



## Grant Opportunity Guidelines

# Cooperative Research Centres Program

## Round 22

<b>Opening date:</b>	30 April 2020
<b>Closing date and time:</b>	29 July 2020 at 17.00 Australian Eastern Standard Time
<b>Commonwealth policy entity:</b>	Department of Industry, Science, Energy and Resources
<b>Administering entity</b>	Department of Industry, Science, Energy and Resources
<b>Enquiries:</b>	If you have any questions, contact us on 13 28 46.
<b>Date guidelines released:</b>	24 April 2020
<b>Type of grant opportunity:</b>	Open competitive

# Contents

<b>1. Cooperative Research Centres (CRC) Program: Round 22 processes</b>	<b>4</b>
Stage one application	4
Stage two application	4
<b>2. About the grant program</b>	<b>6</b>
2.1. About the CRC Round 22 grant opportunity	6
<b>3. Grant amount and grant period</b>	<b>7</b>
3.1. Grants available	7
3.2. Project period	7
<b>4. Eligibility criteria</b>	<b>7</b>
4.1. Who is eligible?	7
4.2. Additional eligibility requirements	8
<b>5. What the grant money can be used for</b>	<b>8</b>
5.1. Eligible activities	8
5.2. Eligible expenditure	8
<b>6. The assessment criteria</b>	<b>9</b>
6.1. Assessment criterion 1	9
6.2. Assessment criterion 2	9
6.3. Assessment criterion 3	10
6.4. Assessment criterion 4	10
<b>7. How to apply</b>	<b>10</b>
7.1. Stage one application	10
7.2. Stage two application	11
7.3. Application submission	11
7.4. Attachments to the application	11
7.5. Project partners	12
7.6. Timing of grant opportunity	12
<b>8. The grant selection process</b>	<b>13</b>
8.1. Stage one applications	13
8.2. Stage two applications	14
8.3. Who will approve grants?	14
<b>9. Notification of application outcomes</b>	<b>14</b>
<b>10. Successful grant applications</b>	<b>14</b>
10.1. Grant agreement	14
10.2. Standard grant agreement	14
10.3. Partner agreement	15
10.4. Project governance	15
10.5. Project specific legislation, policies and industry standards	15
10.6. How we pay the grant	16

10.7. Tax obligations.....	16
<b>11. Announcement of grants .....</b>	<b>16</b>
<b>12. How we monitor your grant activity.....</b>	<b>17</b>
12.1. Keeping us informed.....	17
12.2. Reporting .....	17
12.2.1. Progress reports.....	17
12.2.2. End of project report .....	18
12.2.3. Ad-hoc reports.....	18
12.3. Independent audits .....	18
12.4. Compliance visits .....	18
12.5. Grant agreement variations .....	18
12.6. Evaluation .....	19
12.7. Grant acknowledgement.....	19
<b>13. Probity.....</b>	<b>19</b>
13.1. Conflicts of interest .....	19
13.2. How we use your information .....	20
13.2.1. How we handle your confidential information .....	20
13.2.2. When we may disclose confidential information .....	21
13.2.3. How we use your personal information.....	21
13.2.4. Freedom of information.....	21
13.3. Enquiries and feedback .....	22
<b>14. Glossary.....</b>	<b>23</b>
<b>Appendix A. Diagrams of project value and applicant contributions .....</b>	<b>26</b>
How we calculate your total project value.....	26
How we calculate your total eligible grant project value .....	26
Applicant contributions.....	26
<b>Appendix B. Eligible expenditure.....</b>	<b>27</b>
How we verify eligible expenditure .....	27
Eligible expenditure items .....	27
Labour expenditure .....	28
Labour on-costs and administrative overhead.....	28
Contract expenditure.....	29
Travel and overseas expenditure .....	29
Audit Costs.....	30
<b>Appendix C. In-kind contributions .....</b>	<b>31</b>
<b>Appendix D. Eligible special purpose expenditure .....</b>	<b>32</b>
How we verify eligible special purpose expenditure .....	32
Eligible special purpose expenditure items.....	32
<b>Appendix E. Ineligible expenditure.....</b>	<b>33</b>

# 1. Cooperative Research Centres (CRC) Program: Round 22 processes

## **The CRC Program is designed to achieve Australian Government objectives**

This grant opportunity is part of the above Grant Program, which contributes to the Department of Industry, Science, Energy and Resources' Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation. The Department of Industry Science, Energy and Resources 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](http://business.gov.au) and GrantConnect.



## **Stage one application**

### **You complete and submit a stage one application**

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



### **We assess all stage one applications**

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

The CRC Advisory Committee will assess all eligible stage one applications and make recommendations to the Minister on which applications are suitable for progression to stage two.



### **We notify you of the outcome**

We advise you whether your stage one application is progressing to stage two or not.



## **Stage two application**

### **You are invited to complete and submit a stage two application**

If you are shortlisted at stage one, we will invite you to both submit a stage two application addressing CRC Advisory Committee feedback and to attend an interview with the CRC Advisory Committee.



### **We assess stage two applications**

We assess stage two applications against the assessment criteria including an overall consideration of value for money and in comparison to other applications. You will also attend an interview with the CRC Advisory Committee, where they will ask you questions about your responses to the assessment criteria in order to clarify and shape the overall score.



### **Grant decisions are made**

The Minister decides which applications are successful.



**We notify you of the outcome**

We advise you of the outcome of your application.



**We enter into a grant agreement**

We will enter into a grant agreement with successful applicants.



**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 CRC Program**

We evaluate the specific grant activity and the Cooperative Research Centres program as a whole. We base this on information you provide to us and we collect from various sources.

## 2. About the grant program

The CRC program (the program) supports industry-led collaborations between industry, researchers and the community. The program is a proven model for linking researchers with industry to focus on research and development towards use and commercialisation.

The objectives of the program are to:

- improve the competitiveness, productivity and sustainability of Australian industries, especially where Australia has a competitive strength, and in line with government priorities
- foster high quality research to solve industry-identified problems through industry-led and outcome-focused collaborative research partnerships between industry entities and research organisations
- encourage and facilitate small and medium enterprise (SME) participation in collaborative research.

The intended outcomes of the program include:

- establishing industry-research sector collaborations
- SME participation in collaborative research
- collaborative research results
- research results relevant to government priorities
- increased research skills in industry and increased industry capability in research
- improved competitiveness and productivity for industry participating in CRCs and CRC-Ps
- industry, research and other users valuing the program.

The program consists of two elements:

- CRCs Grants support medium to long term, industry-led collaborations; and
- CRC Project Grants (CRC-Ps) support short term, industry-led collaborative research.

This CRC grant opportunity is delivered through a two-stage competitive selection process. Refer to section 7 - How to apply.

There will be other grant opportunities as part of this program and we will publish the [opening and closing dates](#) and any other relevant information on [business.gov.au](http://business.gov.au) and GrantConnect.

The Department of Industry, Science, Energy and Resources (the department/we) administers the program according to the [Commonwealth Grants Rules and Guidelines](#) (CGRGs)<sup>1</sup>.

### 2.1. About the CRC Round 22 grant opportunity

These guidelines contain information for the CRC Round 22 grants.

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.

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<sup>1</sup> <https://www.finance.gov.au/sites/default/files/2019-11/commonwealth-grants-rules-and-guidelines.pdf>

We are responsible for administering this grant opportunity.

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

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

### 3. Grant amount and grant period

The Australian Government committed a total of \$753 million over four years for the CRC Program from 2019-20 to 2022-23. CRCs and CRC-Ps are funded by the same appropriation. There is no specific amount allocated to each of the two funding elements. We will publish details about successful applicants on [business.gov.au](https://business.gov.au) once a round is finalised. The number of CRC grants funded in each round will depend on the number of quality applications received, the relative merits of applications, the amount of available funding and the need to ensure sufficient funding is available for future rounds.

#### 3.1. Grants available

The grant amount will be up to 50 per cent of eligible grant project costs (grant percentage) which includes the total eligible expenditure (appendix B) plus allowable in-kind contributions (appendix C).

Your total project value may also include eligible special purpose expenditure (appendix D), however, these costs are not included in the calculation of your grant amount.

Subject to the rules of Commonwealth, State, Territory or local government grants, you may use these as contributions.

There is no minimum and maximum grant amount. Grants to date have ranged between \$7 million and \$75 million, depending on the scope and complexity of the project.

#### 3.2. Project period

The maximum project period is ten years, with no option to extend.

### 4. Eligibility criteria

We cannot consider your application if you do not satisfy all eligibility criteria. We cannot waive the eligibility criteria under any circumstances. Only eligible applications will proceed to the assessment stage. The Program Delegate (who is an AusIndustry general manager within the department with responsibility for the program) makes the final decision about whether an application meets the eligibility criteria and decisions will not be reviewed.

#### 4.1. Who is eligible?

CRC grants are open to all industry sectors and research disciplines and funding is available to organisations from all industry, research and community sectors.

You must apply as a group of applicants who have agreed to collaborate.

If your application is successful, you must establish your CRC as an incorporated company, limited by guarantee.

Each CRC must include and maintain amongst its project partners at least:

- an Australian industry entity and
- an Australian research organisation.

If your application is successful, the applicants become project partners in the relevant CRC and have certain obligations as outlined in part 10.3 and 10.4 of these guidelines.

Partners from existing or former CRCs or CRC-Ps can be partners in other CRCs or CRC-Ps.

Partners do not need to commit for the entire project period.

All partners must contribute resources to the CRC. We treat partners' proposed cash and in-kind contributions equally for the purposes of calculating the maximum grant amount.

## 4.2. Additional eligibility requirements

We can only accept applications:

- where you can provide a declaration from each partner on the template provided on [business.gov.au](https://business.gov.au).
- where you can demonstrate the ability to at least match (in cash or in-kind) the grant funds requested.

## 5. What the grant money can be used for

### 5.1. Eligible activities

To be eligible your project must:

- be a medium to long term industry-led collaborative research project to solve industry-identified problems and improve the competitiveness, productivity and sustainability of Australian industries
- include an industry-focused education and training program. This must include, but is not limited to, a PhD program which complements the research program and increases engagement, technology development, skilled employees and R&D capacity within industry entities
- implement strategies which build the R&D capacity within SMEs, and
- deploy research outputs and encourage take-up by industry.

Eligible activities must directly relate to the project and may include:

- new research
- proof of concept activities
- pre-commercialisation of research outcomes
- industry-focused education and training activities, such as internships and secondments between industry entities and research organisations
- conferences, workshops, symposia related to the joint research
- related information sharing and communication initiatives related to the joint research
- collaboration with international organisations and/or with companies with global supply chains and access to international markets, to provide national benefits to Australia.

We may also approve other activities.

### 5.2. Eligible expenditure

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

- For guidance on eligible expenditure, see appendix B.



- For guidance on in-kind contributions, see appendix C.
- For guidance on eligible special purpose expenditure, see appendix D.
- For guidance on ineligible expenditure, see appendix E.

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

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 start your project from the date of your letter of offer. We are not responsible for any expenditure you incur until a grant agreement is executed.

## 6. The assessment criteria

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

The application form asks questions relating 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 includes character limits for answers.

We will only award funding to applications that are competitive against all assessment criteria, as these represent best value for money.

We score applications out of 100 points.

### 6.1. Assessment criterion 1

#### **Project alignment with the program objectives (total 25 points)**

You should demonstrate this by describing:

- a. the industry-identified problem and how this is impacting the competitiveness, productivity and sustainability of Australian industries, including links to Government priorities (10 points)
- b. how your project will foster high quality research through industry-led and outcome-focused collaborative industry-research partnerships (10 points)
- c. the additionality or value add of the proposed project in relation to the existing approach industry has to solving the problem. (5 points)

### 6.2. Assessment criterion 2

#### **The quality of your research project (total 25 points)**

You should demonstrate this by describing:

- a. the research you will do and the methodologies you will use, including describing the role of your partners in the research (10 points)
- b. how the research will address the identified industry problem, build on the current body of knowledge and enhance the adoption of new technologies (5 points)
- c. the education and training opportunities your project will provide, including a PhD program, to build capability and capacity in the industry and research sectors. (10 points)

### 6.3. Assessment criterion 3

#### **Capacity, capability and resources to deliver your project (total 25 points):**

You should demonstrate this by describing:

- a. how you will manage and monitor your project and your partners, explaining the governance and planning arrangements, including security (8 points)
- b. a plan to manage and monitor the project including risk management of but not limited to security (in particular any associated national security issues), involvement of international partners and intellectual property protection (10 points)
- c. your access to required resources including personnel with the right skills (project/business/commercialisation management) and experience (names/qualifications and achievements), funding, security, infrastructure, technology and intellectual property (5 points)
- d. why your collaboration is the most appropriate to solve the identified problem with specific reference to any existing collaborations. (2 points)

### 6.4. Assessment criterion 4

#### **Impact of the grant funding on your project (total 25 points)**

You should demonstrate this by describing:

- a. the likelihood your project would proceed without the grant and how the grant will impact the project in terms of scale and timing (5 points)
- b. the total investment the grant will leverage and why the Australian Government should invest in your project (10 points)
- c. the commercial potential of your project including the expected commercial outputs such as new products, processes or services, and/or any expected spill over benefits. (10 points)

## 7. How to apply

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

We assess applications through a two-stage competitive selection process as outlined below.

### 7.1. Stage one application

You submit a stage one application responding to the eligibility and assessment criteria and attaching partner declarations.

The CRC Advisory Committee will assess all eligible stage one applications and make recommendations to the Minister on which applications are suitable for progression to stage two.

The Minister will invite the most meritorious stage one applicants to submit a stage two application.

## 7.2. Stage two application

If your stage one application is successful, we will invite you to submit a stage two application and attend an interview with the CRC Advisory Committee.

Your stage two application involves providing:

- comprehensive detail of the intended project activities and research milestones
- a response to address feedback from the CRC Advisory Committee on your stage one application. This includes addressing the Committee's feedback on your responses to the assessment criteria and detailing any changes between your stage one and stage two applications. The same assessment criteria are used for stage one and stage two.
- a comprehensive budget including project partner contributions
- a completed impact tool (sample impact tool and user guide is available on [business.gov.au](https://business.gov.au))
- details of key staff including roles, responsibilities and experience.

The CRC Advisory Committee will assess all eligible stage two applications and make recommendations to the Minister on which applications are suitable for funding.

The Minister decides which applications are successful.

## 7.3. Application submission

You can only submit an application during a funding round.

To apply, you must:

- complete the online [CRC application form](#) on [business.gov.au](https://business.gov.au)
- provide all the information requested
- address all eligibility and assessment criteria (stage one only)
- include all necessary attachments.

You will receive confirmation when you submit your application. You should retain a copy of your application for your own records.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code 1995* (Cth). If we consider 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 missing information, we may ask for clarification or additional information from you, which will not change the nature of your application. However, we can refuse to accept any additional information from you changing 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](https://business.gov.au) or by calling 13 28 46.

## 7.4. Attachments to the application

You must provide the following documents with your application:

At stage one:

- a declaration from each project partner

At stage two:

- a completed impact tool

- declarations from any additional project partners or from existing partners where they need to update their existing declaration.
- financial data spreadsheet
- milestone spreadsheet

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 we do not request.

## 7.5. Project partners

The application should identify all members of the proposed group and include a declaration from each project partner. The information that will need to be provided in your application or the declaration includes:

- details of the project partner
- an overview of how the project partner will work with the 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)
- a statement the project is supported and the partner agrees to enter into a partners agreement.
- details of a nominated management level contact officer.

If successful, partners in the relevant CRC are required to enter into a partners' agreement and have certain obligations. See part 10.3 and 10.4 of these guidelines.

## 7.6. Timing of grant opportunity

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

If you are successful we expect you will be able to commence your project in the second half of 2021.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of stage one applications	August to October 2020
Notification of stage one outcomes process	late October 2020
Stage two applications open	Late October/early November 2020 to January 2021
Assessment of stage two applications and interviews	January to February 2021
Announcement of outcomes of stage two process and notification to unsuccessful applicants	March 2021
Negotiations and award of grant agreements	Up to 6 months
Earliest start date of project	From the date of the letter of offer
End date of grant commitment	Maximum of ten years from the project start date

## 8. The grant selection process

### 8.1. Stage one applications

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

We refer your application to the CRC Advisory Committee, an independent and diverse committee of experts reporting to Innovation and Science Australia, an independent statutory board. You can find details on the current composition of Innovation and Science Australia and its committees including the CRC Advisory Committee on [industry.gov.au](http://industry.gov.au). The committee may also seek additional advice from independent technical experts, including relevant Commonwealth departments, agencies and Industry Growth Centres.

The committee will assess your stage one application against the assessment criteria and compare it to other eligible applications in a funding round before recommending to the Minister which applicants to invite to submit a stage two application. The Minister will invite the most meritorious stage one applicants to submit a stage two application and attend an interview with the CRC Advisory Committee.

We consider your application on its merits, based on:

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

When assessing whether the application represents value for 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.

## 8.2. Stage two applications

To be eligible in stage two, you must have been shortlisted by the Minister at stage one and invited to submit a stage two application. The same CRC Advisory Committee will assess all stage two applications against the assessment criteria and conduct interviews with applicants to clarify any outstanding concerns before recommending to the Minister which projects to fund.

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.

## 8.3. Who will approve grants?

The Minister decides which grants to approve taking into account 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 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

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

If you are unsuccessful at stage one or stage two, we will notify you in writing providing feedback from the CRC Advisory Committee. You can submit a new application for the same (or similar) project in any future funding rounds. You should include information to address the feedback. If a new application is substantially the same as a previous unsuccessful application, we may refuse to consider it.

# 10. Successful grant applications

## 10.1. Grant agreement

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

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

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

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

## 10.2. Standard grant agreement

We will use a standard grant agreement for all projects.

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

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

### 10.3. Partner agreement

If you are successful, the partners in the CRC are required to enter into a partners' agreement and have certain obligations. The partners' agreement must cover all matters as required by the grant agreement. A template partner agreement is available at [business.gov.au](https://business.gov.au), which you may customise for your CRC requirements. Use of this template is not mandatory.

The partners in a CRC must negotiate arrangements and procedures for handling all IP created through the CRC, in a manner which maximises the benefits to Australia and the partners. These arrangements may include the allocation of IP rights, or of the income from IP, between the CRC and its partners, including the allocations upon future wind-up of the CRC. Partners may wish to consult the IP Toolkit for Collaboration, which is available at [business.gov.au](https://business.gov.au).

### 10.4. Project governance

Each CRC must have a sound governance model with suitable arrangements to deliver the proposed results.

The good governance principles identified by the Australian Stock Exchange (ASX) Corporate Governance Council may assist you in developing a sound governance model. More detail on the principles is available from the ASX website ([www.asx.com.au](http://www.asx.com.au)).

All CRCs must be established and governed as an incorporated company, limited by guarantee (the CRC Entity).

CRC Boards must include a Chairperson who is independent of the project partners with the necessary skills and experience required to lead an organisation with diverse partner needs and outcomes.

The CRC Board should include senior figures with general industry experience (not necessarily from the specific industry of the CRC) and reflect skills, experience and expertise relevant to managing the CRC. The majority of Board members should be independent.

In order to effectively manage a diverse collaboration, the Chief Executive Officer (CEO) of a CRC must commit 100 per cent of their time and effort to the CRC unless otherwise agreed by the department. The CEO must have experience in project management, business management, commercialisation management (including Intellectual Property management) and relevant sector and technology experience.

Applicants are required to address diversity in the establishment and ongoing measurement of their CRC. Applicants will aim for a minimum 40 per cent representation of both women and men across board, management and research lead positions over the CRC's term. You will be required to provide periodic diversity reports.

### 10.5. Project 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 you meet these requirements. We will include these requirements in your grant agreement.

In particular, you will be required to comply with:

- State/Territory legislation in relation to working with children/vulnerable people.
- all relevant ethics codes and guidelines adopted by the National Health and Medical Research Council (NHMRC), the Office of the Gene Technology Regulator, and all other relevant regulatory agencies operating in Australia and in any place in which the research is being conducted
- The [NHMRC/ARC/UA Australian Code for the Responsible Conduct of Research](#) (2018 or subsequent updates), co-authored by the NHMRC, Australian Research Council (ARC) and Universities Australia (UA) and, if applicable, the [NHMRC/ARC/UA National Statement on Ethical Conduct in Human Research](#) (updated in 2018 or subsequent updates).

## 10.6. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible grant project value covered by the grant (grant percentage)
- partners' in-kind contributions
- partners' cash contributions.

We will not exceed the maximum grant amount under any circumstances. If you incur extra costs, you (and your partners) 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.

We will make an initial payment on execution of the grant agreement if we are satisfied you have made significant progress in finalising the partners' agreement.

## 10.7. Tax obligations

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment. 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 entities<sup>2</sup>.

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

# 11. Announcement of grants

We will publish non-sensitive details of successful projects on [GrantConnect](#). We are required to do this by the *CGRGs* 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

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<sup>2</sup> See Australian Taxation Office ruling GSTR 2012/2 available at [ato.gov.au](#)



- amount of grant funding awarded
- grant term
- your partners and their contributions to the project
- Australian Business Number
- business location
- your industry sector.

## 12. How we monitor your grant activity

### 12.1. Keeping us informed

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

We need to know of any key changes to your organisation or its business activities, particularly if they affect security, and/or 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.

You must also inform us of any changes to your project partners.

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.

### 12.2. Reporting

You must submit reports in line with the grant agreement. We will provide sample templates for these reports on [business.gov.au](https://business.gov.au) and [GrantConnect](#). We will remind you of your reporting obligations before a report is due. We will expect you to report on:

- progress against agreed project milestones
- project expenditure, including expenditure of grant funds
- partner contributions directly related to the project
- diversity across board, management and research lead positions.

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

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

#### 12.2.1. Progress reports

Progress reports must:

- include details of your progress towards completion of agreed project activities

- show the total project value to date, including a breakdown of:
  - the total eligible expenditure incurred
  - the total special purpose expenditure incurred and
  - in-kind contributions to the project
- include evidence of expenditure if requested
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

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

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

### 12.2.2. End of project report

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

End of project reports must:

- include the agreed evidence as specified in the grant agreement
- identify the total project value for the project, including a breakdown of:
  - the total eligible expenditure incurred
  - the total partner cash and in-kind contributions to the project
  - the total special purpose expenditure incurred
- include a declaration 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
- be in the format provided in the grant agreement.

### 12.2.3. Ad-hoc reports

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

## 12.3. Independent audits

We will ask you to provide an annual independent audit report. An audit report will verify 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](https://business.gov.au). We may also ask you to undertake performance audits of your security plan.

## 12.4. Compliance visits

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

## 12.5. Grant agreement variations

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

- changing project milestones

- changes to project partners
- changing project activities.

Note the program does not allow for:

- an increase of grant funds
- extending the timeframe for completing the project as specified in your grant agreement.

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 a variation request will be successful. We will consider your request based on factors such as:

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

## 12.6. Evaluation

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

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

## 12.7. Grant acknowledgement

You must not make any public announcement, including by social media, in connection with the awarding of your grant until the Minister has publically announced the outcome of the round or as otherwise instructed by us.

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

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

## 13. Probity

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

### 13.1. Conflicts of interest

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

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

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

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

Conflicts of interest for Australian Government staff are handled as set out in the Australian [Public Service Code of Conduct \(Section 13\(7\)\)](#)<sup>3</sup> of the [Public Service Act 1999 \(Cth\)](#)<sup>4</sup>. Committee members and other officials including the decision maker must also declare any conflicts of interest.

We publish our conflict of interest policy on the department's [website](#)<sup>5</sup>.

## 13.2. How we use your information

Unless the information you provide to us is:

- confidential information as per 13.2.1, or
- personal information as per 13.2.3,

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.

### 13.2.1. How we handle your confidential information

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

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

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<sup>3</sup> [https://www.legislation.gov.au/Details/C2019C00057/Html/Text#\\_Toc535831236](https://www.legislation.gov.au/Details/C2019C00057/Html/Text#_Toc535831236)

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

<sup>5</sup> <https://www.industry.gov.au/sites/g/files/net3906/f/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf>

### 13.2.2. When we may disclose confidential information

We may disclose confidential information:

- to Innovation and Science Australia, the CRC Advisory Committee and other independent technical experts, 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.

### 13.2.3. 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, the committee, 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](#)<sup>6</sup> on the department's website for more information on:

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

### 13.2.4. 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.

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

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

### 13.3. 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 – Industry Capability and Research  
Department of Industry, Science, Energy and Resources  
GPO Box 2013  
CANBERRA ACT 2601

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

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<sup>7</sup> <http://www.ombudsman.gov.au/>

## 14. Glossary

Term	Definition
Application form	The document issued by the Program Delegate applicants use to apply for funding under the program.
AusIndustry	The division of the same name within the department.
Capital item	An asset of durable nature with a purchase price greater than \$20,000.
Cash contributions	Money contributed by project partners, which is not a loan, provided for the project and immediately available for use on the project.
Cooperative Research Centres Advisory Committee	A committee of Innovation and Science Australia established under the <i>Industry Research and Development Act 1986</i> to consider and assess eligible applications and make recommendations to the Minister for funding under the program.
CRC entity	The incorporated company governing and managing the CRC (the CRC being the collaboration between the project partners and the CRC entity).
Department	The Department of Industry, Science, Energy and Resources.
Eligible activities	The activities undertaken by a grantee in relation to a project eligible for funding support as set out in 5.1.
Eligible application	An application or proposal for grant funding under the program which the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in 5.2.
Eligible expenditure guidance	The guidance provided at appendix B.
Eligible project value	The total of eligible expenditure and allowable in-kind contributions on a CRC.
Government priorities	The <a href="#">Science and Research Priorities</a> , the Industry Knowledge Priorities developed under the <a href="#">Industry Growth Centres Initiative</a> , or any other science, research, industry and innovation priorities identified by the Australian Government from time to time.
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.

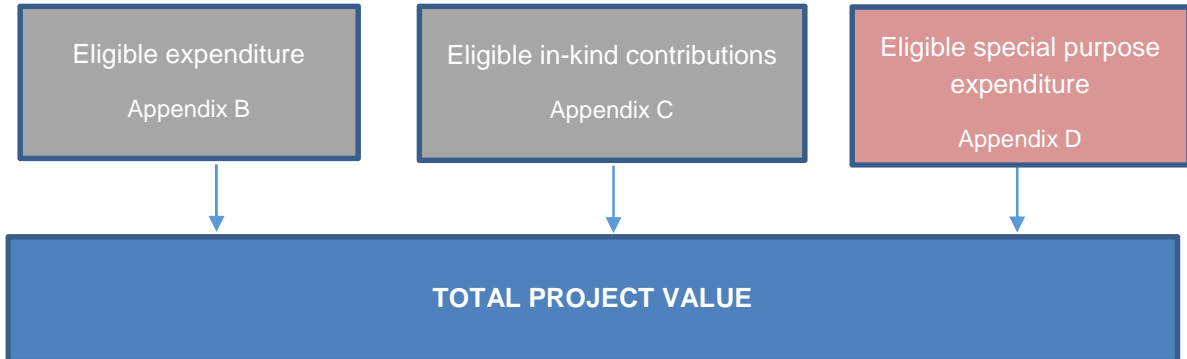
Term	Definition
<a href="#">GrantConnect</a>	The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the Commonwealth Grants Rules and Guidelines (CGRGs).
Grantee	The recipient of grant funding under a grant agreement.
Growth Centre	A not-for-profit company limited by guarantee responsible for delivering the Industry Growth Centres Initiative.
Growth sectors	The priority industry sectors identified by the Australian Government under the Industry Growth Centres Initiative as areas of competitive strength and strategic priority for Australia and include advanced manufacturing; cyber security; food and agribusiness; medical technologies and pharmaceuticals; mining equipment; technology and services; and oil, gas and energy resources.
Guidelines	Guidelines the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.
Australian industry entity	An entity with an Australian Business Number, where the majority of its revenue is not derived from government sources and is capable of commercialising research, excluding: <ul style="list-style-type: none"> <li>▪ research organisations; and</li> <li>▪ entities whose primary function is administrative or to provide support services to a CRC.</li> </ul>
Innovation and Science Australia	The statutory board established by the <i>Industry Research and Development Act 1986</i> (Cth) and named in that Act as Innovation and Science Australia.
In-kind contributions	Non-cash resources contributed by a partner to conduct the CRC. They may be staff or non-staff resources.
Intellectual property (IP)	Includes all copyright, patents, registered and unregistered trademarks (including service marks), registered designs, and other rights resulting from intellectual activity (other than moral rights under the <i>Copyright Act 1968</i> (Cth)).
Minister	The Commonwealth Minister for Industry, Science and Technology.
Partner	A person or body providing support (including cash contributions or in-kind contributions) integral to the success of the CRC.
Partners' agreement	The agreement between the partners.



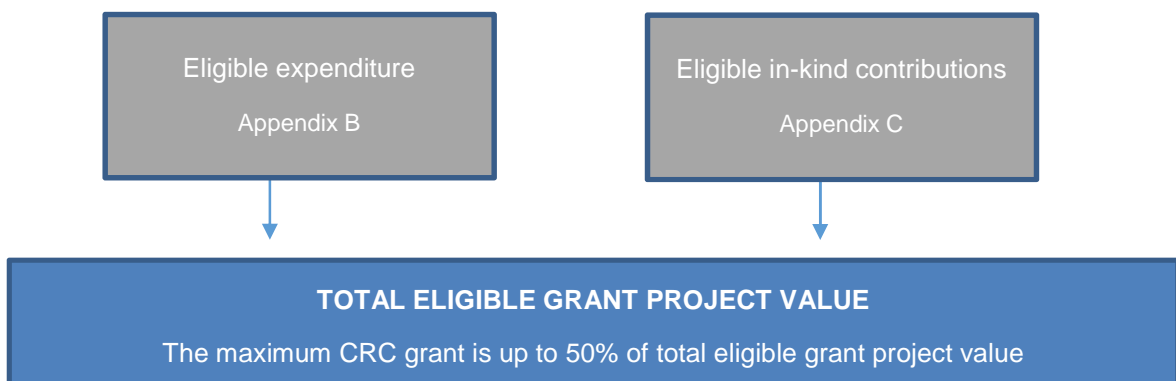
Term	Definition
Partner contributions	The cash and in-kind contributions from project partners to the project.
Personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <p>Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ol style="list-style-type: none"> <li>a. whether the information or opinion is true or not; and</li> <li>b. whether the information or opinion is recorded in a material form or not.</li> </ol>
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.
Research organisation	All higher education providers listed at Table A and Table B of the <i>Higher Education Support Act 2003</i> (Cth); corporate Commonwealth entities, and Australian State and Australian Territory business enterprises which undertake publicly funded research.
Science and research priorities	The matters identified by the Australian Government as areas of critical importance for research, and include food, soil and water, transport, cyber security, energy, resources, advanced manufacturing, environmental change and health.
Small and Medium Enterprises (SMEs)	Firms or industry which employ up to 200 staff.
Third party organisations	Third party organisations are not required to supply a Partner Declaration. They may be small contributors, be parties involved for short periods, or be unable to provide a partner declaration. Any third party contributions will not be used for eligibility purposes to ensure matching funding to the grant request.

## Appendix A. Diagrams of project value and applicant contributions

How we calculate your total project value



How we calculate your total eligible grant project value



### Applicant contributions

We treat cash and in-kind contributions equally for determining your matching minimum 50 per cent share of eligible grant project value. You should leverage significant funds from industry as well as government and other organisations.

Eligible special purpose expenditure contributes to your total project value but is not included in the calculation of your grant amount. You cannot spend CRC grant funds on special purpose activities.

You may have contributions from third party organisations, noting these contributions will not count towards the total eligible grant project value for the purposes of matching contributions to grant funds.

Rural Research and Development Cooperation (RDC) direct cash contributions from their discretionary funds (which includes levies and Commonwealth funds) are eligible in full as cash contributions to a CRC. Where RDCs have issued funds to other parties for a specific purpose and the resulting projects will be incorporated into the activities of a CRC, only the value of the industry levy component of the funding can be counted as an in-kind contribution to the CRC.

## Appendix B. 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](https://business.gov.au) and [GrantConnect](#) 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
- not be included under 'eligible special purpose expenditure' in appendix D
- meet the eligible expenditure guidelines.

### How we verify eligible expenditure

If your application is successful, we will ask you to verify the project budget 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 can 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.

You are required to provide an annual independent financial audit report up until the end of your project.

### Eligible expenditure items

You can only use CRC grant funds or cash contributions for eligible expenditure directly related to the project. Eligible expenditure can include, but is not limited to:

- salaries and on-costs for personnel directly employed for the project activities (this should be calculated on a pro-rata basis relative to their time commitment using the formula detailed below)
- contractor costs as detailed below
- capital items you purchase to undertake your project
- costs of acquiring intellectual property and technology
- student fellowships, stipends and scholarships
- costs related to the publication of research and the deployment and take-up of research outputs
- costs of developing and delivering workshops, conferences, professional development, networking events, forums and courses (including travel costs for key partners) for knowledge transfer and capability development directly related to the project
- costs related to recruiting or contracting specialist staff directly related to the project

- purchase of computing equipment and software directly related to the project
- marketing, communications, promotional costs and website design directly related to the project
- travel and overseas expenditure as detailed below
- staff training directly supporting the achievement of project outcomes. Some training costs may only be considered as part of eligible special purpose expenditure. See appendix E
- reasonable fitout expenditure directly related to the project
- insurance for the CRC company
- leasing facilities including office space and fit for purpose facilities.
- financial auditing of project expenditure as outlined below.

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.

## Labour expenditure

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

We consider costs for project management activities eligible labour expenditure. However, we limit these costs to 20 per cent of the total amount of eligible labour expenditure claimed.

We only consider labour expenditure for leadership and administrative staff as eligible expenditure where they are directly delivering eligible activities.

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.

For periods of the project which 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 per cent 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 is the cost of any agreed project activities 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 costs must be reasonable and appropriate for the activities performed.

We may require evidence of contractor expenditure such as:

- 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 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 the sector is eligible expenditure. Where non-economy class air transport is used, the grantee will require evidence showing what an economy airfare 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 you will spend on overseas expenditure
- the proportion of the service providers total fee which 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.

### Audit Costs

The cost of an annual independent audit of project expenditure up to a maximum of 1 per cent of total eligible project value.

## Appendix C. In-kind contributions

We treat cash and in-kind contributions equally for determining your matching 50 per cent share of total eligible grant project value.

In-kind contributions are the non-cash contributions. These can include labour contributions and facilities, equipment and services provided by project partners to the project. In order for in-kind contributions to count towards your total eligible grant project value, they must directly relate to eligible activities or eligible special purpose activities.

In-kind contributions may include:

- salaries and on-costs for Australian personnel directly employed for the project activities. Australian Government funds awarded (or contracted) to researchers employed by partners, or to the partners themselves, for specific projects cannot be claimed as eligible expenditure. You must use the labour calculations outlined in appendix B
- facilities, equipment and services provided by a partner to the project from its own resources. We do not prescribe a specific formula to determine the value of these contributions. You need to determine the value of these contributions. They must be realistic, justifiable and valued proportionally to their use on the project. For example, you should calculate the in-kind contribution of a capital item by the running costs and the depreciation of the item.

Examples of in-kind contributions include:

- if a resource has an annual depreciation value of \$100,000 and the project was using 10 per cent of the resource's capacity then the resource could be valued at \$10,000 per year
- if the fee for usage was \$500 per use and the project was receiving 100 usages per year at no cost, the value of the resource could be valued at \$50,000 per year
- if your project receives office space as an in-kind contribution from a partner, you should value the contribution at the amount it would otherwise cost to rent equivalent office space.

## Appendix D. Eligible special purpose expenditure

This section provides guidance on eligible special purpose expenditure.

Eligible special purpose expenditure contributes to your total project value but is not included in the calculation of your grant amount. You cannot spend grant funds on these activities.

We may update this guidance from time to time, so you should make sure you have the current version from [business.gov.au](https://business.gov.au) and [GrantConnect](#) before preparing your application.

The Program Delegate makes the final decision on what is eligible special purpose expenditure and may give additional guidance if required.

To be eligible, special purpose expenditure must:

- be incurred by you within the project period
- be a direct cost of the project
- be incurred by you for approved project audit activities
- not be included under eligible expenditure
- meet these eligible special purpose expenditure guidelines.

### How we verify eligible special purpose expenditure

If your application is successful, we will ask you to verify the project budget you provided in your application when we negotiate your grant agreement. This may include evidence related to eligible special purpose expenditure.

At any time, we may ask you to provide records of the expenditure you have paid.

### Eligible special purpose expenditure items

Eligible special purpose expenditure can include, but is not limited to:

- education and training activities which do not result in direct material support to identifiable students, for example, primary, secondary and tertiary programs, vocational education and training, industry exchange programs, internship programs, workshops for industry, community/public events (i.e., lecture series/art exhibition) and industry training modules
- engagement with SMEs to build their R&D capacity.

You may also contribute in-kind resources to the eligible special purpose activities if applicable.



## Appendix E. 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 the [business.gov.au](http://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:

- activities, equipment or supplies which are already being supported through other sources, including other Commonwealth sources
- costs incurred prior to the date of your letter of offer
- non-project-related staff training and development costs
- financial costs, including interest and debt financing including the use of grant funds for any form of security for the purpose of obtaining or complying with any form of loan, credit, payment or other interest
- building, construction and utilities expenses
- purchase of land
- maintenance costs
- insurance costs other than those outlined in eligible expenditure (the project partners must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- depreciation of plant and equipment
- opportunity costs relating to any losses due to allocating resources to the agreed grant project
- costs related to preparing the grant application

This list is not exhaustive. Other costs may be ineligible where we decide they do not directly support the achievement of the planned outcomes for the project or 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.