



Grant Opportunity Guidelines

Industry Growth Program: Industry Partner Organisation grant opportunity

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| Opening date: | Stage One: EOI 5 February 2024, Stage Two 26 February 2024; Reopened Stage Two: 11 September 2024 |
| Closing date and time: | Stage One: EOI 5pm Australian Eastern Daylight Time on 16 February 2024 Stage Two: Application 5pm Australian Eastern Daylight Time on 8 March 2024; Updated closing of Stage Two at 5pm Australian Eastern Time on 25 September 2024 Please take account of time zone differences when submitting your application. |
| Commonwealth policy entity: | Department of Industry, Science and Resources (DISR/we/us/the department) |
| Administering entity: | Department of Industry, Science and Resources (DISR) |
| Enquiries: | If you have any questions, contact us on IPOgrants@industry.gov.au or 13 28 46. |
| Date guidelines released: | 5 February 2024; Updated 4 September 2024 |
| Type of grant opportunity: | Stage One: Open competitive Stage Two: Closed competitive |

Reopening: In recognition of the program's objective to fund sectorial expertise across a range of National Reconstruction Fund (NRF) priority areas, the program has been reopened for Stage Two. This funding does not affect the scope, eligibility or merit criteria for applications that were submitted under this grant opportunity.

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1. Industry Growth Program – Industry Partner Organisation grant opportunity process

The Industry Growth Program – Industry Partner Organisation grant opportunity is designed to achieve Australian Government objectives

This grant opportunity is part of the above program which contributes to the Department of Industry, Science and Resources' (DISR) 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. DISR works with stakeholders to plan and design the grant program according to the [Commonwealth Grants Rules and Guidelines \(CGRGs\)](#).



The grant opportunity opens

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



Stage One - Expression of Interest (EOI)

You complete and submit an EOI

You complete the EOI form, addressing all Stage One eligibility and assessment criteria for your application to be considered.



We assess all EOIs

We assess all EOIs against eligibility criteria and notify you if you are not eligible. We assess eligible applications against the EOI assessment criteria and compare them to other eligible EOIs. We then provide advice to the Program Delegate on the merits of each EOI. The Program Delegate decides which EOIs can progress to Stage Two.



We notify you of the outcome

We advise you of the outcome of your EOI.



Stage Two – Grant application

Successful applicants from Stage One are invited to complete and submit a grant application

You complete the online application form, addressing all Stage Two eligibility and assessment criteria for your application to be considered.



We assess all grant applications

We assess the applications against the Stage Two assessment criteria. Stage Two applications will be compared to each other to inform their assessment, giving consideration to their overall value with relevant money.



The Panel makes grant recommendations

The panel provides advice to the Program Delegate on the merits of each application.



Reallocated Funds

We provide advice to the decision maker on the merits of each application and those that may be funded due to the reallocation of funds.



Grant decisions are made

The Program Delegate 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 Industry Growth Program – Industry Partner Organisation grant opportunity

We will evaluate your specific grant activity and the grant opportunity 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 on the Industry Growth Program – Industry Partner Organisation grant opportunity.

This document sets out:

- the purpose of the 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 have defined key terms used in these guidelines in the glossary at section 14 of the grant opportunity guidelines.

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

2. About the Industry Growth Program

The Industry Growth Program has been established to support innovative Small and Medium Enterprises (SMEs) undertaking commercialisation and/or growth projects within the [National Reconstruction Fund](#) (NRF) priority areas. Participating businesses will have access to Advisory Services to help them overcome the significant challenges that may be associated with their projects. Under the program:

- An **innovative** product, process or service:
 - is new, unique or significantly different to any other previous product, process or service in the market or industry where the product is intended to be sold/traded, or
 - involves significant enhancements or developments of current products, processes or services that will enable the business to scale and transform.

Minor changes or improvements to existing products or services are not considered innovative.

- **Early-Stage Commercialisation** projects are intended to include the journey from feasibility studies and the development of proof-of-concept through to the production and testing of early prototypes in a simulated or theoretical environment. Testing should validate the commercial viability of the innovative product, process or service. Various scales are typically referenced to demonstrate technology readiness or market readiness, with one example commonly referenced being Technology Readiness Levels (TRLs). As a guide, early-stage commercialisation grant projects are intended to broadly include the journey through TRL3 to TRL6.
- **Commercialisation and Growth** projects are intended to include those that can already demonstrate completion of feasibility studies and proof-of-concept. Projects are intended to include the journey of product, process or service development from early prototyping through to actual application in its final form, and the capability to scale up to full rate production and grow into new markets. Various scales are typically referenced to demonstrate technology readiness or market readiness, with one example commonly referenced being Technology Readiness Levels (TRLs). As a guide, commercialisation and growth grant projects are intended to broadly include the journey through TRL4 to TRL9.

The program targets businesses beginning to, or with capacity to, scale as described above but does not include routine business growth.

Having participated in the Advisory Service aspect of the Industry Growth Program, SMEs can apply for matched grant funding under either of the grant opportunities to undertake commercialisation or growth projects. This program will complement the NRF's mission to drive investment in projects that develop Australia's industrial capability, helping to transform Australia's industry and economy.

The NRF priority areas are:

1. value-add in resources
2. value-add in agriculture, forestry and fisheries
3. transport
4. medical science
5. renewables and low emissions technologies
6. defence capability
7. enabling capabilities.¹

The objectives of the Industry Growth Program are to support innovative SMEs undertaking projects in NRF priority areas to:

- commercialise their ideas into new products, processes and services and grow their operations
- improve their ability to engage in, or increase, their national and/or international trading operations
- better position them to seek future investment and further scaling opportunities, including through the NRF where relevant.

The intended outcomes of the program are to increase trade in national markets and/or markets in other countries by:

- improving commercialisation capability and performance of participating businesses
- improving growth capability and performance of participating businesses
- scaling up participating businesses.

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

2.1. About the Industry Partner Organisation grant opportunity

This grant opportunity is a closed competitive grant and is an extension of the Industry Partner Organisation grant opportunity to complement the current needs of the Industry Growth Program's Advisory Services. This grant opportunity has been developed with consideration to the need for

¹ Detailed definitions of NRF priority areas are provided by the *National Reconstruction Fund Corporation (Priority Areas) Declaration 2023* available at: <https://www.legislation.gov.au/Details/F2023L00716>

² <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

enhancing the sectorial knowledge and expertise in the advanced manufacturing sector to complement Industry Growth Program Advisory Service demand.

The grant will address a need for horizontal support on advanced manufacturing across NRF priority areas. This is to enhance Advisory Services for SMEs participating in the Industry Growth Program to commercialise and grow their business, and to help build Australia's manufacturing capability for the future.

The Industry Growth Program provides expert advice on commercialisation and early-stage business growth to startups and high-growth SMEs operating within NRF priority areas. This advice is provided by both DISR's [Industry Growth Program Advisers](#) and with a second and complementing source of advisory services, drawing on sectorial expertise from the industry partner organisations engaged through this grant opportunity. Successful applicants of the Industry Partner Organisation (IPO) grant opportunity will receive funding to provide specialised advisory services, leveraging their expertise in one or more NRF priority areas. The IPO grant opportunity adds value to and enhances the support provided to SMEs through the Industry Growth Program through its sectorial expertise.

IPOs must deliver specialised advisory services that are specifically designed to complement the advice being provided by Industry Growth Program Advisers and the support provided to SMEs through the Industry Growth Program. IPO services must add value to the specific needs of the participants engaging in the program and could include:

- building specific industry connections, network introductions and engagement, including with industry, suppliers, customers and investors
- providing access to specialised facilities, equipment, physical spaces and/or environments for innovation based collaboration, learning and networks
- facilitating transformative growth activities, providing commercialisation and growth advice, including investment and financing
- assisting SMEs with specialist, relevant and relatable know-how, experience, information, education and training, needed to commercialise, grow and scale up that:
 - is deep in one or more NRF priority areas and in advanced manufacturing across NRF priority areas
 - helps address sector requirements and/or overcome barriers to entry
 - enhances SME leadership and management skills and experience needed to commercialise, grow and scale up
 - helps develop intellectual property (IP) creation, utilisation and protection strategies
 - provide specialist training and skills program to address SME individual skills gaps in business leadership and management, and more universal business challenges, such as business strategy
 - supports SMEs to develop innovative solutions through design-thinking
 - complements the journeys of both the Early-Stage Commercialisation and the Commercialisation and Growth matched grant funding opportunities
 - exploring private sector funding and other potential investment opportunities for the SMEs.

Offering combined sources of advisory services is designed to strengthen support to SMEs, building stronger industry connections and commercially viable growth propositions.

The objective of the grant opportunity is for industry partner organisations to:

- provide industry-led specialised and sectoral focussed advisory services which demonstrably improve the commercialisation and growth performance (including early-stage growth) of program participants beyond that available through the Industry Growth Program Advisers
- give greater access to sectoral-based systems of knowledge and levels of expertise to fill the unique needs of the NRF priority areas
- provide open access to physical spaces and/environments for innovation-based collaboration, learning and networking
- increase program participants' integration into a pipeline of national and global supply chains and markets
- increase program participants' access to private sector investment opportunities.

The intended outcome of this grant opportunity is for industry partner organisations to:

- promote engagement between program participants and industry to increase collaboration
- improve program participants' capability to engage with national and international markets and supply chains
- provide an opportunity for program participants to connect and network more widely, such as with industry, suppliers, customers and investors
- support program participants to navigate regulatory pathways in their respective NRF priority area/s
- help participants to successfully scale up and transform their business.

3. Grant amount and grant period

3.1. Grants available

Up to **\$10.8 million** is available from 2023-24 to 2026-27.

This includes the **\$1.92 million** that was not expended earlier and is now available.

- The minimum grant amount is **\$500,000**.
- The maximum grant amount is **\$1.92 million**.

The grant amount will be up to 100 per cent of eligible expenditure.

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

You cannot receive funding from other Commonwealth government grant programs for the same activities. Commonwealth, state, territory and local government funding can be used to support your other business activities.

3.2. Project period

The maximum project period is **18 months**.

You must complete your project by **31 May 2026**, unless an extension is approved by the Program Delegate before your project end date.

4. Eligibility criteria

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

4.1. Who is eligible to apply for a grant?

To be eligible you must:

- have an Australian Business Number (ABN)
- be registered for the Goods and Services Tax (GST), and
- be a not-for-profit organisation, and
- an entity incorporated in Australia.

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

4.2. Additional eligibility requirements

We can only accept applications from:

- entities who do not profit from or intend to invest in SMEs participating in the Industry Growth Program, this includes any fees for service
- applicants who can verify their financial viability and sustainability through the project period/grant term (independent of the grant funding).

We cannot waive the eligibility criteria under any circumstances.

4.3. 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, included on the [National Redress Scheme's website](#) on the list of 'Institutions that have not joined or signified their intent to join the Scheme'
- an employer of 100 or more employees that has [not complied](#) with the *Workplace Gender Equality Act (2012)*
- an individual
- an unincorporated association
- any organisation not included in section 4.1 of the grant opportunity guidelines
- a trust (however, an incorporated trustee may apply on behalf of a trust)
- a publicly funded research organisation (PFRO) as defined in section 14 of the grant opportunity guidelines
- a Commonwealth, state, territory or local government body (including government business enterprises)
- a non-corporate Commonwealth entity.

5. What the grant money can be used for

5.1. Eligible grant activities

To be eligible your project must:

- be consistent with the objectives and outcomes outlined in section 2.1 of the grant opportunity guidelines
- be tailored to support the specific needs of SMEs and enable them to expand and grow
- include activities to benefit SMEs who are recommended or referred to the IPO specialist advisory service by the Industry Growth Program Advisers or the Department.

Eligible activities must directly relate to the project and may include some or all the following:

- the provision of specialist sectoral advice to high growth potential SMEs seeking to bring new innovative products, processes, and services to market
- access to cutting edge technology and workspaces for innovation-based collaboration, learning and networking
- activities which enable SMEs to build national and international industry connections. This may include access to industry networking events and knowledge sharing activities, as well as introductions to potential and suitable finance and investment organisations to support commercialisation and growth opportunities
- assisting SMEs within the Industry Growth Program to navigate regulatory pathways connected to particular priority areas
- active mentoring and commercialisation and growth support
- analysis and reporting of success stories and case studies promoting Australian innovative SMEs that have participated in the Industry Growth Program.

We may also approve other activities that are for the purposes of the Industry Growth Program. Any additional activities must be in line with the objectives and outcomes in section 2.1 of the grant opportunity guidelines.

5.2. 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 of the grant opportunity guidelines.
- For guidance on ineligible expenditure, refer to Appendix B of the grant opportunity guidelines.

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.

The funding of existing activities for your organisation are not eligible expenses for this grant.

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

Not all expenditure on your project may be eligible for grant funding. The Program Delegate (who is a general manager within the department with responsibility for 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 incurred by you within the project period
- be a direct cost of the project
- 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.

6. The assessment criteria

6.1. Expression of interest (Stage One)

The application form to submit an Expression of interest (EOI) will ask you a series of questions about your proposed project.

You must address all the assessment criteria listed below in the Stage One application. We will assess your application based on the weighting given to each criterion. The amount of detail you provide in your EOI should be relative to the project size, complexity and grant amount requested. The application form responses are limited to 1000 words for each criterion.

Applications must score at least 50 per cent against Stage One assessment criteria to be considered for participation in Stage Two of the process.

If invited to submit an application under Stage Two, you will be asked to provide more detailed responses and evidence to support your answers.

6.1.1. EOI assessment criterion 1

Project alignment with grant opportunity objectives and outcomes (50 points)

Provide an overview of your industry partner organisation proposal, giving consideration to:

- a. the value you will provide to SMEs through specialised and sectoral advisory services, including access to any specific and relevant facilities or resources
- b. how your proposal will meet the grant opportunity objectives and outcomes as documented in section 2.1 of the grant opportunity guidelines.

6.1.2. EOI assessment criterion 2

Capacity and capability and resources to carry out and deliver the project (50 points)

Describe how you will deliver the project by identifying:

- a. your capacity and experience to deliver the proposed activities including access to key personnel with the right expertise and skills
- b. your organisation's expertise in one or more of the NRF priority areas and how you will draw on this for the benefit of SMEs
- c. how your business will be financially sustainable throughout the term of the project.

If you are invited to apply to Stage 2 you will be required to give evidence of your resources and financial stability.

6.2. Grant application (Stage Two)

Applications for Stage Two are by invitation only.

If invited to submit an application under Stage Two, your grant application must address the assessment criteria outlined below. Responses to Stage Two assessment criterion will require more detail than those provided in your EOI and you will be asked to provide evidence to support your answers. We will assess your application based on the weighting given to each criterion.

The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity, and grant amount requested. The application form displays size limits for answers.

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

6.2.1. Application assessment criterion 1

Project alignment with grant opportunity objectives and outcomes (20 points)

In providing your response, you should provide detail, with reference to any attached documentation,³ on:

- a. the specialised advisory services to be offered through your proposed project, including any relevant facilities or resources to be made available to SMEs. You must demonstrate how this is different from your core business activities
- b. how your project would deliver on the grant opportunity objectives and outcomes as documented in section 2.1 of the grant opportunity guidelines
- c. the extent to which your organisation specialises in one or more of the NRF priority areas, in which areas, and why and how you can draw on this sectoral expertise for the benefit of SMEs
- d. your ability to work with other Industry Partner Organisations to complement the needs of Advisory Services for the Industry Growth Program. You must demonstrate specific opportunities for collaboration, particularly in advanced manufacturing, with the primary aim of adding value and avoiding duplication.

6.2.2. Application assessment criterion 2

Capacity, capability, and resources to deliver the project (60 points)

You should demonstrate this by providing detail and supporting evidence on:

- a. your ability and/or experience in:
 - providing specialised advisory services and how you will provide SMEs with relevant and relatable know-how, information, education and training
 - supporting SMEs to develop and commercialise products, processes and services in one or more NRF priority areas
 - supporting SMEs to grow, scale up and transform their business in one or more NRF priority areas
 - building and using connections across industry, markets, investors and lenders, and/or governments to deliver outcomes such as collaboration and funding opportunities for the benefit of SMEs
- b. your access to personnel with the relevant experience and expertise in one or more NRF priority areas required for the successful delivery of the proposed project, including management and technical staff (and which are specifically made available to your project)
- c. your ability to provide access to equipment, resources, services and/or support to diverse businesses located across Australia, including in regional and remote areas

³ See section 7.1 of the grant opportunity guidelines.

- d. the ongoing business and financial sustainability of your organisation through the term of your project.

You must support this assessment criterion by providing a detailed project plan and project budget, governance arrangements, risk and financial management strategies and other attachments as set out in section 7.1.

6.2.3. Application assessment criterion 3

Broader benefits of your project (20 points)

You should demonstrate any additional value or flow-on benefits expected from your project, including considerations of:

- a. the mutual benefits, impacts and outcomes for the Industry Growth Program and your organisation
- b. benefits across NRF priority areas, including opportunities for commercialisation and growth for SMEs and strengthened collaboration, knowledge-sharing and networking
- c. your potential contribution to broader Australian Government priorities, such as [Closing the Gap](#), [Net Zero](#), [circular economy](#), digitalisation and Industry 4.0.

7. How to apply

Before applying you should read and understand these guidelines, the sample [application form](#) and the sample [grant agreement](#) published on business.gov.au and GrantConnect.

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

This is a two stage process.

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

For both the EOI and Stage Two application, you must:

- provide all the information requested
- address all eligibility and assessment criteria.

To apply for the EOI, you must:

- complete and submit the application through the online portal
- provide all the information requested
- address all eligibility and assessment criteria.

EOIs must be submitted by 17:00 (5pm) Australian Eastern Standard Time on 16 February 2024.

Stage Two of the grant opportunity is by invitation only. To apply for Stage Two, you must:

- be invited to apply
- submit the Stage Two application form on the online portal by 5pm Australian Eastern Standard Time on 25 September 2024
- include all necessary documents.

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 or by calling 13 28 46.

7.1. Attachments to the application

You must provide the following documents with your Stage Two application:

- a project plan including the scope of the project, a timeline of activities, and a list of all key management and technical staff, including their relevant experience and details of any contractors that you have or intend to engage as a part of the project.
- a governance plan, including the governance model and arrangements for managing your project and relationships with partners and why the chosen model and arrangements are the most appropriate for your project.
- evidence of not-for-profit status, such as your current Australian Charities and Not-for-profits Commission (ACNC) registration, state or territory incorporated association status, or Constitutional documents and/or Articles of Association.
- a conflict of interest framework for recording and managing real and perceived conflict of interest issues, including current and future relationships with contractors engaged as part of the Industry Growth Program Advisory Service.
- a project budget including any in-kind or cash contributions, or additional sources of funding. Your budget should include a breakdown of the costs by financial year under each head of expenditure and detail how these costs have been determined (e.g. quotes, etc.).
- a risk management plan, and any supporting documentation, describing how you propose to monitor, manage and report identified risks, including risks that may arise during your project. The risk management plan should give specific consideration to risks associated with cyber security attacks and foreign interference, as well and management of potential conflicts of interest (actual or perceived).
- an accountant declaration verifying the financial sustainability of your organisation (template provided on business.gov.au and GrantConnect).
- evidence of support from the board, CEO or equivalent (template provided on business.gov.au and GrantConnect). Where the CEO or equivalent submits the application, we will accept this as evidence of support.

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

7.2. Joint (consortia) applications

We recognise that some organisations may want to join together as a group to deliver a project. In these circumstances, you must appoint a lead organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application

must identify all other members of the proposed group and include a letter of support from each of the project partners. Each letter of support should include:

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

You must have a formal arrangement in place with all parties prior to execution of the grant agreement.

7.3. 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 November 2024.

Table 1: Expected timing for this grant opportunity

| Activity | Timeframe |
|--|--|
| Assessment of EOI (Stage One) applications | 5 days |
| Preparation and submission of grant applications (Stage Two) | 10 days |
| Assessment of applications (Stage Two) | 15 days |
| Approval of outcomes of selection process | 10 days |
| Negotiations and award of grant agreement | Up to 10 days |
| Notification to unsuccessful applicants | 10 days from approval of outcomes of selection process |
| Earliest start date of project | November 2024 |
| End date of grant activity or agreement | 31 May 2026 |

7.4. 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.

8. The grant selection process

8.1. Assessment of grant applications

8.1.1. Stage One expressions of interest

We first review your application against the eligibility criteria. Only eligible applications will proceed to assessment.

If eligible, we will then assess your application against the assessment criteria (see section 6 of the grant opportunity guidelines) and against other applications. We will consider your application on its merits, based on:

- how well it meets the criteria
- how it compares to other applications
- the distribution of meritorious EOIs across NRF priority areas.

We will then make a recommendation to the Program Delegate on which projects should be invited to apply for a grant. The Program Delegate then makes a decision on which EOIs will proceed to Stage Two. The Program Delegate's decision is final.

8.1.2. Stage Two grant application

You must be invited to apply for Stage Two. We will assess your Stage Two application against the assessment criteria (see section 6 of the grant opportunity guidelines). We 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.⁴

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

- the overall objectives of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant amount sought
- the distribution of meritorious applications across NRF priority areas
- extent to which your application demonstrates capability to deliver tailored sectoral expertise for SMEs businesses in advanced manufacturing, and how the application can meet broader Australian Government priorities.

If applications are scored the same, the Panel will consider value for money and the depth and spread of expertise across NRF priority areas to recommend applications for funding.

If the selection process identifies unintentional errors in your application we may contact you to correct or clarify the errors, but you cannot make any material alterations or additions.

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 13.2 of the grant opportunity guidelines for information on how we use the information you provide to us.

⁴ See glossary for an explanation of 'value with money.'

8.2. Who will assess applications?

An internal panel will assess each eligible EOI on its merits and compare it to other eligible EOIs before recommending which EOIs should be invited to participate in Stage Two. The internal panel (the Panel) will be made up of DISR representatives with relevant experience and knowledge.

For Stage Two applications, the Industry Partner Organisation Panel will assess your application against the assessment criteria and compare it to other eligible applications before recommending which projects to fund. In conducting these assessments, additional advice may be sought from representatives from other areas of the Australian Public Service with relevant experience and expertise. All Commonwealth Officials involved in the assessment process are required to perform their duties in accordance with the CGRGs.

The Panel 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 Panel 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.

The Panel recommends to the Program Delegate which applications to approve for the grant.

8.3. Who will approve grants?

The Program Delegate decides which grants to approve taking into account the application assessment, the recommendations of the internal panel, and the availability of grant funds for the purposes of the grant program.

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 are insufficient program funds available across relevant financial years for the program.

9. Notification of application outcomes

We will advise you of the outcome of your application in writing. If you are successful, we will advise you of any specific conditions attached to the grant.

9.1. Feedback on your application

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

10. Successful grant applications

10.1. The grant agreement

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

Each grant agreement has general terms and conditions that cannot be changed. A sample [grant agreement](#) is available on [business.gov.au](#) and GrantConnect. We will use a schedule to outline the specific grant requirements.

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 must execute a grant agreement with you before we can make any payments. You must not start any program activities until a grant agreement is executed.

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.

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

You may request changes to the grant agreement. However, we will review any required changes to these details to ensure they do not impact the grant as approved by the Program Delegate.

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

10.2. 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.

10.3. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (grant percentage).

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

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

10.4. Grant Payments and GST

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment and 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.⁵

⁵ See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au

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

11. Announcement of grants

If successful, your grant will be listed on the GrantConnect website 21 calendar days after the date of execution.

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Guidelines](#), Section 5.3. We may also publish this information on business.gov.au. This information may include:

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation's industry sector.

12. How we monitor your grant activity

12.1. Keeping us informed

You should let us know if anything is likely to affect your project or organisation.

We need to know of any key changes to your organisation or its business activities, particularly if they affect your ability to complete your project, carry on business and pay debts due.

You must also inform us of any changes to your:

- name
- addresses
- nominated contact details
- bank account details.

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

- changes to organisation ownership or governance structure
- changes in financial and in-kind support contributions
- affiliations with foreign governments, including foreign militaries, intelligence organisations, police forces and government-owned or sponsored organisations (see section 13.6 of the grant opportunity guidelines).

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

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

12.2. Reporting

You must submit reports in line with the grant agreement. We will provide the requirements for these reports as appendices in the grant agreement. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

- progress against agreed project milestones and outcomes
- 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.

12.2.1. Progress reports

Progress reports must:

- include details and evidence of your progress towards completion of agreed project activities
- show the total eligible expenditure incurred to date
- include evidence of expenditure (on request)
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

We will only make grant payments when we receive satisfactory progress reports.

You must discuss any project or milestone reporting delays with us as soon as you become aware of them.

12.2.2. Ad hoc reports

We may ask you for ad hoc reports on your project. This may be to provide an update on progress, or any significant delays or difficulties in completing the project.

12.2.3. End of project report

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

End of project reports must:

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

12.3. Audited financial acquittal report

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

12.4. 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 no later than 31 November 2026, unless approved by the Program Delegate
- changing project activities.

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

If you want to propose changes to the grant agreement, you must put them in writing before the grant agreement end date. You can submit a variation request via our online portal.

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

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

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

12.5. Compliance visits

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

12.6. Record keeping

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

12.7. Evaluation

We will evaluate the grant 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.

12.8. Acknowledgement

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

‘This project received grant funding from the Australian Government.’

13. Probity

We will make sure that the grant opportunity process is fair, according to the published guidelines, incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct and is consistent with the CGRGs.

13.1. Enquiries and feedback

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

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

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

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

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

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

You can also contact the [Commonwealth Ombudsman](#)⁶ with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

13.2. Conflicts of interest

Any conflicts of interest could affect the performance of the program. There may be a conflict of interest, or perceived conflict of interest, if any individual or entity⁷ 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.

⁶ <http://www.ombudsman.gov.au/>

⁷ 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.

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](#)⁸ on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

13.3. Privacy

Unless the information you provide to us is:

- confidential information as per 13.4 of the grant opportunity guidelines, 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.

We may give the personal information we collect from you to our employees and contractors, 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](#)⁹ 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.

⁸ <https://www.industry.gov.au/publications/conflict-interest-policy>

⁹ <https://www.industry.gov.au/data-and-publications/privacy-policy>

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

We may also disclose confidential information if:

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

13.5. 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.

13.6. 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](#).¹⁰

13.7. Know Your Partner

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

13.7.1. Export Controls

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

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

13.7.2. 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.

13.7.3. 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

¹⁰ <https://www.industry.gov.au/strategies-for-the-future/increasing-international-collaboration/a-guide-to-undertaking-international-collaboration>

- An organisation owned or sponsored by a foreign government (such as a state-owned corporation or state-sponsored university)
- A foreign government talent program.

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

13.8. Disclosure of Commonwealth, state or territory financial penalties

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

14. Glossary

| Term | Definition |
|--|---|
| 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. |
| Adviser | A specialist individual engaged by us to guide Industry Growth Program participants through the commercialisation and/or scale up and growth process. |
| Advisory Service | The Industry Growth Program Advisory Service which provides eligible, innovative SMEs with access to advice and support to help commercialise ideas and/or grow their business operations. |
| Application form | The document issued by the Program Delegate that applicants use to apply for funding under the program. |
| Assistant Minister | The Commonwealth Assistant Minister for Manufacturing and Assistant Minister for Trade. |
| Authorised representative | An individual acting with a company's or entity's express or implied authority and on behalf of the company/entity. |
| Commonwealth Grants Rules and Guidelines (CGRGs) | Establish the overarching Commonwealth grants policy framework and articulate the expectations for all non-corporate Commonwealth entities in relation to grants administration. Under this overarching framework, non-corporate Commonwealth entities undertake grants administration based on the mandatory requirements and key principles of grants administration. |
| Commercialisation | The steps necessary to establish the commercial viability of an innovative product, process or service, including progress from proof-of-concept to minimum viable product and commercial application. |
| Decision Maker | The Program Delegate within the department with responsibility for the outcomes of the Program. |

| Term | Definition |
|-------------------------------|--|
| Department | The Department of Industry, Science and Resources. |
| Early-stage commercialisation | The initial phase of the commercialisation journey necessary to establish the commercial viability of an innovative product, process or service. This includes the steps to undertake feasibility and proof-of-concept through to production and testing of early prototypes. |
| Eligible application | An application or proposal for services 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 participation in the program. |
| Grant | For the purposes of the CGRGs, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth: <ul style="list-style-type: none"> a. under which relevant money¹¹ or other Consolidated Revenue Fund (CRF) money¹² is to be paid to a grantee other than the Commonwealth; and b. which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives. |
| 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. |
| GrantConnect | The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs. |
| Grow/growth | Scaling up your business into national or international markets, through the successful commercialisation of your innovative product, process or service. The program targets businesses beginning to, or with capacity to, scale as described above but does not include routine business growth. |

¹¹ Relevant money is defined in the PGPA Act. See section 8, Dictionary.

¹² Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

| Term | Definition |
|--|---|
| Guidelines | Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time. |
| Industry Partner Organisation | Industry bodies engaged by the department to provide specialised sectoral expertise, advice and services. |
| Intellectual Property (IP) | Intellectual Property (IP) represents creations of the mind or intellect that can be legally owned. IP may be protected through laws governing patents, trademarks, registered designs, copyright, circuit layout rights, plant breeder's rights, trade secrets, and confidential information. |
| Innovative product, process or service | <p>A product, process or service that:</p> <ul style="list-style-type: none"> ▪ is new, unique or significantly different to any other previous product, process or service in the market or industry where the product is intended to be sold/traded, or ▪ involves significant enhancements or developments of current products, processes or services that will enable the business to scale and transform. <p>Minor changes or improvements to existing products or services are not considered innovative.</p> |
| Minister | The Commonwealth Minister for Industry and Science |
| 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"> a. whether the information or opinion is true or not; and b. whether the information or opinion is recorded in a material form or not. |
| Portal | portal.business.gov.au |
| Program Delegate | A General Manager within the department with responsibility for administering the program. |
| Program participant | An SME which has been recommended or referred to the IPO by the Industry Growth Program or by the Department. |
| Project | A project described in an application for the Advisory Service or grant funding under the program. |
| Related bodies corporate | Has the same meaning as in section 50 of the <i>Corporations Act 2001</i> (Cth). |

| Term | Definition |
|------------------------------------|---|
| Small and Medium Enterprises (SME) | Business entities which have an ABN and a combined annual turnover of less than \$20 million. |
| Technology Readiness Levels | A benchmarking tool used to track the progress of the development of specific technological innovations, from blue-sky research (TRL 1) to full system demonstration under expected market conditions (TRL 9). |
| value with money | <p>Value with money in this document refers to ‘value with relevant money’ which is a judgement based on the grant proposal representing an efficient, effective, economical and ethical use of public resources and determined from a variety of considerations.</p> <p>When administering a grant opportunity, an official should consider the relevant financial and non-financial costs and benefits of each proposal including, but not limited to:</p> <ul style="list-style-type: none"> ▪ the quality of the project proposal and activities ▪ fitness for purpose of the proposal in contributing to government objectives ▪ that the absence of a grant is likely to prevent the grantee and government’s outcomes being achieved, and ▪ the potential grantee’s relevant experience and performance history. |

Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure.

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 audit activities (where applicable)
- meet the eligible expenditure guidelines.

A.1 How we verify eligible expenditure

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

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

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

To be eligible, grant expenditure must constitute a proper¹³ use of public resources and be aligned with project activities. You must keep payment records of all eligible expenditure and be able to explain how the costs relate to the agreed project activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

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

A.2 Labour expenditure

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

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

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.

¹³ When used in relation to the use or management of public resources 'proper' means efficient, effective, economical and ethical.

The maximum salary for an employee that you can claim through the grant is \$300,000 per financial year. The amount of any higher salaries above \$300,000 must be at your own cost.

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 expenditure

All expenditure on travel must constitute a proper¹⁴ use of public resources and assist with achieving program objectives.

Eligible travel expenditure may include domestic travel limited to the reasonable cost of accommodation and transportation required to conduct agreed project and collaboration activities 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 travel 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.

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

Eligible travel expenditure is limited to 10 per cent of total eligible expenditure.

A.6 Other eligible expenditure

Other eligible expenditures for the project may include:

- 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
- 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.

¹⁴ When used in relation to the use or management of public resources 'proper' means efficient, effective, economical and ethical.

Appendix B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure.

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:

- wages, including contractor payments for individuals who are also employed as Industry Growth Program Advisers
- executive leadership remuneration, including bonuses and incentives
- 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, including websites, customer relationship management systems, databases, the cost of ongoing subscription-based software and IT support memberships, and warranties for purchases that are not directly related to the project
- recurring or ongoing operational expenditure (including annual maintenance, rent, water and rates, postage, legal and accounting fees and bank charges)
- research not directly supporting eligible activities
- activities, equipment or supplies which provide benefit to SMEs who are not program participants ie have not been referred or recommended to the program by the Industry Growth Program or the Department
- activities, equipment or supplies that are already being funded under other sources, including through other government initiatives such those provided through the Industry Growth Program grant opportunities: Early-Stage Commercialisation and Commercialisation and Growth
- any in-kind contributions
- financing costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings and laboratories
- costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project)
- 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
- 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 travel costs that exceed 10 per cent of total project costs except where otherwise approved by the Program Delegate
- all overseas travel costs
- hospitality and alcoholic beverages.

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.