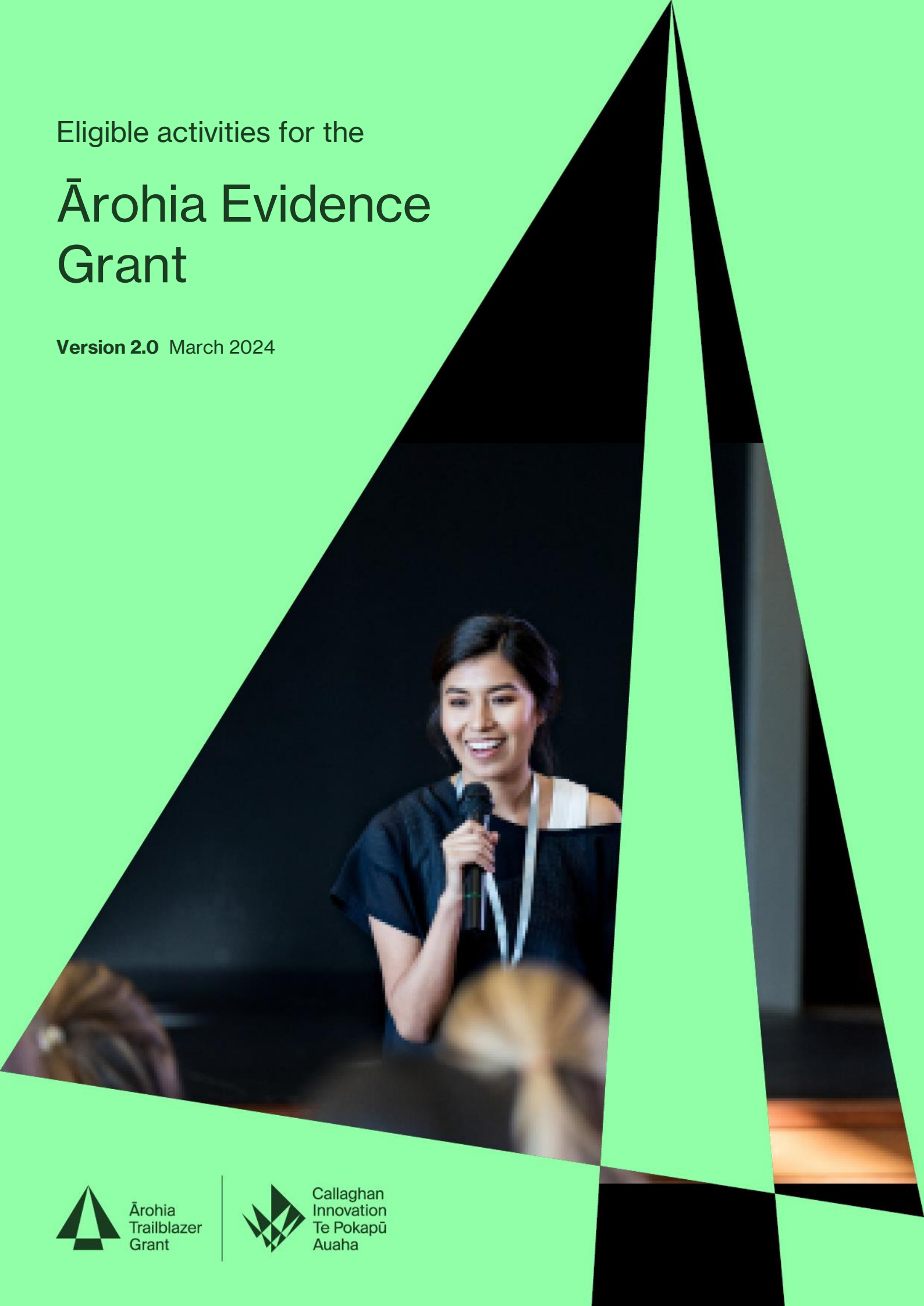


Eligible activities for the

# Ārohia Evidence Grant

Version 2.0 March 2024



Ārohia  
Trailblazer  
Grant



Callaghan  
Innovation  
Te Pokapū  
Auaha

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# Introduction

## Purpose of the Ārohia Innovation Trailblazer Grant Scheme

The Ārohia Innovation Trailblazer Grant scheme supports the very best innovative businesses that are at the “getting ready to go to market” stage of their innovation journey. Those businesses have done most of the tricky research and development for their game-changing creation (Ārohia Innovation Trailblazer grants do not fund R&D costs) but they need that critical funding to finally bring their new product or service to market. The scheme is made up of two grants: the Ārohia Trailblazer grant and the Ārohia Evidence grant.

The attributes that are assessed for the Ārohia Trailblazer and Ārohia Evidence Grant are:

- Benefits to the innovation ecosystem: creating something that helps other clever Kiwis to create new and unique products or services
- Novelty: a product or service that’s truly new and unique
- Market Impact, Commercial Feasibility and Commercial Viability: a product or service that customers want, and creates a viable business
- Evidence to support the above attributes

## Purpose of the Ārohia Evidence Grant

If a business has its sights set on the Ārohia Trailblazer grant but doesn’t quite yet have the evidence to demonstrate the attributes, the Ārohia Evidence Grant can provide funding so that a business can prepare an application for the Ārohia Trailblazer Grant in future. To be successful with an Ārohia Trailblazer grant application, compelling evidence must be provided.

R&D activities are explicitly excluded for funding under the Ārohia Trailblazer and Ārohia Evidence Grants. R&D activities are defined as:

- an activity that seeks to resolve a scientific or technological uncertainty as defined in the Research & Development Tax Incentive (RDTI), and
- any supporting activity that is integral to resolving this uncertainty.

## Purpose of this document

This document provides guidance on what are eligible activities and costs for the Ārohia Evidence Grant. Eligible Activities described in this document mean “Eligible Non-R&D Expenditure” as defined in the Ministerial Direction. The Ārohia Evidence Grant funds 50% of eligible costs up to a maximum of \$25k.

The activities and costs related to your grant application should be entered into the Ārohia Evidence Grant Work Plan template, to outline how grant funding will be used. When you are ready to complete your own Work Plan, a Work Plan template can be downloaded from the grant application in the online grants portal. The completed Work Plan is to be submitted as part of the Ārohia Evidence Grant application.

Ārohia Evidence Grant applicants should review the Ārohia Trailblazer Grant application form to help identify activities that can be included in an Ārohia Evidence Grant Work Plan.

This document is current as at the date listed on the cover page. We reserve the right to amend this document from time to time. Changes may occur without notice, but we will use reasonable endeavours to communicate changes via the [Ārohia Trailblazer Grant page on our website](#).

# Ārohia Evidence Grant eligible activities

## Evidence of benefits to the Aotearoa New Zealand innovation ecosystem

An innovation ecosystem is a network of organisations, individuals, and resources that are involved in the creation, diffusion, and adoption of new innovations and technologies, and that work together to create an environment that supports the development of new innovation. Resources can be financial resources, knowledge, expertise, facilities, or resources that facilitate access to new markets.

Eligible activities to obtain evidence on potential benefits to the innovation ecosystem in Aotearoa New Zealand could include the following activities (note - this list is a guide and is not intended to be exhaustive):

Item	Eligible activities examples
<b>Conduct research into potential innovation ecosystem benefits</b>	Research or discussions with stakeholders who will be impacted by your innovation and could collaborate with you to understand potential impacts and opportunities for them to develop further innovation, e.g. suppliers, iwi, industry associations, startup incubators, research institutions and other entrepreneurs
<b>Purchase published reports and data</b>	Purchasing research studies to understand innovation ecosystem impacts, and the value of connections and collaboration in the creation of opportunities for others to also innovate

## Evidence of Novelty

Eligible activities to obtain evidence on novelty could include the following activities (note - this list is a guide and is not intended to be exhaustive):

Item	Eligible activities examples
<b>Obtain professional advice and services</b>	<ul style="list-style-type: none"> <li>engaging an expert to investigate the novelty of an innovation and discuss the terms of any intellectual property.</li> <li>obtaining a Freedom to Operate (FTO) opinion from a registered patent attorney and conducting a Trademark, Patent and FTO search*.</li> <li>Patent/copyright/trademark filing* sufficient to enable you to discuss your proposed innovation whilst maintaining protection for your intellectual property to evidence its novelty or discuss its potential with proposed customers. (see also limited activities below)</li> </ul>
<b>Purchase published reports and data</b>	Obtaining publications on the latest developments in specific industries, academic journals, conference proceedings and accessing data repositories.

\*Please note that Callaghan Innovation will only co-fund patent work and patent advice that is provided by a registered patent attorney. This includes advice on the validity of patents and their infringement resulting from FTO/IP scanning search results. We recommend doing due diligence on providers in this space, including taking into account whether they are registered or recognised by any industry body. For patent related work and advice, we recommend contacting a registered Trans-Tasman patent attorney (the directory can be found [here](#)).

## Evidence of market impact, commercial feasibility and commercial viability

Eligible activities to obtain evidence on market impact, commercial feasibility and commercial viability could include the following activities (note - this list is a guide and is not intended to be exhaustive):

Item	Eligible activities examples
<b>Conduct research into customers</b>	Research to obtain evidence and confirm initial findings that a market segment of customers who will buy and/or use the innovation exists and can be targeted at a particular price point/range.
<b>Conduct research into market factors</b>	Research to determine: <ul style="list-style-type: none"> <li>• market size, market share and potential market growth</li> <li>• prioritisation of entry into potential markets</li> <li>• market dynamics (e.g. forces affecting market demand and supply)</li> <li>• value chain structure</li> <li>• compliance and regulatory requirements/barriers</li> <li>• market competitiveness relative to any existing offerings in the market that the innovation may compete with, or any similar innovations that are in development/close to being in market.</li> </ul>
<b>Proof-of-concept testing with stakeholders</b>	<ul style="list-style-type: none"> <li>• Obtaining advice from a competent professional on any aspect of an innovation concept's feasibility and viability that is unrelated to resolving a scientific or technical uncertainty, including advice on:               <ul style="list-style-type: none"> <li>○ building a prototype</li> <li>○ non-R&amp;D experimental design</li> <li>○ analysing test findings.</li> </ul> </li> <li>• Building a pre-commercial digital or physical prototype that must not involve any R&amp;D e.g. a mock-up, model, wireframe or sample created only for the purpose of learning and obtaining feedback(not sale), including:               <ul style="list-style-type: none"> <li>○ engaging a designer/developer/external expertise</li> <li>○ purchasing hardware/software licences, prototyping tools, co-creation platforms and data for early model development</li> <li>○ purchasing materials/components to build mock-ups/models</li> <li>○ using the resources within your internal team</li> </ul> </li> </ul>
<b>Purchase published reports and data</b>	Subscribing to a reputable database in order to purchase publications for market, solution, competitor and business model insights.  The maximum subscription term we will support is one year.

## Ārohia Evidence Grant limited activities/costs

The following activities are eligible to obtain evidence on market impact, commercial feasibility, commercial viability, novelty, or innovation ecosystem benefits, subject to the limits indicated:

Item	Limited activities/costs
<b>Travel</b>	<p>We will only fund travel that is essential for gathering evidence to apply for the Trailblazer grant that cannot be obtained by other means. We will contribute towards flights and accommodation (room only).</p> <p>You must clearly state in your costs template the objective that the travel is related to and the \$ amount of each travel expense.</p> <p>The maximum amount of approved eligible costs for travel that we will contribute towards is \$15,000 and our maximum contribution is \$7,500.</p>
<b>Intellectual Property Protection</b>	<p>Patent/copyright/trademark filing sufficient to enable you to discuss your proposed innovation whilst maintaining protection for your intellectual property to evidence its novelty or discuss its potential with proposed customers. The maximum amount of approved eligible costs for IP protection that we will contribute towards is \$15,000 and our maximum contribution is \$7,500.</p>
<b>Internal labour - wages and salaries</b>	<p>Paying employees' wages and salaries is eligible under Ārohia Evidence Grant provided the employees' work is directly related to, required for, and integral to the evidence gathering activities specified in your Ārohia Evidence Grant Work Plan. For salaried employees, divide the PAYE yearly contracted salary by 1,752 hours (this is the maximum number of chargeable hours per year, allowing for statutory holidays, annual leave and sick leave) and multiply by the number of hours to calculate the cost of each employee's input.</p> <p>For waged employees, use the employee's hourly rate for this calculation.</p> <p>Note: You must be able to verify any internal labour costs, i.e. you need to keep records (such as pay slips or invoices) showing how much you paid to employees and when. You must retain this evidence and be able to provide it if requested at the time of claiming or if you are audited. Internal labour costs not able to be verified will not be eligible for reimbursement.</p>
<b>Shareholder labour (internal or external)</b>	<p>The cost of paying owner or shareholder labour is eligible. For individuals with a shareholding of 5% or greater, the hourly rate is limited to the lesser of:</p> <ul style="list-style-type: none"> <li>• up to \$80 per hour, or</li> <li>• the current direct/actual shareholder payments.</li> </ul> <p>Multiply the hourly rate by the number of hours to calculate the cost of each shareholder's input.</p> <p>Note: You must be able to verify any labour costs, i.e. you need to keep records (such as pay slips or invoices) showing how much was paid. You must retain this evidence and be able to provide it at claiming if requested and if you are audited. Labour costs not able to be verified will not be eligible for reimbursement.</p>

Item	Limited activities/costs
<p><b>External Labour</b></p>	<p>The cost of paying external labour is eligible, with external labour defined as:</p> <ul style="list-style-type: none"> <li>• non-PAYE labour or contractors who invoice for their time, or</li> <li>• internal team members who are not PAYE employees.</li> </ul> <p>Note: You must be able to verify any external labour costs, i.e. you need to keep records (such as pay slips or invoices) showing how much was paid. You must retain this evidence and be able to provide it at claiming if requested and if you are audited. Labour costs not able to be verified will not be eligible for reimbursement.</p>
<p><b>Overseas Expenditure</b></p>	<p>An overseas activity is an activity performed outside Aotearoa New Zealand where a good or service (e.g. plant, equipment, materials and consumables) is purchased from and used in an overseas location. This includes advice from third parties and labour.</p> <p>Goods and services that are:</p> <ul style="list-style-type: none"> <li>• purchased overseas and used in Aotearoa New Zealand are not overseas expenditure.</li> </ul> <p>We will only contribute towards expenditure on activities performed overseas if you can demonstrate the following:</p> <ul style="list-style-type: none"> <li>• it is not possible, or not relevant to your innovation, to perform the activities in Aotearoa New Zealand, and</li> <li>• the activities are integral to the success of your innovation project, and</li> <li>• performing the activities overseas will not detract from generating benefits to the innovation ecosystem in Aotearoa New Zealand.</li> </ul>
<p><b>Database subscription</b></p>	<p>The maximum subscription term we will support is one year.</p>
<p><b>Pitch Preparation</b></p>	<p>Pitch preparation could include pitch deck creation and pitch coaching and is for the purpose of pitching to the evaluation panel if you are shortlisted. Whilst the pitch deck may also be used to pitch to investors, the primary purpose of the funding is for preparing for the panel presentation if you are shortlisted.</p> <p>The maximum amount of approved eligible costs for pitch preparation that we will contribute towards is \$10,000, and our maximum contribution is \$5,000.</p>



# Ārohia Evidence Grant Ineligible Activities

An activity is generally not eligible for Ārohia Evidence Grant funding if:

- it is carried out prior to the start date or after the end date of a Callaghan Innovation Ārohia Evidence Grant Funding Agreement
- it is an R&D activity which is eligible under the Research DTI or New to R&D Grant
- it is unrelated to the innovation project (this includes costs specifically to realise the benefits to the innovation ecosystem. Benefits should be a consequence of the innovation not a specifically funded item).
- it is carried out after initial market entry, i.e. after the first sales of the novel innovation in its key target market (Ārohia Evidence Grant funding cannot be used to support projects beyond the point of first sales in its key target market.
- it relates to developing/commercialising the next version or iteration of an existing product, process, service or business model where updates and changes do not qualify as sufficiently novel.
- it would bring the reputation of the grant initiative, Callaghan Innovation, or the Government into disrepute.

The following activities are not eligible for Ārohia Evidence Grant funding:

Item	Ineligible activities
<b>Research and Development (R&amp;D) related activities</b>	<p>The following R&amp;D-related activities are ineligible:</p> <ul style="list-style-type: none"> <li>• any activities that meet the definition of R&amp;D as per RDTI definitions</li> <li>• recruiting a competent professional with a specific skill that:               <ul style="list-style-type: none"> <li>○ is needed to resolve a scientific/technological uncertainty, or</li> <li>○ contributes to a supporting activity that is integral to the resolution of that uncertainty (this may be eligible under the RDTI)</li> </ul> </li> <li>• resolving any scientific or technological uncertainty related to scaling up a process, e.g. from laboratory scale to industrial scale pilot or demonstration plant (this may be eligible under the RDTI)</li> <li>• planning and managing clinical trials to resolve a scientific/technological uncertainty (this may be eligible as a supporting activity under the RDTI).</li> </ul>
<b>Costs incurred outside the Funding Agreement period</b>	<p>An activity is ineligible if it is carried out prior to the start date or after the end date of a Callaghan Innovation Ārohia Evidence Grant Funding Agreement.</p>
<b>Expand beyond a first market launch</b>	<p>An activity is ineligible if: your innovation has already launched in a first market and is available for sale to the public at commercial rates, and the activity relates to expanding the innovation's reach into a new market (domestic or international).</p>

<b>Promotional Activities</b>	Activities to actively advertise, promote or launch your product to market are ineligible (activities to recruit participants to gather evidence for the attributes may be allowed (e.g. gift card incentives to participate in a focus group or survey). Please speak to your Funding Engagement Specialist to confirm
<b>Entertainment</b>	Entertainment is an ineligible expense.
<b>Overheads</b>	The indirect costs of operating your business (eg utilities, insurance, rent etc) are not eligible under the Ārohia Evidence Grant
<b>Professional advice and services</b>	<p>The following advice/services are ineligible under Ārohia Evidence Grant funding (Note this is not an exhaustive list):</p> <ul style="list-style-type: none"> <li>• costs related to employing staff</li> <li>• costs related to onboarding suppliers or customers</li> <li>• user training costs</li> <li>• project management costs</li> <li>• freight costs</li> <li>• general legal/compliance advice (unrelated to your innovation project)</li> <li>• paying an independent auditor or accountant to prepare financial reports</li> <li>• paying someone to prepare an Ārohia Evidence or Ārohia Trailblazer Grant application.</li> </ul>
<b>Infrastructure Costs</b>	<ul style="list-style-type: none"> <li>• Activities to set up infrastructure to deliver your innovation are ineligible</li> <li>• Coding to develop your software innovation is ineligible</li> </ul>
<b>Activities that would impact reputation</b>	An activity is ineligible if it would bring the reputation of the grant initiative, Callaghan Innovation, or the Government into disrepute.