



Australian Government

Department of Industry, Science,
Energy and Resources

Department of Infrastructure, Transport,
Regional Development and Communications

Grant Opportunity Guidelines

Northern Australia Development Program: Northern Australia Business Development Grants

| | |
|------------------------------------|--|
| Opening date: | 4 November 2021 |
| Closing date and time: | 5.00pm Australian Eastern Daylight Time on 24 October 2023 Please take account of time zone differences when submitting your application. |
| Commonwealth policy entity: | Department of Infrastructure, Transport, Regional Development and Communications |
| Administering entity: | Department of Industry, Science, Energy and Resources |
| Enquiries: | If you have any questions, contact us on NADG@industry.gov.au or 13 28 46. |
| Date guidelines released: | 29 September 2021; Updated 28 October 2021 |
| Type of grant opportunity: | Open non-competitive |

Contents

| | |
|--|-----------|
| 1. Northern Australia Development Grants process | 4 |
| 2. About the Northern Australia Development Program | 5 |
| 2.1. About Northern Australia Business Development Grants | 5 |
| 3. Grant amount and grant period | 6 |
| 3.1. Grants available | 6 |
| 3.2. Project period | 6 |
| 4. Eligibility criteria | 6 |
| 4.1. Who is eligible? | 6 |
| 4.2. Additional eligibility requirements | 7 |
| 4.3. Who is not eligible? | 7 |
| 5. What the grant money can be used for | 7 |
| 5.1. Eligible activities | 7 |
| 5.2. Eligible locations | 8 |
| 5.3. Eligible expenditure | 8 |
| 6. The assessment criteria | 9 |
| 6.1. Assessment criterion 1 | 9 |
| 6.2. Assessment criterion 2 | 9 |
| 7. How to apply | 10 |
| 7.1. Attachments to the application | 10 |
| 7.2. Joint applications | 10 |
| 7.3. Timing of grant opportunity | 11 |
| 8. The grant selection process | 11 |
| 8.1. Who will approve grants? | 12 |
| 9. Notification of application outcomes | 12 |
| 10. Advisory services | 12 |
| 11. Successful grant applications | 12 |
| 11.1. Grant agreement | 12 |
| 11.2. Northern Australia Development specific legislation, policies and industry standards | 13 |
| 11.2.1. Child safety requirements | 13 |
| 11.3. How we pay the grant | 13 |
| 11.4. Tax obligations | 14 |
| 12. Announcement of grants | 14 |
| 13. How we monitor your grant activity | 14 |
| 13.1. Keeping us informed | 14 |
| 13.2. Reporting | 14 |
| 13.2.1. Progress and Annual reports | 15 |
| 13.2.2. End of project report | 15 |
| 13.2.3. Ad-hoc reports | 15 |
| 13.3. Independent audits | 15 |
| 13.4. Compliance visits | 15 |

| | | |
|--------------------|---|-----------|
| 13.5. | Grant agreement variations | 16 |
| 13.6. | Evaluation | 16 |
| 13.7. | Grant acknowledgement..... | 16 |
| 14. | Probity..... | 16 |
| 14.1. | Conflicts of interest..... | 17 |
| 14.2. | How we use your information..... | 17 |
| 14.2.1. | How we handle your confidential information | 18 |
| 14.2.2. | When we may disclose confidential information | 18 |
| 14.2.3. | How we use your personal information | 18 |
| 14.2.4. | Freedom of information | 19 |
| 14.3. | Enquiries and feedback | 19 |
| 15. | Glossary..... | 20 |
| Appendix A. | Eligible expenditure | 23 |
| A.1 | How we verify eligible expenditure | 23 |
| A.2 | Plant and equipment expenditure | 23 |
| A.3 | Labour expenditure | 24 |
| A.4 | Labour on-costs and administrative overhead..... | 25 |
| A.5 | Contract expenditure | 25 |
| A.6 | Travel and overseas expenditure..... | 26 |
| A.7 | Other eligible expenditure..... | 26 |
| Appendix B. | Ineligible expenditure..... | 28 |

1. Northern Australia Development Grants process

The Northern Australia Development Program is designed to achieve Australian Government objectives

This grant opportunity is part of the above grant program, which contributes to Department of Infrastructure, Transport, Regional Development and Communications Outcome 3.1. 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 assess eligible applications against the assessment criteria including an overall consideration of value with relevant money.



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.



Services Connection

Where appropriate, we connect you with Strengthening Northern Australia Business Advisory Services.



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 Northern Australia Development Program grant opportunity

We evaluate the specific grant activity and Northern Australia Development program grant opportunity as a whole. We base this on information you provide to us and that we collect from various sources.

2. About the Northern Australia Development Program

The Australian Government is supporting the next phase of the Northern Australia agenda, Our North, Our Future: 2021-2026. This includes the implementation of strategic measures to support the vision of a stronger and diversified Northern Australian economy.

Our North, Our Future, 2021-2026 will grow economic resilience through focused investment aligned to geographic regions of growth, provide business, including Indigenous businesses, support grants to diversify operations and enable greater digital connectivity. This investment complements the delivery of Australian Government initiatives including the JobMaker Plan, the Digital Business Plan, Gas Fired Recovery, Ag2030 and the Modern Manufacturing Strategy in the north.

The \$111.9 million Northern Australia Development Program (the program) focuses on economic diversification and job creation through support for scaling up and growing businesses, including Indigenous businesses, in Northern Australian communities. The program will run over 5 years from 2021-22.

The objectives of the program are to:

- create new jobs in Northern Australia
- strengthen business capability and resilience.

The intended outcomes of the program are:

- increased employment opportunities
- increased business turnover and profitability
- greater diversification of business in Northern Australia.

The Northern Australia Development Program has two elements:

1. **Northern Australia Development Program grants** - delivered through two separate grant opportunities:
 - a. **Northern Australia Business Development Grants** - providing funding for small to medium enterprises, including indigenous businesses, to take the next step to diversify or grow their business through undertaking new activities including infrastructure and assets, feasibility studies, business planning and marketing activities.
 - b. **Northern Australia Industry Transformation Grants** - providing funding to businesses aiming to establish a new industry or significantly grow the value of an existing industry and contribute to transformational change in a region.
2. **Strengthening Northern Australia Business Advisory Services** - providing eligible Northern Australian businesses with access to face-to-face advice and or workshops to build long-term resilience and business strength.

These guidelines contain information for the Northern Australia Business Development Grants. Information about *Strengthening Northern Australia Business Advisory Services* and *Northern Australia Industry Transformation Grants* is available on business.gov.au.

2.1. About Northern Australia Business Development Grants

Northern Australia Business Development Grants assist small and medium businesses, including indigenous organisations, to innovate and bring new goods and services to the market.

The objectives of the Northern Australia Business Development Grants are to:

- support eligible small and medium businesses to scale-up and diversify
- de-risk the higher costs of doing business in Northern Australia by providing co-investment grant funding

- support a range of activities including infrastructure, assets, feasibility studies, business planning and marketing activities.

This document 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.

The Department of Industry, Science, Energy and Resources (the department/we) are responsible for administering this grant opportunity on behalf of the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC). We administer the grant opportunity according to the [Commonwealth Grants Rules and Guidelines](#) (CGRGs)¹.

We have defined key terms used in these guidelines in the glossary at section 15.

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

3. Grant amount and grant period

A total of \$80 million is available for the Northern Australia Business Development Grant opportunity and the Northern Australia Industry Transformation Grant opportunity. For this grant opportunity, we estimate \$40 million is available over 3 years from 2021-22.

3.1. Grants available

The grant amount will be up to 50 per cent of eligible project expenditure (grant percentage).

- The minimum grant amount is \$50,000.
- The maximum grant amount is \$2 million.

You are responsible for the remaining eligible project expenditure, which we consider your contribution. Contributions to your project must be cash.

Your contribution can come from any source including private investment, Commonwealth, state, territory and local government grants.

3.2. Project period

You must complete your project by 31 March 2024.

4. Eligibility criteria

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

4.1. Who is eligible?

To be eligible you must:

- have an Australian Business Number (ABN)
- be a small to medium enterprise (up to 199 employees - see section 15 Glossary for definition)

and be one of the following entities:

- an entity incorporated in Australia and a trading corporation, where your trading activities:

¹ <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

- form a sufficiently significant proportion of the corporation's overall activities as to merit it being described as a trading corporation; or
- are a substantial and not merely peripheral activity of the corporation
- an incorporated trustee on behalf of a trust where the trust's trading activities:
 - form a sufficiently significant proportion of the trust's overall activities as to merit it being described as a trading trust; or
 - are a substantial and not merely peripheral activity of the trust.

Joint applications are acceptable, provided you have a lead organisation who is the main driver of the project and is eligible to apply. For further information on joint applications, refer to section 7.2.

4.2. Additional eligibility requirements

We can only accept applications:

- where your project will be located in or will significantly benefit Northern Australia (as defined in section 15 Glossary)
- where you commit to:
 - if you are successful in receiving a Northern Australia Business Development grant, you must work with a Strengthening Northern Australian Business facilitator to develop and implement a business roadmap. For more information on the role of the facilitator, refer to business.gov.au.
 - if you are eligible but not successful in receiving a Northern Australia business development grant discussing opportunities to improve your capability and next steps with a Strengthening Northern Australian Business facilitator.
- where you provide all mandatory attachments (see section 7.1).

We cannot waive the eligibility criteria under any circumstances.

4.3. Who is not eligible?

You are not eligible to apply if you are:

- any organisation not included in section 4.1
- an individual
- partnership
- unincorporated association
- trust (however, an incorporated trustee may apply on behalf of a trust)
- a Commonwealth, state, territory or local government body (including government business enterprises)
- a non-corporate Commonwealth entity
- an organisation, or your project partner is 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 employer of 100 or more employees that has [not complied](#) with the *Workplace Gender Equality Act (2012)*.

5. What the grant money can be used for

5.1. Eligible activities

To be eligible your project must be aimed at:

- scaling up or diversifying a small to medium business
- have at least \$100,000 in eligible expenditure.

Eligible activities may include

- buying, constructing, installing or commissioning of plant and equipment
- construction and/or fit out of new infrastructure
- capital expenditure items directly related to your project (not the “business as usual”) for purchase of assets and equipment such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings and laboratories
- relevant training and skills development directly related to your project
- feasibility studies
- process design and engineering
- costs associated with the preparation of environmental approvals and other statutory and regulatory approvals
- business planning
- marketing activities.

We may also approve other activities.

5.2. Eligible locations

Your project can include activities at different locations, as long as they are all in or will significantly benefit Northern Australia (see section 15. Glossary for a definition of Northern Australia).

5.3. Eligible expenditure

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

- For guidance on eligible expenditure, see Appendix A.
- For guidance on ineligible expenditure, see Appendix B.

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 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.

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. The assessment criteria are equally weighted.

6.1. Assessment criterion 1

How your project will create new jobs, scale-up, diversify and build economic resilience for your business and Northern Australia

You should demonstrate this by:

- a. providing a business case for your project, including the business opportunity, its expected impact on your business and its resilience
- b. describing the regional economic benefits of your project, impacts on supply chains and employment growth, including Indigenous business and employment growth outside your business
- c. providing the expected number and types of local jobs to be created by the project in the immediate and long term, including skill level and sustainability
- d. describing any broader regional social or environmental benefits of your project. Include whether your project is located in a 'Pilot Region of Growth' (as described in section 15) and/or is an Indigenous business.
- e. describing how the grant will impact your project i.e. in terms of scale, timing and reach and how you will measure the success of your project

6.2. Assessment criterion 2

Your capacity, capability and resources to deliver your business project

You should demonstrate this by describing:

- a. your track record in managing similar projects, and your access to personnel with relevant skills and experience
- b. your project plan that is commensurate with the size and scope of your project, including how you will:
 - manage the project including scope, governance, implementation methodology and timeframes
 - mitigate delivery risks
 - secure required regulatory or other approvals.
- c. any support or investment that will be leveraged to progress your project.

You must attach a project plan and budget to your application.

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.

You can only submit an application once the program opens. It will be continuously open until funding is exhausted or until 31 March 2024, whichever is earlier.

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.

You should retain a copy of your application for your own records. You can view and print a copy of your submitted application on the portal 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
- project budget
- an accountant's declaration stating that the company's revenue from trading activities is a significant proportion of total revenue
- evidence of funding strategy, e.g. financial statements, loan agreements, cash flow documents
- trust deed (where applicable).

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

We recognise that some organisations may want to join together as a group to deliver a project. In these circumstances, you must appoint a lead organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application should identify all other members of the proposed group and include a letter of support 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 submit an application at any time while the grant opportunity remains open.

If you are successful we expect you will be able to commence your project within 1 month of receiving the offer of grant funding.

Table 1: Expected timing for this grant opportunity

| Activity | Timeframe |
|--|-----------------------------------|
| Assessment of applications | Up to 6 weeks from batch closing |
| Approval of outcomes of selection process | Up to 6 weeks from the assessment |
| Negotiations and award of grant agreements | Up to 4 weeks |
| Notification to unsuccessful applicants | Up to 4 weeks |

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 will establish a committee of independent experts along with government representatives to assess applications. The committee may also seek additional advice from independent technical experts as required.

The committee will meet periodically during the year, and assess applications in batches against the assessment criteria before recommending which projects to fund. Committee members are subject to probity requirements as outlined in section 14.

We consider your application on its merits, based on:

- how well it meets the criteria
- 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.

The Committee may seek additional information about you or your application. They may do this from within the Commonwealth or northern jurisdictions, 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 application assessment, the recommendations 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 advise you of any specific conditions attached to the grant.

If you are eligible and unsuccessful, we will give you an opportunity to discuss the outcome with us and engage with a facilitator to discuss opportunities to improve your capability and next steps.

You can submit a new application for the same (or similar) project as long as you include new or more information to address the weaknesses that prevented your previous application from being successful. If a new application is substantially the same as a previous ineligible or unsuccessful application, we may refuse to consider it.

10. Advisory services

If you are successful, we will connect you to a Strengthening Northern Australian Business facilitator. The facilitator will work with you to develop and implement a business roadmap, which will include recommendations for your business.

The advisory service aims to develop and grow the region by strengthening the long-term resilience of businesses.

Facilitators can help businesses to diversify or expand commercial offerings including developing new domestic or international markets.

If you are eligible for the grant but unsuccessful, we will connect you to a facilitator who will assess opportunity areas for your business and provide specialist support at no cost to your business.

11. Successful grant applications

11.1. 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 Program Delegate. 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.

We will use the Commonwealth simple grant agreement.

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.

11.2. Northern Australia Development specific legislation, policies and industry standards

You must comply with all relevant laws and regulations 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.

11.2.1. Child safety requirements

You must comply with all relevant legislation relating to the employment or engagement of anyone working on the project that may interact with children, including all necessary working with children checks.

You must implement the [National Principles for Child Safe Organisations](#)² endorsed by the Commonwealth.

You will need to complete a risk assessment to identify the level of responsibility for children and the level of risk of harm or abuse, and put appropriate strategies in place to manage those risks. You must update this risk assessment at least annually.

You will also need to establish a training and compliance regime to ensure personnel are aware of, and comply with, the risk assessment requirements, relevant legislation including mandatory reporting requirements and the National Principles for Child Safe Organisations.

You will be required to provide an annual statement of compliance with these requirements in relation to working with children.

11.3. 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)
- any financial contribution provided by you or a third party.

We will not exceed the maximum grant amount under any circumstances. If you incur extra costs, you must meet them yourself.

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

² <https://www.humanrights.gov.au/our-work/childrens-rights/national-principles-child-safe-organisations>

11.4. 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 entities³.

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.

12. 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.

13. How we monitor your grant activity

13.1. 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.

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

13.2. 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

³ See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au

- 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.

13.2.1. Progress and Annual reports

Progress and annual reports must:

- include details of your progress towards completion of agreed project activities
- show the total eligible expenditure incurred to date
- include evidence of expenditure
- 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.

13.2.2. 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.

13.2.3. 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.

13.3. 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.

13.4. 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.

13.5. 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 time period allowed in program guidelines year 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.

13.6. Evaluation

Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) 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, and any content or advice provided through your accompanying advisory service. 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.

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

13.7. Grant acknowledgement

If you make a public statement about a project funded under the program, including in all forms of social media, you must acknowledge the grant by using the following:

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

14. 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.

14.1. 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 or facilitator 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.

The department will also maintain procedures for managing conflicts of interest for Delivery Partners, Directors, facilitators and any other technical experts and other third parties involved in the management, assessment and evaluation of the program, applications and the delivery of activities. Conflicts of interest will be managed in accordance with these procedures.

Delivery Partners, Directors and facilitators must identify to the department any actual, perceived or potential conflicts of interest they believe will or may arise during the delivery of the program and, where a conflict is identified, specify how that conflict will be addressed and monitored to ensure it does not compromise program outcomes.

Conflicts of interest for Australian Government staff are handled as set out in the Australian [Public Service Code of Conduct \(Section 13\(7\)\)⁴](#) 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 policy⁵](#) on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

14.2. How we use your information

Unless the information you provide to us is:

- confidential information as per 14.2.1, or
- personal information as per 14.2.3,

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

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

⁴ <https://www.legislation.gov.au/Details/C2019C00057>

⁵ https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect

14.2.1. 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.

14.2.2. When we may disclose confidential information

We may disclose confidential information:

- to the committee and our Commonwealth, state and territory employees and contractors, including Delivery Partners and facilitators, to help us manage the program effectively
- to the Auditor-General, Ombudsman or Privacy Commissioner
- to the responsible Minister or Assistant Minister
- to 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.

14.2.3. 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 to our employees and contractors, including Delivery Partners and facilitators, the committee, and other Commonwealth, state and territory employees and contractors, so we can:

- manage the program
- 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](#)⁶ 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.

⁶ <https://www.industry.gov.au/data-and-publications/privacy-policy>

14.2.4. 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.

14.3. 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:

Chief Finance Officer
Department of Industry, Science, Energy and Resources
GPO Box 2013
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)⁷ with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

⁷ <http://www.ombudsman.gov.au/>

15. Glossary

| Term | Definition |
|-------------------------------|---|
| Application form | The document issued by the Program Delegate that applicants use to apply for funding under the program. |
| Business size | The Australian Bureau of Statistics (ABS) defines the business size as: Small business – less than 20 employees Medium business – 20 to 199 employees Large business – 200 plus employees. |
| Committee | The body established by the Minister to consider and assess eligible applications and make recommendations to the Minister for funding under the program. |
| Department | The Department of Industry, Science, Energy and Resources. |
| Delivery Partner | An organisation engaged by the department to deliver the program's advisory services to participants. |
| Diversify | Enlarge or vary the range of products or the field of operation of a business. |
| 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 5.3. |
| Eligible expenditure guidance | The guidance that is provided at Appendix A. |
| Facilitator | A skilled and experienced business adviser engaged by Delivery Partners to deliver expert advisory services under the program. |
| 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. |
| Minister | The Commonwealth Minister for Northern Australia. |

| Term | Definition | | | | | | | | | | | | | | | | | |
|---------------------------------------|---|--|-------------------------|-------------------------------|---------------------------------------|--------|-------------------------------|---|----------------------------|-------------------------------|--------------------------|--|----------------------------|-------------------------------|---------------------------------|-----------|-------------------------|--|
| Northern Australia | The White Paper on Developing Northern Australia defines northern Australia as those parts of Queensland and Western Australia above the Tropic of Capricorn and all of the Northern Territory. Christmas Island and the Cocos (Keeling) Islands collectively known as the Indian Ocean Territories are included as part of Northern Australia. | | | | | | | | | | | | | | | | | |
| Personal information | Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is: Information or an opinion about an identified individual, or an individual who is reasonably identifiable: 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 | The General 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. | | | | | | | | | | | | | | | | | |
| Pilot Regions of Growth | <table border="0"> <tr> <td data-bbox="497 909 986 954">Region of Growth</td> <td data-bbox="986 909 1402 954">Local Government Areas</td> </tr> <tr> <td data-bbox="497 954 986 999">Northwest Agriculture Corridor</td> <td data-bbox="986 954 1402 999">Broome</td> </tr> <tr> <td data-bbox="497 999 986 1335">Broome to Kununurra to Darwin</td> <td data-bbox="986 999 1402 1335">Derby-West Kimberley Wyndham-East Kimberley Halls Creek Victoria-Daly Katherine Coomalie Litchfield Palmerston Darwin</td> </tr> <tr> <td data-bbox="497 1335 986 1379">Strategic Gas Basin</td> <td data-bbox="986 1335 1402 1379">Local Government Areas</td> </tr> <tr> <td data-bbox="497 1379 986 1715">Beetaloo Basin to Darwin</td> <td data-bbox="986 1379 1402 1715">Barkly Roper Gulf Katherine Victoria-Daly Coomalie Litchfield Palmerston Darwin</td> </tr> <tr> <td data-bbox="497 1715 986 1760">Strategic Gas Basin</td> <td data-bbox="986 1715 1402 1760">Local Government Areas</td> </tr> <tr> <td data-bbox="497 1760 986 1805">Mine and Produce to Port</td> <td data-bbox="986 1760 1402 1805">Mount Isa</td> </tr> <tr> <td data-bbox="497 1805 986 2051">Mount Isa to Townsville</td> <td data-bbox="986 1805 1402 2051">Cloncurry McKinlay Richmond Flinders Charters Towers Burdekin</td> </tr> </table> | | Region of Growth | Local Government Areas | Northwest Agriculture Corridor | Broome | Broome to Kununurra to Darwin | Derby-West Kimberley Wyndham-East Kimberley Halls Creek Victoria-Daly Katherine Coomalie Litchfield Palmerston Darwin | Strategic Gas Basin | Local Government Areas | Beetaloo Basin to Darwin | Barkly Roper Gulf Katherine Victoria-Daly Coomalie Litchfield Palmerston Darwin | Strategic Gas Basin | Local Government Areas | Mine and Produce to Port | Mount Isa | Mount Isa to Townsville | Cloncurry McKinlay Richmond Flinders Charters Towers Burdekin |
| Region of Growth | Local Government Areas | | | | | | | | | | | | | | | | | |
| Northwest Agriculture Corridor | Broome | | | | | | | | | | | | | | | | | |
| Broome to Kununurra to Darwin | Derby-West Kimberley Wyndham-East Kimberley Halls Creek Victoria-Daly Katherine Coomalie Litchfield Palmerston Darwin | | | | | | | | | | | | | | | | | |
| Strategic Gas Basin | Local Government Areas | | | | | | | | | | | | | | | | | |
| Beetaloo Basin to Darwin | Barkly Roper Gulf Katherine Victoria-Daly Coomalie Litchfield Palmerston Darwin | | | | | | | | | | | | | | | | | |
| Strategic Gas Basin | Local Government Areas | | | | | | | | | | | | | | | | | |
| Mine and Produce to Port | Mount Isa | | | | | | | | | | | | | | | | | |
| Mount Isa to Townsville | Cloncurry McKinlay Richmond Flinders Charters Towers Burdekin | | | | | | | | | | | | | | | | | |

| Term | Definition | |
|--|--|--|
| | Strategic Gas Basin Agriculture, Aquaculture and Manufacturing Precinct | Local Government Areas Cairns Yarrabah Cairns to Gladstone Cassowary Coast Hinchinbrook Palm Island Townsville Burdekin |
| Small to medium enterprise (up to 199 employees) | The ABS defines small business as less than 20 employees and medium business as between 20 to 199 employees. Long-term contractors can be included in employee count if greater than 6 months continuous employment. | |

Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

The Program Delegate 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 incurred by you within the project period
- be a direct cost of the project
- be incurred by you to undertake required project audit activities
- meet the eligible expenditure guidelines.

A.1 How we verify eligible expenditure

If your application is successful, we will ask you to verify the project budget that you provided in your application when we negotiate your grant agreement. You may need to provide evidence such as quotes for major costs.

The grant agreement will include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure.

If requested, you will need to provide the agreed evidence along with your progress reports.

You must keep payment records of all eligible expenditure, and be able to explain how the costs relate to the agreed project activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

For grants over \$500,000 at the end of the project, you will be required to provide an independent financial audit of all eligible expenditure from the project.

A.2 Plant and equipment expenditure

We consider costs of acquiring, or construction of, plant and equipment, as well as any related commissioning costs as eligible expenditure. You must list commissioning costs as a separate item within the project budget in the application form, and on reports of expenditure during project milestones.

We cannot consider any expenditure paid before the project start date as eligible expenditure. Commissioning and installation costs of plant and equipment paid for before the start date is not eligible expenditure even if these costs are paid after the project start date.

You may purchase, lease (finance lease or operating lease under certain conditions) or build plant and equipment. In claiming the purchase price of capital items, you must take out any costs related to financing, including interest. You can claim related freight and installation costs on capital expenditure.

Eligible costs for plant and equipment will normally need to be on your balance sheet.

We will only consider costs for plant and equipment not on your balance sheet under certain circumstances. We will only consider project costs with an operating lease to be eligible if:

- you integrate the plant or equipment into your manufacturing process; and
- you cannot transfer the plant or equipment and the lease period is at least 4 years.

Where you need to pay in instalments to purchase capital items (for example deposits, payment on installation, or payment on commissioning), you can claim the grant amount for the items progressively across multiple progress reports up to the end of the project period. Alternatively, you can choose to claim the full amount in a single report, when you pay for the capital item.

For leased items, you will need to show an executed copy of the lease identifying the capital cost of the item and the lease period. We can pay you the full grant entitlement when:

- you have received the capital item
- you have entered into a formal lease agreement, and
- you make the initial payment.

You may show expenditure on plant and equipment by providing evidence of

- purchase price
- payments (e.g. tax invoices and receipts from suppliers confirming payment)
- commitment to pay for the capital item (e.g. supplier contract, purchase order or executed lease agreement)
- receipt of capital items (e.g. supplier or freight documents)
- associated costs such as freight and installation (e.g. supplier documents)
- the capital item on your premises (e.g. date stamped photographic evidence).

If you claim expenditure for the construction of plant and equipment, we limit this to

- the costs of materials
- direct construction labour salary costs
- contractor costs
- freight and establishment costs.

Evidence for construction expenditure may include purchase orders, invoices, payment documentation, photographic evidence (date stamped) of the capital item in your premises and details of labour costs.

Grant payments for capital items may affect your tax obligations. We recommend that you seek independent professional advice on tax related matters.

A.3 Labour expenditure

Eligible labour expenditure for the grant covers the direct labour costs of employees you directly employ on the core elements of the project. We consider a person an employee when you pay them a regular salary or wage, out of which you make regular tax instalment deductions.

We consider costs for technical, but not administrative, project management activities eligible labour expenditure. However, we limit these costs to 10 per cent of the total amount of eligible labour expenditure claimed.

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the ATO. We consider salary-

sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

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.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

A.4 Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30% allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the provision of computers.

You should calculate eligible salary costs using the formula below:

$$\text{Eligible salary costs} = \text{Annual salary package} \times \frac{\text{Weeks spent on project}}{52 \text{ weeks}} \times \text{percentage of time spent on project}$$

You cannot calculate labour costs by estimating the employee's worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.

Evidence you will need to provide can include:

- details of all personnel working on the project, including name, title, function, time spent on the project and salary
- ATO payment summaries, pay slips and employment contracts.

A.5 Contract expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

- another organisation
- an individual who is not an employee, but engaged under a separate contract.

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

- the nature of the work they perform
- the applicable fees, charges and other costs payable.

Invoices from contractors must contain:

- a detailed description of the nature of the work
- the hours and hourly rates involved
- any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense. The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

- an exchange of letters (including email) setting out the terms and conditions of the proposed contract work
- purchase orders
- supply agreements
- invoices and payment documents.

You must ensure all project contractors keep a record of the costs of their work on the project. We may require you to provide a contractor's records of their costs of doing project work. If you cannot provide these records, the relevant contract expense may not qualify as eligible expenditure.

A.6 Travel and overseas expenditure

Eligible travel and overseas expenditure may include

- domestic travel limited to the reasonable cost of accommodation and transportation required to conduct agreed project and collaboration activities in Australia
- overseas travel limited to the reasonable cost of accommodation and transportation required in cases where the overseas travel is material to the conduct of the project 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.

We will consider value for money when determining whether the cost of overseas expenditure is eligible. This may depend on

- the proportion of total grant funding that you will spend on overseas expenditure
- the proportion of the service providers total fee that will be spent on overseas expenditure
- how the overseas expenditure is likely to aid the project in meeting the program objectives

Overseas travel must be at an economy rate and you must demonstrate you cannot access the service, or an equivalent service in Australia.

Eligible overseas activities expenditure is generally limited to 10 per cent of total eligible expenditure.

A.7 Other eligible expenditure

Other eligible expenditures for the project may include:

- building modifications where you own the modified asset and the modification is required to undertake the project, for example installing a clean room. Modifications to leased buildings may be eligible. You must use the leased building for activities related to your manufacturing process.
- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
- contingency costs up to a maximum of 10% of the eligible project costs. Note that we make payments based on actual costs incurred.

Other specific expenditures may be eligible as determined by the Program Delegate.

Evidence you need to supply can include supplier contracts, purchase orders, invoices and supplier confirmation of payments.

Appendix B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure. We may update this guidance from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

The Program Delegate may impose limitations or exclude expenditure, or further include some ineligible expenditure listed in these guidelines in a grant agreement or otherwise by notice to you.

Examples of ineligible expenditure include:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to us notifying you that the application is eligible and complete
- any in-kind contributions
- financing costs, including interest
- capital expenditure related to business as usual (not directly related to your project) for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers
- costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project)
- costs such as rental, renovations and utilities
- non-project-related staff training and development costs
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- debt financing
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment beyond the life of the project
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- cost of purchasing an existing building
- infrastructure development costs, including development of road, rail, port or fuel delivery networks beyond the manufacturing site
- site preparation activities which are not directly related to, or for, the main purpose of transitioning to higher value and/or niche manufacturing
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of manufacturing production inputs
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests
- travel or overseas costs that exceed 10% of total project costs except where otherwise approved by the Program Delegate.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.