding pool had been fully allocated so quickly.

The Department engaged an independent organisation to undertake an external review of the program to assess whether there was fair and equitable access, and to identify continuous improvement opportunities that could be applied to future small business grant programs.

Summary of key findings and recommendations

Key findings

- There was a compliant grant process in place that aligned to the Department's grants management framework.
- The grant program transparently and clearly indicated in the documentation provided to potential applicants that the process was non-competitive and would be assessed in order of receipt (first in, first served).
- Although the "first come, first served" method of allocating funds in a non-competitive process is a standard approach taken by the Department, it does achieve fairness and equity for all potential applicants to receive the grant funding.
- The assessment of the grant applications was completed by an external organisation contracted by the Department. Initially, the assessments by some of the assessors were not performed in order of receipt. This was quickly identified and resolved through the oversight functions of the Department however a number of the applicants were informed that their application was in the process of being assessed. One applicant requested a review of their assessment and had the decision overturned, and the application was approved due to the Department error, this precedent was not applied to a further 6 applications who were reviewed out of order (who were notified).
- There were significant amounts of information for the applicants to digest and a need for the small business cohort to keep abreast of changes and access the site from 2pm on the day of go-live. There were a number of challenges experienced by applicants due to the closure on the day of go-live prior to many completing their application.
- The risk assessment process does not allow for consideration of mitigating actions where a non-competitive process is being used or where over-subscription is predicted to best manage reputation and expectation of applicants. The risk assessment categories also do not formally consider fraud as a risk or provide guidance for acquittal processes where deadlines are not met.
- Whilst the grant program allowed for feedback surveys to be undertaken with successful applicants it was not undertaken in this instance, and the approach does not consider the cohort of applicants who were not assessed or did not have an opportunity to apply.

Key recommendations

- Consider the application of a review outcome for the wider population who had experienced the same outcome (selected for assessment but later declined) and those that feasibly missed out on assessment due to the incorrect application of the first in, first served method.
- Defining within the grants management framework interested groups and different approaches that could be implemented for ensuring their participation in the grant processes, such as those considered vulnerable – people living with a disability, are culturally or linguistically diverse, identify as indigenous, or are subject to violence.

- Consider alternative approaches to the first in, first served methodology for demand-led, non-competitive grant programs that ensures a fair and equal chance of selection for assessment.
- Consider a Register of Interest (ROI) process for these types of grants to capture interested parties and directly communicate with those cohorts through the relevant grant period. In addition, to ensure the government understands the full extent of demand for grants of this nature, we recommend that programs remain open until close date to ensure all applicants have had an opportunity to apply.
- Update the risk assessment to include risk factors on the selection of a method to approach the targeted audience to achieve the desired objectives. It may be appropriate to include within guidance notes the merits to each approach and what factors would guide selection of the method i.e. number of grants.
- Consider widening the scope of the feedback survey participation to all applicants including unsuccessful applicants to ensure the results are balanced. Where informal feedback and complaints are received, a formal survey is performed to consolidate findings and improvement opportunities are identified.

Conclusion

The Small Business Unit will consider all findings and recommendations when planning future grant programs.



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