



Grant Opportunity Guidelines

Artificial Intelligence and Digital Capability Centres Grants

Opening date:	31 March 2022
Closing date and time:	5:00pm Australian Eastern Standard Time on 12 May 2022 Please take account of time zone differences when submitting your application.
Commonwealth policy entity:	Department of Industry, Science, Energy and Resources
Administering entity:	Department of Industry, Science, Energy and Resources
Enquiries:	If you have any questions, contact us on 13 28 46.
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1. Artificial Intelligence and Digital Capability Centres Grants processes

The Artificial Intelligence and Digital Capability Centres Grants program is designed to achieve Australian Government objectives

This grant opportunity is part of the above grant program, which contributes to the Department of Industry, Science, Energy and Resources' Outcome 1. The Department works with stakeholders to plan and design the grant program according to the [Commonwealth Grants Rules and Guidelines](#).



The grant opportunity opens

We publish the grant guidelines on [business.gov.au](#) and GrantConnect.



You complete and submit a grant application

You complete the application form, addressing all the eligibility and assessment criteria in order for your application to be considered.



We assess all grant applications

We review the applications against eligibility criteria and notify you if you are not eligible. We assess eligible applications against the assessment criteria including an overall consideration of value with relevant money and compare it to other eligible applications.



We make grant recommendations

We provide advice to the decision maker on the merits of each application.



Grant decisions are made

The decision maker decides which applications are successful.



We notify you of the outcome

We advise you of the outcome of your application. We may not notify unsuccessful applicants until grant agreements have been executed with successful applicants.



We enter into a grant agreement

We will enter into a grant agreement with successful applicants. The type of grant agreement is based on the nature of the grant and proportional to the risks involved.



Delivery of grant

You undertake the grant activity as set out in your grant agreement. We manage the grant by working with you, monitoring your progress and making payments.



Evaluation of the Artificial Intelligence and Digital Capability Centres Grants

We evaluate the specific grant activity and AI and Digital Capability Centres Grants program as a whole. We base this on information you provide to us and that we collect from various sources.

2. About the grant opportunity

The Australian Government's [Artificial Intelligence Action Plan](#)¹ (the Plan) sets out a vision for Australia to be a global leader in developing and adopting trusted, secure and responsible artificial intelligence (AI). The Plan forms part of the [Digital Economy Strategy](#)² to lift Australia's digital capability by fostering digital transformation and encouraging businesses to invest and accelerate their adoption of digital technologies.

Under the Plan, the Government is investing \$44 million across 2021-2022 to 2024-2025 to establish four AI and Digital Capability Centres. These centres will connect small and medium enterprises (SMEs) with AI equipment and tools, provide services and training, and link SMEs to AI skills and expertise. In turn, the centres will support the development, commercialisation, and adoption of new high-value AI products and services for the domestic and global marketplace.

Alongside the AI and Digital Capability Centres, the Australian Government has established a National Artificial Intelligence Centre (NAIC), within CSIRO's Data61, to coordinate Australia's AI expertise and capabilities across multiple sectors. The NAIC is focused on addressing the cross-cutting barriers SMEs face in developing, adopting and commercialising AI while supporting collaboration and strategic alignment of the work delivered by the AI and Digital Capability Centres.

This document contains information about the AI and Digital Capability Centres grant opportunity. It sets out:

- the eligibility and assessment criteria
- how we consider and assess grant applications
- how we notify applicants and enter into grant agreements with grantees
- how we monitor and evaluate grantees' performance
- responsibilities and expectations in relation to the opportunity.

We administer the grant opportunity according to the [Commonwealth Grants Rules and Guidelines](#) (CGRGs)³.

We have defined key terms used in these guidelines in the glossary at Section 14.

You should read this document carefully before you fill out an application.

2.1. About the Artificial Intelligence and Digital Capability Centres

The **Artificial Intelligence and Digital Capability Centres** (the Capability Centres) will drive SMEs adoption, and the development, commercialisation and use of AI to propel novel and improved products, processes and services across sectors and into new markets.

The objectives of the Capability Centres are to:

- establish a 'front door' for SMEs to:
 - access the capabilities, innovative technologies, expertise and advice to adopt, adapt, test and deploy AI technologies
 - connect with local customers, opportunities, networks, experts and supply chains to lift productivity, increase revenue and create jobs

¹ <https://www.industry.gov.au/data-and-publications/australias-artificial-intelligence-action-plan>

² <https://digitaleconomy.pmc.gov.au/>

³ <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

- foster collaboration with local business, industry, research organisations, investors and other partners to accelerate development, upskill the workforce and solve industry challenges
- promote local capabilities and showcase AI in action to drive commercialisation and export of novel and improved products, processes and services.
- coordinate and drive the growth of Australia's AI ecosystem by:
 - collaborating with the NAIC, other AI and Digital Capability Centres and other industry, research, government and community partners to identify, fund and deliver collaborative and cross-cutting projects that address barriers to adoption, development and commercialisation of AI
 - increasing the sharing of knowledge, resources and infrastructure to build national capability, support long-term job creation and a more skilled workforce, and attract investment to Australia's AI ecosystem
 - supporting industries to work together to build AI and digital networks and ecosystems, capitalise on complementary capabilities, overcome the barriers to scale and growth, and access global markets
 - supporting the growth of Australian SMEs into international markets.
- lift SME capabilities so they can confidently adopt AI solutions by:
 - providing training and guidance on AI, so that SMEs can evaluate the options available and understand implications for their products and services
 - providing expert advisory services on how AI can be used by SMEs to develop, improve or grow a product.

The intended outcomes of the Capability Centres are to:

- reduce the barriers for AI adoption in competitive industries, such as by increasing access to services, training, skills, knowledge and technology or reducing upfront costs and uncertainty
- increase business capability, acumen, knowledge diffusion and expertise to adapt and develop trusted, secure and responsible AI
- support the commercialisation of novel and improved AI products, processes and services into new markets
- promote AI solutions to support engagement, collaboration and diversification into international markets and supply chains
- foster a local ecosystem of AI expertise and capability.

Each Capability Centre is required to nominate a set of focus area(s) in specific applications of AI that support the *National Manufacturing Priorities* and/or the *Digital Growth Priorities* outlined in Appendix A.

This grant opportunity requires joint applications. Applications must include at least one industry partner, and build on an existing technology or manufacturing precincts/hubs or universities or centres of excellence. Applicants will need to provide co-funding of at least 25 per cent of the total project expenditure in a cash contribution.

We expect competitive applications will attract more significant investment and a relevant scope of partners, such as: universities and research organisations; state, territory or local government entities; large technology or sectoral business; and tap into existing innovation, technology and manufacturing hubs, centres and precincts.

Successful applicants will also be required to develop and report against an implementation plan, which includes target metrics.

2.2. Collaborative projects

Under the program, Capability Centres are expected to allocate a minimum of \$1 million (in cash) over the grant's project period to collaborative projects (refer to glossary). A collaborative project is one that is undertaken in collaboration with at least one other organisation. The collaborative projects can be a singular project, or multiple projects. How the Capability Centre chooses to approach this requirement is at their discretion.

The partner collaborative organisation(s) should contribute either funds, in-kind services or expertise to the project. The lead collaborative organisation cannot be a project partner of the Capability Centre (as identified in the grant application). The lead collaborative organisation can be, for example, another Capability Centre, the NAIC, a government body, research body or industry organisation.

One option that will be available to all Capability Centres is to choose to coordinate with the NAIC to deliver the collaborative projects supported by an allocation of \$1 million (in cash) over the grant's project period. This will meet the collaborative projects contribution requirement. Those who select to participate in NAIC projects will be able to join an Operations Committee, chaired by the NAIC, that will support cooperation across the AI ecosystem. This Committee will support delivery of collaborative and cross cutting projects.

Contributions to the NAIC elected to be made by Capability Centres will support their involvement in collaborative projects in a variety of areas that build Australia's overall AI capability and commercialisation, and are in alignment with the intent and objectives of the AI Action Plan. For example, the development of practical tools or products to assist businesses to implement Australia's AI Ethics Framework in practice, or the development and delivery of workshops or events to build business acumen and understanding of AI and its associated opportunities.

Additionally, collaborative projects with the NAIC may be in an area that directly benefits a Capability Centre's focus area. This may allow the Capability Centre to leverage additional funding, expertise and resources from both the NAIC and industry or support the application/adoption of AI across the different focus areas of the Capability Centres.

3. Grant amount and grant period

The Australian Government has announced a total of \$44 million over four years for the program.

3.1. Grants available

The maximum grant amount is \$11 million.

The grant amount will be up to 75 per cent of eligible project expenditure (grant percentage). You are responsible for any eligible project expenditure not covered by the grant.

It is expected that \$1 million of total project funding is allocated to support collaborative projects as outlined in section 2.2.

Your contribution must be cash.

We expect that competitive applications will leverage additional investment, which you can refer to in your response to Section 6. This additional investment may be cash and/or in-kind.

You cannot use funding from other Commonwealth government grants to fund the balance of project expenditure not covered by the grant.

3.2. Project period

You must complete the proposed outcomes of this project by 31 March 2025.

4. Eligibility criteria

We cannot consider your application if you do not satisfy all eligibility criteria.

4.1. Who is eligible as a lead applicant?

To be eligible you must:

- have an Australian Business Number (ABN)

and be one of the following entities:

- an entity, incorporated in Australia
- a publicly funded research organisation (PFRO) as defined in Section 14.

Your application must be a joint application with a lead organisation who is the main driver of the project and is eligible to apply.

Each joint application must include amongst its project partners and lead organisation at least one Australian industry partner (such as domestic AI or technology firms).

For further information on joint applications, refer to Section 7.2.

4.2. Additional eligibility requirements

We can only accept applications:

- where you certify that your project is supported by your board (or chief executive officer or equivalent if there is no board), and that you can complete the project and meet the costs of the project not covered by grant funding
- where you certify that you have or will have relevant intellectual property arrangements in place in order to undertake your project
- where you certify that your activities will support:
 - the creation of AI products or services by SMEs primarily for an overseas or interstate market; or
 - the use of AI or digital capability within SMEs to create or improve products or services primarily for an overseas or interstate market.

We cannot waive the eligibility criteria under any circumstances.

4.3. Who is not eligible?

You are not eligible to apply if you are:

- an organisation included on the National Redress Scheme's website on the list of 'Institutions that have not joined or signified their intent to join the Scheme' (www.nationalredress.gov.au).
- an organisation or your project partner is an organisation that has been named by the Workplace Gender Equality Agency as an organisation that has [not complied](#) with Workplace Gender Equality Act (2012)
- an individual
- a partnership
- any organisation not included in Section 4.1
- a non-corporate Commonwealth entity
- a state, territory or local government department, is not eligible as the lead applicant, but may be a project partner in a joint application

- the Commonwealth Scientific and Industrial Research Organisation.

If you are ineligible to apply, you can be a partner to a joint application where the lead organisation is eligible to apply.

5. What the grant money can be used for

5.1. Eligible activities

To be eligible, your project must:

- establish a Capability Centre in or building on an existing technology or manufacturing precinct/hub or university or centre of excellence
- nominate one or more focus area(s) in specific applications of AI which support the *National Manufacturing Priorities* and/or the *Digital Growth Priorities* outlined in Appendix A.

This must be achieved through:

- undertaking the necessary planning, preparation and administration activities directly related to the establishment and running of the Capability Centre
- undertaking activities that support SMEs within your identified focus area(s) to create AI products or services for an overseas or interstate market
- supporting the adoption, adaption or development of AI within SMEs, from your identified focus area(s), to create or improve products or services for an overseas or interstate market (export AI products or services nationally or internationally)
- supporting commercialisation outcomes and attracting investment in Australian AI products and solutions from domestic and international markets
- including a financial allocation in your project budget of at least \$1 million over the grant's project period for collaborative projects (refer to glossary and section 2.2).

Eligible activities may include the following:

Supporting SMEs to commercialise their AI products and services

- supporting the development of new AI solutions with commercial application to turn research outcomes into high-value products and services for the domestic and global marketplace
- participating in industry-research partnerships that support the translation of AI research and development into commercial or economic outcomes for industry and Australia
- assisting SMEs in international collaboration, accessing global market opportunities and value chains.

Lowering the barriers of entry for AI adoption by providing SMEs with access to AI expertise and technology

- providing a platform that enables SMEs to test and understand the applicability of AI solutions for their businesses without requiring upfront investment
- working in partnership with the NAIC and other Capability Centres to identify and deliver projects that address major AI adoption, research and development opportunities and challenges, have broad applicability for SMEs and potential positive spill-over effects.

Improving the skills, confidence and capability of SMEs to adopt, adapt and develop AI solutions

- providing services and training to SMEs, such as AI needs assessment, business readiness workshops and advisory services to support AI adoption and development

- helping SMEs identify their AI needs and connecting them with leading researchers that may be able to assist them to assemble expert teams or design and validate new AI applications
- supporting the growth of Australia's AI ecosystem to support the translation of AI products and services to relevant areas of the economy.

We may also approve other activities.

5.2. Eligible expenditure

You can only spend grant funds on eligible expenditure you have incurred on an agreed project as defined in your grant agreement.

Eligible expenditure items are:

- labour costs of employees you directly employ on the core elements of the project. We consider a person an employee when you pay a regular salary or wage, out of which you make regular tax instalment deductions
 - The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is \$175,000 per financial year.
 - For periods of the project that do not make a full financial year, you must reduce the maximum salary amount you claim proportionally.
- up to 30 per cent labour on costs to cover employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the provision of computers for staff directly working on the project
- contract expenditure covering the cost of eligible project activities that are contracted to others. All contractors must have a written contract prior to starting any project work. Invoices from contractors must contain a detailed description and breakdown of the work including hours and hourly rates
- domestic and overseas travel limited to the reasonable cost of accommodation and transportation where the travel is material to the conduct of agreed project activities in Australia
 - Eligible air transportation is limited to the economy class fare for each sector travelled; where non-economy class air transport is used only the equivalent of an economy fare for that sector is eligible expenditure. Where non-economy class air transport is used, the grantee will require evidence showing what an economy air fare costs at the time of travel.
- workshop and conference costs, including sponsorships, where these directly support the activities, knowledge transfer and capability development
- staff training that directly supports the achievement of project outcomes
- capital items you purchase to undertake your project
- the cost of an independent audit of project expenditure (where we request one) up to a maximum of 1 per cent of total eligible project expenditure
- other eligible expenditure as approved by the program delegate.

We may update the guidance on eligible and ineligible expenditure from time to time. If your application is successful, the version in place when you submitted your application applies to your project.

If your application is successful, we may ask you to verify project costs that you provided in your application. You may need to provide evidence such as quotes for major costs.

Not all expenditure on your project may be eligible for grant funding. The Program Delegate (who is an AusIndustry manager within the department with responsibility for the program) makes the final

decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be a direct cost of the project
- be incurred by you for required project audit activities.

You must incur the project expenditure between the project start and end date for it to be eligible unless stated otherwise.

You may elect to commence your project from the date we notify you that your application is successful. We are not responsible for any expenditure you incur until a grant agreement is executed. The Commonwealth will not be liable, and should not be held out as being liable, for any activities undertaken before the grant agreement is executed.

5.3. What you cannot use the grant for

Expenditure items that are not eligible are:

- research activities that are not primarily to support SMEs to commercialise their AI products and services, or lower the barriers of AI adoption
- activities that duplicate collaboration and research activities already planned or in development
- expenses associated with business as usual activities not related to the objectives and outcomes of this grant
- routine operating expenses not accounted as labour on-costs – including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- costs associated with activities acquitted through other means such as recipient contributions and other contributions received
- non-project related staff training and development costs
- financing costs, including debt financing and interest
- capital expenditure not directly related to your project
- insurance costs (participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- costs incurred in the preparation of a grant application or related documentation.
- travel or overseas costs that exceed 10% of total project costs except where otherwise approved by the Program Delegate.

6. The assessment criteria

You must address all assessment criteria in your application. We will assess your application based on the weighting given to each criterion.

The application form asks questions that relate to the assessment criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. You should provide evidence to support your answers. The application form displays size limits for answers.

We will only consider funding applications that score at least 50% per cent against each assessment criterion, as these represent best value for money.

6.1. Assessment criterion 1

How your proposed Capability Centre will support SMEs to commercialise their AI products and services (30 points).

You should demonstrate this by identifying:

- a. how you will support Australian AI solutions and products to be commercialised and exported across Australian markets and/or markets in other countries
- b. how you will attract private sector investment in AI technologies.

6.2. Assessment criterion 2

How your proposed Capability Centre will lower the barriers of entry for AI adoption by providing SMEs with access to AI expertise and technology (20 points).

You should demonstrate this by identifying:

- a. the focus area(s) from the National Manufacturing Priorities and/or the *Digital Growth Priorities* (Appendix A) that your Capability Centre will deliver in and the market need for your proposed Capability Centre
- b. how your proposed Capability Centre will help SMEs to adopt AI by providing access to innovative technology, experts and advice
- c. how you will reduce barriers to AI adoption that have previously been reported by SMEs.

6.3. Assessment criterion 3

How your proposed Capability Centre will improve the skills, confidence and capability of SMEs to adopt, adapt and develop AI solutions (20 points).

You should demonstrate this by describing:

- a. how your Capability Centre will increase the capability of SMEs to confidently engage with and adopt, develop and adapt responsible AI
- b. the services your Capability Centre will provide to SMEs to equip them with the skills and knowledge to work with AI and digital technologies
- c. how your capability centre will build on an existing technology or manufacturing hub/precinct, university or centre of excellence

6.4. Assessment criterion 4

Capacity, capability and resources to deliver the project (20 points).

You should demonstrate this by identifying:

- a. your team's knowledge, skills and access to resources to effectively manage your project, including your access to personnel with relevant skills and experience
- b. your access, or future access, to any infrastructure, capital equipment, technology and intellectual property
- c. your ability to attract additional private sector investment to your Capability Centre
- d. the ability of your Capability Centre to have broad reach and impact in supporting SMEs to adopt, adapt and develop AI solutions within your focus area(s)
- e. information on the project partners and their contribution to the outcomes of the centres

Each joint application must include amongst its project partners and lead organisation at least one Australian industry partner (such as domestic AI firms).

You may also wish to consider including:

- an Australian research partner (such as universities, research centres)
 - a multi-national technology firm
 - a large sector-specific firm
 - a state and territory agency or body.
- f. your project plan, including your plan to:
- manage the project including scope, implementation methodology, market analysis and timeframes
 - mitigate delivery risks (including national and cyber security risks) and secure any required regulatory approvals
 - meet the national security requirements and mitigate any national and cyber security risks including risks relating to the unwanted transfer of sensitive knowledge technology
 - secure required regulatory or other approvals
- g. information on how you intend to meet the collaborative project requirements
- h. your engagement plan, including your plan to work and engage with the NAIC, other Capability Centres, industry, research organisations, international and other stakeholders
- i. how you will measure the success of your project.

You must attach a project plan, engagement plan and a detailed project budget with your application. Successful applicants are expected to develop and report against an implementation plan, which includes performance metrics.

6.5. Assessment criterion 5

Impact of grant funding (10 points).

You should demonstrate this by describing:

- a. any additional investment your project will leverage (cash or in-kind)
- b. how the grant will impact your project scope including the likelihood your project would not proceed without the grant
- c. the extent that your project complements, builds on and does not duplicate existing or planned research and engagement activities
- d. how your Capability Centre will support the AI ecosystem of expertise and capability by working with non-project partners on collaborative projects.

7. How to apply

Before applying you should read and understand these guidelines, the sample [application form](#) and the sample [grant agreement](#) published on business.gov.au and GrantConnect.

To apply, you must:

- complete the online application form via business.gov.au
- provide all the information requested

- address all eligibility and assessment criteria
- include all necessary attachments
- list any application restrictions specific to the program.

You should retain a copy of your application for your own records.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code Act 1995* (Cth). If we consider that you have provided false or misleading information we may not progress your application. If you find an error in your application after submitting it, you should call us immediately on 13 28 46.

If we find an error or information that is missing, we may ask for clarification or additional information from you that will not change the nature of your application. However, we can refuse to accept any additional information from you that would change your submission after the application closing time.

If you need further guidance around the application process, or if you are unable to submit an application online, [contact us](#) at business.gov.au or by calling 13 28 46.

7.1. Attachments to the application

You must provide the following documents with your application:

- project plan, including key performance indicators
- engagement plan
- detailed project budget

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. We will not consider information in attachments that we do not request.

7.2. Joint applications

Your application must be a joint application with a lead organisation who is the main driver of the project and is eligible to apply.

Each joint application must include amongst its project partners and lead organisation at least one Australian industry partner (such as domestic AI firms).

You may also wish to consider including:

- an Australian research partner (such as universities, research centres)
- a multi-national technology firm
- a large sector-specific firm
- a state and territory agency or body.

Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application must identify all other members of the proposed group and include a letter of support on the template provided from each of the project partners. Each letter of support should include:

- details of the project partner
- an overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
- an outline of the relevant experience and/or expertise the project partner will bring to the group

- the roles/responsibilities the project partner will undertake, and the resources it will contribute (if any)
- details of a nominated management level contact officer.

You must have a formal arrangement in place with all parties prior to execution of the grant agreement.

7.3. Timing of grant opportunity

You can only submit an application between the published opening and closing dates. We cannot accept late applications.

If you are successful, we expect you will be able to commence your project around July 2022.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	4 weeks
Approval of outcomes of selection process	4 weeks
Negotiations and award of grant agreements	4 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	July 2022
End date of grant commitment	31 March 2025

8. The grant selection process

We first review your application against the eligibility criteria. If eligible, we will then assess it against the assessment criteria. Only eligible applications will proceed to the assessment stage.

We consider your application on its merits, based on:

- how well it meets the criteria
- how it compares to other applications
- whether it provides value with relevant money.

When assessing whether the application represents value with relevant money, we will have regard to:

- the overall objectives of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant sought
- any national interest, financial, legal/regulatory, governance or other issue or risk that we identify during any due diligence process that we conduct in respect of the applicant and all project partners. This includes its directors, officers, senior managers, key personnel, its related bodies corporate (as defined in the *Corporations Act*) or its application that could bring the Australian Government into disrepute if it were to fund the applicant. Such issues and risks include where we consider that funding the application under this grant opportunity is likely to directly conflict with Australian Government policy. Where possible⁴, we will provide the

⁴ Subject to national security and other considerations.

applicant with an opportunity to comment on any material risks identified during this due diligence process prior to our determining the extent (if any) to which those issues or risks affect our assessment of the application and, if so, whether they are sufficient to warrant the exclusion of the application from the assessment process.

We will establish a Committee including technical experts and industry to assess applications and make recommendations to the Minister. The Committee will assess your application against the assessment criteria and compare it to other eligible applications before advising which projects to fund.

We may seek advice from government departments to inform the Committees deliberations.

The geographic distribution of the Capability Centres and the extent to which they and the NAIC fit together as a strategic and complementary group, including the identified focus areas, will also be a consideration in advice provided to the decision maker.

The Committee may seek additional information about you or your application. They may do this from within the Commonwealth, even if you do not nominate the sources as referees. The Committee may also consider information about you or your application that is available as a result of the Due Diligence process or through the normal course of business.

If the selection process identifies unintentional errors in your application, we may contact you to correct or clarify the errors, but you cannot make any material alteration or addition.

8.1. Who will approve grants?

The Minister decides which grants to approve taking into account the advice of the Committee and the availability of grant funds.

The Minister's decision is final in all matters, including:

- the grant approval
- the grant funding to be awarded
- any conditions attached to the offer of grant funding.

We cannot review decisions about the merits of your application.

The Minister will not approve funding if there is insufficient program funds available across relevant financial years for the program.

9. Notification of application outcomes

We will advise you of the outcome of your application in writing. If you are successful, we will advise you of any specific conditions attached to the grant.

10. Successful grant applications

10.1. Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. The grant agreement has general terms and conditions that cannot be changed. A sample [grant agreement](#) is available on business.gov.au and GrantConnect.

We must execute a grant agreement with you before we can make any payments. Execute means both you and the Commonwealth have signed the agreement. We are not responsible for any expenditure you incur until a grant agreement is executed.

The approval of your grant may have specific conditions determined by the assessment process or other considerations made by the Minister. We will identify these in the offer of grant funding.

The Commonwealth may recover grant funds if there is a breach of the grant agreement.

10.2. Standard grant agreement

We will use a standard grant agreement for medium or larger projects where we consider your project to be more complex.

You will have 30 days from the date of a written offer to execute this grant agreement with the Commonwealth. During this time, we will work with you to finalise details.

The offer may lapse if both parties do not sign the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the Minister.

10.3. Project specific legislation, policies and industry standards

You must comply with all relevant laws, regulations and Australian Government sanctions in undertaking your project. You must also comply with the specific legislation/policies/industry standards that follow. It is a condition of the grant funding that you meet these requirements. We will include these requirements in your grant agreement.

In particular, you will be required to comply with:

- State or territory legislation in relation to working with children
- [Australian Code for the Responsible Conduct of Research 2018](https://www.nhmrc.gov.au/about-us/publications/australian-code-responsible-conduct-research-2018)⁵
- [National Statement of Ethical Conduct in Human Research \(2007\) - Updated 2018](https://www.nhmrc.gov.au/about-us/publications/national-statement-ethical-conduct-human-research-2007-updated-2018)⁶
- [Australia's Artificial Intelligence Ethics Principles](https://www.industry.gov.au/data-and-publications/australias-artificial-intelligence-ethics-framework/australias-ai-ethics-principles)⁷
- Australian Privacy Principles
- *National Security Legislation Amendment (Espionage and Foreign Interference) Act 2018*
- The *Foreign Influence Transparency Scheme* if individuals or entities involved in the project are undertaking certain activities on behalf of a foreign principal.
- *The Foreign Investment Reform (Protecting Australia's National Security) Act 2020 (Cth)*

10.4. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (grant percentage).

⁵ <https://www.nhmrc.gov.au/about-us/publications/australian-code-responsible-conduct-research-2018><https://www.nhmrc.gov.au/about-us/publications/australian-code-responsible-conduct-research-2018>

⁶ <https://www.nhmrc.gov.au/about-us/publications/national-statement-ethical-conduct-human-research-2007-updated-2018>

⁷ <https://www.industry.gov.au/data-and-publications/australias-artificial-intelligence-ethics-framework/australias-ai-ethics-principles>

We will make payments according to an agreed schedule set out in the grant agreement. Payments are subject to satisfactory progress on the project.

10.5. Tax obligations

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period. GST does not apply to grant payments to government related entities⁸.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office](#). We do not provide advice on tax.

11. Announcement of grants

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Guidelines](#) unless otherwise prohibited by law. We may also publish this information on business.gov.au. This information may include:

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation's industry sector
- project partners
- project location.

12. How we monitor your grant activity

12.1. Keeping us informed

You should let us know if anything is likely to affect your project or organisation.

We need to know of any key changes to your organisation or its business activities, particularly if they affect your ability to complete your project, carry on business and pay debts due.

You must also inform us of any changes to your:

- name
- addresses
- nominated contact details
- bank account details.

If you become aware of a breach of terms and conditions under the grant agreement you must contact us immediately.

⁸ See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au

You must notify us of events relating to your project and provide an opportunity for the Minister or their representative to attend.

12.2. Reporting

You must submit reports in line with the grant agreement. We will provide the requirements for these reports as appendices in the grant agreement. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

- progress against agreed project milestones
- project expenditure, including expenditure of grant funds
- contributions of participants directly related to the project.

The amount of detail you provide in your reports should be relative to the project size, complexity and grant amount.

We will monitor the progress of your project by assessing reports you submit and may conduct site visits to confirm details of your reports if necessary. Occasionally we may need to re-examine claims, seek further information or request an independent audit of claims and payments.

12.2.1. Progress reports

Progress reports must:

- include details of your progress towards completion of agreed project activities
- show the total eligible expenditure incurred to date
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

We will only make grant payments when we receive satisfactory progress reports.

You must discuss any project or milestone reporting delays with us as soon as you become aware of them.

12.2.2. End of project report

When you complete the project, you must submit an end of project report.

End of project reports must:

- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project
- include a declaration that the grant money was spent in accordance with the grant agreement and to report on any underspends of the grant money
- be submitted by the report due date.

12.2.3. Ad-hoc reports

We may ask you for ad-hoc reports on your project. This may be to provide an update on progress, or any significant delays or difficulties in completing the project.

12.3. Independent audits

We may ask you to provide an independent audit report. An audit report will verify that you spent the grant in accordance with the grant agreement. The audit report requires you to prepare a statement of grant income and expenditure. The report template is available on business.gov.au and GrantConnect.

12.4. Compliance visits

We may visit you during the project period, or at the completion of your project to review your compliance with the grant agreement. We may also inspect the records you are required to keep under the grant agreement. For large or complex projects, we may visit you after you finish your project. We will provide you with reasonable notice of any compliance visit.

12.5. Grant agreement variations

We recognise that unexpected events may affect project progress. In these circumstances, you can request a variation to your grant agreement, including:

- changing project milestones
- extending the timeframe for completing the project but within the maximum period
- changing project activities

The program does not allow for:

- an increase of grant funds

If you want to propose changes to the grant agreement, you must put them in writing before the project end date. We can provide you with a variation request template.

If a delay in the project causes milestone achievement and payment dates to move to a different financial year, you will need a variation to the grant agreement. We can only move funds between financial years if there is enough program funding in the relevant year to allow for the revised payment schedule. If we cannot move the funds, you may lose some grant funding.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- how it affects the project outcome
- consistency with the program policy objective, grant opportunity guidelines and any relevant policies of the department
- changes to the timing of grant payments
- availability of program funds.

12.6. Evaluation

We will evaluate the grant program to measure how well the outcomes and objectives have been achieved. We may use information from your application and project reports for this purpose. We may also interview you, or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes.

We may contact you up to two years after you finish your project for more information to assist with this evaluation.

12.7. Grant acknowledgement

If you make a public statement about a project funded under the program, including in a brochure or publication, you must acknowledge the grant by using the following:

‘This project received grant funding from the Australian Government.’

If you erect signage in relation to the project, the signage must contain an acknowledgement of the grant.

13. Probity

We will make sure that the grant opportunity process is fair, according to the published guidelines, incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct and is consistent with the CGRGs.

13.1. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity or program. There may be a conflict of interest, or perceived conflict of interest, if our staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer or member of an external panel
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives a grant under the grant program/ grant opportunity.

As part of your application, we will ask you to declare any perceived or existing conflicts of interests or confirm that, to the best of your knowledge, there is no conflict of interest.

If you later identify an actual, apparent, or perceived conflict of interest, you must inform us in writing immediately.

Conflicts of interest for Australian Government staff are handled as set out in the Australian [Public Service Code of Conduct \(Section 13\(7\)\)⁹](#) of the *Public Service Act 1999* (Cth). Committee members and other officials including the decision maker must also declare any conflicts of interest.

We publish our [conflict of interest policy](#)¹⁰ on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

13.2. How we use your information

Unless the information you provide to us is:

- confidential information as per 13.2.1, or
- personal information as per 13.2.2,

we may share the information with other government agencies for a relevant Commonwealth purpose such as:

- to support the assessment process
- to improve the effective administration, monitoring and evaluation of Australian Government programs
- for research
- to announce the awarding of grants.

⁹ <https://www.legislation.gov.au/Details/C2019C00057>

¹⁰ https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect

13.2.1. How we handle your confidential information

We will treat the information you give us as sensitive and therefore confidential if it meets all of the following conditions:

- you clearly identify the information as confidential and explain why we should treat it as confidential
- the information is commercially sensitive
- disclosing the information would cause unreasonable harm to you or someone else
- you provide the information with an understanding that it will stay confidential.

13.2.1. When we may disclose confidential information

We may disclose confidential information to:

- our Commonwealth employees and contractors, to help us manage the program effectively
- the Auditor-General, Ombudsman or Privacy Commissioner
- the responsible Minister or Assistant Minister
- a House or a Committee of the Australian Parliament.

We may also disclose confidential information if

- we are required or authorised by law to disclose it
- you agree to the information being disclosed, or
- someone other than us has made the confidential information public.

We will not be in breach of any confidential obligations if the confidential information we collect from you, or otherwise obtain, on you or your partners is disclosed to employees and contractors of other Australian Government entities for any purposes, including to government administration, consultation, research, monitoring or analysis of our programs and activities.

13.2.2. How we use your personal information

We must treat your personal information according to the Australian Privacy Principles (APPs) and the *Privacy Act 1988* (Cth). This includes letting you know:

- what personal information we collect
- why we collect your personal information
- to whom we give your personal information.

We may give the personal information we collect from you, or otherwise obtain, on you or your partners to our employees and contractors, and other Commonwealth employees and contractors of other Australian Government entities, so we can:

- manage the program
- administer, consult, research, assess, monitor and analyse our programs and activities.

We, or the Minister, may:

- announce the names of successful applicants to the public
- publish personal information on the department's websites.

You may read our [Privacy Policy](#)^[1] on the department's website for more information on:

- what is personal information
- how we collect, use, disclose and store your personal information
- how you can access and correct your personal information.

13.2.1. Freedom of information

All documents in the possession of the Australian Government, including those about the program, are subject to the *Freedom of Information Act 1982* (Cth) (FOI Act).

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

If someone requests a document under the FOI Act, we will release it (though we may need to consult with you and/or other parties first) unless it meets one of the exemptions set out in the FOI Act.

13.3. Security

Eligible activities under this grant may have national security implications. It is your responsibility to consider any such implications of the proposed project and identify and manage any risks, particularly relating to export controls, foreign interference and technology transfer. If you have acknowledged in the declaration that you can appropriately manage national security risks, we may ask you to provide a satisfactory risk assessment plan outlining your approach as a condition of funding.

13.3.1. Know Your Partner

You should ensure that you know who you are collaborating with by undertaking appropriate due diligence, proportionate to the risk and subject to available information, on all partners and personnel participating in the project. This should take into account any potential security, ethical, legal and reputational risks, and, where necessary, you should be prepared to demonstrate how you will manage and mitigate any identified risks.

13.3.2. Export Controls

As this program involves research collaboration with foreign entities, some provisions of Australia's export controls regime may apply to your project. It is your responsibility to consider the implications, if any, of the relevant legislation on the proposed project before submitting your application, and to comply with any applicable requirements if it is successful. Further information is available on the Department of Defence website.

^[1] <https://www.industry.gov.au/data-and-publications/privacy-policy>

13.3.3. Foreign Affiliations

Eligible activities under this grant may involve foreign affiliations¹¹ which must be disclosed under the conflict of interest policy outlined at Section 13.1. Specifically, you must inform us of any relationship between a project participant and any party which is able to influence, interfere with or benefit from the proposed activity. You must also inform us of any material changes to the foreign affiliations of project participants, as outlined at Section 12.1.

13.4. Enquiries and feedback

For further information or clarification, you can contact us on 13 28 46 or by [web chat](#) or through our [online enquiry form](#) on business.gov.au.

We may publish answers to your questions on our website as Frequently Asked Questions.

Our [Customer Service Charter](#) is available at business.gov.au. We use customer satisfaction surveys to improve our business operations and service.

If you have a complaint, call us on 13 28 46. We will refer your complaint to the appropriate manager.

If you are not satisfied with the way we handle your complaint, you can contact:

Head of Division
AusIndustry
Department of Industry, Science, Energy and Resources
GPO Box 2013
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)¹² with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

¹¹ Including but not limited to, foreign ownership (including foreign government ownership), affiliations with foreign governments, political parties, organisations, institutions or companies, or membership of foreign government talent programs.

¹²

<http://www.ombudsman.gov.au/>

14. Glossary

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
AusIndustry	The division of the same name within the department.
Centre of Excellence (COE)	A centre of excellence is a team, shared facility or an entity that provides leadership, best practices, research, support and/or training for a focus area.
Collaborative project	<p>A project that is undertaken in collaboration with at least one other organisation. The collaborative organisation should contribute either funds, in-kind services or expertise to the project.</p> <p>The lead collaborative organisation cannot be a project partner of the Capability Centre (as identified in the grant application).</p> <p>The lead collaborative organisation can be another Capability Centre, the NAIC, a government body, research body or industry organisation.</p>
Department	The Department of Industry, Science, Energy and Resources.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.1.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in 5.2.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding.
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
GrantConnect	The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs.
Grantee	The recipient of grant funding under a grant agreement.
Guidelines	Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.

Term	Definition
Innovation Precinct	<p>An innovation precinct is a discrete geographic area where research-oriented anchor institutions, businesses, labs and other actors collaborate.</p> <p>They can also be known as innovation districts, hubs or technology parks.</p>
Minister	The Commonwealth Minister for Science and Technology
National Artificial Intelligence Centre	<p>The NAIC has been established to coordinate Australia's AI expertise and capabilities, and address the cross-cutting barriers SMEs face in developing and adopting AI.</p> <p>The Centre is hosted in the Commonwealth Scientific and Industrial Research Organisation's (CSIRO) Data61.</p>
Non-income-tax-exempt	Not exempt from income tax under Division 50 of the <i>Income Tax Assessment Act 1997</i> (Cth) or under Division 1AB of Part III of the <i>Income Tax Assessment Act 1936</i> (Cth).
Personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <p style="padding-left: 40px;">Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ol style="list-style-type: none"> a. whether the information or opinion is true or not; and b. whether the information or opinion is recorded in a material form or not.
Program Delegate	An AusIndustry manager within the department with responsibility for the program.
Program funding or Program funds	The funding made available by the Commonwealth for the program.
Project	A project described in an application for grant funding under the program.
Publicly funded research organisation (PFRO)	<p>All higher education providers listed at Table A and Table B of the <i>Higher Education Support Act 2003</i> (Cth) and corporate Commonwealth entities, and State and Territory business enterprises which undertake publicly funded research.</p> <p>However for the purpose of this program, a Commonwealth, State, Territory or local government body (including government business enterprises) is not eligible to apply.</p>
State, Territory or Local Government Department	A state, territory or local body politic. The non-corporate organisations through which governmental authority (legislative, executive and judicial) is exercised. An educational institution or research body is not a state, territory or local government department.

Appendix A. National Manufacturing Priorities and Digital Growth Priorities

A.1 National Manufacturing Priorities

The Australian Government's [Modern Manufacturing Strategy](#)¹³ identifies six National Manufacturing Priorities in areas where Australia has a comparative advantage or emerging areas of priority.

These include:

- Resources technology and critical minerals processing
- Food and beverage
- Medical Products
- Recycling and clean energy
- Defence
- Space

Further details are available on www.industry.gov.au/data-and-publications/make-it-happen-the-australian-governments-modern-manufacturing-strategy/our-modern-manufacturing-strategy

A.2 Digital Growth Priorities under the Digital Economy Strategy

The Australian Government's [Digital Economy Strategy](#)¹⁴ identifies four Digital Growth Priorities in areas where Government can partner with industry to position Australia as a leading digital economy and society by 2030.

These include:

- Digital SMEs – lifting digital capability and adoption across the economy to support new ways to work and do business. This will increase profitability and save businesses time.
- Modern Industry sectors – supporting globally competitive export sectors operating at the digital frontier, including manufacturing, mining, agriculture and construction.
- Dynamic and emerging technology sector – building emerging technology capability and accelerating the growth of technology start-ups in areas like fintech and regtech that can drive an uplift in the rest of the economy.
- Digital government and services – delivering simple, secure and trusted essential services for frictionless interactions.

Further details are available on <https://digitaleconomy.pmc.gov.au>

¹³ <http://www.industry.gov.au/data-and-publications/make-it-happen-the-australian-governments-modern-manufacturing-strategy/our-modern-manufacturing-strategy>

¹⁴ <https://digitaleconomy.pmc.gov.au/>