



Australian Government

Department of Industry, Science and Resources

Grant Opportunity Guidelines

Resources Methane Abatement Fund

Opening date:	20 July 2023
Closing date and time:	5.00pm Australian Eastern Standard Time (AEST) on Wednesday 16 August 2023 Please take account of time zone differences when submitting your application.
Commonwealth policy entity:	Department of Industry, Science and Resources (DISR)
Administering entity:	Department of Industry, Science and Resources (DISR)
Enquiries:	If you have any questions, contact us on 13 28 46.
Date guidelines released:	20 July 2023
Type of grant opportunity:	Open competitive

Contents

1. Resources Methane Abatement Fund processes	4
1.1. Introduction	6
2. About the grant program	6
2.1. Priority Technologies	7
2.2. Technology Readiness Levels	8
3. Grant amount and grant period	9
3.1. Grants available	9
3.2. Project period	9
4. Eligibility criteria	9
4.1. Who is eligible to apply for a grant?	9
4.2. Who is not eligible to apply for a grant?	10
5. What the grant money can be used for	10
5.1. Eligible grant activities	10
5.2. Eligible expenditure	11
6. The assessment criteria	11
6.1. Assessment criterion 1	12
6.2. Assessment criterion 2	12
6.3. Assessment criterion 3	13
7. How to apply	13
7.1. Attachments to the application	14
7.2. Joint (consortia) applications	15
7.3. Timing of grant opportunity	15
7.4. Questions during the application process	16
8. The grant selection process	16
8.1. Assessment of grant applications	16
8.2. Who will assess applications?	17
8.3. Who will approve grants?	17
9. Notification of application outcomes	17
9.1. Feedback on your application	17
10. Successful grant applications	18
10.1. The grant agreement	18
10.2. Project/Activity specific legislation, policies and industry standards	18
10.3. How we pay the grant	18
10.4. Grants payments and GST	19
11. Announcement of grants	19
12. How we monitor your grant activity	19
12.1. Keeping us informed	19
12.2. Reporting	20

12.2.1. Progress reports.....	20
12.2.2. End of project report	20
12.2.3. Ad-hoc reports.....	20
12.3. Audited financial acquittal report.....	21
12.4. Grant agreement variations	21
12.5. Compliance visits	21
12.6. Record keeping.....	21
12.7. Evaluation	21
12.8. Acknowledgement.....	22
13. Probity	22
13.1. Enquiries and feedback	22
13.2. Conflicts of interest	22
13.3. How we use your information	23
13.3.1. How we handle your confidential information	23
13.3.2. When we may disclose confidential information	24
13.3.3. How we use your personal information.....	24
13.3.4. Freedom of information	24
14. Glossary	27
Appendix A. Eligible expenditure.....	31
A.1 How we verify eligible expenditure	31
A.2 Plant and equipment expenditure	31
A.3 Newly purchased plant and pre-existing purchased plant	31
A.4 Hired/leased plant	32
A.5 Constructed plant.....	32
A.6 Pilot manufacturing plant	32
A.7 Eligible expenditure limit in relation to the PMP	33
A.8 Labour expenditure	33
A.9 Labour on-costs and administrative overhead.....	33
A.10 Contract expenditure.....	34
A.11 Travel and overseas expenditure	34
A.12 Other eligible expenditure	35
Appendix B. Ineligible expenditure.....	36

1. Resources Methane Abatement Fund processes

The Resources Methane Abatement Fund 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 and Resources' (DISR) Portfolio Budget Statement Outcome 1: Support economic growth, productivity and job creation for all Australians by investing in science, technology and commercialisation, growing innovative and competitive businesses, industries and regions, and supporting resources. Activity 1.3 supporting a strong resources sector. This activity aims to support the sustainable development of the resources sector, attract private sector investment and encourage innovative technologies.¹ DISR works with stakeholders to plan and design the grant program according to the [Commonwealth Grants Rules and Guidelines](#).



The grant opportunity opens

DISR publish the grant guidelines on business.gov.au and GrantConnect.



You complete and submit a grant application

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



We assess all grant applications

DISR review the applications against eligibility criteria and notify you if you are not eligible. DISR assesses 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 is proportional to the risks involved.



Delivery of grant

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

¹ <https://www.industry.gov.au/publications/corporate-plan-2022-23>



Evaluation of the Resources Methane Abatement Fund

We will evaluate the specific grant activity and Resources Methane Abatement Fund as a whole.

We base this on information you provide to us and that we collect from various sources.

1.1. Introduction

These guidelines contain information for the Resources Methane Abatement Fund grants.

This document sets out:

- the purpose of the grant program
- the eligibility and assessment criteria
- how we consider and assess grant applications
- how we notify applicants and enter into grant agreements with grantees
- how we monitor and evaluate grantees' performance
- responsibilities and expectations in relation to the opportunity.

The Department of Industry, Science and Resources (the department/DISR) is responsible for administering this grant opportunity.

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

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

2. About the grant program

The Resources Methane Abatement Fund (the program) will run over 2 years from 2023-24 to 2024-25. The program supports the Australian Government's legislated emissions reductions targets and commitments to the [Global Methane Pledge](#). Methane is a potent greenhouse gas with a global warming potential 28-times greater than carbon dioxide.² The resources sector, specifically coal and gas production, is the second largest source of methane, both in Australia and globally.³

Demand for coal and gas is expected to remain significant over the coming decades, even as the world transitions to low emissions technologies. Even under the International Energy Agency's (IEA) most ambitious [Net Zero Emissions scenario](#), demand for coal in Asia-Pacific is projected to exceed 1 billion tonnes per year in 2050, and demand for gas will be around two thirds of that today.

Reducing methane emissions from the resources sector will be an important part of the transition to net zero, both in Australia and overseas. However, there are currently limited technologies for abating methane emissions from the resources sector, particularly with respect to coal production. The development of additional cost effective technology options will help to mitigate these emissions.

This program provides support for research organisations to undertake development, prototype verification and validation, and demonstration level projects.

The objectives of the program are to support universities, publicly funded research organisations and non-profit research organisations to:

- accelerate the development of methane abatement technologies, reduce costs and accelerate deployment of abatement technologies
- reduce Australia's methane emissions consistent with the Australian Government's emissions reduction and net zero targets

² *Clean Energy Regulator*

³ *Australia's National Greenhouse Accounts*

- complement the Safeguard Mechanism reforms and support the Government's ambitions under the Global Methane Pledge.

The intended outcomes of the program are to:

- increase the Technology Readiness Level of priority methane abatement technologies (as outlined in section 2.1) to reduce methane emissions in the resources sector
- enable new methane abatement technologies to be trialled in the field to demonstrate and promote methane abatement opportunities for the resources sector
- accelerate deployment of methane abatement technologies beyond demonstration projects
- support opportunities for First Nations researchers to be involved in technology development.

2.1. Priority Technologies

This grant focuses on priority technologies, which have been identified as having significant methane abatement potential based on expert advice and following engagement with industry and the research community. Subject to applications' performance against the full selection criteria, projects that focus on these priority technologies will be preferred for grant funding. Priority technologies for this grant opportunity are:

- Enhanced coal mine methane drainage
- Photocatalytic destruction
- Photocatalytic oxidation with zeolites
- Ventilation Air Methane Mitigation (VAMMIT)
- Ventilation Air Methane Catalytic Turbine (VAMCAT)
- Ventilation Air Methane Oxidation (VAMOX)
- Low-cost oxidation catalysts
- Enhanced catalyst stability
- Air pulsing
- Ventilation Air Methane via Catalytic Oxidation (VAMCO)
- Ventilation Air Methane Capture (VAMCAP)
- Selective Absorption of Methane by Ionic Liquids (SAMIL)
- Rapid Action Inflation Nitrogen Bag Obstruction Explosion Suppression (RAINBOES)
- Flame arrestor.

These priority technologies are primarily applicable to coal mining. Accordingly, the program is expected to have a strong focus on developing methane abatement technologies that can reduce emissions from coal mining. Coal mine methane represents the largest volume of methane emitted by the resources sector, but abatement of these emissions faces more significant barriers than abating methane from the gas sector (for example, coal mine methane abatement technologies are generally at an earlier stage of development and deployment). Commonwealth funding is therefore expected to have a larger impact in overcoming barriers in the coal sector and to make a larger contribution to abating resources sector methane emissions.

We acknowledge that Commonwealth funding could also benefit other prospective resources sector methane abatement technologies and deliver breakthroughs that offer significant abatement potential. We will consider funding development of other technologies where a clear impact on methane abatement in the coal or gas industries can be demonstrated.

2.2. Technology Readiness Levels

The Program will target grants at technologies within Technology Readiness Levels (TRLs)⁴ 3, 4, 5, 6 and 7:

1	2	3	4	5	6	7	8	9
Basic principles observed	Technology concept formulated	Experimental proof of concept	Technology validation in lab	Technology valid in relevant environment	Demonstration in relevant environment	Demonstration in operational environment	System complete and qualified	Successful mission operations

Feasibility and Development – TRL 3, 4 and 5 projects:

- determine the feasibility of new and/or repurposed technologies to deliver reductions in methane emissions across the coal and gas sectors. This includes designing and developing prototypes, verifying the technology works through small-scale trials with methane emissions reductions (or analogous proxies) and assessing their commercial and abatement potential. This includes:
 - analytical studies and laboratory-scale studies to physically validate the analytical predictions of separate elements of the technology (TRL 3). At TRL 3, the work has moved beyond the paper phase to experimental work that verifies that the concept works as expected on simulants
 - integration of ad hoc hardware in a laboratory and testing with a range of stimulants and small scale tests (TRL 4). TRL 4 is the first step in determining whether the individual components will work together as a system
 - testing a high-fidelity, laboratory scale system in a simulated environment with a range of simulants (TRL 5). At TRL 5, the system tested is almost prototypical.

Validation and Demonstration – TRL 6 and 7 projects:

- validate and demonstrate the technology through large-scale trials in relevant operational environments (e.g. coal mine) that reduce methane emissions. This includes demonstrating the technology's effectiveness at delivering emission reductions, identifying any safety concerns, and measuring and validating the emissions and productivity impacts under conditions representative of commercial production systems. Trial results and market research will inform a commercialisation plan. This includes:
 - testing of engineering-scale models or prototypes in a relevant environment (TRL 6). TRL 6 begins true engineering development of the technology as an operational system. The prototype should be capable of performing all the functions that will be required of the operational system
 - demonstration and testing of a full-scale prototype in the field with a range of simulants, with final design virtually complete (TRL 7).

We administer the program according to the [Commonwealth Grants Rules and Guidelines](#) (CGRGs).⁵

⁴ Technical Readiness Levels <https://arena.gov.au/assets/2014/02/Technology-Readiness-Levels.pdf>

⁵ <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

3. Grant amount and grant period

The Australian Government has announced a total of \$8.5 million for the Resource Methane Abatement Fund grant opportunity over 2 years. The grant opportunity will run from October 2023 to April 2025.

3.1. Grants available

The grant amount:

- The minimum grant amount is \$1 million.
- The maximum grant amount is \$5 million.

Projects that involve **collaboration with industry partners/consortia** require a **mandatory co-contribution** from the industry partners that **equals or exceeds** the Commonwealth grant funding⁶.

- Example 1: a project delivered by two collaborating universities, with eligible expenditure totalling \$6 million dollars, may be approved for a grant of up to \$5 million dollars. The remaining expenditure is funded by the universities.
- Example 2: a project led by a university in collaboration with an industry partner, with total eligible project expenditure of \$11 million dollars, may be approved for a grant of \$5 million dollars. The industry partner must then contribute at least \$5 million dollars (the mandatory co-contribution). The remaining expenditure is funded by the university and/or industry partner to cover the total \$11 million dollars required for the project.

You (and your partner where applicable) are responsible for the remaining eligible and ineligible project costs. Any other funding for the project must not duplicate eligible expenditure covered by this grant.

Contributions to your project must be cash and can come from the applicant, project partners or State, Territory and local government grants.

We cannot fund your project if it receives funding from another Commonwealth government grant. You can apply for a grant for your project under more than one Commonwealth program, but if your application is successful, you must choose either the Resource Methane Abatement Fund grant or the other Commonwealth grant.

3.2. Project period

The maximum project period is 19 months. You must complete your project by 30 April 2025.

4. Eligibility criteria

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

4.1. Who is eligible to apply for a grant?

To be eligible you must:

- have an Australian Business Number (ABN)

and be one of the following entities:

⁶ The Australian Government recognises that some organisations may seek to form consortia in order to apply for a grant under the Program. Consortia are eligible to apply and the relevant conditions applicable to consortia are at 7.2 'Joint Applications'

- a publicly funded research organisation (PFRO) as defined in section 14 of the guidelines
- a university
- a non-profit research organisation.

Joint applications are acceptable and encouraged, provided you have a lead organisation who is the main driver of the project and is eligible to apply. Partnerships with international research organisations are encouraged, however, international companies must have a presence in Australia to be eligible to partner in an application. For further information on joint applications, refer to section 7.2.

We can only accept applications:

- where at least 50 per cent of your project activities are undertaken in Australia
- where you provide evidence from your board (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding
- where you provide all mandatory attachments (refer 7.1 of the Guidelines) including a project plan and a project budget.

We cannot waive the eligibility criteria under any circumstances.

4.2. Who is not eligible to apply for a grant?

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'
- an employer of 100 or more employees that has [not complied](#) with the *Workplace Gender Equality Act (2012)*
- an individual
- an unincorporated association
- an overseas resident/organisation
- a trust (however, an incorporated trustee may apply on behalf of a trust)
- any organisation not included in section 4.1.

If you are ineligible to apply, you can be a partner to a joint application where the lead organisation is eligible to apply.

5. What the grant money can be used for

5.1. Eligible grant activities

To be eligible your project must:

- address reducing methane emissions in either the coal or gas sectors
- be aimed at demonstrating the abatement potential of your new and/or repurposed technology with a TRL of 3-7
- develop practicable technologies for reducing methane emissions that are not yet cost effective
- have at least \$1 million in eligible expenditure.

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

- demonstrating the feasibility of your new and/or repurposed technology for capturing, concentrating or destroying methane emissions
- research, early stage development, lab and infield scientific testing
- prototype verification, demonstration on-site across coal or gas mining/production
- pilot demonstrations in larger-scale operations, including through international partnerships
- reducing venting, flaring and leakage from gas production including upstream and downstream leak detection, repair, recovery and utilisation of vented gas, and capping unused wells
- repurposing of captured methane associated with your emissions reduction technology
- knowledge sharing resulting from your project that promotes new technology development and uptake in Australia.

We may also approve other activities, any additional activities must be in line with the objectives and outcomes in section 2.

5.2. Eligible expenditure

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

- For guidance on eligible expenditure, refer to appendix A.
- For guidance on ineligible expenditure, refer to appendix B.

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

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

Not all expenditure on your project may be eligible for grant funding. The Program Delegate (who is a 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 incurred by you within the project period,
- be a direct cost of the project or project audit activities (where applicable)
- meet the eligible expenditure guidelines.

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

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

6. The assessment criteria

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

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

We will only award funding to applications that score at least 50 per cent against all assessment criteria, as these represent best value for money.

As part of your application, you must attach a Project Plan that aligns with the Assessment Criteria.

6.1. Assessment criterion 1

How your technology will deliver methane emissions reductions in the coal or gas sectors and accelerate commercial uptake of emission reduction technologies (50 points).

Your application must describe the activity and provide information that demonstrates this by describing:

- a. how your project will develop, demonstrate, commercialise and/or deploy a technology to reduce methane emissions and in which industry sectors it can be applied. Projects with a focus on the priority technologies as listed at 2.1 will be viewed favourably during assessment
- b. details about how your project will improve each of the following, including any assumptions and evidence supporting your claims:
 - i. the anticipated TRL of your technology at project completion
 - ii. an estimate of the methane abatement potential of your technology (tonnes of carbon dioxide equivalent (t CO₂-e) per year using a 100-year Global Warming Potential of 28)
 - iii. the anticipated percentage improvement in methane abatement potential compared to current best-practice technologies
 - iv. estimated cost per tonne of methane abated (\$AUD per t CO₂-e) that could be achieved by the end of your project and/or once the technology is scaled-up
 - v. estimated reduction in marginal abatement cost for this technology as a result of your project
 - vi. estimated timeframe for scaling up your technology to be commercial/operational
- c. how your project will overcome specific barriers that currently prevent the implementation of methane abatement technologies in the sector
- d. the commercial viability of the technology now and/or in the future, addressing cost effectiveness for industry
- e. if your technology complements, builds on or utilises existing research, provide outcomes of that research and any risks or sensitivities identified.

6.2. Assessment criterion 2

Capacity, capability and resources to deliver the project (30 points).

Your application should demonstrate this by describing:

- a. you and your project partners' track record managing similar projects and your plan specific to this project to utilise and manage personnel with the right skills and experience, including strong governance, management and technical expertise
- b. your access, or future access to, any infrastructure, finance, capital equipment, technology and intellectual property required to deliver the project. Where project activities are undertaken overseas, specify the access issues and constraints in Australia which made this necessary
- c. your project plan which includes, but is not limited to:

- i. scope, implementation methodology and timeframes (your application must justify the appropriateness of proposed validation and/or demonstration trial sizes in relation to the operational environment)
 - ii. a safety assessment and management plan for any practical works
 - iii. a project risk assessment and risk management plan
 - iv. your plan to achieve regulatory approvals, including, but not limited to, planning, development and environmental approvals. You may wish to include details of all completed due diligence including, technical, legal, market, tax, and financial for your project regarding to your project's stage of development.
- d. your strategy to support First Nations researchers involvement in technology development.

You must attach your project plan and project budget to your application. Refer to section 7.1 regarding attachments to your application.

6.3. Assessment criterion 3

Impact of grant funding (20 points).

Your application should demonstrate this by describing:

- a. how you will ensure accessibility of the research to the coal and gas sectors in Australia
- b. the extent of collaboration your project will achieve, domestically and internationally with research and industry organisations
- c. the amount of co-contributions from your entity, other levels of government or project partners and explain how this benefits your project
- d. how the grant will impact your project scope, including the likelihood your project would not proceed without the grant and how the grant will help your project to overcome specific barriers that currently prevent the implementation of methane abatement technologies in the sector

7. How to apply

Before applying you must read and understand these guidelines, the sample [application form](#) and the sample [grant agreement](#). These documents may be found on [business.gov.au](#) and [GrantConnect](#).

Any alterations and addenda⁷ will be published on GrantConnect and by registering on this website, you will be automatically notified on any changes. GrantConnect is the authoritative source for grants information.

Applicants should read all eligibility and assessment criteria closely and attach detailed evidence that supports the assessment criteria.

You will need to set up an account to access our online [portal](#).

To apply, you must:

- complete the online application form on the online portal at [www.business.gov.au](#)
- provide all the information requested
- address all eligibility and assessment criteria

⁷ Alterations and addenda include but are not limited to: corrections to currently published documents, changes to close times for applications, Questions and Answers (Q&A) documents and Frequently Asked Questions (FAQ) documents

- include all necessary attachments
- submit your application by the 5:00 pm (AEST) on Wednesday 16 August 2023.

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) and we will investigate any false or misleading information and may exclude your application from further consideration.

If you find an error in your application after submitting it, you should call us immediately on 13 28 46. We do not have to accept any additional information, nor requests from you to correct your application after the closing time.

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. The acceptance of any additional information provided after the submission of your application is at the discretion of the Department.

You should keep a copy of your application and any supporting documents.

If you need further guidance around the application process, or if you have any issues with the portal, [contact us](#) at business.gov.au or by calling 13 28 46.

7.1. Attachments to the application

We require the following documents with your application:

- project plan
 - a project plan including all items listed at section 6.2, and a list of all key management and technical staff, including their relevant experience and details of any contractors that you have or intend to engage as part of the project
- project budget
 - split over financial years, accounting for contributions, which identifies sources of funding (private sector, State, etc.) and provides an explanation of the basis upon which the cost assumptions were made
 - including a breakdown of the costs that sit under each head of expenditure and how these have been determined, such as providing quotes
- evidence that supports your response to Assessment Criteria 1.b. (maximum 1 page)
- evidence of funding strategy, e.g. financial statements, loan agreements, cash flow documents
- evidence of support from the board, CEO or equivalent (template provided on business.gov.au and [GrantConnect](#)). Where the CEO or equivalent submits the application, we will accept this as evidence of support
- trust deed (where applicable)
- letters of support from project partners (where applicable) must include confirmation of their cash contribution, the amount and date contribution will be provided. Refer to section 7.2 for more information
- Reconciliation Action Plan and / or Aboriginal and Torres Strait Islander Employment Plan (where applicable)
 - a copy of your organisations Reconciliation Action Plan

- a copy of your organisations Aboriginal and Torres Strait Islander Employment Plan.

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. The total of all attachments cannot exceed 20MB. We will not consider information in attachments that we do not request.

7.2. Joint (consortia) applications

We recognise that some organisations may want to join together as a group to deliver a project.

In these circumstances, you must appoint a 'lead organisation'. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth.

Joint applications can include partnerships with other Australian research organisations or companies with operations in Australia. Industry partners must financially contribute to the project, as described in section 3.1. Partnerships with international research organisations are also encouraged, provided the majority of work occurs in Australia and research is applicable to an Australian context. International companies must have a presence in Australia to be eligible to partner in an application.

The application should identify all members of the proposed group and include a letter of support from each of the project partners.

Each letter of support should include:

- details of the project partner
- an overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
- an outline of the relevant experience and/or expertise the project partner will bring to the group
- the roles/responsibilities the project partner will undertake, and the resources it will contribute
- 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.

If you are successful we expect you will be able to commence your project around October 2023.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	8 weeks
Approval and outcomes of selection process	2 weeks
Negotiations and award of grant agreements	4-5 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	October 2023
Project completion date	30 April 2025

7.4. Questions during the application process

If you have any questions during the application period, contact us on 13 28 46 or by [web chat](#) or through our [online enquiry form](#) on business.gov.au.

Portfolio Program Delivery will respond to emailed questions within three working days.

8. The grant selection process

8.1. Assessment of grant applications

We first review your application against the eligibility criteria. If eligible, the committee 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.⁸

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.

If applications are scored the same, the committee will consider value for money and alignment to the program objectives to recommend applications for funding.

We also consider any financial, legal/regulatory, governance, national interest, national security or other issue or risk that we identify regarding you, project partners, related body corporates, related entities and associated entities (as defined in the Corporations Act 2001) and related personnel.

If we identify risks which would affect our assessment, we (may/will) ask you to comment on these, subject to security considerations. If we identify risks that cannot be adequately mitigated, we may exclude your application from further consideration. We may seek additional information about you, project partners, related bodies corporate, related entities and associated entities (as defined in the Corporations Act) and related personnel from third party sources, including other Commonwealth

⁸ See glossary for an explanation of 'value with money'.

agencies, for due diligence purposes. We may do so even if you do not nominate the sources as referees. We may also consider information that is discovered through the normal course of business.

Due diligence checks may occur at eligibility, merit or decision-making stages. We use this information to verify the information you provide in the application and to identify issues and risks. See Section 13.2 for information on how we use the information you provide to us.

8.2. Who will assess applications?

We will establish a committee of Australian government representatives to assess applications. We may ask external experts or advisors to inform the assessment process. Any expert or advisor, who is not a Commonwealth Official, will be required to perform their duties in accordance with the CGRGs.

The committee will assess your application against the assessment criteria and compare it to other eligible applications before recommending which projects to fund. The committee will be required to perform their duties in accordance with the CGRGs.

The committee may seek additional information about you or your application. They may do this from within the Commonwealth, even if you do not nominate the sources as referees. The committee may also consider information about you or your application that is available as a result of the due diligence process or through the normal course of business.

8.3. Who will approve grants?

The Program Delegate (who is a Manager within DISR with responsibility for the program) decides which grants to approve taking into account the recommendations of the committee and the availability of grant funds.

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

- the approval of the grant
- the grant funding amount to be awarded
- the terms and conditions of the grant.

There is no appeal mechanism for decisions to approve or not approve a grant.

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.

9.1. Feedback on your application

If you are unsuccessful, you may ask for feedback within one month of being advised of the outcome.

10. Successful grant applications

10.1. The grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. We use the standard grant agreement in this program.

Each agreement has general terms and conditions that cannot be changed. A sample [grant agreement](#) is available on business.gov.au and [GrantConnect](#).

We will manage the grant agreement through the online portal. This includes issuing and executing the grant agreement. You will have 30 days from the date of a written offer to execute this grant agreement with the Commonwealth ('execute' means both you and the Commonwealth have signed the agreement). During this time, we will work with you to finalise details.

The offer may lapse if both parties do not sign the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application.

We must execute a grant agreement with you before we can make any payments. You must not start any program activities until a grant agreement is executed. We are not responsible for any of your expenditure until a grant agreement is executed.

Your grant agreement may have specific conditions determined by the assessment process or other considerations made by the Program Delegate. We will identify these in the agreement.

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

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

Whilst you are required to be compliant with all relevant laws, regulations and Australian Government sanctions in undertaking your project, you will be requested to demonstrate compliance with the following legislation/policies/industry standards:

In particular, you will be required to comply with:

- State/Territory legislation in relation to land use and environmental management
- [Australian Code for the Responsible Conduct of Research 2018](#)

The location and focus of your project may require that you also comply with:

- Environment Protection and Biodiversity Conservation Act 1999
- Offshore Petroleum and Greenhouse Gas Storage Act 2006

You will need to declare you can meet these requirements in your grant agreement with the Commonwealth.

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 (grant percentage)
- any financial contribution provided by you or a third party.

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

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

10.4. Grants payments and GST

If you are registered for the [Goods and Services Tax \(GST\)](#), where applicable, we will add GST to your grant payment and issue you with a [Recipient Created Tax Invoice](#).

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](#).⁹ We do not provide advice Taxation advice.

11. Announcement of grants

If successful, your grant will be listed on the GrantConnect website 21 calendar days after the date of effect as required by Section 5.3 of the [CGRGs](#). 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.

You must also inform us of any material changes in the circumstances of project participants including but not limited to:

- changes to organisation ownership or governance structure
- changes in financial support contributions
- affiliations with foreign governments, including foreign militaries, intelligence organisations, police forces and government-owned or sponsored organisations (see section 13.3).

⁹ <https://www.ato.gov.au/>

If you become aware of a breach of terms and conditions under the grant agreement, you must contact us immediately.

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

12.2. Reporting

You must submit reports in line with the grant agreement. We will provide 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.

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
- 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. Audited financial acquittal report

You will be required to provide an independently audited financial acquittal report. A financial acquittal report will verify that you spent the grant in accordance with the grant agreement. The financial acquittal report template is available on business.gov.au and [GrantConnect](#).

12.4. 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 grant length of 19 months
- changing project activities.

The program does not allow for an increase of grant funds.

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 can request a variation in writing via the online portal before the project end date.

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.

12.5. 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 will provide you with reasonable notice of any compliance visit.

12.6. Record keeping

We may also inspect the records you are required to keep under the grant agreement.

12.7. 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.

12.8. 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.’

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

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. 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
Grants Delivery and Business Services
Department of Industry, Science and Resources
GPO Box 2013
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#) with your complaint. There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation. The Ombudsman will not usually look into a complaint unless the matter has first been raised directly with us.

The Commonwealth Ombudsman can be contacted on:

Phone (Toll free): 1300 362 072
Email: ombudsman@ombudsman.gov.au
Website: www.ombudsman.gov.au

13.2. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity and/or program. There may be a conflict of interest, or perceived conflict of interest, if any individual or entity¹⁰ involved in assessing, funding, administering or undertaking the project:

¹⁰ Including: any of our staff able to influence the project, any member of a committee or advisor, you, your project partners, and any personnel involved in the project.

- has a professional, commercial or personal relationship with a party which 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 a party which could prevent the activity from being carried out fairly and independently or otherwise compromise the integrity of the activity or its participants
- has a relationship with, or interest in, a party from which they could receive personal gain because the party 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\(7\)\)](#)¹¹ 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](#)¹² on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

13.3. How we use your information

Unless the information you provide to us is:

- confidential information as per 13.3.1, or
- personal information as per 13.3.3.

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

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

13.3.1. 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.

¹¹ <https://www.legislation.gov.au/Details/C2019C00057>

¹² <https://www.industry.gov.au/publications/conflict-interest-policy>

13.3.2. When we may disclose confidential information

We may disclose confidential information:

- to the committee and our Commonwealth employees, contractors and service providers, 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.
- to other Commonwealth agencies for risk management purposes.

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.

13.3.3. 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.
- identify and manage any financial, legal/regulatory, governance, national interest, or national security risks.

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](#)¹³ on the department's website for more information on:

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

13.3.4. 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

¹³ <https://www.industry.gov.au/data-and-publications/privacy-policy>

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.

13.4. National security

Eligible activities under this grant may have national security implications. It is your responsibility to consider any such implications of the proposed project and identify and manage any risks, particularly relating to export controls, intellectual property protection, espionage and foreign interference and unwanted transfer of technology, data or other knowledge.

You must inform the department if you identify any material risks relating to national security. To assist with managing security risks, you are strongly encouraged to review the department's [Guide to undertaking international collaboration](#).¹⁴

13.4.1. Know Your Partner

You should ensure that you know who you are collaborating with by undertaking appropriate due diligence, proportionate to the risk and subject to available information, on all partners and personnel participating in the project. This should take into account any potential security, ethical, legal and reputational risks, and, where necessary, you should be prepared to demonstrate how you will manage and mitigate any identified risks.

13.4.2. Export Controls

Australia's export control regime limits the overseas transfer of goods and technologies listed on the [Defence and Strategic Goods List](#) (DSGL). The regime may apply to the export of products, and to any situation involving the overseas transfer, sharing, publication or brokering of controlled goods, technology, software or related knowledge.

It is your responsibility to consider whether the export control regime applies to your activity. If you are unsure whether your activity may require an export license, you should complete the [DSGL Activity Questionnaire](#) and/or contact [Defence Export Controls \(DEC\)](#).

13.4.3. Foreign Affiliations

Eligible activities under this grant may involve partners or personnel with foreign affiliations. You must inform us of any relationships between project participants and foreign parties that could influence or benefit from the proposed activity. Such relationships may include foreign ownership or sponsorship, connections to foreign governments, militaries, political parties, or other organisations, and membership of foreign talent programs. You must also inform us of the establishment of any such relationships throughout the life of the grant.

¹⁴ <https://www.industry.gov.au/strategies-for-the-future/increasing-international-collaboration/a-guide-to-undertaking-international-collaboration>

13.4.4. Foreign Government Affiliations

Eligible activities under this grant may involve partners or personnel with connections to foreign governments. You must inform us if you, your project partners or any project personnel are receiving funding or benefits from, or otherwise affiliated with, a foreign government, including:

- a foreign state or local government
- a foreign military, intelligence organisation or police force
- an organisation owned or sponsored by a foreign government (such as a state-owned corporation or state-sponsored university)
- a foreign government talent program.

You must also inform us of the establishment of any such relationships throughout the life of the grant.

13.5. 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.

14. Glossary

Term	Definition
Accountable authority	See subsection 12(2) of the Public Governance, Performance and Accountability Act 2013
Administering entity	The entity that is not responsible for the policy however is responsible for the administration of part or all of the grant administration processes.
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
Assessment criteria	The specified principles or standards, against which applications will be judged. These criteria are also used to assess the merits of proposals and, in the case of a competitive grant opportunity, to determine application ranking.
Commencement date	The expected start date for the grant activity.
Commercial readiness	The commercial proposition that the technology has progressed to a point where successful outcomes of demonstration trials in an operational environment (or representative) have reduced commercial uncertainty and strengthened the case for third-party investment.
Committee	The body established to consider and assess eligible applications and make recommendations to the Program Delegate for funding under the program.
Commonwealth entity	A Department of State, or a Parliamentary Department, or a listed entity or a body corporate established by a law of the Commonwealth. See subsections 10(1) and (2) of the PGPA Act.
Commonwealth Grants Rules and Guidelines (CGRGs)	Establish the overarching Commonwealth grants policy framework and articulate the expectations for all non-corporate Commonwealth entities in relation to grants administration. Under this overarching framework, non-corporate Commonwealth entities undertake grants administration based on the mandatory requirements and key principles of grants administration.
Completion date	The expected date that the grant activity must be completed and the grant spent by.
Department	The Department of Industry, Science and Resources.
Decision maker	The person who makes a decision to award a grant.
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.

Term	Definition
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.
Eligibility criteria	The mandatory criteria, which must be met to qualify for a grant. Assessment criteria may apply in addition to eligibility criteria.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in Appendix A.
Eligible expenditure guidance	The guidance that is provided at Appendix A.
Grant	<p>For the purposes of the CGRGs, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:</p> <ul style="list-style-type: none"> a. under which relevant money¹⁵ or other Consolidated Revenue Fund (CRF) money¹⁶ is to be paid to a grantee other than the Commonwealth, and <p>which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.</p>
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding.
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
GrantConnect	The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs.
Grant opportunity	Refers to the specific grant round or process where a Commonwealth grant is made available to potential grantees. Grant opportunities may be open or targeted, and will reflect the relevant grant selection process.
Grant program	A 'program' carries its natural meaning and is intended to cover a potentially wide range of related activities aimed at achieving government policy outcomes. A grant program is a group of one or more grant opportunities under a single Portfolio Budget Statement Program.

¹⁵ Relevant money is defined in the PGPA Act. See section 8, Dictionary.

¹⁶ Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

Term	Definition
Grantee	The recipient of grant funding under a grant agreement.
Guidelines	Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.
Minister	The Commonwealth Minister for Resources.
Non-income-tax-exempt	Not exempt from income tax under Division 50 of the <i>Income Tax Assessment Act 1997</i> (Cth) or under Division 1AB of Part III of the <i>Income Tax Assessment Act 1936</i> (Cth).
PBS Program	Described within the entity's Portfolio Budget Statement , PBS programs each link to a single outcome and provide transparency for funding decisions. These high-level PBS programs often comprise a number of lower level, more publicly recognised programs, some of which will be Grant Programs. A PBS Program may have more than one Grant Program associated with it, and each of these may have one or more grant opportunities.
Personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <p style="padding-left: 40px;">Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ul style="list-style-type: none"> a. whether the information or opinion is true or not, and b. whether the information or opinion is recorded in a material form or not.
Program Delegate	The Manager within the department with responsibility for administering 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.
Selection process	The method used to select potential grantees. This process may involve comparative assessment of applications or the assessment of applications against the eligibility criteria and/or the assessment criteria.

Term	Definition
Technology Readiness Levels (TRL)	<p><i>The TRL index is a globally accepted benchmarking tool for tracking progress and supporting development of a specific technology through the early stages of the technology development chain, from blue-sky research (TRL 1) to actual system demonstration over the full range of expected conditions (TRL 9).</i></p> <p>https://arena.gov.au/assets/2014/02/Technology-Readiness-Levels.pdf</p>
Value with money	<p>Value with money in this document refers to ‘value with relevant money’ which is a judgement based on the grant proposal representing an efficient, effective, economical and ethical use of public resources and determined from a variety of considerations.</p> <p>When administering a grant opportunity, an official should consider the relevant financial and non-financial costs and benefits of each proposal including, but not limited to:</p> <ul style="list-style-type: none"> • the quality of the project proposal and activities • fitness for purpose of the proposal in contributing to government objectives • that the absence of a grant is likely to prevent the grantee and government’s outcomes being achieved, and • the potential grantee’s relevant experience and performance history.

Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time; check you are referring to the most current version from the business.gov.au website before preparing your application.

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

To be eligible, expenditure must:

- be incurred by you within the project period
- be a direct cost of the project or project audit activities (where applicable)
- meet the eligible expenditure guidelines.

A.1 How we verify eligible expenditure

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

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

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

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

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

A.2 Plant and equipment expenditure

Plant is usually an input to the project or the tools or infrastructure used to undertake the project. Plant is likely to have a value or use outside of the project and you can build or obtain it with minimal technical risk or new learning.

A.3 Newly purchased plant and pre-existing purchased plant

Only depreciation of newly purchased and pre-existing purchased plant is eligible expenditure. Depreciation is the decline in asset value of an item of plant allowed through the Commissioner of Taxation's effective life schedules. The depreciation must be proportional to the time you use it on the project. In extraordinary situations, for instance, where the plant is subject to heavy usage, and where this is in accordance with Commissioner of Taxation's rules, you may apply a higher rate of depreciation.

You can only claim depreciation of the plant for the time you use it on the project. However, you can claim all eligible depreciation charges in full for each item of purchased plant as you deploy it.

Running costs for purchased or pre-existing plant are eligible expenditure but must be readily verifiable and may include items such as rent, light and power, repairs and maintenance.

A.4 Hired/leased plant

You must calculate eligible expenditure for hired, rented, or leased plant by the number of payment periods where you use the plant for the project multiplied by the period hiring fee. If you purchase plant under a hire purchase agreement, or you use a lease to finance the purchase of the plant, the cost of the item of plant, excluding interest, is capitalised, and then depreciated.

Running costs for hired or leased plant are eligible expenditure but you must be able to verify them. They may include items such as rent, light and power, and repairs and maintenance.

A.5 Constructed plant

Only depreciation of constructed plant is eligible expenditure. Depreciation is the decline in asset value of an item of plant allowed through the Commissioner of Taxation's effective life schedules. The depreciation must be proportional to the time you use it on the project. In extraordinary situations, for instance, where the plant is subject to heavy usage, and where this is in accordance with Commissioner of Taxation's rules, you may apply a higher rate of depreciation.

Where you lease a project facility you may claim leasehold improvements where they are for your specific needs. The improvement cost is eligible expenditure if it is capitalised in your financial statements (balance sheet) and depreciated as above.

The starting value for constructed plant depreciation calculations is the capitalised construction cost or capitalised leasehold improvement cost for the plant item according to ATO requirements. You can only claim depreciation of the plant for the time you use it on the project. However, you can claim all eligible depreciation charges in full for each item of purchased plant as you deploy it.

Once fully completed, running costs for constructed plant are eligible expenditure but you must be able to verify them. They may include items such as rent, light and power, repairs and maintenance.

A.6 Pilot manufacturing plant

If you meet the following conditions, the full cost (rather than depreciation cost only) of establishing a pilot manufacturing plant (PMP) is eligible expenditure:

- You must establish the plant in Australia
- You must use the plant exclusively for the purposes of the project, unless otherwise approved by the Program Delegate. This obligation applies for a period of two years from the start date of the project, unless we advise otherwise in writing
- In the case of a PMP, it must be necessary to establish the plant to demonstrate the commercial feasibility of:
 - producing a novel product or service, or
 - a substantially novel process to produce an existing product where the novel production method is the intellectual property being commercialised.

In other words, you establish the pilot plant primarily for testing and/or market validation purposes.

You must meet the following criteria to claim the full cost of an individual item of plant as part of a pilot manufacturing plant:

- you must own the item
- you must use the item exclusively for the purposes of the project
- it is not feasible to hire, rent or lease the item

- the item cannot be a block of land or a building.

Once fully completed, running costs for the plant or facility are eligible expenditure but you must be able to verify them. They may include items such as rent, light and power, repairs and maintenance.

Note that these eligible expenditure rules are for the purpose of the program only. Different rules may apply for your financial reporting and taxation obligations.

A.7 Eligible expenditure limit in relation to the PMP

There is no pre-set limit on PMP expenditure at the application stage. However, if we approve an application that includes PMP expenditure, we will apply a condition to limit that expenditure to a certain amount. The limit is typically the amount you requested in your application. The upper limit on PMP eligible expenditure will be included in the grant agreement. Changes to that upper limit will require Program Delegate approval for variation of the grant agreement.

There may be particular tax implications associated with grant payments for capital items. We recommend that you seek independent professional advice on tax related matters.

A.8 Labour expenditure

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

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

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

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the ATO. We consider salary-sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is \$175,000 per financial year.

For periods of the project that do not make a full financial year, you must reduce the maximum salary amount you claim proportionally.

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

A.9 Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30 per cent allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the purchase or provision of computing equipment directly required or related to the delivery of the project

You should calculate eligible salary costs using the formula below:

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

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

Evidence you will need to provide can include:

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

A.10 Contract expenditure

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

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

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

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

Invoices from contractors must contain:

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

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

We will require evidence of contractor expenditure that may include:

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

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

A.11 Travel and overseas expenditure

Eligible travel and overseas expenditure may include

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

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

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

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

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

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

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

A.12 Other eligible expenditure

Other eligible expenditures for the project may include:

- building modifications where you own the modified asset and the modification is required to undertake the project, for example installing a clean room. Modifications to leased buildings may be eligible. You must use the leased building for eligible activities related to your technology solution.
- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure, including the cost of an independently audited financial acquittal report of project expenditure up to a maximum of 1 per cent of total eligible project expenditure
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
- contingency costs up to a maximum of 10 per cent of the eligible project costs. Note that we make payments based on actual costs incurred.

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

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

Appendix B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure. We may update this guidance from time to time; check you are referring to the most current version from the business.gov.au website before preparing your application.

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

Examples of ineligible expenditure include:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to the execution of an agreement
- any in-kind contributions
- financing costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings and laboratories
- costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project)
- ongoing upgrades, updates and maintenance of existing ICT systems and computing facilities, including websites, customer relationship management systems, databases, the cost of ongoing subscription based software and IT support memberships, and warranties for purchases that are not directly related to the project
- costs such as rental, renovations and utilities
- non-project-related staff training and development costs
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- debt financing
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment beyond the life of the project
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- infrastructure development costs, including development of road, rail, port or fuel delivery networks beyond the project site
- site preparation activities which are not directly related to, or for, the main purpose of an agreed methane reduction project
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of production inputs
- routine operating expenses not accounted as labour on-costs – including communications, accommodation, overheads and consumables, e.g. paper, printer cartridges, office supplies
- recurring or ongoing operational expenditure (including annual maintenance, rent, water and rates, postage, administration, legal and accounting fees and bank charges)

- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests
- travel or overseas costs that exceed 10 per cent of total project costs except where otherwise approved by the Program Delegate.

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

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