



Australian Government

Department of Industry,  
Innovation and Science

Department of Infrastructure  
and Regional Development

Business

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## Grant Opportunity Guidelines

# Smart Cities and Suburbs Program Round Two

<b>Opening date:</b>	2 May 2018
<b>Closing date and time:</b>	5.00pm AEST on 2 July 2018
<b>Commonwealth policy entity:</b>	Department of Infrastructure, Regional Development and Cities
<b>Administering entity</b>	Department of Industry, Innovation and Science
<b>Enquiries:</b>	If you have any questions, contact us at <a href="http://business.gov.au">business.gov.au</a> .
<b>Date guidelines released:</b>	2 May 2018
<b>Type of grant opportunity:</b>	Open competitive

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# 1. Smart Cities and Suburbs Program processes

## **The Smart Cities and Suburbs Program is designed to achieve Australian Government objectives**

This grant opportunity is part of the above Grant Program which contributes to the Department of Infrastructure, Regional Development and Cities's Outcome Three. The department works with stakeholders to plan and design the grant program according to the *Commonwealth Grants Rules and Guidelines*.



## **The grant opportunity opens**

We publish the grant guidelines on [business.gov.au](http://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 the merit criteria including an overall consideration of value with relevant money and compare it to other eligible applications.



## **We make grant recommendations**

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



## **Grant decisions are made**

The decision maker decides which applications are successful.



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

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



## **We enter into a grant agreement**

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



## **Delivery of grant**

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



## **Evaluation of the Smart Cities and Suburbs Program**

We evaluate the specific grant activity and Smart Cities and Suburbs 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 Smart Cities and Suburbs Program (the program) will run over three years from 2017-18 to 2019-20. The program was announced as part of the Australian Government's [Smart Cities Plan](#).<sup>1</sup>

As part of the 2016 election campaign the Australian Government committed to establishing a \$50 million competitive program to support projects that apply innovative technology-based solutions to urban challenges. Successful projects under Round One of the program were announced on 17 November 2017. Forty-nine projects will receive a total of \$27.7 million in Australian Government funding across all states and territories. Round Two will deliver an additional set of innovative smart technology projects.

In line with the [Smart Cities Plan](#)<sup>2</sup>, the program supports projects that apply smart technology, data-driven decision making and people-focused design to deliver economic, social and environmental benefits in metropolitan and regional urban centres.

Projects will deliver innovative solutions that transform the local government sector, advance community goals and address the needs of residents. The program will help to establish smart city innovation eco-systems and move Australia towards a global leadership position in smart city solutions.

Collaborative projects involving partners across multiple sectors and urban centres will:

- grow smart cities capability and capacity through shared knowledge and expertise
- drive innovation and wide adoption of solutions
- advance standards and improve regulation
- realise greater outcomes through maximum leverage of program funding.

The intended outcomes of the program are to:

- improve the liveability and sustainability of cities, suburbs and towns through the application of smart technology solutions to economic, social and environmental challenges
- increase openly available public and private data sets to support citizen engagement, unlock innovation, and create new business opportunities
- increase innovation and capability in local governments through collaboration and smart city innovation ecosystem development
- contribute to development of smart city standards and improvement of regulation impacting the roll-out and use of smart technology.

We administer the program according to the Commonwealth Grants Rules and Guidelines (CGRGs)<sup>3</sup>.

### 2.1. About the Smart Cities and Suburbs Program Round Two grant opportunity

These guidelines contain information for the Smart Cities and Suburbs Program Round Two grants.

This document sets out:

- the eligibility and merit criteria

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<sup>1</sup> <https://cities.infrastructure.gov.au/smart-cities-plan>

<sup>2</sup> <https://cities.infrastructure.gov.au/smart-cities-plan>

<sup>3</sup> <https://www.finance.gov.au/sites/default/files/commonwealth-grants-rules-and-guidelines.pdf>

- 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) is responsible for administering the grant opportunity on behalf of the Department of Infrastructure, Regional Development and Cities.

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

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

## 2.2. Grant amount and grant period

The Australian Government announced a total of \$50 million over three financial years for the program. For this grant opportunity, approximately \$22 million will be available until 30 June 2020.

## 3. Grants available

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

- The minimum grant amount is \$250,000.
- The maximum grant amount is \$5 million.

### 3.1. Project duration

You must complete your project by 30 June 2020.

## 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:

- be an Australian local government agency or body as defined in appendix A; and
- have an Australian Business Number (ABN).

### 4.2. Additional eligibility requirements

#### 4.2.1. Project partner organisations

To be eligible your project must be collaborative in nature and include at least one partner organisation during the life of the project. You can partner with organisations such as other local government agencies or bodies, private companies, research organisations and not-for-profit bodies to deliver collaborative smart city projects. Projects that involve multiple organisations and increased collaboration are encouraged (see 7.3).

We recognise local governments are subject to procurement and probity requirements and may not be able to nominate a project partner at the time of application. Where a project partner cannot be nominated, local governments must commit to engaging a project partner during the life of the project and identify the goods and services to be procured in the application form.

#### 4.2.2. Your funding co-contributions

You must provide evidence of how you will fund your minimum 50 per cent share of eligible project costs from funding sources other than the Commonwealth. You must provide a letter from the Mayor, Chief Executive Officer, Chief Financial Officer or equivalent of each partner organisation outlining their in-principle cash contribution, and confirming they can fund their share of eligible project costs, exclusive of in-kind contributions as defined in appendix A. You must use the template on [business.gov.au](http://business.gov.au)

Eligible contributions are:

- cash used by the grantee or a project partner in undertaking the agreed project activities, and/or
- cash provided to the grantee by a project partner for the purpose of undertaking the agreed project activities.

Project partner organisations that are funded from Commonwealth government sources, such as the CSIRO or Regional Development Authorities, cannot contribute to eligible project costs. Therefore any financial contributions from these organisations towards your project cannot be used to fund your share of project costs.

#### 4.2.3. Commencement timeframe

The earliest date you can start your project and incur eligible expenditure is 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.

You must start your project within 8 weeks of executing a grant agreement, which can include planning for procurement.

## 5. Eligible grant activities

### 5.1. Eligible projects

The program funds projects that apply innovative smart technologies that generate, store and process data to target urban challenges.

Projects must involve the innovative application of knowledge, hardware or software that:

- is new to the organisation, the local government area, city, region or country; or
- delivers an outcome which has not previously been realised in your community.

### 5.2. Eligible activities

Eligible activities must relate directly to the project.

Activities should align with one or more of the four program priority areas in Table 1.

Table 1: Project priority areas

Priority Area	Aim	Description
Smart Infrastructure	Improving the efficiency, reliability, delivery and maintenance of infrastructure and essential services	Solutions that improve <ul style="list-style-type: none"> <li>▪ infrastructure-related services such as traffic management, emergency response, waste management, communications and water supply</li> <li>▪ landscape and green infrastructure assets</li> <li>▪ infrastructure management and maintenance and transportation infrastructure issues including accessibility and mobility.</li> </ul>
Smart Precincts	Making community precincts more liveable, productive, sustainable and safe	Solutions that improve the comfort, amenity, security and management of public facilities, assets and spaces. Solutions may include integrated and intelligent systems which provide automated responses to real-time environmental and usage data.
Smart Services and Communities	Delivering community focussed local government services	Solutions that <ul style="list-style-type: none"> <li>▪ increase community engagement</li> <li>▪ involve the community in service design and delivery</li> <li>▪ empower customers to make decisions through greater access to information</li> <li>▪ improve access to council services</li> <li>▪ support real-time availability of council information and data.</li> </ul>
Smart Planning and Design	Building adaptable and resilient cities through improved land use, strategic planning and governance.	Solutions that provide more sophisticated information to support decision making and improve governance at local, state and national level, including through <ul style="list-style-type: none"> <li>▪ automatic integration of data from sensor networks</li> <li>▪ planning systems that predict development impacts</li> <li>▪ smart planning tools that analyse data from myriad sources to improve land use and planning.</li> </ul>

### 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.

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

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

Not all expenditure on your project may be eligible for grant funding. The Program Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be a direct cost of the project
- be incurred by you or your project partners 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.

The earliest date you can start your project and incur eligible expenditure is 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. You cannot use funding from other Commonwealth government sources to fund your share of project costs.

## 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 four merit criteria below. The amount of detail you provide in your application should be relative to the project size, complexity and grant amount requested. 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 the best value for money.

### 6.1. Merit criterion 1

#### **The extent to which your project is innovative and uses smart technology and open data (30 points)**

In assessing this criterion, we will consider:

- the extent to which your project aligns with the [Smart Cities Plan](#),<sup>4</sup> including the extent that your project uses smart technology, promotes open data, uses available standards<sup>5</sup> and supports interoperability, accessibility, integration and openness of systems.
- the extent to which your project is innovative and demonstrates an advanced application of smart technology.

### 6.2. Merit criterion 2

#### **The scope of social, environmental and economic benefits your project will deliver (30 points)**

In assessing this criterion, we will consider:

- the level of social, environmental and economic project benefits to be gained.

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<sup>4</sup> <https://cities.infrastructure.gov.au/smart-cities-plan>

<sup>5</sup> Examples of existing open standards include data models based on CitySDK, data platforms based on CKAN, APIs based on the FIWARE NGSI API framework, and information discovery standards like Hypercat. To find out about data standards visit <https://www.dta.gov.au/standard/design-guides/open-data/>

- the degree to which your project will demonstrate the potential for replicating or scaling up your solution in other communities or nationally.

### 6.3. Merit criterion 3

#### **The extent of the project's community focus and impact on the liveability of the cities, suburbs and towns (20 points)**

In assessing this criterion, we will consider:

- the level of engagement with citizens to ensure the project addresses community needs and has the support of the community.
- your strategy to measure the project's success, including any targets and metrics.
- how your project aligns with relevant local plans (e.g. regional or local smart city plans).

### 6.4. Merit criterion 4

#### **Your capacity, capability and resources to carry out the project (20 points)**

To assess this criterion, we will consider:

- the relevant skills and experience of the lead applicant and project partners and how the collaboration will help deliver project outcomes.
- your plan to manage the project (including key risks and governance arrangements) and your plan to extend project outcomes once the project is complete.
- the total cash contributions the grant will leverage from each project partner. You are required to contribute at least 50 per cent of the total eligible project expenditure. Any additional cash contributions over the 50 per cent minimum requirement will be highly regarded.

## 7. How to apply

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

You can only submit an application during a funding round.

To apply, you must:

- complete the online [program application form](#) on business.gov.au
- provide all the information requested
- address all eligibility and merit criteria
- include all necessary attachments.

When you submit your online application, we will provide you with an automated receipt number and a link. The link goes to a page where you can enter your email address to receive acknowledgment and a copy of your complete application.

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

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

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

### 7.1. Attachments to the application

You must provide the following documents with your application:

- letter from your Mayor, Chief Executive Officer or Chief Financial Officer with in-principle commitment to the project and in-principle allocation of the funding your organisation will contribute to the project (you must use the template provided on [business.gov.au](http://business.gov.au))
- letter of support from the Mayor, Chief Executive Officer or Chief Financial Officer of each project partner, including in-principle allocation of any funding they will contribute to the project (you must use the template provided on [business.gov.au](http://business.gov.au))
- a detailed project plan commensurate with the size and complexity of the project
- a detailed project budget commensurate with the size and complexity of the project
- trust deed (where applicable)

You must attach supporting documentation to the application form in line with the instructions provided within the form. You can only attach the 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.

If you are successful we expect you will be able to commence your project within 14 weeks of application closure.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	8 - 10 weeks
Approval of outcomes of selection process	4 weeks
Negotiations and award of grant agreements	6 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	From date of letter of offer
End date of grant commitment	30/06/2020

### 7.3. Joint applications

Projects must include at least one local government agency or body (lead organisation) and at least one partner organisation. Joint applications with multiple partners are encouraged. The lead organisation can partner with organisations such as other local government agencies or bodies, private companies, research organisations and not-for-profit bodies to deliver collaborative smart city projects.

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

- details of the project partner
- an overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
- an outline of the relevant experience and/or expertise the project partner will bring to the group
- the roles/responsibilities the project partner will undertake, and the resources it will contribute (if any)
- the in-principle allocation of any funding they will contribute to the project
- details of a nominated management level contact officer.

## 8. The selection process

We first assess your application against the eligibility criteria and then against the merit criteria. Only eligible applications will proceed to the merit assessment stage.

We will establish a committee comprised of Australian Public Service officers with subject matter expertise and independent technical experts to assess applications.

The committee will assess your application against the merit criteria and compare it to other eligible applications in a funding round 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 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 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 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, 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. A sample [grant agreement](#) is available on [business.gov.au](http://business.gov.au).

We must execute a grant agreement with you before we can make any payments. We are not responsible for any of your project expenditure until a grant agreement is in place. If you choose to start your project from the date of the letter of offer, but before you have an executed grant agreement, you do so at your own risk.

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.

If you enter a grant agreement under the Smart Cities and Suburbs Program, you cannot receive other grants for the same activities from other Commonwealth, State or Territory granting programs.

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

You will have 40 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 Minister.

### 10.2. WHS Scheme

The WHS Scheme is administered by the Office of the Federal Safety Commissioner<sup>6</sup>.

The Scheme applies to projects that are directly or indirectly funded by the Australian Government where

- the value of the Australian Government contribution to the project is at least \$6 million and represents at least 50 per cent of the total construction project value; or
- the Australian Government contribution to a project is \$10 million (GST inclusive) or more, irrespective of the proportion of Australian Government funding; and
- a head contract under the project includes building work of \$4 million or more (GST Inclusive).

### 10.3. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (up to 50 per cent of eligible project costs)
- any financial contribution provided by you or a third party.

We make an initial payment on execution of the grant agreement covering up to 6 months of eligible expenditure. We will make subsequent payments in arrears based on your achievement of

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<sup>6</sup> <http://www.fsc.gov.au/sites/FSC>

activities and your eligible expenditure. Payments are subject to satisfactory progress on the project.

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

#### 10.4. 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](http://business.gov.au). We will remind you of your reporting obligations before a report is due. We will expect you to report on:

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

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

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

#### 10.5. 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 and accept satisfactory progress reports.

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

#### 10.6. Progress updates in Collaboration platform

You must provide project updates on the [Smart Cities Collaboration Platform](#).

#### 10.7. 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 within four weeks of completing the project
- be in the format provided in the grant agreement.

## 10.8. 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.

## 10.9. 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.

## 10.10. 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.

## 10.11. 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 by 30 June 2020
- 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.

## 10.12. 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.

### 10.13. 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 30 June 2021 for more information to assist with this evaluation.

### 10.14. 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.

### 10.15. 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’.

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

## 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, technical experts, committee members 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](#)<sup>7</sup> 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.

## 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 the committee and 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

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

- 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, 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 Commonwealth's websites.

You may read our [Privacy Policy](#)<sup>8</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.

### 12.4. Public announcement

We will publish non-sensitive details of successful projects on [GrantConnect](#), [business.gov.au](#) and other Australian Government websites. We are required to do this by the *Commonwealth Grants Rules and Guidelines* and the [Australian Government Public Data Policy Statement](#)<sup>9</sup>, 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
- total project value
- project partners
- Australian Business Number
- business location

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<sup>8</sup> <http://www.industry.gov.au/Pages/PrivacyPolicy.aspx>

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

- 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.

## 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 – Business Services  
Department of Industry, Innovation and Science  
GPO Box 2013  
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)<sup>10</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>10</sup> <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 or project partner on a project and which is eligible for funding support as set out in 5.3.
Eligible expenditure guidelines	The guidelines that are at Appendix B.
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.
In-kind	<p>Non-monetary inputs including facilities, equipment and services provided by the grantee or a project partner for project activities from its own resources.</p> <p>If there is no exchange of money (either by cash or bank transaction) by the grantee or a project partner and only the value or worth of something is given, the contribution is deemed to be in-kind.</p>
Liveability	The aspects that determine the quality of life of a place, including its economy, amenity, built and natural environment, community, job and education opportunities, leadership and sustainability.
Local government agency or body	A local governing body as defined in the <i>Local Government (Financial Assistance) Act 1995</i> (Cth) and the ACT Government.
Minister	Minister for Urban Infrastructure and Cities

Term	Definition
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	Smart Cities and Suburbs Program
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.
Smart city	Urban areas that are created by and for people with the help of smart technology.
Urban	A built-up area in a city, suburb or town.

## Appendix B. Eligible expenditure

This section provides guidelines on the eligibility of 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 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 will 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 employees you or your project partner directly employ on the core elements of the agreed project. We consider a person an employee when you pay them a regular salary or wage, out of which you make regular tax instalment deductions.

We consider costs for project management activities eligible labour expenditure. However, we limit project management costs, for direct employees and/or contractors, to 10 per cent of the total amount of eligible 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 Australian Taxation Office (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 as eligible expenditure through the grant is \$150,000 per financial year (plus the 30 per cent administrative overhead below).

For periods of the project that do not make a full financial year, the maximum salary amount you can claim will be reduced in proportion to the amount of time in the part financial year the project was taking place.

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

Eligible salary costs can be increased by an additional 30 per cent allowance to cover on-costs such as employer paid superannuation, payroll tax and 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 base labour costs on an estimation of the employee's worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.

We will only consider salaries paid to principals and/or their relatives as eligible labour expenditure when the ATO has assessed tax payable on the salary.

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 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 to be performed
- 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 where appropriate
- any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense as if you had claimed it directly (without engaging a contractor). 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.

As stated in the grant agreement, you are required to ensure all project contractors keep a record of the costs of their work on the project. You may be required to obtain and provide a contractor's records of its costs of doing project work. If you do not provide such records, the relevant contract expense may not qualify as eligible expenditure.

We consider costs for project management activities eligible contractor expenditure. However, we limit project management costs, for direct employees and/or contractors, to 10 per cent of the total amount of eligible expenditure claimed.

## 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.

Eligible travel expenditure is limited to 10 per cent of total eligible expenditure except where otherwise approved by the Program Delegate.

## Other eligible expenditure

Other eligible expenditures for the project may include:

- costs you incur as part of procurement activity relating to the project
- commissioning
- costs you incur as part of engaging with stakeholders and the community
- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure
- costs of acquiring intellectual property and technology required to implement the project
- costs of acquiring hardware and software directly related to the project
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments, or which are provided as in-kind, are not eligible
- contingency costs up to a maximum of 10 per cent of the eligible project costs. Note that we make payments based on actual costs incurred.
- costs associated with the installation of the smart technology. E.g. digging trenches for cabling and smart poles, but not for roads and other infrastructure where a smart precinct is being developed.

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 the ineligible expenditure of Australian Government grant funds for this program. We will update these guidelines from time-to-time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

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

Examples of ineligible expenditure include:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other government sources
- costs incurred prior to the date of your letter of offer
- any in-kind contributions as defined in appendix A
- financial costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, general office computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings
- costs involved in the purchase or upgrade / hire of software (including user licences) and ICT hardware not directly related to acquiring intellectual property or technology required for the project
- costs such as rental, renovations and utilities
- non-project-related staff training and development costs
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- debt financing
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- site preparation activities which are not directly related to, or for, the main purpose of the project
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- 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) and preparing any project variation requests
- travel costs that exceed 10 per cent of total eligible expenditure 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.