# Maintaining Our Supply of Diesel Exhaust Fluid Program

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| --- | --- |
| Opening date: | 6 December 2022 |
| Closing date and time: | 5pm Australian Eastern Daylight Time on 28 February 2023Please take account of time zone differences when submitting your application. |
| Commonwealth policy entity: | Department of Climate Change, Energy, the Environment and Water (DCCEEW) |
| Administering entity: | Department of Industry, Science and Resources (DISR) |
| Enquiries: | If you have any questions, contact us on 13 28 46. |
| Date guidelines released: | 6 December 2022 |
| Type of grant opportunity: | Open competitive |

Contents

1. Maintaining Our Supply of Diesel Exhaust Fluid Program processes 4

2. About the grant program 5

2.1. About the Maintaining Our Supply of Diesel Exhaust Fluid grant opportunity 5

3. Grant amount and grant period 6

3.1. Grants available 6

3.2. Project period 6

4. Eligibility criteria 6

4.1. Who is eligible? 6

4.2. Additional eligibility requirements 7

4.3. Who is not eligible? 7

5. What the grant money can be used for 7

5.1. Eligible activities 7

5.2. What you cannot use the grant for 8

5.3. Eligible expenditure 8

6. The assessment criteria 8

6.1. Assessment criterion 1 8

6.2. Assessment criterion 2 9

6.3. Assessment criterion 3 9

7. How to apply 9

7.1. Attachments to the application 10

7.1.1. Project plan 10

7.2. Joint applications 11

7.3. Timing of grant opportunity 11

8. The grant selection process 11

8.1. Who will approve grants? 12

9. Notification of application outcomes 12

10. Successful grant applications 13

10.1. Grant agreement 13

10.2. Project specific legislation, policies and industry standards 13

10.2.1. Building and construction requirements 13

10.2.1.1. Building Code 14

10.2.1.2. WHS Scheme 14

10.3. How we pay the grant 14

10.4. Tax obligations 15

11. Announcement of grants 15

12. How we monitor your grant activity 15

12.1. Keeping us informed 15

12.2. Reporting 16

12.2.1. Progress reports 16

12.2.2. End of project report 16

12.2.3. Ad-hoc reports 16

12.3. Independent audits 16

12.4. Compliance visits 17

12.5. Grant agreement variations 17

12.6. Evaluation 17

12.7. Grant acknowledgement 17

13. Probity 18

13.1. Conflicts of interest 18

13.2. How we use your information 18

13.2.1. How we handle your confidential information 19

13.2.2. When we may disclose confidential information 19

13.2.3. How we use your personal information 19

13.2.4. Freedom of information 20

13.3. National security 20

13.4. Enquiries and feedback 20

14. Glossary 21

Appendix A. Eligible expenditure 24

A.1 How we verify eligible expenditure 24

A.2 Plant and equipment expenditure 24

A.3 Labour expenditure 25

A.4 Labour on-costs and administrative overhead 26

A.5 Contract expenditure 26

A.6 Other eligible expenditure 27

Appendix B. Ineligible expenditure 28

## Maintaining Our Supply of Diesel Exhaust Fluid Program processes

**The Maintaining Our Supply of Diesel Exhaust Fluid Program is designed to achieve Australian Government objectives**

This grant opportunity is part of the above grant program which contributes to the Department of Climate Change, Energy, the Environment and Water (DCCEEW) Program 1.3 – Outcome 1 – Energy. The DCCEEW works with stakeholders to plan and design the grant program according to the [*Commonwealth Grants Rules and Guidelines*.](https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines)



**The grant opportunity opens**

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



**You complete and submit a grant application**

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



**We assess all grant applications**

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

 We assess eligible applications against the assessment criteria including an overall consideration of value with relevant money and compare it to other eligible applications.



**We make grant recommendations**

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



**Grant decisions are made**

The decision maker decides which applications are successful.



**We notify you of the outcome**

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



**We enter into a grant agreement**

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



**Delivery of grant**

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



**Evaluation of the Maintaining Our Supply of Diesel Exhaust Fluid Program**

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

## Introduction

These guidelines contain information for the Maintaining Our Supply of Diesel Exhaust Fluid program.

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 and Resources (the department/DISR) is responsible for administering this grant opportunity on behalf of Department of Climate Change, Energy, the Environment and Water (DCCEEW).

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

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

### About the Maintaining Our Supply of Diesel Exhaust Fluid grant opportunity

The Maintaining Our Supply of Diesel Exhaust Fluid Program (the program) will run over 4 years from 2022-23 to 2025-26. The program is part of the Australian Government’s $49.5 million comprehensive investment to enhance resilience of the domestic Diesel Exhaust Fluid (DEF) market.

Modern diesel engine technology will not operate without DEF. It is used to control nitrogen oxide pollutants which are harmful to human health and the environment. DEF is manufactured by blending Technical Grade Urea (TGU) with de-ionised water.

Australia is reliant on imports of TGU from the global market for the domestic production of DEF. In late 2021 and early 2022, global supply pressures highlighted limited flexibility in the TGU market in Australia. This had the potential to cause harmful economic impacts through disruption of Australia’s diesel dependent transport and logistics system – in particular heavy trucking and other modern diesel engines that require DEF to operate.

The competitive grants program is one of three measures the government is implementing to enhance the resilience of the DEF market. The other two measures include:

* a government controlled strategic stockpile of 7500 tonnes of TGU providing an additional five weeks of supply beyond industry stock levels in case of a supply shortage
* a system for collection and publication of data provided by industry to improve market transparency.

Further information on the government’s fuel security measures is at: <https://www.energy.gov.au/government-priorities/energy-security/australias-fuel-security-package>

The objectives of the competitive grants program are:

* to support sovereign capability in manufacturing to produce TGU for the domestic DEF market in the period 2023 to mid-2026
* produce TGU that is compliant with the ISO 22241 specification for the production of DEF, or as certified by Original Equipment Manufacturers (OEMs) for use as a DEF.

The intended outcomes of the program are:

* build resilience in Australia to withstand a TGU supply disruption
* diversify Australia’s TGU supply beyond imports and augmenting supply capacity with domestic production during a disruption.

We administer the program according to the [*Commonwealth Grants Rules and Guidelines* (CGRGs)](https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines)[[1]](#footnote-2).

## Grant amount and grant period

The Australian Government has announced a total of $16.15 million in administered grant funding over four years from 2022-23 to 2025-26 for the program.

### Grants available

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

There is no minimum or maximum grant amount, but grants cannot exceed $16.15 million of available funds.

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

No more than 50 per cent of your total eligible project expenditure can be funded from other Commonwealth, state, territory and local government grants.

### Project period

The maximum project period is 36 months.

You must complete your project by 30 April 2026.

## Eligibility criteria

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

### Who is eligible?

To be eligible you must:

* have an Australian Business Number (ABN)
* 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 an Australian lead organisation who has overall responsibility to deliver the project and is eligible to apply. For further information on joint applications, refer to section 7.2.

### Additional eligibility requirements

We can only accept applications:

* where you provide an accountant declaration that confirms you can fund your share of the project costs, including any ineligible expenditure. You must use the accountant declaration template available on [business.gov.au](https://business.gov.au/) and [GrantConnect](http://www.grants.gov.au).

We cannot waive the eligibility criteria under any circumstances.

### 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](http://www.nationalredress.gov.au/) on the list of ‘Institutions that have not joined or signified their intent to join the Scheme’
* an employer of 100 or more employees that has [not complied](https://www.wgea.gov.au/what-we-do/compliance-reporting/non-compliant-list) with the Workplace Gender Equality Act (2012).
* income tax exempt
* an individual
* a partnership
* a Regional Development Australia Committee
* an unincorporated association
* any organisation not included in section 4.1
* a trust (however, an incorporated trustee may apply on behalf of a trust)
* a Commonwealth, State, Territory or local government body (including government business enterprises)
* a non-corporate Commonwealth entity.

## What the grant money can be used for

### Eligible activities

To be eligible your project must:

* be a new project, which has not already commenced
* be for domestic manufacture and supply to the Australian market of TGU, TGU-equivalent product or DEF from domestic feedstocks (e.g. natural gas, ammonia, CO2), or imported feedstocks which are reliably available in Australia

and

* produce TGU which meets the ISO 22241 specification for the production of DEF, or;
* produce a TGU-equivalent product that demonstrates it can be used commercially as a DEF either, as specified in compliance with ISO 22241, or as certified by OEMs for use as a DEF.

### What you cannot use the grant for

Activities that are not eligible are:

* business as usual activities associated with blending TGU to produce DEF.

### 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, refer to appendix A.
* For guidance on ineligible expenditure, refer to appendix B.

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

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

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

## The assessment criteria

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

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

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

### Assessment criterion 1

Project alignment with program objectives (50 points)

You should demonstrate this by identifying:

1. the extent to which your project will deliver domestic capability to manufacture and supply TGU, TGU-equivalent product or DEF from domestic feedstocks (including natural gas, ammonia, CO2) between 2023 and 2026.
2. how your project will contribute to increasing DEF security, including how the project will offer advantages such as:
* the geographical location of the facility and proximity and connections to existing DEF infrastructure and supply chains, including (but not limited to) transport infrastructure such as warehouses, ports, freight distribution centres and DEF blending, packaging and storage
* other existing and/or planned infrastructure and economic activity that the DEF manufacturing facility will support
* retaining and strengthening sovereign manufacturing capacity and capability.
1. how your project will benefit the DEF market, including contributing to resilience in the Australian market and enhancing security and competition.

### Assessment criterion 2

**Capacity, capability and resources to deliver the project (40 points)**

You should demonstrate this by identifying:

1. your track record, and your project partner/s track record (if you have project partners), to successfully manage and deliver similar projects (including project budget and scale)
2. key personnel including your commitment to professional excellence and experience, including relevant accreditations, quality management systems, standards and/or benchmarks
3. your resources, physical resources and facilities that you will use to deliver the project including your access, and future access to, any land, infrastructure, capital equipment, technology, intellectual property and required regulatory or other approvals required to deliver the project
4. your plan for managing the project, including implementation methodology, timeframes, risk management and maintaining the benefits of your project beyond the program funding.

A detailed project plan and budget must be attached to support your response to this assessment criterion (refer to 7.1.1).

### Assessment criterion 3

**Impact of grant funding for your project (10 points)**

You should demonstrate this by identifying the:

1. likelihood your project would not proceed without the grant
2. positive impact the grant will have on the scale or timing of the project
3. total investment your project will leverage.
4. number of full-time, part-time and contract staff you will employ as a direct result of this project, including information on location of jobs and any indigenous employment.

## How to apply

Before applying you should read and understand these guidelines, the sample [application form](https://business.gov.au/grants-and-programs/maintaining-our-supply-of-diesel-exhaust-fluid-program#key-documents) and the sample [grant agreement](https://business.gov.au/grants-and-programs/maintaining-our-supply-of-diesel-exhaust-fluid-program#key-documents) 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](https://portal.business.gov.au/).

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 Program Delegate. Additional information should not materially change your application at the time it was submitted and therefore may be refused if 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](https://www.business.gov.au/contact-us) at business.gov.au or by calling 13 28 46.

### Attachments to the application

You must provide the following documents with your application:

* project plan
* project budget
* a letter of support from each of the project partners (where applicable)
* accountant declaration (template provided on business.gov.au.au and [GrantConnect](http://www.grants.gov.au))
* 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.

#### Project plan

Your project plan should contain the following in order to be competitive:

* a summary of your project including key objectives and outcomes
* a background of your organisation and your key management staff
* scope of the project and overview of project activities, including milestones
* a breakdown of roles and responsibilities
* a communication plan identifying key stakeholders
* a risk management framework identifying risks, impacts and mitigation strategies.
* timeframes for TGU production and delivery to the Australian market and any assumptions that would affect this
* estimated production volumes and any existing or expected offtake plans for the product, including evidence of offtake agreements with customers, sales and marketing plans
* commercial readiness of the project and if you are using proven technology.
* if you are creating novel technology
	+ plans to protect your intellectual property (which may include licensing or trademarking)
	+ how you intend to test commercial acceptance of the product produced.

### 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.

### Timing of grant opportunity

You can only submit an application between the published opening and closing dates. We cannot accept late applications.

Table 1: Expected timing for this grant opportunity

| Activity | Timeframe |
| --- | --- |
| Assessment of applications | 6 weeks |
| Approval and announcement of successful applicants  | 3 weeks  |
| Negotiations of grant agreements | 5 weeks  |
| Notification to unsuccessful applicants | 2 weeks  |
| Earliest start date of project | The date we notify you that your application is successful |
| Project completion date | 30 April 2026 |
| End date of grant commitment  | 30 June 2026 |

## The grant selection process

We review your application against the eligibility criteria.

We will establish a committee comprised of members from Australian Government agencies.

If eligible, the committee will then assess your application against the assessment criteria. Only eligible applications will proceed to the assessment stage. The committee may also seek additional advice from independent technical experts. Any expert, who is not a Commonwealth Official, will be required to perform their duties in accordance with the CGRGs.

The committee will consider your application on its merits, based on:

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

When assessing whether the application represents value with relevant money, the committee 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.

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

The committee consider the spread of projects nationally to support Australia’s DEF security needs, which includes retaining and strengthening sovereign manufacturing capacity and capability.

The committee will make recommendations to the Minister on which projects to fund. The committee will be required to perform their duties in accordance with the CGRGs.

### Who will approve grants?

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

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

* the 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.

## 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.

## Successful grant applications

### Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. The grant agreement has general terms and conditions that cannot be changed. We will use a standard Commonwealth grant agreement. A sample [grant agreement](https://business.gov.au/grants-and-programs/maintaining-our-supply-of-diesel-exhaust-fluid-program#key-documents) is available on business.gov.au and GrantConnect.

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

Execute means both you and the Commonwealth have accepted the agreement. We are not responsible for any expenditure you incur and cannot make any payments until a grant agreement is executed.

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

If you enter an agreement under the Maintaining Our Supply of Diesel Exhaust Fluid Program, you cannot receive other grants for the same activities from other Commonwealth, State or Territory granting programs.

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

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

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

### Project 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 and/or local government planning laws and regulations

#### 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 Amendment Instrument 2022* ([Building Code 2022](https://www.abcc.gov.au/building-code/building-code-2016)) [[2]](#footnote-3)
* Australian Government Building and Construction WHS Accreditation Scheme ([WHS Scheme](http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme))[[3]](#footnote-4)

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

##### 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](https://www.abcc.gov.au/).[[4]](#footnote-5)

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.

##### WHS Scheme

The WHS Scheme is administered by the [Office of the Federal Safety Commissioner](http://www.fsc.gov.au/sites/FSC)[[5]](#footnote-6).

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).

### 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 including participation in the Supplier Working Group and provision of monthly diesel exhaust fluid market transparency reporting to urea@industry.gov.au.

### 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[[6]](#footnote-7).

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](https://www.ato.gov.au/). We do not provide advice on tax.

## 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*](https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-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.

## How we monitor your grant activity

### 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.

### Reporting

You must submit reports in line with the [grant agreement](file://prod.protected.ind/User/user03/LLau2/insert%20link%20here). 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.

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.

It is expected you will be a member of the Supplier Working Group and will participate in monthly diesel exhaust fluid market transparency reporting to urea@industry.gov.au.

#### 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.

#### 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.

#### 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.

### 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.

### 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. We will provide you with reasonable notice of any compliance visit.

### 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 time period allowed in program guidelines 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 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.

### Evaluation

We will evaluate the grant program 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.

### 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.

## 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.

### Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity or program. There may be a [conflict of interest](http://www.apsc.gov.au/publications-and-media/current-publications/aps-values-and-code-of-conduct-in-practice/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))](https://www.legislation.gov.au/Details/C2019C00057)[[7]](#footnote-8) 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](https://www.industry.gov.au/sites/g/files/net3906/f/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf)[[8]](#footnote-9) on thedepartment’s website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

###  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.

#### 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.

#### When we may disclose confidential information

We may disclose confidential information:

* to the committee and our Commonwealth employees and contractors, to help us manage the program effectively
* to the Auditor-General, Ombudsman or Privacy Commissioner
* to the responsible Minister or Assistant Minister
* to a House or a Committee of the Australian Parliament.

We may also disclose confidential information if

* we are required or authorised by law to disclose it
* you agree to the information being disclosed, or
* someone other than us has made the confidential information public.

#### 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](https://www.industry.gov.au/data-and-publications/privacy-policy)[[9]](#footnote-10) 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.

#### 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.

### 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.

### Enquiries and feedback

For further information or clarification, you can contact us on 13 28 46 or by [web chat](https://www.business.gov.au/contact-us) or through our [online enquiry form](http://www.business.gov.au/contact-us/Pages/default.aspx) on business.gov.au.

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

Our [Customer Service Charter](https://www.business.gov.au/about/customer-service-charter) is available at [business.gov.au](http://www.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:

General Manager
Business Grants Hub

Department of Industry, Science and Resources

GPO Box 2013
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](http://www.ombudsman.gov.au/)[[10]](#footnote-11) with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

## Glossary

| **Term** | **Definition** |
| --- | --- |
| Administering entity | The entity that is not responsible for the policy however is responsible for the administration of part or all of the grant administration processes. |
| Application form | The document issued by the Program Delegate that applicants use to apply for funding under the program. |
| Assessment criteria | The specified principles or standards, against which applications will be judged. These criteria are also used to assess the merits of proposals and, in the case of a competitive grant opportunity, to determine application ranking. |
| Business as Usual (BAU) | The normal execution of standard functional operations within an organisation |
| Department  | The Department of Industry, Science and Resources. |
| Decision maker | The person who makes a decision to award a grant. |
| Diesel Exhaust Fluid (DEF) | Diesel Exhaust Fluid is a liquid used to reduce the amount of air pollution created by a diesel engine. Specifically, DEF is an aqueous urea solution made with 32.5% urea and 67.5% deionized water. DEF is consumed in a selective catalytic reduction (SCR) emission control system that lowers the concentration of nitrogen oxides (NO*x*) in the diesel exhaust emissions from a diesel engine. |
| Committee  | The body established by the Minister to consider and assess eligible applications and make recommendations to the Minister for funding under the program. |
| Commonwealth Grants Rules and Guidelines (CGRGs) | The [*Commonwealth Grants Rules and Guidelines* (CGRGs)](https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines)[[11]](#footnote-12) establish the Commonwealth grants policy framework. The CGRGs contain the key legislative and policy requirements, and explain the better practice principles of grants administration. |
| 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 5.3. |
| 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](http://www.grants.gov.au/) | 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. |
| Minister | The Australian Government Minister for Climate Change, Energy, the Environment and Water. |
| 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). |
| OEM | Original Equipment Manufacturer |
| 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:whether the information or opinion is true or not; andwhether the information or opinion is recorded in a material form or not. |
| Program Delegate | A 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. |
| Technical Grade Urea (TGU) | TGU is an organic amide molecule containing 46% nitrogen in the form of amine groups. It is not treated with formaldehyde and has a very low Biuret content. It is compatible with the ISO 22241 specification for the production of AdBlue®/AUS32/ARLA32 solutions. |
| TGU-equivalent  | A product which can be used to produce Diesel Exhaust Fluid. Must demonstrate it can be used commercially as a DEF either, as specified in compliance with ISO 22241, or as certified by OEMs for use as a DEF. |

1. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time; check you are referring to the most current version from the [business.gov.au](https://www.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, or your project partners, within the project period
* be a direct cost of the project
* be incurred by you, or your project partners, to undertake required project audit activities (where applicable)
* meet the eligible expenditure guidelines.
	1. How we verify eligible expenditure

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

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

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

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

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

* 1. Plant and equipment expenditure

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.

* 1. 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.

* 1. Labour on-costs and administrative overhead

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

You should calculate eligible salary costs using the formula below:

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.
	1. 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.

* 1. 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 manufacturing process.
* staff training that directly supports the achievement of project outcomes
* financial auditing of project expenditure, the cost of an independent audit of project expenditure (where we request one) up to a maximum of 1 per cent of total eligible project expenditure
* costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
* contingency costs up to a maximum of 10 per cent of the eligible project costs. Note that we make payments based on actual costs incurred.

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

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

1. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure. We may update this guidance from time to time; check you are referring to the most current version from the [business.gov.au](https://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:

* TGU or DEF stock produced in the facility or related packaging and transport
* feasibility studies
* ongoing maintenance or servicing of the facility
* research activities (other than design and engineering activities) 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 successful
* business as usual activities
* financing costs, including interest
* capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers
* 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
* infrastructure development costs, including development of road, rail, port or fuel delivery networks beyond the manufacturing site
* site preparation activities which are not directly related to, or for, the main purpose of transitioning to higher value and/or niche manufacturing
* 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 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.

1. <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines> [↑](#footnote-ref-2)
2. <https://www.abcc.gov.au/building-code/building-code-2016> [↑](#footnote-ref-3)
3. <http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme> [↑](#footnote-ref-4)
4. <https://www.abcc.gov.au/> [↑](#footnote-ref-5)
5. <http://www.fsc.gov.au/sites/FSC> [↑](#footnote-ref-6)
6. See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au [↑](#footnote-ref-7)
7. https://www.legislation.gov.au/Details/C2019C00057 [↑](#footnote-ref-8)
8. <https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect> [↑](#footnote-ref-9)
9. <https://www.industry.gov.au/data-and-publications/privacy-policy> [↑](#footnote-ref-10)
10. <http://www.ombudsman.gov.au/> [↑](#footnote-ref-11)
11. <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines> [↑](#footnote-ref-12)