



Australian Government

Commonwealth Grant Agreement

between the Commonwealth represented by

Department of Industry, Innovation and Science

and

<Grantee>

NB: This is an example grant agreement intended for use with the Drought Communities Programme – Extension. The Commonwealth reserves the option to amend or adjust the form of the grant agreement.

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Grant Agreement <grant number>

Once completed, this document, together with the Grant Details and the Commonwealth General Grant Conditions (Schedule 1), forms an Agreement between the Commonwealth and the Grantee.

Parties to this Agreement

The Grantee

Full legal name of Grantee	<insert details>
Legal entity type (e.g. individual, incorporated association, company, partnership, etc)	<insert details>
Trading or business name	<insert details>
Any relevant licence, registration or provider number	<insert details>
Australian Business Number (ABN) or other entity identifiers	<insert details>
Australian Company Number (ACN)	<insert details>
Registered for Goods and Services Tax (GST)?	<insert details>
Date from which GST registration was effective?	<insert details>
Registered office - physical	<insert details>
Registered office - postal	<insert details>
Relevant business place	<insert details>

The Commonwealth

The Commonwealth of Australia represented by the
 Department of Industry, Innovation and Science
 of 10 Binara Street CANBERRA ACT 2600
 ABN 74 599 608 295

Background

The Commonwealth has agreed to enter this Agreement under which the Commonwealth will provide the Grantee with a Grant for the purpose of assisting the Grantee to undertake the associated Activity.

The Grantee agrees to use the Grant and undertake the Activity in accordance with this Agreement and the relevant Grant Details.

Scope of this Agreement

This Agreement comprises:

- (a) this document;
- (b) the Supplementary Terms (if any);

- (c) the General Grant Conditions (Schedule 1);
- (d) the Grant Details;
- (e) any other document referenced or incorporated in the Grant Details.

If there is any ambiguity or inconsistency between the documents comprising this Agreement in relation to a Grant, the document appearing higher in the list will have precedence to the extent of the ambiguity or inconsistency.

This Agreement represents the Parties' entire agreement in relation to the Grant provided under it and the relevant Activity and supersedes all prior representations, communications, agreements, statements and understandings, whether oral or in writing.

Certain information contained in or provided under this Agreement may be used for public reporting purposes.

SAMPLE

Grant Details <grant number>

A. Purpose of the Grant

The Grant is being provided as part of the <grant opportunity name>.

<Grant opportunity objectives>

<Grant opportunity outcomes>

B. Activity

The Activity is made up of your Project and all eligible project activities as specified in these Grant Details.

Project title

<project title>

Project scope and description

<detailed project description>

Project outcomes

<project outcomes>

The Project will need to be located within the <applicant name> local government area.

In undertaking the Activity, the Grantee must comply with the requirements of the Grant Opportunity Guidelines (as in force from time-to-time).

You must notify us about events relating to the Project and provide an opportunity for the Minister or their representative to attend.

C. Duration of the Activity

The Activity starts on <project start date> and ends 160 days after the project end date (Completion Date).

Activity Schedule

The project starts on <project start date> (project start date) and ends on <project end date> (project end date).

In undertaking the Activity, the Grantee will meet the following milestones by the due dates.

Milestone number	Milestone name and description	Due date
<No>	<milestone name> <milestone description>	<dd/mm/yyyy>

D. Payment of the Grant

The total amount of the Grant is <grant amount> (plus GST if applicable).

The Grant will be provided at up to <grant percentage> per cent of Eligible Expenditure as defined in the Grant Opportunity Guidelines.

The Grant will be paid over the following financial years subject to sufficient Program funding being available. The Commonwealth is not obliged to make a payment if it would result in the amount paid in a financial year exceeding the annual capped amount for that financial year as specified in this table.

Financial year	Annual capped amount (GST excl)
<financial year as yyyy/yy>	\$<amount>
<financial year as yyyy/yy>	\$<amount>
Total	\$<total grant amount>

We will make an initial payment on execution of the grant agreement. We will make subsequent payments in advance, based on your forecast eligible expenditure as you achieve agreed milestones and adjusted for unspent amounts from previous payments. Payments are subject to satisfactory progress on the project.

We set aside 10 per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory final report demonstrating you have completed outstanding obligations for the project. We may need to adjust your progress payments to align with available program funds across financial years and/or to ensure we retain a minimum 10 per cent of grant funding for the final payment.

Invoicing

The Grantee agrees to allow the Commonwealth to issue it with a Recipient Created Tax Invoice (RCTI) for any taxable supplies it makes in relation to the Activity.

The Grantee agrees not to issue tax invoices in respect of any taxable supplies.

The Grantee acknowledges that where it is registered for Goods and Services Tax (GST) it will notify the Commonwealth if it subsequently ceases to be registered for GST.

GST means a tax that is payable under GST law as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

E. Reporting

The Grantee agrees to provide the following reports to the Commonwealth representative in accordance with the reporting requirements (Schedule 2).

Report type	Period start date	Period end date	Agreed evidence	Due date
<e.g. Progress>	<project start date>	<dd/mm/yyyy>	<agreed evidence>	<period end date + 30 days>

Report type	Period start date	Period end date	Agreed evidence	Due date
<e.g. Progress>	<dd/mm/yyyy>	<dd/mm/yyyy>	<agreed evidence>	<period end date + 30 days>
<End of Project>	<dd/mm/yyyy]	<project end date]	<agreed evidence>	<project end date + 60 days or 90 days]

During the Agreement period, we may ask you for ad-hoc reports on your project. You must provide these reports in the timeframes notified by the Commonwealth.

F. Party representatives and address for notices

Grantee's representative and address

Grantee's representative name	<primary contact name>
Position	<primary contact position>
Postal address	<postal address>
Physical address	<physical address>
Business hours telephone	<phone number>
Mobile	<mobile phone>
E-mail	<primary contact email address>

Commonwealth representative and address

Name of representative	<CSM name>
Position	<CSM position>
Postal address	<postal address>
Physical address	<physical address>
Business hours telephone	<phone>
E-mail	<email address>

The Parties' representatives will be responsible for liaison and the day-to-day management of the Grant, as well as accepting and issuing any written notices in relation to the Grant.

G. Supplementary Terms

G1 Other Contributions

G1.1 Other Contributions means financial or in-kind contributions other than the Grant as set out below:

Contributor	Contribution (\$GST excl)	Due date
Grantee	\$<Grantee contribution>	<dd/mm/yyyy>
<Name of partner>	\$<Partner contribution>	<dd/mm/yyyy>

G1.2 The Grantee agrees to provide, or to ensure the provision of, the Other Contributions and to use them to undertake the Activity. If the Other Contributions are not provided in accordance with this clause, then the Commonwealth may:

- (a) suspend payment of the Grant until the Other Contributions are provided; or
- (b) terminate this Agreement in accordance with clause 18 of the General Grant Conditions.

G2 Activity budget

G2.1 The Grantee agrees to use the Grant and any Other Contributions and undertake the Activity consistent with the following budget.

<budget table>

Figures in the above table are GST inclusive amounts less GST credits that can be claimed in relation to the expenditure.

G3 Record keeping

G3.1 The Grantee agrees to:

- (a) maintain records that identify the receipt and expenditure of the Grant and any Other Contributions separately within the Grantee's accounts and records so that at all times the Grant is identifiable; and
- (b) keep financial accounts and records relating to the Activity so as to enable all receipts and payments related to the Activity to be identified and reported; and

G3.2 The Grantee agrees to maintain the records for five years after the Completion Date and provide copies of the records to the Commonwealth representative upon request.

G3.3 Term G3 survives the termination, cancellation or expiry of the Agreement.

G4 Audit

G4.1 The Grantee may be required to provide the Commonwealth with an independent audit report verifying that the Grant was spent in accordance with this Agreement.

G4.2 Independently audited financial acquittal reports must be audited by:

- (a) a Registered Company Auditor under the *Corporations Act 2001* (Cth); or
- (b) a certified practising accountant; or
- (c) a member of the Institute of Public Accountants; or
- (d) a member of Chartered Accountants Australia and New Zealand

who is not a principal member, shareholder, officer or employee of the Grantee or a related body corporate.

G5 Activity Material

Not applicable

G6 Access

- G6.1 The Grantee agrees to give the Commonwealth, or any persons authorised in writing by the Commonwealth, access to premises where the Activity is being performed and to permit those persons to inspect and take copies of any Material relevant to the Activity.
- G6.2 The Auditor-General and any Information Officer under the *Australian Information Commissioner Act 2010* (Cth) (including their delegates) are persons authorised for the purposes of clause G6.1.
- G6.3 Term G6 does not detract from the statutory powers of the Auditor-General or an Information Officer (including their delegates).

G7 Equipment and assets

- G7.1 The Grantee agrees to obtain the Commonwealth's prior written approval to use the Grant to purchase any equipment or asset for more than \$5,000 (including GST), apart from those listed in the Budget and/or detailed below:
 - (a) Not applicable
- G7.2 The Grantee agrees to maintain a register of all equipment and assets purchased for \$5,000 (including GST) or more with the Grant in the form specified below and to provide the register to the Commonwealth upon request.

Item number	Description	Total cost (including GST)
Reference	Description of the equipment or asset	Total cost of the equipment or asset

- G7.3 The Grantee agrees to use the equipment and assets for the purposes of the Activity.
- G7.4 The Grantee agrees that the proceeds of any equipment and assets purchased with the Grant disposed of during the Activity, must be treated as part of the Grant and used for the purposes of the Activity.

G8 Relevant qualifications or skills

Not applicable

G9 Activity specific legislation, policies and industry standards

- G9.1 Without limiting the generality of Item G11 below, the Grantee agrees to comply with the requirements of the following legislation, policies and industry standards when undertaking the Activity:
 - (a) The *Work Health and Safety Act 2011* (Cth), any corresponding regulations made under that Act and any relevant Code of Practice approved for the purpose of that Act ('WHS Laws').

Note: The Grantee must ensure the Activity is undertaken in a safe manner. The Grantee must not, and must ensure its Personnel do not, by act or omission place the Commonwealth in breach of its obligations under the WHS Laws.
 - (b) State, Territory or Commonwealth laws relating to the employment or engagement of persons in any capacity where they may have contact with individuals under the age of 18 years, including all necessary Working With Children Checks.

- (c) National Principles for Child Safe Organisations, which have been accepted in draft form by the Commonwealth Government (available at: <https://www.humanrights.gov.au/national-principles-child-safe-organisations>)
- (d) The Building Code 2016¹ (Building Code) and the Australian Government Building and Construction WHS Accreditation Scheme² (WHS Scheme).]

G10 Commonwealth Material, facilities and assistance

Not applicable

G11 Jurisdiction

G11.1 This Agreement is governed by the law of the Australian Capital Territory.

G12 Grantee trustee of a Trust (if applicable)

G12.1 In this clause, 'Trust' means the trust specified in the Parties to the Agreement section of this Agreement.

G12.2 The Grantee warrants that:

- (a) it is the sole trustee of the Trust
- (b) it has full and valid power and authority to enter into this Agreement and perform the obligations under it on behalf of the Trust
- (c) it has entered into this Agreement for the proper administration of the Trust;
- (d) all necessary resolutions, consents, approvals and procedures have been obtained or duly satisfied to enter into this Agreement and perform the obligations under it; and
- (e) it has the right to be indemnified out of the assets of the Trust for all liabilities incurred by it under this Agreement.

¹ The Building Code 2016 can be found at <https://www.abcc.gov.au/building-code/building-code-2016>

² The Australian Government Building and Construction OHS Accreditation Scheme can be found at <http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationScheme/pages/theaccreditationScheme> .

Signatures

Executed as an agreement:

Commonwealth

Signed for and on behalf of the Commonwealth of Australia as represented by the Department of Industry, Innovation and Science.

Name	<System generated name of person executing the grant agreement on the CRM>
Position	<System generated position of person executing the grant agreement on the CRM >
Date	<System generated date when above person executes the grant agreement on the CRM >

Grantee

Full legal name of the Grantee	<name of the grantee> <ABN of the grantee>
Name of Authorised Representative	<System generated name of person accepting on the portal>
Date	<System generated date when above person accepted on the portal>

Schedule 1 Commonwealth General Grant Conditions

1. Undertaking the Activity

The Grantee agrees to undertake the Activity in accordance with this Agreement.

2. Acknowledgements

The Grantee agrees to acknowledge the Commonwealth's support in Material published in connection with this Agreement and agrees to use any form of acknowledgment the Commonwealth reasonably specifies.

3. Notices

3.1 The Parties agree to notify the other Party of anything reasonably likely to affect the performance of the Activity or otherwise required under this Agreement.

3.2 A notice under this Agreement must be in writing, signed by the Party giving notice and addressed to the other Party's representative.

4. Relationship between the Parties

A Party is not by virtue of this Agreement the employee, agent or partner of the other Party and is not authorised to bind or represent the other Party.

5. Subcontracting

5.1 The Grantee remains responsible for compliance with this Agreement, including in relation to any tasks undertaken by subcontractors.

5.2 The Grantee agrees to make available to the Commonwealth the details of any of its subcontractors engaged to perform any tasks in relation to this Agreement upon request.

6. Conflict of interest

The Grantee agrees to notify the Commonwealth promptly of any actual, perceived or potential conflicts of interest which could affect its performance of this Agreement and agrees to take action to resolve the conflict.

7. Variation

This Agreement may be varied in writing only, signed by both Parties.

8. Payment of the Grant

8.1 The Commonwealth agrees to pay the Grant to the Grantee in accordance with the Grant Details.

8.2 The Commonwealth may by notice withhold payment of any amount of the Grant where it reasonably believes the Grantee has not complied with this Agreement or is unable to undertake the Activity.

8.3 A notice under clause 8.2 will contain the reasons for any payment being withheld and the steps the Grantee can take to address those reasons.

8.4 The Commonwealth will pay the withheld amount once the Grantee has satisfactorily addressed the reasons contained in a notice under clause 8.2.

9. Spending the Grant

9.1 The Grantee agrees to spend the Grant for the purpose of undertaking the Activity only.

9.2 The Grantee agrees to provide a statement signed by the Grantee verifying the Grant was spent in accordance with the Grant Details.

10. Repayment

10.1 If any of the Grant has been spent other than in accordance with this Agreement or any amount of the Grant is additional to the requirements of the Activity, the Grantee agrees to repay that amount to the Commonwealth unless agreed otherwise.

10.2 The amount to be repaid under clause 10.1 may be deducted by the Commonwealth from subsequent payments of the Grant.

11. Record keeping

The Grantee agrees to maintain records of the expenditure of the Grant.

12. Intellectual Property

12.1 The Grantee owns the Intellectual Property Rights in Material created undertaking the Activity.

12.2 The Grantee gives the Commonwealth a non-exclusive, irrevocable, royalty-free licence to use, reproduce, publish and adapt Reporting Material for Commonwealth Purposes.

12.3 The licence in clause 12.2 does not apply to Activity Material.

12.4 This Agreement does not affect the ownership of Intellectual Property Rights in Existing Material.

13. Privacy

When dealing with Personal Information in carrying out the Activity, the Grantee agrees not to do anything which, if done by the Commonwealth, would be a breach of an Australian Privacy Principle.

14. Confidentiality

The Parties agree not to disclose each other's confidential information without prior written consent unless required or authorised by law or Parliament.

15. Insurance

The Grantee agrees to maintain adequate insurance for the duration of this Agreement and provide the Commonwealth with proof when requested.

16. Indemnities

16.1 The Grantee indemnifies the Commonwealth, its officers, employees and contractors against any claim, loss or damage arising in connection with the Activity.

16.2 The Grantee's obligation to indemnify the Commonwealth will reduce proportionally to the extent any act or omission involving fault on the

part of the Commonwealth contributed to the claim, loss or damage.

17. Dispute resolution

17.1 The Parties agree not to initiate legal proceedings in relation to a dispute unless they have tried and failed to resolve the dispute by negotiation.

17.2 The Parties agree to continue to perform their respective obligations under this Agreement where a dispute exists.

17.3 The procedure for dispute resolution does not apply to action relating to termination or urgent litigation.

18. Termination for default

The Commonwealth may terminate this Agreement by notice where it reasonably believes the Grantee:

- (a) has breached this Agreement; or
- (b) has provided false or misleading statements in their application for the Grant; or
- (c) has become bankrupt or insolvent, entered into a scheme of arrangement with creditors, or come under any form of external administration.

19. Cancellation for convenience

19.1 The Commonwealth may cancel this Agreement by notice, due to

- (a) a change in government policy; or
- (b) a Change in the Control of the Grantee, which the Commonwealth believes will negatively affect the Grantee's ability to comply with this Agreement.

19.2 The Grantee agrees on receipt of a notice of cancellation under clause 19.1 to:

- (a) stop the performance of the Grantee's obligations as specified in the notice; and
- (b) take all available steps to minimise loss resulting from that cancellation.

19.3 In the event of cancellation under clause 19.1, the Commonwealth will be liable only to:

- (a) pay any part of the Grant due and owing to the Grantee under this Agreement at the date of the notice; and
- (b) reimburse any reasonable expenses the Grantee unavoidably incurs that relate directly to the cancellation and are not covered by 19.3(a).

19.4 The Commonwealth's liability to pay any amount under this clause is subject to:

- (a) the Grantee's compliance with this Agreement; and
- (b) the total amount of the Grant.

19.5 The Grantee will not be entitled to compensation for loss of prospective profits or benefits that would have been conferred on the Grantee.

20. Survival

Clauses 10, 12, 13, 14, 16, 20 and 21 survive termination, cancellation or expiry of this Agreement.

21. Definitions

In this Agreement, unless the contrary appears:

- **Activity** means the activities described in the Grant Details.
- **Activity Material** means any Material, other than Reporting Material, created or developed by the Grantee as a result of the Activity.
- **Agreement** means the Grant Details, Supplementary Terms (if any), the Commonwealth General Grant Conditions and any other document referenced or incorporated in the Grant Details.
- **Australian Privacy Principle** has the same meaning as in the *Privacy Act 1988*.
- **Change in the Control** means any change in any person(s) who directly exercise effective control over the Grantee.
- **Commonwealth** means the Commonwealth of Australia as represented by the Commonwealth entity specified in the Agreement and includes, where relevant, its officers, employees, contractors and agents.
- **Commonwealth General Grant Conditions** means this document.
- **Commonwealth Purposes** does not include commercialisation or the provision of the Material to a third party for its commercial use.
- **Completion Date** means the date or event specified in the Grant Details.
- **Existing Material** means Material developed independently of this Agreement that is incorporated in or supplied as part of Reporting Material.
- **Grant** means the money, or any part of it, payable by the Commonwealth to the Grantee as specified in the Grant Details.
- **Grantee** means the legal entity specified in the Agreement and includes, where relevant, its officers, employees, contractors and agents.
- **Grant Details** means the document titled Grant Details that forms part of this Agreement.
- **Intellectual Property Rights** means all copyright, patents, registered and unregistered trademarks (including service marks), registered designs, and other rights resulting from intellectual activity (other than moral rights under the *Copyright Act 1968*).
- **Material** includes documents, equipment, software (including source code and object code versions), goods, information and data stored by any means including all copies and extracts of them.
- **Party** means the Grantee or the Commonwealth.
- **Personal Information** has the same meaning as in the *Privacy Act 1988*.
- **Reporting Material** means all Material which the Grantee is required to provide to the Commonwealth for reporting purposes as specified in the Grant Details.

Schedule 2 Reporting requirements

Appendix 1 – Progress report

Drought Communities Programme Extension - progress report requirements

You will need to provide the following information in your progress reports. The Commonwealth reserves the right to amend or adjust the requirements.

You must complete and submit your report on the [portal](#). You can enter the required information in stages and submit when it is complete.

Project progress

- a. Complete the following table, updating for all milestones shown in the Activity Schedule of your grant agreement.

Milestone	Agreed end date	Actual/ anticipated end date	Current % complete	Progress comments – work undertaken and impact any delay

- b. Where applicable, describe any project activities completed during the reporting period that are not captured in the table above.
- c. Is the overall project proceeding in line with your grant agreement?
If no, identify any changes or anticipated issues. Comment on any impacts on project timing and outcomes and how you expect to manage these.
- d. Are there any planned events relating to the project that you are required to notify us about in accordance with your agreement?
If yes, provide details of the event including date, time, purpose of the event and key stakeholders expected to attend.

Project outcomes

- a. Outline the project outcomes achieved to date.
- b. Provide details of project Key Performance Indicators (KPIs) and the extent to which these have been delivered to date.
- c. How many jobs have been created through your project in this reporting period.

Project expenditure

Provide the following information about your eligible project expenditure.

All expenditure should be GST inclusive, less GST credits you can claim. We may ask you to provide evidence of costs incurred.

Refer to the grant opportunity guidelines or contact us if you have any questions about eligible expenditure.

- a. What is the eligible expenditure you have incurred to date?
- b. What is the eligible expenditure you have incurred in this reporting period?
- c. What is the estimated eligible expenditure for the next reporting period?
- d. Are there any planned events relating to the project that you are required to notify us about in accordance with your agreement?
- e. What is the estimated eligible expenditure for remaining reporting periods in current financial year (if applicable)?
- f. What is the estimated total eligible expenditure for the project?
- g. Briefly explain the reason for any changes between the forecast and actual expenditure for the current reporting period, and any significant changes to the forecast budget for the remainder of the project.
- h. Is the project expenditure broadly in line with the activity budget in the grant agreement?
If no, explain the reasons.

Certification

You must ensure an authorised person completes the report and can certify the following:

- The information in this report is accurate, complete and not misleading and that I understand the giving of false or misleading information is a serious offence under the *Criminal Code 1995* (Cth).
- The activities undertaken and the expenditure incurred is in accordance with the grant agreement.
- I am aware of the grantee's obligations under their grant agreement.
- I am aware that the grant agreement empowers the Commonwealth to terminate the grant agreement and to request repayment of funds paid to the grantee where the grantee is in breach of the grant agreement.

Appendix 2 – End of project report

Drought Communities Programme Extension - end of project report requirements

You will need to provide the following information in your end of project report. The Commonwealth reserves the right to amend or adjust the requirements.

You must complete and submit your report on the [portal](#). You can enter the required information in stages and submit when it is complete.

Project achievements

- a. Complete the following table, updating for all milestones shown in the Activity Schedule of your grant agreement.

Milestone	Agreed end date	Actual/ anticipated end date	Current % complete	Progress comments – work undertaken and impact any delay

- b. Where applicable, describe any project activities completed during the reporting period that are not captured in the table above.
- c. Attach any evidence required with this report to demonstrate progress or successful completion of your project.

Project outcomes

- a. Outline the project outcomes achieved by the project end date.
- b. Do the achieved project outcomes align with those specified in the grant agreement?
If no, explain why.
- c. Are there any planned events relating to the project that you are required to notify us about in accordance with your agreement?
If yes, provide details of the event including date, time, purpose of the event and key stakeholders expected to attend.
- d. Provide details of project Key Performance Indicators (KPIs) and the extent to which these were delivered.
- e. Provide details of how the project increased employment in your region by providing work for locals and/or farmers and farm labourers/staff/contractors whose employment opportunities have been affected by drought. Leave blank if not applicable to your project.
- Where applicable, indicate the total number of jobs (direct and indirect) that have been created by your project in the region.

- Where applicable, provide a breakdown of created jobs, i.e. how many local residents/ farmers/ farm labourers/ staff/ contractors that are affected by drought in your region have been employed through your project?
- f. Provide details of how the project improved levels of economic activity and productivity in your region. Leave blank if not applicable to your project.
 - g. Provide details of how the project enabled better retention of businesses, services and facilities. Leave blank if not applicable to your project.
 - h. Attach copies of any published reports and promotional material, relating to the project.

Project benefits

- a. What benefits has the project achieved?
- b. What ongoing impact will the project have?
- c. Did the project result in any unexpected benefits?
If yes, explain why.
- d. Is there any other information you wish to provide about your project?
If yes, provide details.

Total eligible project expenditure

- a. Indicate the total eligible project expenditure incurred for each eligible expenditure item below. These categories align with the budget you provided in your application.

All expenditure should be GST inclusive, less GST credits you can claim. We may ask you to provide evidence of costs incurred.

Refer to the grant opportunity guidelines or contact us if you have any questions about eligible expenditure.
 - Suppliers, consultants and contracted labour costs
 - Materials costs
 - Equipment costs
 - Audit costs (where applicable)
 - Other costs (if other, provide details)
 - Total project
- b. Provide any comments you may have to clarify any figures.
- c. Was the expenditure incurred in accordance with the activity budget in the grant agreement?

If no, explain the reason for a project underspend or overspend, or any other significant changes to the budget.

Project funding

- a. Provide details of all cash contributions to your project. This includes your own contributions as well as any contributions from government (except this grant), project partners or others.

Certification

You must ensure an authorised person completes the report and can certify the following:

- The information in this report is accurate, complete and not misleading and that I understand the giving of false or misleading information is a serious offence under the *Criminal Code 1995* (Cth).
- The activities undertaken and the expenditure incurred is in accordance with the grant agreement.
- I am aware of the grantee's obligations under their grant agreement.
- I am aware that the grant agreement empowers the Commonwealth to terminate the grant agreement and to request repayment of funds paid to the grantee where the grantee is in breach of the grant agreement.

Appendix 3 - Independent audit report

Background for auditors

The purpose of the independent audit report is to provide us with an auditor's opinion on the grant recipient's statement of grant income and expenditure. The statement of grant income and expenditure is prepared by the grant recipient to correspond with the expenditure reported to the department by the grant recipient for the same period, in the process of claiming grant payments.

The independent audit report must be prepared by a person who is an approved auditor.

An approved auditor is a person who is:

- a. registered as a company auditor under the *Corporations Act 2001* or an appropriately qualified member of Chartered Accountants Australia and New Zealand, or of CPA Australia or the Institute of Public Accountants; and
- b. not a principal, member, shareholder, officer, agent, subcontractor or employee of the grant recipient or of a related body corporate or a Connected Entity.

The audit should be undertaken and reported in accordance with Australian Auditing Standards.

The independent audit report must follow the required format and include any qualification regarding the matters on which the auditor provides an opinion. We may follow up any qualifications with the grant recipient or auditor. The independent audit report must be submitted on the auditor's letterhead.

Auditors must comply with the professional requirements of Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants in the conduct of their audit.

If the auditor forms an opinion that the statement of grant income and expenditure does not give a true and fair view of the eligible expenditure for the period, the independent audit report should be qualified and the error quantified in the qualification section of the independent audit report.

The required independent audit report format follows.

Auditor's report

Independent audit report in relation to [grant recipient name]'s statement of grant income and expenditure to the Commonwealth, represented by the Department of Industry, Innovation and Science (the department).

We have audited:

- a. the accompanying statement of grant income and expenditure of [grant recipient name] for the period [dd/mm/yyyy] to [dd/mm/yyyy], a summary of significant accounting policies and other explanatory information, and management's attestation statement thereon (together "the financial statement"). The financial statement has been prepared by management using the cash basis of accounting described in note 3.2 to the financial statement; and
- b. [grant recipient name]'s compliance with the terms of the grant agreement between [grant recipient name] and the Commonwealth dated [date of agreement] for the period [dd/mm/yyyy] to [dd/mm/yyyy] (the grant agreement).

We have:

- a. reviewed [grant recipient name]'s statement of labour costs in support of its claim of eligible expenditure; and
- b. performed limited assurance procedures on [grant recipient name]'s statement of employee numbers under the grant agreement].

Management's responsibility

Management is responsible for:

- a. the preparation and fair presentation of the financial statement in accordance with the basis of accounting described in note 3.2, this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in accordance with the grant agreement;
- b. compliance with the terms of the grant agreement;
- c. the preparation of the statement of employee numbers and labour costs in support of eligible expenditure; and
- d. such internal control as management determines is necessary to:
 - i enable the preparation of the financial statement and the statement of [employee numbers and]labour costs that are free from material misstatement, whether due to fraud or error; and
 - ii enable compliance with the terms of the grant agreement.

Auditor's responsibility

Our responsibilities are:

- a. To express an opinion, based on our audit, on:
 - i the financial statement; and
 - ii [Grant recipient name]'s compliance, in all material respects, with the terms of the grant agreement; and

- b. To conclude based on:
 - i our review procedures, on the statement of labour costs; and
 - ii our limited assurance procedures on the statement of employee numbers.

We conducted our audit of the financial statement in accordance with Australian Auditing Standards; our audit of compliance with the grant agreement in accordance with ASAE 3100, our review of the statement of labour costs in accordance with ASRE 2405[; and our limited assurance procedures on employee numbers in accordance with ASAE 3000]. The applicable Standards require that we comply with relevant ethical requirements and plan and perform our work to:

- a. obtain reasonable assurance about whether the financial statement is free from material misstatement and that [grant recipient name] has complied, in all material respects, with the terms of the grant agreement; and
- b. obtain limited assurance as to whether anything has come to our attention that causes us to believe that the statements of employee numbers and labour costs are materially misstated.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement and about the grant recipient's compliance with the grant agreement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the grant recipient's preparation and fair presentation of the financial statement, and to the grant recipient's compliance with the grant agreement, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the grant recipient's internal control. An audit also includes evaluating the appropriateness of accounting policies used by management, as well as evaluating the overall presentation of the financial statement.

A review consists of making enquiries and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the statement of labour costs.

A limited assurance engagement undertaken in respect of the statement of employee numbers, in accordance with ASAE 3000 involves [level of detail about procedures to be determined by the auditor]. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion, review and limited assurance conclusions.

Opinion

In our opinion:

- a. the financial statement presents fairly, in all material respects, the grant income and expenditure of [grant recipient name] for the period [dd/mm/yyyy] to [dd/mm/yyyy] in

accordance with the cash basis of accounting described in note 3.2 and the terms of the grant agreement, dated [date of agreement], with the Commonwealth; and

- b. [Grant recipient name] has complied, in all material respects, with the requirements of the grant agreement between the organisation and the Commonwealth dated [date of agreement], for the period [dd/mm/yyyy] to [dd/mm/yyyy].

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to note 3.2 to the financial statement, which describes the basis of accounting. The financial statement is prepared to provide information to the department in accordance with the grant agreement, dated [date of agreement]. As a result, the financial statement may not be suitable for another purpose.

Use of Report

This report has been prepared for [Grant recipient name] and the department in accordance with the requirements of the grant agreement between [grant recipient name] and the Commonwealth, dated [date of agreement]. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than [grant recipient name] and the department, or for any purpose other than that for which it was prepared.

Conclusions

Based on:

- a. Our review, which is not an audit, nothing has come to our attention that causes us to believe that the statement of labour costs in the period [dd/mm/yyyy] to [dd/mm/yyyy] is not, in all material respects, fairly presented in accordance with the grant agreement dated [date of agreement] with the Commonwealth; and
- b. The procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the statement of employee numbers as at [dd/mm/yyyy] is not prepared, in all material respects, in accordance with the grant agreement dated [date of agreement] with the Commonwealth].

Auditor's signature

Name [enter name]

Auditor's employer [enter employer name]

Employer's address [enter address]

Qualifications [enter qualification]

Position [enter position]

Date [dd/mm/yyyy]

Attachment C - Certification of certain matters by the auditor

The department also requires a certification of certain matters by the auditor in addition to the independent audit report. This should be submitted with the statement of grant income and expenditure and independent audit report.

The auditor who signs this certification must also initial and date a copy of the grant recipient's statement of eligible expenditure. The department will not accept an independent audit report that lacks this attachment.

The required format of certification is on the following page.

SAMPLE

[print on auditor letterhead]

[addressee]

Department of Industry, Innovation and Science
GPO Box 2013
Canberra ACT 2601

I understand that the Commonwealth, represented by the Department Industry, Innovation and Science and [grant recipient name] have entered into a grant agreement for the provision of financial assistance under the Industry 4.0 Testlabs for Australia to the grant recipient for the project. A condition of funding under the grant agreement is that the grant recipient provides a statement of grant income and expenditure certifying that expenditure on approved project items has been incurred within the relevant audit period and paid in accordance with the grant opportunity guidelines, and is supportable by appropriate documentation.

In fulfilment of the condition, I hereby certify that:

- a. I am a member of Chartered Accountants Australia and New Zealand/ CPA Australia/ the Institute of Public Accountants (as a Public Practice Certified Member).
- b. I have prepared the independent audit report on [grant recipient name]'s, statement of grant income and expenditure in accordance with the details of the grant agreement between the grant recipient and the Commonwealth, project no [project no] dated [dd/mm/yyyy].
- c. I have reviewed the grant agreement between the grant recipient and the Commonwealth, project no [project no] dated [dd/mm/yyyy], and related grant opportunity guidelines and understand the requirements pertaining to financial reporting and eligible expenditure contained therein.
- d. I have signed the attached copy of [grant recipient name]'s statement of eligible expenditure that I used to prepare the independent audit report.
- e. I have complied with the professional independence requirements of Chartered Accountants Australia and New Zealand/ CPA Australia/the Institute of Public Accountants. I specifically certify that I:
 - i am not, and have not been, a director, office holder, or employee of [grant recipient name] or related body corporate of [grant recipient name]
 - ii have not been previously engaged by [grant recipient name] for the purpose of preparing their Industry 4.0 Testlabs for Australia application or any report required under the grant agreement
 - iii have no financial interest in [grant recipient name].

Signature

Name [enter name]

Qualifications [enter qualification]

Position [enter position]

Date [dd/mm/yyyy]

SAMPLE