Grant Opportunity Guidelines

Carbon Capture, Use and Storage Hubs and Technologies Program – Hubs Stream

Opening date:	11 October 2021
Closing date and time:	5.00pm Australian Eastern Daylight Time on 8 November 2021 Please take account of time zone differences when submitting your application.
Commonwealth policy entity:	Department of Industry, Science, Energy and Resources
Administering entity:	Department of Industry, Science, Energy and Resources
Enquiries:	If you have any questions, contact us on 13 28 46.
Date guidelines released:	30 September 2021
Type of grant opportunity:	Open competitive

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1. CCUS Hubs and Technologies Program – Hubs Stream processes

The CCUS Hubs Stream 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 Resources' (the department) Outcome 2: Reduce Australia's greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change. The department works with stakeholders to plan and design the grant program according to the *Commonwealth Grants Rules and Guidelines*.

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The grant opportunity opens

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

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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.

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We assess all grant applications

We review the applications against eligibility criteria and notify you if you are not eligible.

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Program Committee assesses eligible applications

The Program Committee assesses eligible applications against the assessment criteria including an overall consideration of value with relevant money and compare it to other eligible applications.

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Grant recommendations are made

The Program Committee provides advice to the decision maker on the merits of each application.

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Grant decisions are made

The decision maker decides which applications are successful.

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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.

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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.

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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.

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Evaluation of the CCUS Hubs and Technologies Program - Hubs Stream

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

2. About the Carbon Capture, Use and Storage Hubs and Technologies Program

The $250 million Carbon Capture, Use and Storage (CCUS) Hubs and Technologies Program will run over ten years to 30 June 2031. The program will support deploying CCUS[1] at scale through co-funding of innovative advancements in CCUS technologies, and the development of commercial scale CCUS assets and shared hub infrastructure. It also seeks to support cost reductions associated with storage site selection and development. The program forms a key component of the $1.2 billion technology co-investment facility established through the 2021-22 Budget, to incentivise private investment in technologies identified in the Government's Technology Investment Roadmap and Low Emissions Technology statements, grow new export industries, create jobs and reduce emissions.

The program will be delivered through two streams, the $150 million Carbon Capture, Use and Storage **Technologies Stream** and the $100 million Carbon Capture, Use and Storage **Hubs Stream**.

The objectives of the program are to:

- support the Australian Government's priority technology stretch goal to compress, transport and store carbon dioxide (CO2) for less than $20 per tonne of CO2
- reduce CO2 emissions
- progress the deployment of CCUS projects
- support domestic and international collaboration to research, develop or commercialise carbon capture and storage, and carbon utilisation technologies with export potential
- identify and/or develop sites suitable for large-scale CO2 storage in proximity to industrial emitters, or support the development of Clean Hydrogen Industrial Hubs or clean Liquefied Natural Gas (LNG) production facilities
- support the design and construction of shared infrastructure between co-located emitters and viable CO2 storage sites.

The intended outcomes of the program are to:

- identify and develop high potential locations and technologies for CCUS in Australia
- lower the cost of CCUS technology adoption in Australia
- increase Australia's capabilities in ramping up CO2 abatement, in the long term

There may be other grant opportunities as part of this program and we will publish the opening and closing dates and any other relevant information on business.gov.au and GrantConnect.

2.1. About the Carbon Capture, Use and Storage Hubs and Technologies Program – CCUS Hubs Stream – grant opportunity

The $100 million Carbon Capture, Use and Storage Hubs and Technologies Program – CCUS Hubs Stream (the Hubs stream) will run over 10 years from 2021-22 to 2030-31. Funding of up to $100 million will be available in this funding round. The Hubs stream will focus on the design and construction of shared CCUS infrastructure between multiple co-located emitters and viable CO2 storage sites.

[1] CCUS is a new term used to reference CCS projects and those projects that look to capture CO2 from industrial processes. It also includes transformation of CO2 to create economically viable products.

The objectives of this stream are to:

- drive cost reductions in deploying CCUS at scale through the development of shared hub infrastructure and leveraging economies of scale
- foster domestic and international collaboration in the development of shared CCS hub infrastructure
- improve the understanding of viable large-scale CCS hub sites in Australia, especially where these are in proximity to potential Clean Hydrogen Industrial Hubs or clean LNG production facilities
- increase Australia's capabilities in ramping up CO2 abatement in the long-term

The intended outcomes of the stream are to:

- reduce costs and project risks in deploying CCUS at scale
- develop commercially viable hubs in Australia, with shared CCUS infrastructure between multiple co-located industrial emitters and viable CO2 storage sites
- increase domestic and international collaboration and co-investment in the development of shared CCS hub infrastructure
- increase knowledge and capabilities in CCUS in Australia
- increase uptake of CCUS technologies to reduce CO2 emissions in key sectors
- support the development of Clean Hydrogen Industrial Hubs or clean LNG production facilities.

This document sets out:

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

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

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

We administer the program according to the *Commonwealth Grants Rules and Guidelines* (CGRGs)[2].

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

3. Grant amount and grant period

The Australian Government has announced a total of $100 million over 10 years for the stream. Funding of up to $100 million will be available in this funding round.

3.1. Grants available

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

- The minimum grant amount is $5 million

[2] https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines

- The maximum grant amount is $50 million.

You are responsible for the remaining eligible project expenditure plus any ineligible expenditure.

Further contributions to your project may be cash or in-kind contributions, and can come from the State and Territory government grants and cash or in-kind contributions from project partners. Where you provide in-kind contributions such as labour, equipment or materials, you must calculate the equivalent dollar value.

We cannot fund activities if they have already received funding from another Commonwealth government grant, including any grant funding provided by the Australian Renewable Energy Agency.

If you apply for other Commonwealth grants for the same eligible activities, and your application is successful, you must choose either the Carbon Capture, Use and Storage Hubs and Technologies Program - Hubs Stream grant or the other Commonwealth grant.

However, participation in the Emissions Reduction Fund, including registering an eligible offsets project or selling credits from the project to the Commonwealth under a carbon abatement contract, does not preclude participation in the program. The Emissions Reduction Fund calculates and credits abatement from the operation of projects to avoid emissions which meet the eligibility criteria in the relevant legislation. It is not a grants program. Projects would be expected to seek their own advice as to whether they meet the relevant criteria for participation in the Emissions Reduction Fund, such as requirements of a relevant methodology determination and the newness requirement. Your application should make clear whether you expect some or all of the activities will become part of an eligible offsets project under the Emissions Reduction Fund.

3.1. Project period

The maximum project period is 10 years. You must complete your project by 30 April 2031.

An end of project report will be required.

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)
- be non-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 or financial corporation, where your trading or financial activities
  - form a sufficiently significant proportion of the corporation's overall activities as to merit it being described as a trading or financial corporation; or
  - are a substantial and not merely peripheral activity of the corporation
- a foreign corporation
- an incorporated trustee on behalf of a trust where the trustee is also a trading, financial or foreign corporation

- an Australian State/Territory Government agency or body; or
- an authority of the Commonwealth such as the Commonwealth Scientific and Industrial Research Organisation.

Joint applications are acceptable, provided you identify 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. of the guidelines.

4.2. Additional eligibility requirements

We can only accept applications:

- where you can 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 can provide evidence of how you will provide your share of project costs such as an accountant declaration that confirms you can fund your share of the project costs, including any ineligible expenditure. An accountant declaration template is available on business.gov.au and GrantConnect
- from a Foreign Corporation where you and/or your sub-contractors are not on the Consolidated List[3]
- where you will be forming a consortium for your project, a letter of intent has been agreed to by all project partners.

We cannot waive the eligibility criteria under any circumstances.

4.3. Eligible locations

Your project must be located in Australia

4.4. Who is not eligible?

You are not eligible to apply if you are:

- an organisation, or your project partner is an organisation, included on the National Redress Scheme's website on the list of 'Institutions that have not joined or signified their intent to join the Scheme' (www.nationalredress.gov.au)
- an employer of 100 or more employees that has not complied with the *Workplace Gender Equality Act (2012)*
- income tax exempt
- an individual
- partnership
- unincorporated association
- any organisation not included in section 4.1
- trust (however, an incorporated trustee may apply on behalf of a trust).

[3] https://www.dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list

5. What the grant money can be used for

5.1. Eligible activities

To be eligible your project must:

- be aimed at supporting the design and construction of shared CCUS infrastructure between multiple co-located emitters and a viable CO2 storage site
- identify multiple CO2 emitters to be engaged over the life of the project
- be of commercial scale and ready to commence commercial operations by 2029
- have at least $10 million in eligible expenditure.

Eligible activities may include:

- establishing hub infrastructure directly related to compression, transport and storage of CO2
- geological surveys and assessments, including well appraisals
- process design and engineering, including feasibility studies for developing a CCUS hub
- constructing, installing and commissioning of CCUS hub equipment and software
- monitoring the performance of the CO2 supply, and reliability and quality of CCUS hub infrastructure
- consultation and planning, including community, industry, government and research engagement.

We may also approve other activities.

5.2. Eligible expenditure

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

Eligible expenditure items are:

- 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 an AusIndustry 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 for it to be eligible unless stated otherwise.

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

6. The assessment criteria

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

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

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

Applications with project partners (including international joint venture partners or investors, or complementary support from a State/Territory Government) will be looked upon favourably.

6.1. Assessment criterion 1

Alignment with stream objectives (50 points)

You must describe the activity and provide information that demonstrates this by identifying:

a. how your project will contribute to low cost CCUS in Australia (compress, transport and store CO2 for less than $20 per tonne of CO2) to store large amounts of CO2
b. the potential viability, estimated capacity, geological characteristics of the CO2 storage site and the estimated marginal cost of sequestration at the storage site (in $ per tonne of CO2)
c. how your project will use shared infrastructure that caters to multiple emitters and/or supports the development of a Clean Hydrogen Industrial Hub or clean LNG production facility
d. how your project will reach commercial operations by 2029 and how it will be implemented, including an outline of the cost, maturity and effectiveness of technologies used (e.g. a techno-economic assessment)
e. how your project will deliver tangible environmental and economic benefits, including the estimated levels of gross CO2 abatement[4] (annually or overall) and job creation.

6.2. Assessment criterion 2

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

You must demonstrate this by identifying:

a. your track record in managing similar projects and access to personnel with the right skills and experience, including management and technical staff
b. the involvement of any domestic project partners, including their track record and the capability they will add to your project
c. the involvement of any international project partners, including their track record and the capability they will add to your project

[4] Gross CO2 abatement is the quantity of CO2 your project will store. It excludes emissions associated with the use or combustion of oil or gas if your project includes enhanced oil or gas recovery.

d. how you will ensure safe operations, apply industry best practices, ensure regulatory compliance and public assurance

e. how you will manage the project, including timeframes, risks and budget

f. your access, or future plans to access, any infrastructure, capital equipment, technology, intellectual property and required regulatory or other approvals, such as a greenhouse gas title under the *Offshore Petroleum Greenhouse Gas Storage Act 2006* for offshore projects in Commonwealth waters

g. your ability to extend or expand the project beyond the grant funding, if needed.

6.3. Assessment criterion 3

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

You must demonstrate this by identifying:

a. how the grant will impact your project scope

b. the likelihood your project would proceed without the grant

c. any additional Australian investment the grant will leverage, including any co-investment from your entity, other levels of government or project partners

d. any international investment the grant will leverage, including any co-investment from international governments or international project partners.

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.

You can only submit an application during a funding round.

To apply, you must:

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

You should retain a copy of your application for your own records.

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

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

If you need further guidance around the application process, or if you are unable to submit an application online, contact us at business.gov.au 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
- accountant declaration (template provided on business.gov.au.au and GrantConnect)
- 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
- a letter of intent to form a consortium for the project (where your project will be forming a consortium)
- 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. 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 other 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 an arrangement in place with all parties prior to execution of the grant agreement. For consortiums we require a letter of intent as evidence of this arrangement.

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 February 2022.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	7 weeks
Approval of outcomes of selection process	4 weeks
Negotiations and award of grant agreements	1-3 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	February 2022
End date of grant commitment	30 June 2031

8. The grant selection process

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

We consider your application on its merits, based on:

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

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

- the overall objectives of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant sought
- 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[5], 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.

We refer your application to an independent Committee of experts. Committee members will be selected based on their technical, industry and policy expertise in the field of CCUS, the energy and resources sector and business commercialisation experience. The Committee may also seek additional advice from independent technical experts.

- the Committee will assess your application against the assessment criteria and compare it to other eligible applications before providing advice on which projects to fund.

[5] Subject to national security and other considerations.

- 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.
- 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 for Energy and Emissions Reduction 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.

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. You can submit a new application for the same (or similar) project in any potential future funding rounds. 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.

10. Successful grant applications

10.1. Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. We use two types of grant agreements in this program. Our selection will depend on the size and complexity of your project. Each grant agreement has general terms and conditions that cannot be changed. Sample grant agreements are available on business.gov.au and GrantConnect. The grant agreement has general terms and conditions that cannot be changed. A sample grant agreement is available on business.gov.au and GrantConnect.

We must execute a grant agreement with you before we can make any payments. Execute means both you and the Commonwealth have signed the agreement. You must not start any project activities 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.

If you enter an agreement under the CCUS Hubs Stream, you cannot receive other grants for the same activities from other Commonwealth granting programs.

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

We will use a standard grant agreement.

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

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

10.2. Project specific legislation, policies and industry standards

You must comply with all relevant laws and regulations in undertaking your project. You must also comply with the specific legislation/policies/industry standards that follow. It is a condition of the grant funding 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 land use and environmental management
- Commonwealth, state or territory legislation in relation to CCUS activities

10.2.1. 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) [6]
- Australian Government Building and Construction WHS Accreditation Scheme (WHS Scheme)[7]

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

10.2.1.1. 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.[8]

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.

10.2.1.2. WHS Scheme

The WHS Scheme is administered by the Office of the Federal Safety Commissioner[9].

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[6] https://www.abcc.gov.au/building-code/building-code-2016

[7] http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme

[8] https://www.abcc.gov.au/

[9] http://www.fsc.gov.au/sites/FSC

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

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

10.3. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (grant percentage)
- any in-kind contributions you will make
- any financial contribution provided by you or a third party.

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

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

10.4. Tax obligations

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period. GST does not apply to grant payments to government related entities[10].

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

10.5. Australian Industry Participation (AIP) Plan

Where you are approved to receive $20 million or more in grant funding from the Commonwealth, you must develop a SmartForm Australian Industry Participation plan ('AIP plan') in accordance with the AIP policy. The AIP plan must be approved by the department prior to entering into a grant agreement with the Commonwealth.

We will publish an executive summary of the approve AIP plan at www.industry.gov.au/aip once the grant agreement has been executed.

You are required to complete and submit Implementation Report(s) to the Commonwealth showing how you have implemented the AIP plan. More information on AIP plan requirements can be found at www.industry.gov.au/aip.

[10] See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au

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, the co-investment the grant has leveraged and estimated jobs that will be created
- 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
- provide data and evidence, as required
- 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
- provide data and evidence, as required
- 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 and GrantConnect.

12.4. Compliance visits

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

12.5. Grant agreement variations

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

- changing project milestones
- extending the timeframe for completing the project but within the maximum 10 year period
- changing project activities

The program does not allow for:

- an increase of grant funds.

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

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

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

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

12.6. Evaluation

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

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

12.7. Grant acknowledgement

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

'This project received grant funding from the Australian Government.'

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. 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))[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.

13.2. 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

[11] https://www.legislation.gov.au/Details/C2019C00057

[12] 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[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.

13.2.4. Freedom of information

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

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

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

[13] 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. Disclosure of Commonwealth financial penalties

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

13.5. Enquiries and feedback

For further information or clarification, you can contact us on 13 28 46 or by web chat or through our online enquiry form on business.gov.au.

We may publish answers to your questions on our website as Frequently Asked Questions.

Our Customer Service Charter is available at business.gov.au. We use customer satisfaction surveys to improve our business operations and service.

If you have a complaint, call us on 13 28 46. We will refer your complaint to the appropriate manager.

If you are not satisfied with the way we handle your complaint, you can contact:

Head of Division
AusIndustry
Department of Industry, Science, Energy and Resources
GPO Box 2013
CANBERRA ACT 2601

You can also contact the Commonwealth Ombudsman[14] with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

[14] http://www.ombudsman.gov.au/

14. Glossary

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
AusIndustry	The division of the same name within the department.
Department	The Department of Industry, Science, Energy and Resources.
Carbon utilisation	Transformation of carbon dioxide to create economically viable products, such as fuels, chemicals and building materials.
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.
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.
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.
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.
Industry Innovation and Science Australia	The statutory board established by the *Industry Research and Development Act 1986* (Cth) and named in that Act as Innovation and Science Australia.
Minister	The Commonwealth Minister for Energy and Emissions Reduction

Term	Definition
Non-income-tax-exempt	Not exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997* (Cth) or under Division 1AB of Part III of the *Income Tax Assessment Act 1936* (Cth).
Personal information	Has the same meaning as in the *Privacy Act 1988* (Cth) which is: Information or an opinion about an identified individual, or an individual who is reasonably identifiable: 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	An AusIndustry general manager within the department with responsibility for the program.
Program funding or Program funds	The funding made available by the Commonwealth for the program.
Project	A project described in an application for grant funding under the program.
Publicly funded research organisation (PFRO)	All higher education providers listed at Table A and Table B of the *Higher Education Support Act 2003* (Cth)
Techno-economic assessment (TEA)	A techno-economic assessment or techno-economic analysis (TEA) is a method of analysing the economic performance of an industrial process, product, or service. It typically uses software modelling to estimate capital cost, operating cost, and revenue based on technical and financial input parameters.

Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

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

To be eligible, expenditure must:

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

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.

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 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, contractor, 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.3 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:

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

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.4 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.5 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.6 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 activities related to your project.
- staff training that directly supports the achievement of project outcomes
- financial auditing of 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% 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, 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 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:

- CCUS costs incurred once your project has commenced commercial operations
- 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
- 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)
- costs such as rental, renovations and utilities
- project proponent's salaries
- 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 site
- site preparation activities which are not directly related to, or for, the main purpose of the agreed project
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of manufacturing production inputs
- 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.