



## Grant Opportunity Guidelines

# Blockchain Pilot grants

<b>Opening date:</b>	26 March 2021
<b>Closing date and time:</b>	17:00 Australian Eastern Standard Time on 29 April 2021 Please take account of time zone differences when submitting your application.
<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>	26 March 2021
<b>Type of grant opportunity:</b>	Open competitive

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# 1. Blockchain Pilot grants processes

**The Blockchain Pilot grant opportunity is designed to achieve Australian Government objectives**

This grant opportunity is part of the above grant program, which contributes to the Department of Industry, Science, Energy and Resource's Outcome 1. 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 (the Government) publish the grant guidelines on [business.gov.au](http://business.gov.au) and GrantConnect.



**You complete and submit a grant application**

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



**We assess all grant applications**

We 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 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 Blockchain Pilot Grants**

We evaluate the specific grant activity and Blockchain Pilot Grants program as a whole. We base this on information you provide to us and that we collect from various sources.

## 2. About Blockchain Pilot grants

As an emerging data storage and exchange technology, blockchain has unique advantages over traditional centralised tracking and compliance processes. Blockchain's highly traceable and secure nature make it ideal for reducing regulatory burden.

The National Blockchain Roadmap, released in February 2020, establishes the opportunities and challenges of blockchain's potential growth, capacity and capability in Australia. The Federal Budget 2020-21 of the Australian Government announced the Digital Business Package, which built on this momentum and included measures to demonstrate the potential for blockchain to reduce regulatory compliance burden for business. Two pilots will be funded at up to \$3 million each to develop measures that demonstrate this potential for the Critical Minerals sector and the Food and Beverage sector.

The objectives of the Blockchain Pilot grants are to:

- reduce compliance costs for businesses
- ensure buy-in from regulators
- bolster blockchain literacy and contribute to the overarching objectives of the national roadmap
- develop blockchain solutions for government and showcase to industry the viability of the regulatory efficiencies of blockchain
- support the inclusion of blockchain in broader policy work to increase management capability around digital technologies.

The intended outcomes of the Blockchain Pilot grants are:

- reduced compliance costs for businesses
- increased understanding of blockchain technology by regulators and businesses.

A single grant will be provided for each of the two pilots:

- **Pilot 1 - Critical Minerals (National Ethical Certification Scheme)** to build supply chain integrity and contribute to the Critical Minerals National Ethical Certification Scheme and help our critical minerals businesses get more of their products to international markets
- **Pilot 2 - Food and Beverage Provenance (Excise Tax on Spirit Production)** to address the challenges of complying with excise tax regulations throughout spirit production and supply.

We expect that successful applications will be a collaboration between multiple organisations, including regulators. Individuals can be included in a consortium. We expect that, to be successful, your application will include a plan to showcase Australian start-ups by including one or more Australian blockchain start-ups as part of your consortium or in some particular aspect of your project.

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

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

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

- how we monitor and evaluate grantees' performance
- responsibilities and expectations in relation to the 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 has announced a total of \$6 million over 2020-21 to 2021-22 for this grant opportunity.

#### 3.1. Grants available

A single grant of up to \$3 million is available for each of the blockchain pilots. The grant amount will be up to 100 per cent of eligible project expenditure (grant percentage).

You can only be a lead applicant on one application for funding. You must choose to submit an application for Pilot 1 - Critical Minerals (National Ethical Certification Scheme) or Pilot 2 - Food and Beverage Provenance (Excise Tax on Spirit Production). You may be a partner in one or more joint applications, but may only be the lead applicant in one application.

#### 3.2. Project period

The maximum project period is 9 months.

You must complete your project by 30 April 2022.

### 4. Eligibility criteria

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

#### 4.1. Who is eligible?

To be eligible you must:

- have an Australian Business Number (ABN)

and be one of the following entities:

- an entity incorporated in Australia
- a partnership
- sole trader
- a publicly funded research organisation (PFRO) as defined in section 14

Your application **must** be a joint application and include an eligible lead organisation who is the main driver of the project, and at least one other project partner. For further information on joint applications, refer to section 7.2.

#### 4.2. Additional eligibility requirements

We can only accept applications:

- where you certify that your project is supported by your board (or chief executive officer or equivalent if there is no board) and that you can complete the project and meet any costs of the project not covered by grant funding
- where you provide all mandatory attachments

- where you agree for your project to be overseen by an advisory panel that includes a representative from the department and a representative from the regulator you are working with
- where you certify that you will acquire and maintain all relevant licenses in undertaking the pilot (this will be a requirement of the grant agreement).

We cannot waive the eligibility criteria under any circumstances.

#### 4.3. Who is not eligible?

You are not eligible to apply if you are:

- an organisation, or your project partner is an organisation, included on the National Redress Scheme's website on the list of 'Institutions that have not joined or signified their intent to join the Scheme' ([www.nationalredress.gov.au](http://www.nationalredress.gov.au))
- any organisation not included in section 4.1
- a non-corporate Commonwealth entity

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

### 5.1. Eligible activities

To be eligible your project must:

- be aimed at reducing relevant compliance costs through blockchain technology.
- include commissioning a Technology Comparison Report to show:
  - the pros/cons/trade-offs of your blockchain solution in comparison to other (non-blockchain) technology
  - whether your blockchain technology is value-adding beyond merely being a process of digitisation
  - feedback from impartial stakeholders external to the blockchain industry that have experience in database systems, for example, IPFS, or distributed but centrally managed systems
- include commissioning a Protocol Comparison Report to explain how your blockchain solution would differ if alternate blockchain protocol(s) had been used. This report must:
  - assess your chosen blockchain protocol against at least 3 to 5 other blockchain protocols (including both public and permissioned systems)
  - explain what trade-offs are involved in each implementation (the pros and cons for security, scalability and transparency; and how it would have affected the pilot from the point of view of each stakeholder)
- include hosting an open event with the Department that showcases the results of the pilot
- showcase Australian blockchain start-ups.

Applicants should note that this pilot, your outcomes and objectives may be used as case studies to support the use of blockchain technology by other sectors.

Eligible activities **must** include:

- developing technical and governance structures

- developing your blockchain product
- testing your blockchain product
- collaborating across Australian blockchain (or similar technology) industry partners and Australian business in relevant industry sectors
- commissioning a Technology Comparison Report and Protocol Comparison Report
- promoting Australia's blockchain start-up community
- bolstering blockchain literacy across government and industry

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.

Eligible expenditure items are:

- direct labour costs of employees you directly employ on the core elements of the project. We consider a person an employee when you pay them a regular salary or wage, out of which you make regular tax instalment deductions
- up to 30% labour on costs to cover employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the provision of computers for staff directly working on the project
- contract expenditure, i.e. the cost of any agreed project activities that you contract to others
- domestic travel limited to the reasonable cost of accommodation and economy fare transportation required to conduct agreed project activities in Australia
- staff training that directly supports the achievement of project outcomes
- software that directly supports the achievement of project outcomes
- the cost of an independent audit of project expenditure up to a maximum of 1 per cent of total eligible project expenditure
- other eligible expenditure as approved by the Program Delegate.

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

Not all expenditure on your project may be eligible for grant funding. The Program Delegate (who is an AusIndustry manager within the department with responsibility for the program) 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.

## 5.3. Ineligible activities and expenditure

Expenditure items that are not eligible include:

- capital works or the acquisition of major equipment
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges

- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests.

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

You may elect to commence your project from the date we notify you that your application is successful.

We are not responsible for any expenditure you incur until a grant agreement is executed. The Commonwealth will not be liable, and should not be held out as being liable, for any activities undertaken before the grant agreement is executed.

You must not commence your project until you execute a grant agreement with the Commonwealth.

## 6. The assessment criteria

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

The application form asks questions that relate to the assessment criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. You should provide evidence to support your answers. The application form displays size limits for answers.

We will only consider funding applications that score at least 50 per cent against each assessment criterion, as these represent best value for money.

### 6.1. Assessment criterion 1

#### **How your project will achieve Blockchain Pilot objectives (40 points)**

You should demonstrate this by describing:

- a. how your project will address the objectives of your chosen pilot (Appendix A)
- b. how your project will demonstrate the ability of blockchain technology to meet the needs of industry regulators and reduce regulatory compliance burden for businesses
- c. how your blockchain product will be unique, add value and not duplicate products already in the market
- d. how you will promote and support Australia's blockchain start-up community.

### 6.2. Assessment criterion 2

#### **The viability and security of your blockchain solution (20 points)**

You should demonstrate this by describing:

- a. the blockchain protocol(s) and/or system(s) you expect to use
- b. the transparency and security of those protocols, including:
  - whether your blockchain ever has been the subject of a successful hack, such as a 51 per cent attack or other security failure
  - how your blockchain will verify real world-data and prevent the input of fraudulent data, for example by using oracles and/or authentication techniques

- c. whether your blockchain solution features one or more cryptocurrencies, and if so, why these are necessary for the functioning of your protocol
- d. any regulatory licenses that are required and, if not already obtained, how you plan to obtain appropriate licenses.

### 6.3. Assessment criterion 3

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

You should demonstrate this by describing:

- a. you, or your partners, track record managing similar projects and access to personnel with the right skills and experience, including management and technical staff
- b. the extent that your project involves Australian blockchain (or similar technology) industry partners and Australian business in relevant industry sectors
- c. how your solution will solve known technical challenges such as legacy system interoperability
- d. your plan to manage the project, addressing scope, implementation plan, timeframes, budget and risk (including how you will mitigate security risks).

You must attach a separate project plan, including a detailed budget, with your application.

### 6.4. Assessment criterion 4

#### **The impact of grant funding (15 points)**

You should demonstrate this by describing:

- a. any additional investment or contributions your project will leverage, including support from partners or investors in your new product, technology, service or mode
- b. your strategy to maintain the blockchain solution beyond the duration of the grant
- c. the broader value of your project, how it will benefit Australian businesses, including spill over effects into other industry sectors, support for start-ups and SMEs.

## 7. How to apply

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

You can only submit an application during a funding round.

To apply, you must:

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

You should retain a copy of your application for your own records. You can view and print a copy of your submitted application on the portal for your own records.

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

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

If you need further guidance around the application process, or if you are unable to submit an application online, [contact us](#) at [business.gov.au](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:

- project plan, including detailed budget

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. We will not consider information in attachments that we do not request.

### 7.2. Joint applications

Your application must be a joint application and include an eligible lead organisation who is the main driver of the project, and at least one other eligible project partner. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application should identify all other members of the proposed consortium and include a letter of support from each of the project partners (template provided on [business.gov.au](http://business.gov.au)<sup>2</sup> and GrantConnect). Each letter of support should include:

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

You must have a formal arrangement in place with all parties prior to execution of the grant agreement.

### 7.3. Timing of grant opportunity

You can only submit an application between the published opening and closing dates. We cannot accept late applications and there will not be future rounds for this grant opportunity.

If you are successful we expect you will be able to commence your project around May-June 2021.

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<sup>2</sup> <https://www.business.gov.au/grants-and-programs/blockchain-pilot#key-documents>

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	3 weeks
Approval of outcomes of selection process	2 weeks
Negotiations and award of grant agreements	1-3 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of grant activity	The date you are notified your application has been successful
End date of grant commitment	30 April 2023

## 8. The grant selection process

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

We consider your application on its merits, based on:

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

When assessing whether the application represents value with relevant money, we will have regard to:

- the overall objectives of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant sought.

We will establish a departmental committee to assess applications. The committee may also seek additional advice from independent technical experts.

The committee will assess your application against the assessment criteria and compare it to other eligible applications before recommending 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.

### 8.1. Who will approve grants?

The Program Delegate decides which grants to approve taking into account the application assessment or the recommendations of the committee and the availability of grant funds.

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

- the grant approval
- the grant funding to be awarded
- any conditions attached to the offer of grant funding.

We cannot review decisions about the merits of your application.

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

## 9. Notification of application outcomes

We will advise you of the outcome of your application in writing. If you are successful, we advise you of any specific conditions attached to the grant.

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

## 10. Successful grant applications

### 10.1. Grant agreement

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

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

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

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

You will have 30 days from the date of a written offer to execute this grant agreement with the Commonwealth. During this time, we will work with you to finalise details.

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

### 10.2. Project/Activity specific legislation, policies and industry standards

You must comply with all relevant laws and regulations in undertaking your project. You must also comply with the specific legislation/policies/industry standards that follow. It is a condition of the grant funding that you meet these requirements. We will include these requirements in your grant agreement.

In particular, you will be required to comply with:

- State/Territory legislation in relation to working with children

### 10.3. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- any financial contribution provided by you or a third party.

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

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

## 10.4. Tax obligations

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period. GST does not apply to grant payments to government related entities<sup>3</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 [Commonwealth Grants Rules and Guidelines](#) unless otherwise prohibited by law. We may also publish this information on business.gov.au. This information may include:

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation's industry sector.

## 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 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.

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

## 12.2. Reporting

You must submit reports in line with the grant agreement. We will provide the requirements for these reports as appendices in the grant agreement. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

- progress against agreed project milestones
- project expenditure, including expenditure of grant funds
- contributions of participants directly related to the project
- material changes in the nature of the activity or key personnel involved, including affiliations/links with foreign governments or companies, changes in the ownership of the company and/or its parent, and disclosure of any pecuniary penalty imposed by a Commonwealth, State or Territory court or a Commonwealth, State or Territory entity.

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 eligible expenditure incurred to date
- include evidence of expenditure
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

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

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

### 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 eligible expenditure incurred for the project
- include a declaration that the grant money was spent in accordance with the grant agreement and to report on any underspends of the grant money
- be submitted by the report due date.

### 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.

### 12.3. Independent audits

We may ask you to provide an independent audit report. An audit report will verify that you spent the grant in accordance with the grant agreement. The audit report requires you to prepare a statement of grant income and expenditure. The report template is available on [business.gov.au](https://business.gov.au) and GrantConnect.

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

- changing project milestones
- extending the timeframe for completing the project but within the maximum 11 month period
- changing project activities

The program does not allow for:

- an increase of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the project end date. We can provide you with a variation request template.

If a delay in the project causes milestone achievement and payment dates to move to a different financial year, you will need a variation to the grant agreement. We can only move funds between financial years if there is enough program funding in the relevant year to allow for the revised payment schedule. If we cannot move the funds, you may lose some grant funding.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

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

### 12.6. Evaluation

We will evaluate the grant opportunity 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 two years after you finish your project for more information to assist with this evaluation.

## 12.7. Grant acknowledgement

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

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

## 13. Probity

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

### 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 that, to the best of your knowledge, there is no conflict of interest.

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

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

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

### 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

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

<sup>5</sup> [https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf\\_files\\_redirect](https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect)

- 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 that it will stay confidential.

### 13.2.2. 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
- 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

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

- 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.

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.

#### 13.2.5. National security

You and any individuals participating in the project must disclose all foreign ownership (including foreign government ownership), affiliations with foreign governments, organisations, institutions or companies, or membership of foreign government talent programs. You must report any material changes in the nature of the activity or key personnel involved, including affiliations/links with foreign governments or companies.

If you have acknowledged in the declaration that, you can appropriately manage national security risks, we may ask you to provide a satisfactory risk assessment plan outlining your approach as a condition of funding.

#### 13.2.6. Disclosure of Commonwealth, State or Territory financial penalties

You must disclose whether any of your board members, management or persons of authority have been subject to any pecuniary penalty, whether civil, criminal or administrative, imposed by a Commonwealth, State, or Territory court or a Commonwealth, State, or Territory entity. If this is the case, you must provide advice to the department regarding the matter for consideration.

### 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  
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.

## 14. Glossary

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.
Blockchain	The category of digital solutions more broadly known as 'Distributed Ledger Technology' and defined as per the International Organisation for Standardization in the standard <a href="#">ISO 22739:2020, Blockchain and distributed ledger technologies — Vocabulary</a> : a distributed ledger with confirmed blocks (of data) organized in an append-only, sequential chain using cryptographic links.
Department	The Department of Industry, Science, Energy and Resources.
Distributed Ledger Technology (DLT)	Defined as per <a href="#">ISO 22739:2020, Blockchain and distributed ledger technologies — Vocabulary</a> : technology that enables the operation and use of distributed ledgers, which are ledgers that are shared across a set of DLT nodes and synchronized between the DLT nodes using a consensus mechanism.  A distributed ledger is designed to be tamper resistant, append-only and immutable containing confirmed and validated transactions.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.1.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in 5.2.
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.
<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 CGRGs.
Grantee	The recipient of grant funding under a grant agreement.

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

Term	Definition
Guidelines	Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.
Minister	The Commonwealth Minister for Industry, Science and Technology.
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> <ul 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> </ul>
Program Delegate	An AusIndustry 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.
Publicly funded research organisation (PFRO)	All higher education providers listed at Table A and Table B of the <i>Higher Education Support Act 2003</i> (Cth) and corporate Commonwealth entities, and State and Territory business enterprises which undertake publicly funded research.
Start-up	An early stage, innovative or disruptive business that is scalable and working on a new or novel product, service or has a different business model.

## Appendix A. Pilot descriptions

### A.1 Critical Minerals (National Ethical Certification Scheme) Pilot

Industry-led regulatory schemes place requirements on mining companies across supply chains, and our trading partners apply additional rules and requirements related to labour, environment standards, mineral provenance and authenticity. As a result, Australia's critical minerals sector faces increasingly onerous requirements to prove the ethical certification of mined raw minerals, and any value-added chemical, oxide or metal, along the entire mineral value-chain. This dramatically increases the cost of doing business for Australian exports and creates a significant barrier for new market entrants. The need to strengthen domestic and international supply chains is even more crucial post-pandemic with the impact of COVID-19 on junior miners with thin operating margins.

The objectives of the Critical Minerals (National Ethical Certification Scheme) pilot are to:

- form a component of the National Ethical Certification Scheme for critical minerals
- reduce compliance costs and improve productivity for relevant program participants
- increase supply chain integrity in Australia's critical mineral supply chains
- increase blockchain literacy amongst businesses and other stakeholders in the critical minerals sector with dissemination of results to Australian businesses and government.
- boost exposure of Australian start-up(s)
- make progress towards the longer term goal of Australian critical mineral companies achieving additional comparative advantage in the international market

Specific Requirements that need to be addressed in applications include:

- how you will work with critical minerals regulators to identify the best use for blockchain within their regulatory compliance processes
- how your blockchain solution will reduce these regulatory burdens and compliance costs
- how your blockchain solution will provide certainty to potential investors about the ethical and regulatory standards that critical minerals produced in Australia have met.

### A.2 Food and Beverage Provenance (Excise Tax on Spirit Production) Pilot

The Excise system (a commodity-based tax on alcohol, tobacco and fuel/petroleum products) can be cumbersome, with manufacturers of excisable goods facing costs in complying with regulation around the creation, storage and transport of their goods.

Alcohol manufacturers in Australia are required to be licensed and need to account for all product inputs into the still and outputs from the still (including production losses) and any adjustments during bottling and temperature conversion. In addition the end product must comply with requirements from many government agencies (Federal, State and local) such as Food Standards Australian New Zealand and National Measurement Institute. To obtain a refund of excise duty paid the manufacturer needs to keep records for any product spoilt and returned to the manufacturer to enable them to claim a refund.

Once the product is manufactured it remains under bond until it is exported or enters home consumption and excise is paid. In the under bond system all product must be able to be tracked and any movements to other under bond licensed warehouses must also be tracked until exported or entered for home consumption to ensure all revenue is paid.

The objectives of the Food and Beverage Provenance (Excise Tax on Spirit Production) Pilot are to:

- reduce businesses compliance and regulatory costs in the supply chain for spirit production
- reduce compliance costs and improved productivity for relevant program participants.
- increase blockchain literacy amongst businesses and other stakeholders in the food and beverage sector, with dissemination of results to Australian businesses and government.
- make progress towards the longer term goal of Australian food and beverage companies achieving additional comparative advantage in the international market.

Specific Requirements that need to be addressed in applications include:

- how you will work with the ATO to identify the best use for blockchain for reducing the regulatory burdens and compliance costs of the excise system on spirit production.