



Australian Government

Department of Industry, Science and Resources

## Grant Opportunity Guidelines

# Critical Technologies Challenge Program: Round 2 – Stage 1 Feasibility

<b>Opening date:</b>	15 January 2025
<b>Closing date and time:</b>	5.00pm Australian Eastern Daylight Time on 26 February 2025 Please take account of time zone differences when submitting your application.
<b>Commonwealth policy entity:</b>	Department of Industry, Science and Resources (DISR)
<b>Administering entity:</b>	Department of Industry, Science and Resources (DISR)
<b>Enquiries:</b>	If you have any questions, contact us on 13 28 46.
<b>Date guidelines released:</b>	12 December 2024
<b>Type of grant opportunity:</b>	Open competitive

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# 1. Critical Technologies Challenge Program: Round 2 – Stage 1 Feasibility processes

## **The Critical Technologies Challenge Program is designed to achieve Australian Government objectives**

This grant opportunity is part of the above grant program which contributes to the Department of Industry, Science and Resources' (the department/DISR/we) Outcome 1: Support economic growth, productivity and job creation for all Australians by investing in science and technology, growing innovative and competitive businesses, industries and regions, and supporting a strong resources sector. The department works with stakeholders to plan and design the grant program according to the [Commonwealth Grants Rules and Principles \(CGRPs\)](#).



## **The grant opportunity opens**

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



## **You complete and submit a grant application**

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



## **We assess all grant applications**

We assess the applications against eligibility criteria and notify you if you are not eligible. The Committee 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 will be proportional to the risks involved.



## **Delivery of grant**

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



**Evaluation of the Critical Technologies Challenge Program**

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

## 1.1. Introduction

These guidelines contain information for the Critical Technologies Challenge Program: Round 2 – Stage 1 Feasibility grants.

This document sets out:

- the purpose of the grant program/grant opportunity
- 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.

This grant opportunity and process will be administered by the Department of Industry, Science and Resources (the department/DISR/we).

We have defined key terms used in these guidelines in the glossary at section 15.

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

## 2. About the grant program

The Critical Technologies Challenge Program (the program) will run from 2024-25 to 2026-27. The program commences delivery of Action 1.1 of the National Quantum Strategy<sup>1</sup> and is an element of the Growing Australia's Critical Technologies Industries budget measure announced in the 2023-2024 budget.

The program will test solutions to market-led challenges of national significance using quantum technologies, potentially in conjunction with other advanced technologies, and accelerate quantum technologies from an early-readiness phase when private capital is hard to secure. The program will drive greater awareness and uptake of quantum technologies in Australia by creating stronger ties between quantum researchers, quantum businesses and technology end-users across the economy. It will also demonstrate Australian capability, drive private sector demand and de-risk adoption of quantum technology across the economy.

The objectives of the program are:

- build productive collaboration between researchers and businesses by supporting co-designed projects that focus on market-led challenges that can be solved by quantum technologies
- accelerate the commercialisation of quantum technologies by supporting promising projects in the early stages of technological readiness when private investment is difficult to source
- de-risk the adoption of quantum technologies to solve nationally significant challenges across the economy (including sectors as diverse as manufacturing, healthcare, environment and agriculture)
- foster gender equity and Aboriginal and Torres Strait Islander (First Nations) peoples' participation in the quantum industry.

The intended outcomes of the program are:

- the harnessing of Australia's strong quantum research base through strategic partnerships between research and industry that deliver innovative solutions

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<sup>1</sup>National Quantum Strategy - <https://www.industry.gov.au/sites/default/files/2023-05/national-quantum-strategy.pdf>

- stronger commercialisation pathways for the application of quantum technology research, resulting in new Australian developed quantum products in the market
- greater interest in the Australian quantum industry from investors
- greater adoption of quantum technologies, through the development of use cases that promote the transformative benefits of quantum technologies and their ability to solve national challenges
- greater domestic demand for quantum technologies in Australia
- greater retention and attraction of quantum capability and talent in Australia
- increased diversity and participation in the quantum industry in Australia
- increased opportunities for First Nations peoples to benefit from quantum technologies and participate in this grant opportunity and the industry more broadly.

Solutions may also include component(s) that contribute to solving challenges of national significance.

There will be two grant opportunities as part of this program, the Stage 1 Feasibility grant opportunity and the Stage 2 Demonstrator grant opportunity. You can only apply for the Stage 2 Demonstrator grant opportunity if you are invited to do so following completion of a Stage 1 Feasibility grant.

We administer the program according to the [Commonwealth Grants Rules and Principles \(CGRPs\)](#)<sup>2</sup>.

The program is delivered in two stages:

<p><b>STAGE 1 FEASIBILITY GRANTS</b></p>	<p>Applicants propose a quantum technology solution or component(s) that contributes to solving a nationally significant challenge and provide a detailed Feasibility project that will test and demonstrate the technical viability of that solution. The solution may involve the use of other advanced technologies such as artificial intelligence and robotics.</p> <p>The maximum grant for each Feasibility project is \$500,000, with a maximum project period of 6 months.</p> <p>Following completion of Feasibility projects, the department will invite a number of applicants to apply for a Stage 2 Demonstrator grant.</p>
<p><b>STAGE 2 DEMONSTRATOR GRANTS</b></p>	<p>Only applicants that complete a Stage 1 Feasibility grant will be invited to submit an application for a Stage 2 Demonstrator grant.</p> <p>Funding of up to \$5 million is available for each Demonstrator project, with a maximum project period of 15 months.</p> <p>The purpose of Demonstrator projects is to support applicants to build on their Feasibility project and produce working prototypes or demonstrations.</p>

<sup>2</sup> <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-and-principles-2024>

## 2.1. About the Critical Technologies Challenge Program: Round 2 – Stage 1 Feasibility grant opportunity

The objective of the Feasibility grant opportunity (stage 1 of the program) is to investigate how quantum technologies can provide an innovative solution to a market-led nationally significant challenge, in line with the broader objectives of the program, as outlined in section 2 above.

The intended outcomes of the Stage 1 Feasibility grant opportunity are:

- validate the feasibility of the proposed solution for the development of a Demonstrator project
- expand collaboration networks and partnerships in the quantum sector.

## 2.2. Technology Readiness Levels

Stage 1 Feasibility project proposals with technologies commencing at Technology Readiness Level (TRL) 4 and aiming to achieve a minimum of TRL 5 are required.

For Stage 1 Feasibility, TRL 4 and 5 projects would be expected to determine the feasibility of new and/or repurposed technologies that have already established their generic proof of concept and are anticipated to provide a solution to one of the challenges outlined in section 3 or a component(s) that contributes to solving the challenge. This includes verifying the technology works through small-scale laboratory testing and assessing in a relevant environment, where this is appropriate.

A description of each TRL from level 1 to 9 is provided in Appendix C.

## 2.3. Quantum Technologies

The [National Quantum Strategy](#) describes quantum technology as follows:

*Quantum science describes the behaviour of matter and light on the atomic and subatomic scale. Quantum behaviours – particularly quantisation, superposition, and entanglement - can be used to build advanced technologies that would otherwise seem impossible.*

*Quantum technologies are developing rapidly with researchers regularly identifying new applications. While some quantum technologies like computing are still emerging, others are already in everyday use. Australia has led breakthroughs in areas such as:*

- *quantum theory*
- *quantum optics*
- *semiconductor and superconducting devices*
- *atomic physics*
- *precision timing and sensing*
- *cybersecurity.*

**Accordingly, for the purposes of this opportunity, quantum technology is technology whose functionality employs quantum behaviours, such as quantisation, quantum entanglement, superposition, and quantum tunnelling.**

# 3. Challenges

The challenges for the Critical Technologies Challenge Program: Round 2 are:

- Improve biosecurity outcomes by enhancing the detection of invasive pests or diseases, and cargo inspection processes



- Improve life expectancy, health outcomes and access to health technology for First Nations peoples
- Optimise transport routes, logistics and supply chain operations
- Optimise the performance, sustainability, and security of energy networks.

You must identify both the challenge you wish to address and the potential solution or component(s) that contributes to the solution that you wish to test feasibility for as part of your application. If your proposed Feasibility project will be testing a component(s), you must also identify how and to what degree it will contribute to the overall solution to the identified challenge.

For further guidance, please refer to the Applicant Information Package provided at [business.gov.au](https://business.gov.au) and [GrantConnect](#).

## 4. Grant amount and grant period

### 4.1. Grants available

The Australian Government has announced a total of \$35.924 million over 3 financial years for the program. Up to \$5.25 million is available for the Stage 1 Feasibility grants in Round 2.

- The minimum grant amount is \$100,000.
- The maximum grant amount is \$500,000.

The Stage 1 Feasibility grant amount will be up to 100% of eligible expenditure.

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

You can apply for multiple projects across the same or different challenges, but the lead applicant can only receive grant funding for one project per challenge in this round. You must submit a separate application for each project for which you wish to apply. A project partner may be involved in more than one successful project, provided they have the capacity to do so.

We cannot fund your project if it receives funding from another Commonwealth government grant.

You can apply for a grant for your project under more than one Commonwealth program, but if your application is successful, you must choose either the Critical Technologies Challenge Program Stage 1 Feasibility grant or the other Commonwealth grant. If your project has received funding through a previous round of the Critical Technologies Challenge Program, your project for this round must be different to be considered eligible.

### 4.2. Project period

The maximum project period is 6 months.

You must complete your project by February 2026.

## 5. Eligibility criteria

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

### 5.1. Who is eligible to apply for a grant?

Applications must be on behalf of a joint (consortia) collaboration with an eligible lead applicant who is the main driver of the project.

Only an eligible lead applicant can apply for grant funding on behalf of consortia project partners. Further details on consortia can be found in sections 5.2 and 8.2.

Critical Technology Challenge Program Round 1 applicants are eligible to apply under Round 2 of the program.

To be eligible as the lead applicant you must:

- have an Australian Business Number (ABN)
- be registered for the Goods and Services Tax (GST); and
- be an entity, incorporated in Australia.

## 5.2. Joint (consortia) application eligibility requirements

We can only accept applications:

- from consortia with a minimum of two project participants, inclusive of the lead applicant
- where your consortia includes, and agrees to maintain for the duration of the project, amongst its project participants at least:
  - one Australian industry-based partner; and
  - one Australian research organisation (as defined in section 15)
- where you provide a letter of support for each project partner in your consortia using the template provided on [business.gov.au](https://business.gov.au) and [GrantConnect](#).

Entities that are eligible to be a lead applicant are also eligible to be project partners.

Consortia which include international organisations as project partners are welcome to apply. We encourage applicants to consider inclusion of a First Nations organisation as a project partner (refer to the [Applicant Information Package](#) for further guidance).

Entities that are eligible to participate as project partners, but not as the lead applicant, include, but are not limited to:

- research organisations
- international organisations
- unincorporated associations
- trusts or an incorporated trustee on behalf of a trust
- Commonwealth, state, territory or local government bodies (including government business enterprises)
- non-corporate Commonwealth entities
- corporate Commonwealth entities.

For further information on joint (consortia) applications, refer to section 8.2.

We cannot waive the eligibility criteria under any circumstances.

Consortia applications for Stage 2 Demonstrator grants will require a minimum of three project participants including the lead applicant.

## 5.3. Who is not eligible to apply for a grant?

You are not eligible to apply if you are an organisation, or your project partner is an organisation, which is:

- included on the [National Redress Scheme's website](#) on the list of 'Institutions that have not joined or signified their intent to join the Scheme'
- an employer of 100 or more employees that has [not complied](#) with the *Workplace Gender Equality Act (2012)*.

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

### 6.1. Eligible grant activities

To be eligible your project must:

- be aimed at testing the feasibility of using quantum technology to solve one of the challenges (or component(s) that contribute to solving a challenge) provided in section 3
- have at least \$100,000 in eligible expenditure
- include eligible activities (listed below).

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

- work to determine:
  - the technical viability of the proposed solution
  - the novelty of the proposed solution compared to existing solutions
  - any national security and cyber security issues directly relating to your proposed solution
- identification of and collaboration with a potential technology end-user for the proposed solution
- engagement of and collaboration with First Nations businesses, Aboriginal Community-Controlled Organisations (ACCOs), or a [Supply Nation](#) registered or certified First Nations Business Advisor.

The Program Delegate (who is a Manager within the Business Grants Hub in DISR with responsibility for administering the program) may also approve other activities. Any additional activities must be in line with the objectives and outcomes in section 2.

### 6.2. Eligible expenditure

You can only spend the grant 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 guidelines 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 makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

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

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

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

## 7. The assessment criteria

You must address all assessment criteria in your application. The Critical Technologies Challenge Program Assessment 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 and you must provide your responses to these assessment criteria in the allocated sections of the online application form. You will be asked to provide a project plan later within the application form to support your responses to the assessment criteria. 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. Refer to section 8.1 for further detail on the required attachments for your application.

We will only award funding to applications that score at least 50 per cent against each assessment criterion.

### 7.1. Assessment criterion 1

#### **Project alignment with the selected challenge and pathway to market (30 points).**

You should demonstrate this by describing:

- a. how your project will use quantum technologies to address the challenge. If your proposal is for a component(s), you must identify how its development will achieve progress towards the overall solution to the identified challenge and to what degree the component(s) contributes to the overall solution. (10 points)
- b. the potential for your technology to have wide reaching transformational impacts as a marketable solution (including the superiority of this technology compared to what is already in the market – where a marketed solution already exists) (10 points)
- c. how you will develop your technology from the current TRL to the TRL anticipated at Stage 1 Feasibility project completion. (10 points).

### 7.2. Assessment criterion 2

#### **The quality of your project (30 points).**

You should demonstrate this by describing:

- a. the research and development you will do and the methodologies you will use, including describing the role of your partners in the project (6 points)
- b. how your research and development will build on the current body of knowledge and enhance the adoption of new technologies (6 points)
- c. the types of customers, competitors and partners that you foresee as your project progresses (6 points)
- d. the expected next steps for your project at completion of a Stage 2 Demonstrator project to formalise a path to market (6 points)
- e. how you intend to foster and increase First Nations peoples' participation and gender equity in the quantum industry. Where your project involves direct engagement with local First Nations communities, you must outline how you intend to conduct this engagement (6 points).

### 7.3. Assessment criterion 3

#### **Capacity, capability and resources to deliver your project (40 points).**

You should demonstrate this by describing:

- a. your track record managing similar projects and access to personnel with the right skills and experience, including technology end-user identification and engagement (10 points)
- b. your access, or future access to, any infrastructure, capital equipment, technology and intellectual property (10 points)
- c. your access to the resources and capability required to progress your project beyond the Feasibility stage and through to conclusion of the Demonstrator stage, including how your consortia will facilitate the path to commercialisation for your technology (10 points)
- d. your plan to manage and monitor the project and risks (including national security risks and cyber security risks) (10 points).

## 8. 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](https://business.gov.au) and [GrantConnect](#).

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

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

To apply, you must:

- complete and submit the application through the online [portal](#)
- provide all the information requested
- address all eligibility and assessment criteria
- include all necessary attachments.

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](#). 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.

You can view and print a copy of your submitted application on the portal for your own records. You should keep a copy of your application and any supporting documents.

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

### 8.1. Attachments to the application

You must provide the following documents with your application:

- **a project plan** - Your project plan must use the template provided on [business.gov.au](https://business.gov.au) and [GrantConnect](https://grantconnect.gov.au), and can be a maximum of 10 pages. Timeframes for any required approvals or permits must be considered in your plan.
- **a project budget** – Your project budget must use the template provided on [business.gov.au](https://business.gov.au) and [GrantConnect](https://grantconnect.gov.au).
- **a letter of support from each project partner** – Letters of support must use the template provided on [business.gov.au](https://business.gov.au) and [GrantConnect](https://grantconnect.gov.au) and must include details of intellectual property arrangements (see sections 8.2 and 14.6.5).

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. Attachments must be less than 2.0MB each and the total of all attachments cannot exceed 20MB. We will not consider information in attachments that we do not request.

## 8.2. Joint (consortia) applications

Only joint (consortia) applications will be eligible to apply for this grant opportunity. You must appoint a lead applicant who will submit the application form and enter into the grant agreement with the Commonwealth. If your application is successful, the lead applicant is responsible for managing the project on behalf of the consortia. This includes receiving grant funding and reporting on milestone achievements on behalf of the consortia.

Details on the eligibility requirements for consortia and lead applicants are provided in sections 5.1 and 5.2.

All project partners nominated in your application will be subject to due diligence checks, which are described at section 9.1.1 of the grant opportunity guidelines.

The application must identify all other members of the proposed group and include a letter of support from each of the project partners using the template provided at [business.gov.au](https://business.gov.au) and [GrantConnect](https://grantconnect.gov.au).

Each letter of support should include:

- details of the project partner
- an overview of how the project partner will work with the lead applicant 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 Intellectual Property (IP) arrangements (see section 14.6.5)
- details of a nominated management level contact officer.

If you are a successful applicant for a Stage 2 Demonstrator grant, you will be required to form a partner agreement within 60 days of executing the grant agreement. Your partner agreement must include a minimum of 3 project participants, including you as the lead applicant.

## 8.3. Timing of grant opportunity processes

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 in August 2025.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	8 weeks
Approval and announcement of successful applicants	6 weeks
Negotiations and award of grant agreements	Up to 5 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	August 2025
Project completion date	February 2026

## 8.4. Questions during the application process

If you have any questions during the application period, [contact us](#) at business.gov.au or by calling 13 28 46.

# 9. The grant selection process

## 9.1. Assessment of grant applications

The department first reviews your application against the eligibility criteria. If eligible, your application will be assessed by the Committee against the assessment criteria (section 7). Only eligible applications will proceed to the assessment stage. Each application is assessed and ranked within the relevant challenge.

We consider your application on its merits, based on:

- how well it meets the criteria
- how it compares to other applications within the relevant challenge
- whether it provides value with relevant money.<sup>3</sup>

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

- the definition of value with relevant money in Section 15 Glossary
- the overall objective/s of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the degree to which the selected challenge will be addressed through your proposed solution
- the relative value of the grant sought
- how the grant activities will support positive impacts on diversity, gender equality, and the participation of First Nations peoples in the quantum industry.

If applications are scored the same, the Committee will consider value with relevant money and the spread of proposed solutions to recommend applications for funding.

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<sup>3</sup> See glossary for an explanation of 'value with money'.

### 9.1.1. Due diligence

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

If we identify risks which would affect our assessment, we will ask you to comment on these, subject to security considerations. If we identify risks that cannot be adequately mitigated, we may exclude your application from further consideration.

We may seek additional information about you, project partners, related bodies corporate, related entities and associated entities (as defined in the Corporations Act) and related personnel from third party sources, including other Commonwealth agencies, for due diligence purposes. We may do so even if you do not nominate the sources as referees. We may also consider information that is discovered through the normal course of business.

Due diligence checks may occur at eligibility, merit or decision-making stages. We use this information to verify the information you provide in the application and to identify issues and risks. See section 14.3 for how we use the information you provide to us.

## 9.2. Who will assess applications?

We refer your application to the Critical Technologies Challenge Program Assessment Committee (the Committee), an independent committee. The Committee may also seek additional advice from independent technical experts or advisors to inform the assessment process. Any expert or advisor, who is not a Commonwealth Official, will be required to perform their duties in accordance with the CGRPs.

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

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.

## 9.3. Who will approve grants?

The Program Delegate, a Manager in the Business Grants Hub within DISR with responsibility for administering the program, decides which grants to approve, taking into account the recommendations of the Committee, the spread of projects across Challenge streams and the availability of grant funds.

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

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

We cannot review decisions about the merits of your application.

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



## 10. 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.

### 10.1. Feedback on your application

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

## 11. Successful grant applications

### 11.1. The 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. A sample grant agreement is available on [business.gov.au](https://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. You must not start any Critical Technologies Challenge Program Stage 1 Feasibility activities until a grant agreement is executed. 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. We will identify these in the offer of grant funding.

If you enter an agreement under the Critical Technologies Challenge Program Stage 1 Feasibility, 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.

#### 11.1.1. Simple grant agreement

We will use a simple 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.

### 11.2. Specific legislation, policies and industry standards

You must comply with all relevant laws, regulations and Australian Government sanctions in undertaking your project. Any further legislation or changes to existing legislation that come into effect during the delivery of this program must also be complied with. 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

- legislation in relation to goods or technology listed as controlled on the [Defence Strategic Goods List](#).

The Australian Government has recently passed updates to the Defence Trade Controls Act, which adjusted the scope of Defence Export Controls. These changes came into effect on 1 September 2024. The Defence Strategic Goods List was also expanded to include a greater number of quantum and quantum relevant technologies. It is the responsibility of all applicants to ensure that they are compliant with Defence Export Controls, and that they seek and receive approval for any required licences. For more information on the changes to export controls, please [see the information provided by the Department of Defence](#).

### 11.3. How we pay the grant

The grant agreement will state the:

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

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

We will pay 100 per cent of the grant on execution of the grant agreement. You will be required to report how you spent the grant funds at the completion of the project.

### 11.4. Grant Payments and GST

Where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period. GST does not apply to grant payments to government related entities<sup>4</sup>.

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

## 12. Announcement of grants

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

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Principles \(CGRPs\)](#), Section 5.4. 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
- project partners.

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<sup>4</sup> See Australian Taxation Office ruling GSTR 2012/2 available at [ato.gov.au](#)

## 13. How we monitor your grant activity

### 13.1. 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
- project partners and related arrangements.

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

- changes to organisation ownership or governance structure
- changes in financial and in-kind support contributions
- affiliations with foreign governments, including foreign militaries, intelligence organisations, police forces and government-owned or sponsored organisations (see section 14.6).

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.

### 13.2. 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 and outcomes
- 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.

#### 13.2.1. 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.

#### 13.2.2. End of project report

When you complete the project, you must submit an end of project report.

End of project reports must:

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

You must develop a Stage 1 Feasibility project report using the template provided (on [business.gov.au](https://business.gov.au) and [GrantConnect](#)) and submit it with your end of project report.

### 13.3. Audited financial acquittal report

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

### 13.4. Grant agreement variations

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

- changing project milestones
- extending the timeframe for completing the project but within the maximum time period allowed in program guidelines
- changing project partners
- 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.

### 13.5. Compliance visits

We may visit you during the project period, or at the completion of your project to review your compliance with the grant agreement. We will provide you with reasonable notice of any compliance visit.

## 13.6. Record keeping

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

## 13.7. 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.

## 13.8. Acknowledgement

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

‘This project received grant funding from the Australian Government through the Critical Technologies Challenge Program.’

# 14. 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 CGRPs.

## 14.1. Enquiries and feedback

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

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

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

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

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

General Manager  
Business Grants Hub Division  
Department of Industry, Science and Resources  
GPO Box 2013  
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)<sup>5</sup> with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

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<sup>5</sup> <https://www.ombudsman.gov.au/>

## 14.2. 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 any individual or entity<sup>6</sup> involved in assessing, funding, administering or undertaking the project:

- has a professional, commercial or personal relationship with a party which is able to influence the application selection process, such as an Australian Government officer or member of an external panel
- has a relationship with, or interest in, a party which could prevent the activity from being carried out fairly and independently or otherwise compromise the integrity of the activity or its participants
- has a relationship with, or interest in, a party from which they could receive personal gain because the party receives a grant under the grant program/grant opportunity.

As part of your application, we will ask you to declare any perceived or existing conflicts of interests or confirm that, to the best of your knowledge, there is no conflict of interest.

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

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

We publish our [conflict of interest policy](#)<sup>7</sup> on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

## 14.3. Privacy

Unless the information you provide to us is:

- confidential information as per section 14.4, or
- personal information as per below

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.

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.

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<sup>6</sup> Including: any of our staff able to influence the project, any member of a committee or advisor, you, your project partners, and any personnel involved in the project.

<sup>7</sup> <https://www.industry.gov.au/publications/conflict-interest-policy>

We may give the personal information we collect from you to our employees and contractors, the Committee, and other Commonwealth employees and contractors, so we can:

- manage the program
- research, assess, monitor and analyse our programs and activities
- identify and manage any financial, legal/regulatory, governance, national interest, or national security risks.

We, or the Minister, may:

- announce the names of successful applicants to the public
- publish personal information on the department's websites.

You may read our [Privacy Policy](#)<sup>8</sup> on the department's website for more information on:

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

#### 14.4. Confidential information

Other than information available in the public domain, you agree not to disclose to any person, other than us, any confidential information relating to the grant application and/or agreement, without our prior written approval. The obligation will not be breached where you are required by law, Parliament or a stock exchange to disclose the relevant information or where the relevant information is publicly available (other than through breach of a confidentiality or non-disclosure obligation).

We may at any time, require you to arrange for you; or your employees, agents or subcontractors to give a written undertaking relating to nondisclosure of our confidential information in a form we consider acceptable.

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.

We may disclose confidential information:

- to the Committee and our Commonwealth employees, contractors and service providers, to help us manage the program effectively
- to the Auditor-General, Ombudsman or Privacy Commissioner
- to the responsible Minister or Assistant Minister
- to a House or a Committee of the Australian Parliament
- to other Commonwealth agencies for risk management purposes.

We may also disclose confidential information if

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<sup>8</sup> <https://www.industry.gov.au/data-and-publications/privacy-policy>

- 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.

## 14.5. 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.

## 14.6. National security

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

You must inform the department if you identify any material risks relating to national security. To assist with managing security risks, you are strongly encouraged to review the department's [Guide to undertaking international collaboration](#)<sup>9</sup>.

### 14.6.1. Know your Partner

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

### 14.6.2. Export Controls

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

It is your responsibility to consider whether the export control regime applies to your activity. If you are unsure whether your activity may require an export license, you should review the [self-assessment guide for 'controlled items'](#) and/or contact [Defence Export Controls](#) (DEC).

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<sup>9</sup> <https://www.industry.gov.au/strategies-for-the-future/increasing-international-collaboration/a-guide-to-undertaking-international-collaboration>



### 14.6.3. Foreign Affiliations

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

### 14.6.4. Foreign Government Affiliations

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

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

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

### 14.6.5. Intellectual Property Rights

Applicants must provide details of Intellectual Property (IP) arrangements in the letter of support for each project partner (see section 8.2). This includes both the use of IP in the project and the proposed ownership rights to IP generated by the project as well as strategies for protecting Australia's interests. Where IP is likely to be generated by the project, successful applicants are required to provide protocols for its management including arrangements in place between partners on management and ownership of IP. The agreements should be in accordance with laws and regulations in Australia and provide for:

- adequate and effective protection and equitable distribution of any benefits from IP rights created in or resulting directly from cooperative activities (foreground IP rights)
- ownership of foreground IP rights to be allocated on the basis of respective contribution and equitable interests
- terms and conditions for the commercialisation and other forms of dissemination of the foreground IP rights
- adequate and effective protection of IP rights provided by the organisations, enterprises and institutions prior to or in the course of such cooperative activities, for example, the licensing or utilisation of such IP rights on equitable terms (background IP rights).

Australian participants should approach IP negotiations in line with the principles outlined on [business.gov.au](https://www.business.gov.au) and the [National Principles of Intellectual Property Management for Publicly Funded Research \(2017\)](#).

Additional guidance on IP relating to First Nations is outlined at <https://www.ipaustralia.gov.au/understanding-ip/indigenous-knowledge>.

#### 14.7. Disclosure of Commonwealth, state or territory financial penalties

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

## 15. Glossary

Term	Definition
administering entity	When an entity that is not responsible for the policy, 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.
<a href="#"><u>Commonwealth Grants Rules and Principles (CGRPs)</u></a>	Establish the overarching Commonwealth grants policy framework and articulate the expectations for all non-corporate Commonwealth entities in relation to grants administration. Under this overarching framework, non-corporate Commonwealth entities undertake grants administration based on the mandatory requirements and key principles of grants administration.
completion date	The expected date that the grant activity must be completed and the grant funds spent.
component	A part of a system, process or machine. In this grant opportunity, a component is an element that is required to be developed in order to contribute towards the achievement of the overall solution of an identified challenge.
consortia	A joint (consortia) collaboration is a group of two or more entities that have joined together to work on a particular project.
corporate Commonwealth entity (CCE)	A body corporate that has a separate legal personality from the Commonwealth and can act in its own right exercising certain legal rights such as entering into contracts and owning property. Most CCEs are financially separate from the Commonwealth. CCEs are established through legislation or legislative instrument, and are subject to the PGPA Act, which further clarifies the financial and corporate governance arrangements of these bodies.
date of effect	Can be the date on which a grant agreement is signed or a specified starting date. Where there is no grant agreement, entities must publish information on individual grants as soon as practicable.
Department	The Department of Industry, Science and Resources (DISR).

Term	Definition
decision maker	The person who makes a decision to award a grant.
Critical Technologies Challenge Program Assessment Committee (the Committee)	The body established to consider and assess eligible applications and make recommendations to the decision maker 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 section 6.1.
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	Refer to 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 section 6.2.
eligible expenditure guidance	The guidance that is provided at Appendix A.
First Nations	<p>First Nations (peoples and communities) refers to First Nations people throughout <b>all</b> areas of Australia – cities, regional and remote. Other language includes:</p> <ul style="list-style-type: none"> <li>• Aboriginal and/or Torres Strait Islander peoples and communities</li> <li>• Indigenous Australians, peoples and communities</li> </ul> <p>Applicants should be mindful when engaging with First Nations communities to understand their preferred identification language.</p> <p>Further guidance is provided in the applicant information pack.</p>
First Nations project partner	A First Nations owned or managed entity who is an active participant in the consortia.
General Manager	Position title for Senior Executive Service level staff within DISR.

Term	Definition
grant	<p>For the purposes of the CGRPs, a ‘grant’ is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:</p> <ol style="list-style-type: none"> <li>a. under which relevant money<sup>10</sup> or other <a href="#">Consolidated Revenue Fund</a> (CRF) money<sup>11</sup> is to be paid to a grantee other than the Commonwealth; and</li> <li>b. which is intended to help address one or more of the Australian Government’s policy outcomes while assisting the grantee achieve its objectives.</li> </ol>
grant activity/activities	Refers to the project/tasks/services that the grantee is required to undertake.
grant agreement	A legally binding contract that sets out the relationship between the Commonwealth and a grantee for the grant funding and specifies the details of the grant.
grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
grant opportunity	Refers to the specific grant round or process where a Commonwealth grant is made available to potential grantees. Grant opportunities may be open or targeted and will reflect the relevant grant selection process.
grant program	A ‘program’ carries its natural meaning and is intended to cover a potentially wide range of related activities aimed at achieving government policy outcomes. A grant program is a group of one or more grant opportunities under a single Portfolio Budget Statement Program.
<a href="#">GrantConnect</a>	The Australian Government’s whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRPs.
grantee	The individual/organisation which has been selected to receive a grant.
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.

<sup>10</sup> Relevant money is defined in the PGPA Act. See section 8, Dictionary.

<sup>11</sup> Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

Term	Definition
lead applicant	The eligible entity who submits the application for the grant opportunity on behalf of the joint (consortia) collaboration and, if successful, will enter into the grant agreement with the Commonwealth.
Minister	The Commonwealth Minister for Industry and Science.
non-corporate Commonwealth entity (NCE)	Is legally and financially part of the Commonwealth. NCEs are established under power that comes from the Constitution, usually through legislation and the exercise of executive power. NCEs form part of the executive government and are accountable to the Parliament. NCEs are subject to the PGPA Act, which further clarifies the financial and corporate governance arrangements of these bodies. Examples of NCEs include departments of state, parliamentary departments or listed entities.
personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <p>Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ol style="list-style-type: none"> <li>a. whether the information or opinion is true or not; and</li> <li>b. whether the information or opinion is recorded in a material form or not.</li> </ol>
Program Delegate	A Manager within the Business Grants Hub in DISR 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.
project participants	All entities involved in joint (consortia) collaborations.
project partners	Entities that are involved in joint (consortia) collaborations but are not the appointed lead applicant for the project.
quantum technology	For the purposes of this opportunity, quantum technology is technology whose functionality employs quantum behaviours, such as quantisation, quantum entanglement, superposition, and quantum tunnelling. Refer to section 2.3 for more details.
research organisation	All higher education providers listed at Table A and Table B of the <i>Higher Education Support Act 2003</i> (Cth); corporate Commonwealth entities, and Australian State and Australian Territory business enterprises which undertake publicly funded research.

Term	Definition
technology end-user	A user or potential buyer of the technology or solution.
Technology Readiness Level (TRL)	The use of Technology Readiness Levels (TRLs) enables consistent discussions of technical maturity across different types of technology. TRLs are based on a scale from 1 to 9 with 9 being the most mature technology. A description of each TRL from 1 to 9 is provided in Appendix C.
value with money	<p>Value with money in this document refers to ‘value with relevant money’ which is a judgement based on the grant proposal representing an efficient, effective, economical and ethical use of public resources and determined from a variety of considerations.</p> <p>When administering a grant opportunity, an official should consider the relevant financial and non-financial costs and benefits of each proposal including, but not limited to:</p> <ul style="list-style-type: none"> <li>▪ the quality of the project proposal and activities;</li> <li>▪ fitness for purpose of the proposal in contributing to government objectives;</li> <li>▪ that the absence of a grant is likely to prevent the grantee and government’s outcomes being achieved; and</li> <li>▪ the potential grantee’s relevant experience and performance history.</li> </ul>

## Appendix A. Eligible expenditure

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

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

To be eligible, expenditure must:

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

### A.1 How we verify eligible expenditure

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

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

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

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

### 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, director or shareholder, including packaged components that you can claim through the grant is \$220,000 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 per cent allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the purchase or provision of computing equipment directly required or related to the delivery of the project

You should calculate eligible salary costs using the formula below:

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

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

Evidence you will need to provide can include:

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

### A.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 airfare costs at the time of travel.

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

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

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

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

## A.6 Other eligible expenditure

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

Examples of ineligible expenditure include:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to the execution of an agreement with the Commonwealth
- any in-kind contributions
- financing costs, including interest
- costs incurred defending IP rights
- 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 (overheads such as office rent is covered by labour on-costs as per Appendix A.3)
- 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
- maintenance costs
- routine operating expenses not accounted as labour on-costs – including communications, accommodation, overheads and consumables, e.g. paper, printer cartridges, office supplies
- ongoing upgrades, updates and maintenance of existing ICT systems and computing facilities
- recurring or ongoing operational expenditure (including annual maintenance, rent, water and rates, 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
- domestic and overseas travel or overseas costs that exceed 10 per cent of total project costs except where otherwise approved by the Program Delegate.

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

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

## Appendix C. Technology Readiness Level Definitions

The use of Technology Readiness Levels (TRLs) enables consistent, uniform discussions of technical maturity across different types of technology. TRLs are based on a scale from 1 to 9 with 9 being the most mature technology. The TRLs also apply to component(s) that contribute to solving a challenge.

	<b>Technology Readiness Level Definition</b>
<b>TRL 1</b>	<b>Basic Research:</b> Initial scientific research has been conducted. Principles are qualitatively postulated and observed. Focus is on new discovery rather than applications.
<b>TRL 2</b>	<b>Applied Research:</b> Initial practical applications are identified. Potential of material or process to solve a problem, satisfy a need or find application is confirmed.
<b>TRL 3</b>	<b>Critical Function or Proof of Concept is Established:</b> Applied research advances and early-stage development begins. Studies and laboratory measures validate analytical predictions of separate elements of the technology.
<b>TRL 4</b>	<b>Lab Testing/ Validation of Alpha Prototype/ Component/ Process:</b> Design, development and lab testing of components/processes. Results provide evidence that performance targets may be attainable based on projected or modelled systems.
<b>TRL 5</b>	<b>Laboratory Testing of Integrated/ Semi-Integrated System:</b> System component and/or process validation is achieved in a relevant environment.
<b>TRL 6</b>	<b>Prototype System Verified:</b> System/process prototype demonstration in an operational environment (beta prototype system level).
<b>TRL 7</b>	<b>Integrated Pilot System Demonstrated:</b> System/process prototype demonstration in an operational environment (integrated pilot system level).
<b>TRL 8</b>	<b>System Incorporated in Commercial Design:</b> Actual system/process completed and qualified through test and demonstration (pre-commercial demonstration).
<b>TRL 9</b>	<b>System Proven and Ready for Full Commercial Deployment:</b> Actual system proven through successful operations in operating environment, and ready for full commercial deployment.