



Grant Opportunity Guidelines

Automotive Innovation Lab Access Grants – grant opportunity

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Closing date and time:	5:00PM AEDT on 13 December 2018
Commonwealth policy entity:	Department of Industry, Innovation and Science
Administering entity	Department of Industry, Innovation and Science
Enquiries:	If you have any questions, contact us at business.gov.au .
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Contents

1. Automotive Innovation Lab Access Grants grant opportunity - processes.....	4
2. About the grant program	5
3. Grants available	5
3.1. Project duration	6
4. Eligibility criteria.....	6
4.1. Who is eligible?	6
4.2. Additional eligibility requirements.....	6
4.3. Who is not eligible?	6
5. Eligible grant activities	6
5.1. Eligible projects	6
5.2. Eligible activities.....	7
5.3. Eligible expenditure	7
6. The merit criteria you need to address	8
6.1. Merit criterion 1	8
6.2. Merit criterion 2	8
6.3. Merit criterion 3	8
7. How to apply	9
7.1. Attachments to the application.....	9
7.2. Timing of grant opportunity	9
8. The selection process	10
8.1. Final decision	10
9. Notification of application outcomes	10
10. If your application is successful	11
10.1. Grant agreement.....	11
10.2. How we pay the grant.....	11
10.3. How we monitor your project	11
10.4. Progress reports.....	12
10.5. Final report.....	12
10.6. Ad-hoc report	12
10.7. Independent audit report.....	12
10.8. Compliance visits	12
10.9. Grant agreement variations	12
10.10. Keeping us informed.....	13
10.11. Evaluation	13
10.12. Tax obligations	13
10.13. Grant acknowledgement.....	14
11. Conflicts of interest	14
11.1. Your conflict of interest responsibilities	14

11.2. Our conflict of interest responsibilities	14
12. How we use your information	15
12.1. How we handle your confidential information	15
12.2. When we may disclose confidential information	15
12.3. How we use your personal information	15
12.4. Public announcement.....	16
12.5. Freedom of information	16
13. Enquiries and feedback.....	17
Appendix A. Definitions of key terms	18
Appendix B. Eligible expenditure	19
How we verify eligible expenditure	19
Labour expenditure	19
Labour on-costs and administrative overhead	20
Contract expenditure.....	20
Travel expenditure	21
Other eligible expenditure	21
Appendix C. Ineligible expenditure.....	22

1. Automotive Innovation Lab Access Grants grant opportunity - processes

The Automotive Innovation Lab Access Grants grant opportunity is designed to achieve Australian Government objectives

This grant opportunity is part of the above Grant Program, which contributes to the Department of Industry, Innovation and Science's Outcome subprogram 2.3, Economic Transition, and provides support for developing automotive firm capability. The Department of Industry, Innovation and Science 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



We assess all grant applications

We assess the applications against eligibility criteria and notify you if you are not eligible. We assess eligible applications against merit 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.



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 Automotive Innovation Lab Grants Program

We evaluate the specific grant activity and Automotive Innovation Lab Program as a whole. We base this on information you provide to us and that we collect from various sources.

2. About the grant program

The Automotive Innovation Lab Access Grants program (the program) will provide grant funding to support businesses to undertake a range of activities to enhance the automotive product design and development process including:

- design, prototype and testing activities undertaken at specialised facilities and service organisations.

The objectives of the program are to:

- support business to access automotive test facilities and design and prototyping services
- support new automotive product development and enhance business capability for Australian businesses, building their capacity to deliver diversified product offerings and supply to local and international markets.

The intended outcomes of the program are:

- increase in automotive design, prototype and testing activities
- expanded high value automotive manufacturing operations.

This document sets out:

- the eligibility and merit criteria
- how we consider and assess grant applications
- how we monitor and evaluate grantees
- responsibilities and expectations in relation to the opportunity.

The Department of Industry, Innovation and Science (the department/we) is responsible for administering the grant opportunity.

We will publish the opening and closing dates and any other relevant information on business.gov.au and GrantConnect¹.

We administer the program according to the Commonwealth Grants Rules and Guidelines (CGRGs)².

We have defined key terms used in these guidelines in appendix A.

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

3. Grants available

For this grant opportunity, \$7 million is available over three years from 2018-19 to 2020-21.

The grant amount will be up to 50 per cent of eligible project costs.

- The minimum grant amount is \$50,000
- The maximum grant amount is \$200,000.

The remaining 50 per cent of eligible project costs we consider your contribution.

You cannot use funding from other Commonwealth, State, Territory or local government grants to fund your share of eligible project costs.

¹ <https://www.grants.gov.au/>

² <https://www.finance.gov.au/sites/default/files/commonwealth-grants-rules-and-guidelines.pdf>

3.1. Project duration

The maximum project period is 12 months.

We may approve an extension provided you complete your project by 30 June 2021.

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 an entity incorporated in Australia (includes an incorporated trustee on behalf of a trust) and be a trading corporation, where your trading activities
 - 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.

4.2. Additional eligibility requirements

We can only accept applications:

- where you provide evidence from your board (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding
- where you provide evidence of how you will fund your share of project costs.

We cannot waive the eligibility criteria under any circumstances.

4.3. Who is not eligible?

You are not eligible to apply if you are:

- an individual
- partnership
- 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.

5. Eligible grant activities

5.1. Eligible projects

To be eligible your project must use an external facility and:

- include eligible activities and eligible expenditure
- have at least \$100,000 in eligible expenditure.

We cannot fund your project if it receives funding or subsidies from another Commonwealth Government grant. You can apply for a grant for your project under more than one Commonwealth program, but if your application is successful, you must choose either the Automotive Innovation Lab Access Grant program grant or the other Commonwealth grant or subsidy.

5.2. Eligible activities

Eligible activities must directly relate to the development of new or enhanced products with automotive application and can include:

- design
- prototyping
- testing

Examples of eligible activities are in the table below.

Activity	Services/Facilities
Design	<ul style="list-style-type: none"> ▪ Computer aided design – access to computer aided design platforms to develop high-quality parts, system integration designs and technical surfacing designs for interior and exterior styling ▪ Measuring Sessions – measuring sessions provide access to new vehicles for designing and developing prototypes
Prototype	<ul style="list-style-type: none"> ▪ 3D Scanning – perform custom scanning services creating design files and data tailored to business specific needs, shortening the development and product to market cycle ▪ 3D Printing – rapid prototyping using cutting-edge technology to create physical models of products ▪ Prototype tooling – create prototype parts including soft tooling using silicone and hard tooling using aluminium or steel ▪ Test-fit product prototypes – install components on a project vehicle in an equipped installation centre
Test	<ul style="list-style-type: none"> ▪ Specialised test services and facilities for example: <ul style="list-style-type: none"> ▪ emissions laboratory ▪ engine dynamometer testing (gauging performance and durability of automotive motors) ▪ Australian Design Rules testing ▪ electrical and EMC (electromagnetic compatibility) testing for automotive components ▪ Training Centre – facility to conduct training and demonstration sessions for new products ▪ Workshop – facility with equipment, including hand tools, measuring tools, vehicle lift, required to work on project parts and vehicles ▪ Photography Studio – facility to provide vehicle product and installation media including augmented reality technologies

We may also approve other activities.

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 guidelines on eligible expenditure, see appendix B
- for guidelines on ineligible expenditure, see appendix C.

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.

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

You may start your project from the date of your letter of offer. If you choose to start your project before you enter into a grant agreement with the Commonwealth, you do so at your own risk.

6. The merit criteria you need to address

To be competitive, you will need to address all merit criteria in your application. We will assess your application against each merit criterion using the weighting indicated.

The application form asks questions that relate to the merit 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 award funding to applications that score highly against all merit criteria, as these represent best value for money.

6.1. Merit criterion 1

The extent that the project will assist you to design, prototype and/or test automotive products that will improve the competitiveness of your business (40 points).

You should demonstrate this by identifying:

- the product/s you will design, prototype and/or test
- the potential benefits of the product/s to your business in terms of market opportunity
- the level of innovation of the product/s. Are the product/s new to the world or new to Australia? Will the new product/s diversify your product portfolio?

6.2. Merit criterion 2

Your capacity, capability and access to resources to deliver the project (30 points).

You should demonstrate this through identifying:

- your plan to manage the project. Include detail on the key risks, timeframes and budget
- your track record managing similar projects. Include detail on the key personnel with the right skills and experience, including management and technical staff who will manage the delivery of the project. Also, include detail on the capacity of the external test facility that you will use.

6.3. Merit criterion 3

The impact of grant funding on your project (30 points).

Demonstrate how the grant funding will assist your organisation by:

- describing the likelihood the project would proceed without the grant and explain how the grant will benefit the size and timing of your project

- how you will measure the success of the project
- justifying the funding amount requested with respect to the scale of the project and intended outcomes.

7. How to apply

Before applying, you should read and understand these guidelines and the sample [grant agreement](#) published on business.gov.au and [GrantConnect](#)³.

You will need to set up an account to access our online portal. The portal allows you to apply for and manage a grant or service in a secure online environment.

To apply, you must:

- complete and submit your application through the portal
- provide all the information requested
- address all eligibility and merit criteria
- include all necessary attachments.

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 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 have any issues with the portal [contact us](#) at business.gov.au or by calling 13 28 46.

7.1. Attachments to the application

We require the following documents with your application:

- project plan
- project budget
- evidence of support from the board, CEO or equivalent
- 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. Timing of grant opportunity

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

³ <https://www.grants.gov.au/>

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	4 weeks
Approval of outcomes of selection process	4 weeks
Negotiations and award of grant agreements	1-3 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of your project	the date of your letter of offer
End date of grant commitment	30 June 2021

8. The selection process

We assess your application against the eligibility criteria and then against the merit criteria. We will establish an assessment panel (comprising departmental representatives and industry experts) to assess applications. The committee may also seek additional advice from independent technical experts. The committee will assess your application against the merit criteria and compare it to other eligible applications before recommending which projects to fund.

To recommend an application for funding it must score highly against each merit criterion. While we assess all applications against the same merit criteria, we will score your application relative to the project size, complexity and grant amount requested. The evidence you provide to support your application should be proportional to the size and complexity of your project. 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. Final decision

The Program Delegate (who is an AusIndustry general manager with responsibility for the program) decides which grants to approve taking into account the application assessment and the availability of grant funds.

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

- the approval of applications for funding
- the amount of grant funding awarded
- the terms and conditions of funding.

We cannot review decisions about the merits of your application.

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

9. Notification of application outcomes

If you are successful, you will receive a written offer, including any specific conditions attached to the grant.

Subject to the availability of funds, if your application is eligible, you will receive a written offer.

If you are unsuccessful, we will notify you in writing and give you an opportunity to discuss the outcome with us.

10. If your application is successful

10.1. Grant agreement

You must enter into a grant agreement with the Commonwealth. We will use the Commonwealth simple grant agreement. A sample [grant agreement](#) is available on [business.gov.au](#) and [GrantConnect](#)⁴.

We must execute a grant agreement with you before we can make any payments. We are not responsible for any expenditure you incur before a grant agreement is executed. If you choose to start your project before you have an executed grant agreement, you do so at your own risk. You must not start any Automotive Innovation Grants Program activities until you receive a letter of offer.

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 funding.

You will have 30 days from the date of a written offer to execute this grant agreement with the Commonwealth ('execute' means both you and the Commonwealth have signed the agreement). 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 Program Delegate.

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

10.2. 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.

10.3. How we monitor your project

You must submit reports in line with the grant agreement. We will provide sample templates for these reports as appendices in the grant agreement. You will also be able to download them from [business.gov.au](#) and [GrantConnect](#)⁵. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

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

⁴ <https://www.grants.gov.au/>

⁵ <https://www.grants.gov.au/>

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.

10.4. Progress reports

Progress reports must:

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

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

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

10.5. Final report

When you complete the project, you must submit a final report.

Final reports must:

- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project
- be submitted by the report due date
- be in the format provided in the grant agreement.

10.6. Ad-hoc report

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.

10.7. Independent audit report

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 attached to the sample grant agreement.

10.8. 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. We will provide you with reasonable notice of any compliance visit.

10.9. 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 before 30 June 2021

- changing project activities.

Note 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 grant agreement 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.

10.10. 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.

10.11. Evaluation

We will evaluate the program to determine the extent to which the funded activity is contributing to the program objectives and outcomes. We may use information from your application and project reports for this purpose. We may also interview you, or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes. We may contact you up to one year after you finish your project for more information to assist with this evaluation.

10.12. Tax obligations

If you are registered for the Goods and Services Tax (GST), we will add GST to your grant payment where applicable 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.

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.

R&D Tax Incentive clawback provisions apply to all Automotive Innovation Lab Access Grants. Information on the R&D Tax Incentive is available from [business.gov.au](#) and the [Australian Taxation Office](#).

10.13. Grant acknowledgement

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

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

11. Conflicts of interest

11.1. Your conflict of interest responsibilities

A conflict of interest will occur if your private interests conflict with your obligations under the grant. Conflicts of interest could affect the awarding or performance of your grant. A conflict of interest can be:

- real (or actual)
- apparent (or perceived)
- potential.

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

If you later identify that there is an actual, apparent, or potential conflict of interest or that one might arise in relation to your grant, you must inform us in writing immediately.

11.2. Our conflict of interest responsibilities

We recognise that conflicts of interest may arise with our staff, business advisors, and others delivering the program between:

- their program duties, roles and responsibilities and
- their private interests.

We manage our conflicts of interest according to the APS Code of Conduct (section 13 (7) of the *Public Service Act 1999* (Cth)). We publish our [conflict of interest policy](#)⁶ on the department's website.

Program officials must declare any conflicts of interest. If we consider a conflict of interest is a cause for concern, that official will not take part in the assessment of relevant applications under the program.

6

<https://www.industry.gov.au/AboutUs/InformationPublicationScheme/Ourpolicies/Documents/Conflict-of-Interest-and-Inside-Trade-Expectations-Policy.pdf>

12. How we use your information

Unless the information you provide to us is:

- confidential information as per 12.1, or
- personal information as per 12.3,

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.

12.1. 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.

12.2. When we may disclose confidential information

We may disclose confidential information:

- to our Commonwealth employees and contractors, 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.

12.3. 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 and other Commonwealth 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](#)⁷ 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.

12.4. Public announcement

We will publish non-sensitive details of successful projects on [GrantConnect](#)⁸ and [business.gov.au](#). We are required to do this by the *Commonwealth Grants Rules and Guidelines* and the [Australian Government Public Data Policy Statement](#)⁹, unless otherwise prohibited by law. 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.

We publish this information to ensure open access to non-sensitive data within Australian Government agencies to enable greater innovation and productivity across all sectors of the Australian economy.

12.5. 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.

⁷ <http://www.industry.gov.au/Pages/PrivacyPolicy.aspx>

⁸ <https://www.grants.gov.au/>

⁹ <http://www.dpmc.gov.au/resource-centre/data/australian-government-public-data-policy-statement>

13. Enquiries and feedback

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

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

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

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

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

Head of Division

AusIndustry – Support for Business

Department of Industry, Innovation and Science

GPO Box 2013

CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)¹⁰ with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

¹⁰ <http://www.ombudsman.gov.au/>

Appendix A. Definitions of key terms

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
AusIndustry	The division of the same name within the department.
Department	The Department of Industry, Innovation and Science.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.2.
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.
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.
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 Industry, Innovation and Science.
Personal information	Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is: <ul style="list-style-type: none"> Information or an opinion about an identified individual, or an individual who is reasonably identifiable: <ul style="list-style-type: none"> a. whether the information or opinion is true or not; and b. whether the information or opinion is recorded in a material form or not.
Program Delegate	An AusIndustry 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.

Appendix B. Eligible expenditure

This section provides guidelines on the eligibility of expenditure.

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.

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.

At the end of the project, you will be required to provide an independent financial audit of all eligible expenditure from the project.

Labour expenditure

Eligible labour expenditure for the grant covers the direct labour costs of engineering employees you directly employ for their time working with the external testing facility. This cannot exceed 10% of your total eligible project cost.

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.

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.

Contract expenditure

Eligible contract expenditure are the costs directly related to development and testing of automotive products 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.

Travel expenditure

Eligible travel expenditure may include

- domestic travel limited to the reasonable cost of accommodation and transportation required to conduct agreed project and collaboration activities in Australia

Eligible air transportation is limited to the economy class fare for each sector travelled; where non-economy class air transport is used only the equivalent of an economy fare for that sector is eligible expenditure. Where non-economy class air transport is used, the grantee will require evidence showing what an economy air fare costs at the time of travel.

Other eligible expenditure

Other eligible expenditures for the project may include:

- freight costs related to accessing external automotive test facilities
- financial auditing of project expenditure
- 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 C. Ineligible expenditure

This section provides guidelines on what we consider ineligible expenditure. We may update these guidelines from time to time, so you should make sure you have the current version from business.gov.au or [GrantConnect](#) 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:

- costs of activities undertaken by your staff at your own facility, including design, prototyping and/or testing, which does not directly contribute to your project activities in an external facility
- direct labour costs of engineering employees you directly employ for their time working with the external testing facility that exceed 10% of your total eligible project cost
- costs incurred prior to executing a grant agreement with the Commonwealth
- any in-kind contributions
- financing costs, including interest
- 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
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of manufacturing production inputs for your ordinary operations
- 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
- overseas travel costs
- domestic travel 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.