



## Grant Opportunity Guidelines

# DRAFT Critical Minerals Accelerator Initiative

Draft guidelines are for consultation only. The department is only seeking comments from industry to assist with the design and delivery of a potential grant opportunity process. Potential grant recipients should not rely on the draft grant opportunity guidelines as being an indication of any future grant opportunity process. The final grant opportunity guidelines for any future grant opportunity process will be published on GrantConnect which may include different eligibility and assessment criteria.

<b>Opening date:</b>	To be confirmed (TBC)
<b>Closing date and time:</b>	TBC
<b>Commonwealth policy entity:</b>	Department of Industry, Science, Energy and Resources
<b>Administering entity:</b>	Department of Industry, Science, Energy and Resources (DISER)
<b>Enquiries:</b>	If you have any questions, contact us at <a href="mailto:Criticalmineralsprojects@industry.gov.au">Criticalmineralsprojects@industry.gov.au</a>
<b>Date guidelines released for consultation:</b>	6 April 2022
<b>Type of grant opportunity:</b>	Open non-competitive

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# 1. Critical Minerals Accelerator Initiative

## **The Critical Minerals Accelerator Initiative is designed to achieve Australian Government objectives**

This grant opportunity is part of the above grant program which contributes to Department of Industry, Science, Energy and Resource's Outcome 1.3. The Department of Industry, Science, Energy and Resource's (the department) works with stakeholders to plan and design the grant program according to the [Commonwealth Grants Rules and Guidelines](#).



## **The grant opportunity opens**

We publish the grant guidelines on [business.gov.au](#) and GrantConnect.



## **Project Development Service**

You have the option to request assistance from the Project Development Service  
You provide your project scope and project plan and we can provide feedback on the suitability of your proposed project for this grant opportunity and advice on project development.



## **Grant application**

### **Application submission**

You complete the application form, addressing all 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. A committee will assess eligible applications against the assessment criteria including overall consideration of relevant money.



## **We provide advice to the Minister on the merits of each application.**



## **Grant decisions are made**

The Minister decides which applications are successful.



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

We advise you of the outcome of your application. We may not notify unsuccessful applicants until grant agreements have been executed with successful applicants. Unsuccessful applicants have an opportunity to seek feedback and have the opportunity to address feedback and resubmit the application.



## **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 Critical Minerals Accelerator Initiative**

We evaluate the specific grant activity and Critical Minerals Accelerator Initiative as a whole. We base this on information you provide to us and that we collect from various sources.

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## 2. About the Critical Minerals Accelerator Initiative

Australia's Critical Minerals Strategy outlines the government's policy framework for our critical minerals market. The strategic objectives set out in the Strategy are:

- securing investment and commercial offtake agreements for Australian projects to increase the diversity of supply and support secure, robust supply chains
- growing our capability to capture more of the value chain by expanding our knowledge of critical minerals and move in to downstream processing
- economic development and jobs in regional communities.

The Australian Government is providing additional financial support to help strategic early and mid-stage projects to overcome technical and market barriers. The Critical Minerals Accelerator Initiative (the program) will support projects through vulnerable points in the development process to help accelerate them towards a point at which they are sufficiently advanced to seek financing, including under the Australian Government's \$2 billion Critical Minerals Facility.

The objectives of the program are to:

- help Australian Critical Minerals projects contribute to supply chains of strategic importance
- support and lower the risk associated with critical development activities to help progress towards offtake qualification and seeking debt financing to proceed to production

The intended outcomes of the program are to:

- support projects in accelerating the development of their critical minerals resource, including through activities which will help projects obtain offtake and finance.

These grants are offered through an open, non-competitive process.

As a lead organisation you can submit multiple applications however each application must relate to project activities that are substantially different.

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

We administer the program according to the [Commonwealth Grants Rules and Guidelines](#) (CGRGs)<sup>1</sup>.

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

### 2.1. Critical Mineral Project Development service

Prior to submitting your grant application, you (or the lead organisation for your proposed joint application) may access project development services regarding the suitability of your project for this grant opportunity and project development advice.

The purpose of the project development service is to provide potential applicants with the opportunity to receive feedback on whether their proposed project aligns with the strategic objectives of the program prior to applying for a grant. This service is optional and is available to all potential applicants who can provide a detailed project plan (or draft detailed project plan) for consideration.

To ensure equitable treatment of all applicants, the department will only offer one workshop that will last no more than one hour.

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

Details for requesting project development advice are available on [business.gov.au](http://business.gov.au).

You are not required to engage with the department prior to submitting an application. The department personnel providing the project development services are not part of the Committee who will assess the applications. Any material provided by the department as part of the project development services should not be taken as an indication of the Committee's intentions regarding the selection of successful applications or as representing any changes to these guidelines. Regardless of whether you engage with the department, you remain responsible for submitting an application that meets the eligibility and assessment criteria.

### 3. Grant amount and grant period

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

We expect that most grants will be between \$1 million and \$30 million, depending on the scope and complexity of the project. The grant amount provided to each project will vary. If your application is successful, you may be awarded less funding than applied for.

You are responsible for funding the remaining eligible and ineligible project costs.

Contributions to your project may be cash or in-kind contributions.

Other funding can come from any source including State, Territory and local government grants.

Your project cannot be funded if it has already received grant support from the Commonwealth Government for the project activity. 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 Critical Minerals Accelerator Initiative grant or the other Commonwealth funding source (e.g. Modern Manufacturing Initiative grant).

We will continue to accept applications until all available funds are committed or xx/xx/xxx whichever comes first.

#### 3.1. In-Kind contributions

You can have a maximum of 10 per cent of the contribution (non-grant eligible project expenditure) to your project as in-kind expenditure. In-kind contributions can come from the lead applicant or project partners (not including State, Territory and local governments).

In-kind contributions are the non-cash contributions to the project. In order for in-kind contributions to count towards your total eligible project expenditure, they must directly relate to eligible activities.

We do not prescribe a specific formula to determine the value of these contributions. You need to determine the value of these contributions. They must be realistic, justifiable and valued proportionally to their use on the project.

The contribution of paid employee time to a project is not considered an in-kind contribution. It should instead be included as a cash contribution and eligible expenditure as outlined in Appendix A.

#### 3.2. Cash contributions

Cash contributions can come from the applicant, State, Territory and local government grants and project partners. Cash contributions to your project cannot be made up of funding from other Commonwealth grants.

#### 3.3. Project period

The minimum project length is 12 months

The maximum project period is 3 years

You must complete your project by March 2027.

## 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)
- have an Australian Company Number (ACN)
- be non-income-tax-exempt
- be registered for the Goods and Services Tax (GST)

and be one of the following entities:

- an entity incorporated in Australia and a trading corporation, where your trading activities
  - form a sufficiently significant proportion of the corporation's overall activities as to merit it being described as a trading corporation; or
  - are a substantial and not merely peripheral activity of the corporation
- an incorporated trustee on behalf of a trust where your trading activities
  - form a sufficiently significant proportion of the corporation's overall activities as to merit it being described as a trading corporation; or
  - are a substantial and not merely peripheral activity of the corporation.

Joint applications are acceptable, provided you have a lead organisation who is the main driver of the project and is eligible to apply. For further information on joint applications, refer to section 7.2.

### 4.2. Additional eligibility requirements

We can only accept applications:

- for projects producing or planning to produce critical mineral(s) as listed in Australia's Critical Minerals Strategy that are in the early to mid-stages of development; including:
  - post exploration / pre-feasibility; or
  - feasibility / product demonstration; or
  - planning, design and construction
- where your project activities are substantially 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 evidence of your capability to provide your share of project costs (such as a funding plan that details where and how you will source funding, balance sheets, evidence of past successful capital raising, evidence of engaging credible commercial advisors).
- where you provide all mandatory attachments.

We cannot waive the eligibility criteria under any circumstances.



### 4.3. Who is not eligible?

You are not eligible to apply if:

- your project has already received grant support from the Commonwealth Government for the project activity
- your 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))
- your organisation is an employer of 100 or more employees that has [not complied](#) with the *Workplace Gender Equality Act (2012)*.

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

### 5.1. Eligible activities

To be eligible, your activities must:

- relate directly to the project
- accelerate development and / or processing of your critical minerals resource
- be appropriate to the stage of your project.

We may also approve other activities.

### 5.2. Eligible expenditure

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

- For guidance on eligible expenditure, see Appendix A.
- For guidance on ineligible expenditure, see 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 general 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.

You must incur the project expenditure between the project start and end date as defined in your grant agreement for it to be eligible unless otherwise agreed.

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.

## 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, stage of development, complexity and grant amount requested. You should provide evidence to support your 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

#### **Alignment of your project with program objectives (50 points)**

You should demonstrate this by describing:

- a. How the project underpins a new supply chain of strategic relevance to Australia. That is:
  - material from the project feeds in to a critically important supply chain (i.e. supports one or more crucial and strategically important technologies, such as lithium-ion batteries, rare earth element magnets, semiconductors, high end communication technology, defence applications, biomedical products)
  - the project is significant relative to global demand
  - the existing supply chain is concentrated and at risk of disruption, and/or
  - the project is likely to be of interest to Australia's international partners, including the US, Japan, South Korea, India, the UK and EU member states
- b. The contribution to new or strengthened sovereign capability within Australia, this may include how the project will catalyse broader growth in the sector
- c. How the project will create jobs and investment, including in regional Australia, indicating the number, type and location of the Australian jobs that will be created as part of the project
- d. How you can demonstrate the credibility of the company (with supporting evidence) and how the project has comparative advantages which position it to be commercially competitive (i.e. lower costs of production, higher grade ore)
- e. How the project is actively being advanced, i.e. not in care and maintenance.

### 6.2. Assessment criterion 2

#### **Capacity, capability and resource to deliver the project (30 points)**

You should demonstrate this by describing:

- a. your track record and experience in 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. the expertise and capacity of the project management team and partner organisations to deliver the project, including the level of full-time resource allocated to key responsibilities
- c. your plan to access any finance, infrastructure, capital equipment, technology, intellectual property required to deliver the project

- d. a project plan that includes, but is not limited to, scope, implementation methodology, project timeframes, a project risk assessment and risk management plan
- e. 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.

### 6.3. Assessment criterion 3

#### Impact of grant funding on your project (20 points)

You should demonstrate this by describing:

- a. How Government investment in the project under the Initiative would be unlikely to crowd out private sector financing where a project is seeking to achieve outcomes aligned with the Critical Minerals Strategy
- b. how the grant will benefit the project in terms of scale and timing
- c. how the grant will assist the project to secure or enhance the strategic outcomes of the project and accelerate the project to its next phase of development
- d. details of your and/or your investors cash contribution/s and the impact of that contribution with respect to the size of the project and percentage of development costs
- e. how the project will progress if grant funding is not awarded to it.

## 7. How to apply

Before applying you should read and understand these guidelines, the sample [application form](#) and the sample [grant agreement](#) published on business.gov.au and GrantConnect. 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 and submit your application through the online portal
- provide all the information requested
- address all eligibility and assessment criteria
- include all necessary attachments

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.

After submitting your application, we can contact you for clarification if we find an error or any missing information, including evidence that supports your eligibility/merit. The acceptance of any additional information provided after the submission of your application is at the discretion of the Department. Additional information should not materially change your application at the time it was submitted and therefore may be refused if it is deemed to be purely supplementary.

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

You must provide the following documents with your application:

- project plan
- project budget
- attach detailed evidence that supports assessment criteria responses (where applicable)
- evidence of financial viability including your strategy and any supporting evidence that demonstrates your ability to co-fund the project e.g. financial statements, loan agreements, cash flow documents
- evidence of support from the board, CEO or equivalent (template provided on [business.gov.au](https://business.gov.au) and [GrantConnect](#)). Where the CEO or equivalent submits the application, we will accept this as evidence of support
- evidence of your track record and experience in managing similar projects, those of the project management team and (where appropriate) partner organisations
- trust deed (where applicable).

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

## 7.2. Joint 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. 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 (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 submit an application at any time while the grant opportunity remains open.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	TBC
Notification of outcomes	TBC
Announcement of outcomes and notification to unsuccessful applicants	TBC
Negotiations and award of grant agreements	TBC
Earliest start date of project	TBC
End date of grant commitment	Maximum of 3 years from the project start date

## 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 will establish a committee comprised of Australian government representatives and/or independent experts. The committee may also seek additional advice from independent technical experts, including relevant Commonwealth departments and agencies.

We refer your application to the next available meeting of the assessment committee.

The committee will assess your application against the assessment criteria before providing advice to the Minister regarding 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.

We consider your application on its merits, based on:

- how well it meets the criteria
- whether it provides value for money.

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

- the overall objectives of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant sought
- any national interest, financial, legal/regulatory, governance or other issue or risk that we identify during any due diligence process that we conduct in respect of the applicant. This includes its directors, officers, senior managers, key personnel, its related bodies corporate (as defined in the *Corporations Act*) or its application that could bring the Australian Government into disrepute if it were to fund the applicant. Such issues and risks include where we consider that funding the application under this grant opportunity is likely to directly conflict with

Australian Government policy. Where possible<sup>2</sup>, we will provide you with an opportunity to comment on any material risks identified during this due diligence process prior to our determining the extent (if any) to which those issues or risks affect our assessment of the application and, if so, whether they are sufficient to warrant the exclusion of your application from the assessment process.

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 Minister decides which grants to approve taking into account the advice of the committee and the availability of grant funds.

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

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

We cannot review decisions about the merits of your application.

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

The Program Delegate may approve other administrative matters including the acceptance of any additional information provided after an application has been submitted.

## 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 notify you in writing. We may also offer you the opportunity to meet with the department to receive advice on how to address the feedback from the Committee with a view to re-submitting your application. Any advice provided by the department should not be taken as an indication of the Committee's intentions as to whether a re-submitted application will be successful or as representing any changes to these guidelines

If you are unsuccessful, you can resubmit an application for the same (or similar) project whilst the grant opportunity is still open, once. You should include new or more information to address the weaknesses that prevented your previous application from being successful. If a new application is substantially the same as a previous ineligible or unsuccessful application, we may refuse to consider it for assessment.

## 10. Successful grant applications

### 10.1. Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth in order to receive the grant. The 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.

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<sup>2</sup> Subject to national security and other considerations.

We will manage the grant agreement through the online portal. This includes issuing and executing the grant agreement.

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

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

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

We will use a standard grant agreement for all projects.

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. We will consider requests for an extension of more time to execute the agreement.

We base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the Minister.

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

You must comply with all relevant laws, regulations and Australian Government sanctions 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
- State/Territory legislation in relation to COVID-19 health regulations
- [Australian Government Building and Construction WHS Accreditation Scheme](#)<sup>3</sup> (WHS Scheme)
- labour/employment practices and planning
- Australian Industry Participation (AIP) National Framework principles, including an AIP plan requirement, subject to advice from the department. More information on AIP plan requirements can be found at [industry.gov.au/aip](http://industry.gov.au/aip).

## 10.3. Building and construction requirements

Wherever the government funds building and construction activities, the following special regulatory requirements apply.

- *Code for the Tendering and Performance of Building Work 2016* ([Building Code 2016](#))<sup>4</sup>

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<sup>3</sup> <https://www.fsc.gov.au/how-apply-accreditation>

<sup>4</sup> <https://www.abcc.gov.au/building-code/building-code-2016>

- Australian Government Building and Construction WHS Accreditation Scheme ([WHS Scheme](#))<sup>5</sup>

These regulations are subject to the level of funding you receive as outlined below.

#### **10.3.1.1. Building Code**

The Building Code is administered by relevant State and Territory administrations under relevant State or Territory legislation on behalf of the [Australian Building and Construction Commission](#).<sup>6</sup>

The Building Code applies to all construction projects funded by the Australian government through grants and other programs where:

- the value of Australian Government contribution to a project is at least \$5 million and represents at least 50 per cent of the total construction project value; or
- regardless of the proportion of Australian Government funding, where the Australian Government contribution to a project is \$10 million or more.

#### **10.3.1.2. WHS Scheme**

The WHS Scheme is administered by the [Office of the Federal Safety Commissioner](#).<sup>7</sup>

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

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

### **10.4. 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 in-kind contributions you will make
- any financial contribution provided by you or a third party.

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

### **10.5. 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>8</sup>.

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<sup>5</sup> <http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme>

<sup>6</sup> <https://www.abcc.gov.au/>

<sup>7</sup> <http://www.fsc.gov.au/sites/FSC>

<sup>8</sup> See Australian Taxation Office ruling GSTR 2012/2 available at [ato.gov.au](http://ato.gov.au)



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.

### 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
- 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](http://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

- 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. You can submit a variation request via our online portal.

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 Critical Minerals Accelerator Initiative grant 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>9</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>10</sup> on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its 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
- 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

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<sup>9</sup> <https://www.legislation.gov.au/Details/C2019C00057>

<sup>10</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)

- 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>11</sup> on the department's website for more information on:

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

### 13.2.4. Freedom of information

All documents in the possession of the Australian Government, including those about the program, are subject to the *Freedom of Information Act 1982* (Cth) (FOI Act).

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

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.

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<sup>11</sup> <https://www.industry.gov.au/data-and-publications/privacy-policy>

### 13.3. National security

Collaboration with foreign entities must be transparent, undertaken with full knowledge and consent, and in a manner, that avoids harm to Australia's national interests. It is your responsibility to consider the national security implications of the proposed project and identify and manage any risks, including risks relating to the unwanted transfer of sensitive knowledge technology.

You should ensure that you are informed about who you are collaborating with by undertaking appropriate due diligence, proportionate to the risk and subject to available information, of your global partners and their 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.

You and any entities 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.

### 13.4. 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  
Critical Minerals and Major Projects  
Department of Industry, Science, Energy and Resources  
GPO Box 2013  
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)<sup>12</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
Accountable authority	see subsection 12(2) of the <a href="#">Public Governance, Performance and Accountability Act 2013</a>

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<sup>12</sup> <http://www.ombudsman.gov.au/>

Term	Definition
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.
AusIndustry	The division of the same name within the department.
Department	The Department of Industry, Science, Energy and Resources.
Decision maker	The Commonwealth Minister for Resources and Water
Committee	The body established by the Minister to consider and assess eligible applications and make recommendations to the Minister for funding under the program.
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.
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 5.2.
Eligible expenditure guidance	The guidance that is provided at Appendix A.
Exploration	Exploration activities are activities that relate to exploration and prospecting for new and unknown ore bodies, and include the type of drilling typically supported under the Junior Minerals Exploration Incentive.
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.

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 Resources and Water
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).
Personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <p>Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ol style="list-style-type: none"> <li>a. whether the information or opinion is true or not; and</li> <li>b. whether the information or opinion is recorded in a material form or not.</li> </ol>
Post exploration	Activities relating to refining or developing a known resource.
Program Delegate	A general 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.



## Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure.

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

To be eligible, expenditure must:

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

### A.1 How we verify eligible expenditure

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

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

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

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

If projects are larger than \$4 million in grant funding they will be required to provide annual audit reports.

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 for CAPEX projects

We consider costs of acquiring, or construction of, plant and equipment, as well as any related commissioning costs as eligible expenditure. You must list commissioning costs as a separate item within the project budget in the application form, and on reports of expenditure during project milestones.

We cannot consider any expenditure paid before the project start date as eligible expenditure. Commissioning and installation costs of plant and equipment paid for before the start date is not eligible expenditure even if these costs are paid after the project start date.

You may purchase, lease (finance lease or operating lease under certain conditions) or build plant and equipment. In claiming the purchase price of capital items, you must take out any costs related to financing, including interest. You can claim related freight and installation costs on capital expenditure.

Eligible costs for plant and equipment will normally need to be on your balance sheet.

We will only consider costs for plant and equipment not on your balance sheet under certain circumstances. We will only consider project costs with an operating lease to be eligible if:

- you integrate the plant or equipment into your manufacturing process; and
- you cannot transfer the plant or equipment and the lease period is at least 4 years.

Where you need to pay in instalments to purchase capital items (for example deposits, payment on installation, or payment on commissioning), you can claim the grant amount for the items progressively across multiple progress reports up to the end of the project period. Alternatively, you can choose to claim the full amount in a single report, when you pay for the capital item.

For leased items, you will need to show an executed copy of the lease identifying the capital cost of the item and the lease period. We can pay you the full grant entitlement when:

- you have received the capital item
- you have entered into a formal lease agreement, and
- you make the initial payment.

You may show expenditure on plant and equipment by providing evidence of

- purchase price
- payments (e.g. tax invoices and receipts from suppliers confirming payment)
- commitment to pay for the capital item (e.g. supplier contract, purchase order or executed lease agreement)
- receipt of capital items (e.g. supplier or freight documents)
- associated costs such as freight and installation (e.g. supplier documents)
- the capital item on your premises (e.g. date stamped photographic evidence).

If you claim expenditure for the construction of plant and equipment, we limit this to

- the costs of materials
- direct construction labour salary costs
- contractor costs
- freight and establishment costs.

Evidence for construction expenditure may include purchase orders, invoices, payment documentation, photographic evidence (date stamped) of the capital item in your premises and details of labour costs.

Grant payments for capital items may affect your tax obligations. We recommend that you seek independent professional advice on tax related matters.

### A.3 Plant and equipment expenditure for innovation projects

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.4 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.5 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.6 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.7 State-of-the-art manufacturing plant or pilot manufacturing plant

If you meet the following conditions, the full cost (rather than depreciation cost only) of establishing a state-of-the-art manufacturing plant (SMP) or 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.

- In the case of an SMP, the plant is required to establish a long-term sustainable production facility. The plant must be a “state-of-the-art” manufacturing plant used in the manufacture of a novel product (or the commercialisation of a novel service), where such a product cannot be manufactured in (or the service cannot use) an existing plant in Australia, meaning
  - no manufacturing process of its kind currently exists in Australia
  - current manufacturing capability in Australia does not satisfy the definition of “state-of-the-art” or
  - competition or capacity constraints means the grantee cannot access an existing plant.

You must meet the following criteria to claim the full cost of an individual item of plant as part of a state-of-the-art manufacturing plant or 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.8 Eligible expenditure limit in relation to the SMP or PMP

There is no pre-set limit on SMP or PMP expenditure at the application stage. However, if we approve an application that includes SMP or 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 SMP or 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.9 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.10 Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30% allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the provision of computers.

You should calculate eligible salary costs using the formula below:

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

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

Evidence you will need to provide can include:

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

#### A.11 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.12 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 air fare 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 overseas activities expenditure is generally limited to 10 per cent of total eligible expenditure.

## A.13 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 for the development of pilot/demonstration plants. Modifications to leased buildings may be eligible. You must use the leased building for activities related to your project.
- Costs associated with undertaking activities and/or fitting out or enabling access to shared/common facilities that directly supports the achievement of project outcomes, excluding any ineligible expenditure listed in Appendix B.
- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure up to a maximum of 1% of eligible project costs
- 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% of the eligible project costs. Note that we make payments based on actual costs incurred.

- Intellectual property protection, including fees to a patent office, for the cost of filing patent applications, patent searches and examination fees. Defending intellectual property rights is not eligible.
- Costs of acquiring intellectual property and/or leading edge technology where subsequent adaptation will contribute directly to the completion of the agreed project.
- Commissioning
- Business diagnostic services, such as engaging external professionals to provide commercialisation and market export and global supply chain advice, such as identifying market opportunities, potential partnerships, and investment, limited to 10 per cent of the eligible project cost.

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

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

## Appendix B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure. We may update this guidance from time to time, so you should make sure you have the current version from the [business.gov.au](http://business.gov.au) website before preparing your application.

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

Examples of ineligible expenditure include:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to us notifying you that the application is eligible and complete
- 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, except where required for the development of new pilot/demonstration facilities.
- costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates 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
- site preparation activities which are not directly related to, or for, the main purpose of the project
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of production inputs not relating to commissioning new equipment or pilot facilities
- 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
- travel or overseas costs that exceed 10% of total project costs except where otherwise approved by the Program Delegate.



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

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

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