



Grant Opportunity Guidelines

International Space Investment India Projects Round 2

Opening date:	16 February 2026
Closing date and time:	5:00PM Australian Eastern Daylight Time (AEDT) on 16 March 2026 Please take account of time zone differences when submitting your application.
Commonwealth policy entity:	Department of Industry, Science and Resources (DISR)
Administering entity:	Department of Industry, Science and Resources (DISR)
Enquiries:	If you have any questions, contact us on 13 28 46.
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1. International Space Investment India Projects Round 2 processes

The International Space Investment Initiative is designed to achieve Australian Government objectives

This grant opportunity contributes to the Department of Industry, Science and Resources' Outcome 1, Program 2: Growing Business Investment and Improving Business Capability. The Australian Space Agency and the Department of Industry, Science and Resources 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 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. Where there are assessment criteria, we assess your application against the assessment criteria including an overall consideration of value with 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 International Space Investment Initiative

We evaluate your specific grant activity and the International Space Investment Initiative 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 International Space Investment India Projects (ISI India Projects) grant opportunity.

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 (DISR) on behalf of Australian Space Agency.

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

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

2. About the grant program

The International Space Investment India Projects Round 2 follows on from the India Projects stream announced in 2022. The grant will provide support for Australian industry to conduct joint space projects and build valuable commercial links with the Indian Space Research Organisation (ISRO) and the broader Indian space sector.

India is a significant space partner and contributor to our region of the world and offers growth opportunities for Australian businesses. ISI India Projects Round 2 broadly aligns with the [India Economic Strategy to 2035](#), especially regarding the India-Australia Comprehensive Strategic Partnership and the Comprehensive Economic Cooperation Agreement – focusing on strengthening our bilateral relationships and activities with mutual understanding of common interests and shared values, in support of both countries' prosperity.

Funding for ISI India Projects Round 2 will be provided over two financial years from 2025-26. Projects will be able to continue to 31 December 2027. ISI India projects will generate employment and business opportunities for Australians, with a minimum of 80 per cent of the investment to be in Australia for the benefit of Australian space industry organisations.

The objectives of the program are:

- unlock international space opportunities for the Australian space sector to work on joint space projects with India
- expand the capability and capacity of the Australian space sector, and support job creation
- demonstrate the Australian space sector's ability to successfully deliver space-related products and services internationally
- support projects which contribute to building a vision and a diverse, inclusive Australian space ecosystem that inspires businesses, the Australian community and the next generation of space workforce, researchers and entrepreneurs
- increase investment in the space sector, targeting the Project focus area, as described in Appendix A.

The intended outcomes of the program are:

- an increase in Australia's reputation in the global space sector

- an increase in collaborations with India and building of stronger regional relationships
- an increase in the number and size of Australian businesses qualifying for access to opportunities with the international space industry
- an increase in the number of Australian businesses winning contracts and successfully delivering products and services to the Indian space industry and/or ISRO programs via supply chain opportunities and joint projects
- an increase in investment and engagement from the Indian Space industry and their supply chains in Australia
- an increase in the number of jobs in the Australian space sector
- an increase in the number of Australian businesses and projects delivering activities with and/or to the Indian space industry that support the Project focus area.

This grant opportunity and process will be administered by the Department of Industry, Science and Resources (DISR) on behalf of the Australian Space Agency.

We administer the program according to the *Commonwealth Grants Rules and Principles* (CGRPs)¹.

3. Grant amount and grant period

Funding of \$2.69 million is available for this grant opportunity from 2025-26 to 2026-27.

Projects are expected to begin in May 2026 and be completed by 31 December 2027.

3.1. Grants available

The grant amount will be up to 100 per cent of eligible project costs (the grant percentage).

The maximum grant amount is \$2.69 million.

There is no co-contribution requirement. However, you are welcome to make contributions to your project and are responsible for any project expenditure not covered by the grant. This funding can come from any source, for example: Australian or Indian industry partners, the Indian federal government, Australian or Indian State, Territory, and local government grants. Contributions can be cash or in-kind.

We cannot fund your project if it receives funding from another Commonwealth government grant for the same activities funded by this program. 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 ISI India Projects Round 2 grant or the other Commonwealth grant.

Your project may require relevant approvals by the Australian Space Agency under the *Space (Launches and Returns) Act 2018* (e.g. an overseas payload permit to launch a space object overseas). Assessment for relevant approvals under this Act will be conducted independently of your grant application and subject to any timeframes specified under the legislation.

Being successful for funding under this program does not mean that you will be automatically granted payload approvals for your activity.

4. Eligibility criteria

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

¹ [Federal Register of Legislation - Commonwealth Grants Rules and Principles 2024](#)

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 one of the following entities:

- an entity, incorporated in Australia
- a publicly funded research organisation (PFRO) as defined in section 14.

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.

4.2. Additional eligibility requirements

We can only accept applications:

- where you can provide evidence from your board (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding
- where you can provide evidence that a minimum of 80 per cent of the investment will be made in Australia, for the benefit of the Australian space organisations.

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
- a partnership
- a trust (however, an incorporated trustee may apply on behalf of a trust)
- a Commonwealth, state, territory or local government body (including government business enterprises)
- a non-corporate Commonwealth entity
- any organisation not included in section 4.1.

5. What the grant money can be used for

5.1. Eligible grant activities

To be eligible your project must:

- be aimed at the Project Focus Area (described at Appendix A), and
- have at least \$1 million in eligible expenditure.

Eligible activities must directly relate to the project and may include at least one of the following:

- research and development directly supporting eligible activities with a pathway to commercialisation
- product and service development
- commercialising existing products and services
- process design and engineering
- buying, constructing, installing or commissioning of equipment or software
- training and skills development that directly supports the achievement of project outcomes
- collaboration and partnership development.

We may also approve other activities. Any additional activities must be in line with objectives and outcomes in section 2.

5.2. Eligible expenditure

- For guidance on eligible expenditure, refer to Appendix B.
- For guidance on ineligible expenditure, refer to Appendix C.

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 (who is a Manager within the Business Grants Hub in DISR 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

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

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

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

6.1. Assessment criterion 1

The benefit of your project to the Australian space industry (30 points)

You should demonstrate this by describing:

- a. how your project will build the capability and capacity of the Australian space industry by developing space heritage and increasing Technology Readiness Levels (TRL) from TRL6 onwards for missions, payloads and space-based technologies or technologies which support space-based assets
- b. how a minimum of 80 per cent of the investment will be made in Australia for the benefit of Australian space industries
- c. how your project will support jobs creation in the Australian space industry
- d. how your project will contribute to building a vision and a diverse, inclusive Australian space ecosystem that inspires businesses, the Australian community and the next generation of space workforce, researchers and entrepreneurs. For example: how will your project support and utilise Indigenous talent and capabilities, and how will your project support gender diversity, through consortium or contracting arrangements that grow local experience and reputation, ongoing employment in space and adjacent sector organisations or supply chains.

6.2. Assessment criterion 2

Your project's ability to grow and strengthen collaboration with the Indian space sector (30 points)

You should demonstrate this by describing:

- a. how your project will unlock international opportunities for the Australian space sector, including growing collaborations and delivering products and services to ISRO, the Indian Space industry and their supply chains in Australia
- b. how your project will advance capability in the Project Focus area for the Australian and Indian space sectors. For Project focus area, refer to Appendix A.

6.3. Assessment criterion 3

Your capacity, capability and resources to deliver the project (20 points)

You should demonstrate this by describing:

- a. you and your project partners track record managing similar projects, and access to personnel with the right skills and experience, including project management and technical staff
- b. your access to any infrastructure, capital equipment, technology and intellectual property
- c. how you will ensure that the project will continue to deliver outcomes beyond the grant funding period
- d. your strategy to manage the project, this should include (but is not limited to):
 - scope, implementation methodology and timeframes
 - how you plan to mitigate delivery risks (including national security risks)
 - how you plan to secure required regulatory or other approvals.

6.4. Assessment criterion 4

The impact of grant funding on your project (20 points)

You should demonstrate this by describing:

- a. the total investment the grant will leverage, including direct contributions to the project and co-contributions, if any, to the project from sources including but not limited to project leads, partners, state and territory governments, investors and venture capital (VC)
- b. your plans for unlocking future investments and opportunities in the space sector due to the project activities and technological development resulting from this grant.

7. How to apply

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

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

You will need to set up an account to access our online [portal](#). You can only submit an application during a funding round.

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. 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 application:

- a project plan (template provided on business.gov.au)
- a project budget (template provided on business.gov.au)
- evidence of support from your board, CEO or equivalent (template provided on business.gov.au and GrantConnect). Where your CEO or equivalent submits your application, we will accept this as evidence of support.
- where applicable, evidence of support from your Indian partner organisation/s (e.g. letter of support or MOU)

- project partner letters of support (see Section 7.2. Template provided on business.gov.au)
- trust deed (where applicable).

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. The total of all attachments cannot exceed 20MB. We will not consider information in attachments that we do not request. Application guidance for ISI India Projects will be made available at business.gov.au.

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.

If successful, you are required to formally enter into a partners' agreement and have certain obligations. The partners' agreement must cover all matters as required by the grant agreement. You will have 60 days from the execution or commencement of the grant agreement, whichever is the later, to execute a partner's agreement with all partners and provide this to the Commonwealth. Under certain circumstances, we may extend this period. Should the partner agreement not be finalised within the 60 day period, or within an approved extension period, the Commonwealth may terminate the grant agreement. A template partner agreement will be available at business.gov.au or on request, which you may customise for your requirements. Its use is not mandatory. It is highly recommended the partner agreement outline how ownership of intellectual property will be managed amongst project partners.

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 around May 2026.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	4 weeks
Approval and announcement of successful applicants	4 weeks
Negotiations and award of grant agreements	1- 4 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	Upon execution of a grant agreement
Project completion date	31 December 2027

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

We first review your application against the eligibility criteria. If eligible, your application will be assessed against the assessment criteria (section 6). Only eligible applications will proceed to the assessment stage.

We 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.²

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

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

If applications are scored the same, the committee will consider value for money and alignment to the program objectives and geographical spread to recommend applications for funding.

² See glossary for an explanation of 'value with money'.

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 may 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 13.2 for information on how we use the information you provide to us.

8.2. Who will assess applications?

We will establish a committee that includes space sector and industry experts to assess applications. The committee may also seek additional advice from independent technical experts.

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

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.

8.3. Who will approve grants?

The Head of the Australian Space Agency decides which grants to approve taking into account recommendations of the committee and the availability of grant funds.

The Head of the Australian Space Agency'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 Head of the Australian Space Agency will not approve funding if there is insufficient program funds available across relevant financial years for the program.

9. Notification of application outcomes

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

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.

The grant agreement has general terms and conditions that cannot be changed. A [sample grant agreement](#) is available on business.gov.au and GrantConnect.

We 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 ISI India Projects stream grant 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.

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

We will use a standard grant agreement.

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

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

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
- relevant approvals by the Australian Space Agency under the *Space (Launches and Returns) Act 2018*
- any relevant export control requirements

The Australian Space Agency is responsible for administering the Space (Launches and Returns Act) 2018 (the Act) and associated rules. The process of assessing payload approvals under the Act is undertaken independently of this grant program. Being successful for funding under this program does not mean that you will be automatically granted payload approvals for your activity.

10.3. How we pay the grant

The grant agreement will state the:

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

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

10.4. 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 entities³.

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 \(ATO\)](#). 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 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](#), 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.

The project may also be published by the Australian Space Agency through its social media channels, or on [space.gov.au](#).

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
- joint/consortia partners and related arrangements (if applicable).

³ See Australian Taxation Office ruling GSTR 2012/2 available at [ato.gov.au](#)

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).

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.

We encourage you to discuss updates and matters with us, but you must also notify us in writing.

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
- contributions of participants directly related to the project
- periodic updates in each milestone on benefits realised including but not limited to jobs created, research positions created, publications generated, research outcomes etc.

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
- 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 as assessed by the department. We will come back to you if we need more information.

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. We also encourage grantees to send through mission milestone review invites or technical milestone reports for instance during Critical Design Reviews, Launch Readiness reviews or equivalent when appropriate.

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 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.

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 within the maximum grant period
- changing project activities.

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

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

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

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

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

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. For large or complex projects, we may visit you after you finish your project. We will provide you with reasonable notice of any compliance visit.

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

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

12.8. 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.’

If you erect signage in relation to the project, the signage must contain an acknowledgement of the grant.

13. Probity

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

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

You can also contact the [Commonwealth Ombudsman](#)⁴ with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

⁴ <http://www.ombudsman.gov.au/>

13.2. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity and program. There may be a conflict of interest, or perceived conflict of interest, if any individual or entity⁵ 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](#)⁶ 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, 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, the committee, and other Commonwealth employees and contractors, so we can:

- manage the program

⁵ 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.

⁶ <https://www.industry.gov.au/publications/conflict-interest-policy>

- 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](#)⁷ on the department's website for more information on:

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

13.4. 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:

- 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.

⁷ <https://www.industry.gov.au/data-and-publications/privacy-policy>

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](#)⁸.

13.6.1. 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.

13.6.2. Export Controls

Australia's export control regime limits the overseas transfer of goods and technologies listed on the 2024 [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 \(DEC\)](#).

13.6.3. 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

⁸ <https://www.industry.gov.au/strategies-for-the-future/increasing-international-collaboration/a-guide-to-undertaking-international-collaboration>

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.

13.6.4. 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.

13.6.5. Intellectual property rights

Applicants must provide details of Intellectual Property (IP) arrangements in their applications. 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 and may wish to refer to IP Australia's resources on commercialisation and collaboration.

13.7. 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.

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.
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.
Australian Space Agency (Agency)	A separately branded entity located within the department. The Australian Space Agency was established to coordinate civil space matters across government and support the growth and transformation of Australia's space industry.
Australian space industry organisations	<p>Australian organisations that are</p> <ul style="list-style-type: none"> ▪ Australian space industry firms, and/or ▪ engaged in space-related innovation, R&D, or research (basic or applied). <p>Australian organisations deliver space-related products and services as a core capability of the organisation, including organisations with activities in space manufacturing and associated supply chain, satellite operations, as well as consumer services delivered by space capabilities, and specialist space services (e.g. space law).</p>
Australian space sector	<p>The Australian space sector is the set of space-related activities along the space value chain. Included in the space sector are all actors (private, public and academic) participating in production, operation, supply and enablement activities that form the space value chain.</p> <p>Space value chain segments include manufacturing and core inputs (consisting of ground and space segment manufacturing and services), space operations, space applications, and enablers (such as regulation and essential service delivery, infrastructure and capabilities, research, development and engineering, and specialised support services).</p> <p>See the Definition of the Australian Space Sector (Australian Space Agency, 2020).</p>

Term	Definition
<u>Commonwealth Grants Rules and Principles (CGRPs)</u>	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 spent by
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.
decision maker	The person who makes a decision to award a grant.
eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.1.
eligible application	An application or proposal for services or 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 5.2.
eligible expenditure guidance	The guidance that is provided at Appendix B.
grant	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: <ul style="list-style-type: none"> a. under which relevant money⁹ or other <u>Consolidated Revenue Fund</u> (CRF) money¹⁰ 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 activity/activities	Refers to the project/tasks/services that the grantee is required to undertake

⁹ Relevant money is defined in the PGPA Act. See section 8, Dictionary.

¹⁰ Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

Term	Definition
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.
GrantConnect	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.
Minister	The Commonwealth Minister for Industry and Innovation
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.
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.
Publicly funded research organisation (PFRO)	All higher education providers listed at Table A and Table B of the <i>Higher Education Support Act 2003</i> (Cth)
selection criteria	Comprises of eligibility criteria and assessment criteria.

Term	Definition
Technology Readiness Levels (TRL)	<p>A method for assessing technology maturity. The TRL scale runs from 1-9 (with 9 being the highest level) and provides a universal measure for discussion across the space sector. See the NASA TRL Level definitions.</p>
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. ISI India Projects – Project Focus Area

This grant opportunity is focused on advancing a key Project Area identified through close collaboration between the Agency, Australian stakeholders, and the Indian Space Research Organisation (ISRO).

The grant opportunity supports the development of an Australian payload – an Australian Neuromorphic Event sensor - Remote Sensing Payload (AusNER) which could potentially be incorporated into ISRO’s G20 Satellite Mission for Environment and Climate Observation, an initiative announced by India during the 2023 G20 Leaders’ Summit in New Delhi.

To be considered for funding under this grant opportunity, the Australian payload must meet the following criteria:

- Align with the G20 Satellite Mission’s core objectives of climate and environmental monitoring
- Offer a distinctive capability that enhances the satellite’s overall scientific and operational value – via neuromorphic event sensing from space
- Be ready for integration with the space segment towards mid 2027 with potential delivery to India in early 2027. The final delivery dates are to be confirmed. Applicants can reach out to Business Grants for confidential discussions with the Agency on the payload delivery dates.
- Be compatible with specification as detailed below ISRO’s satellite platform in terms of:
 - Size, mass and power requirements
 - Data interface and telemetry standards
 - Environmental tolerance (i.e. flight-qualified with proven radiation tolerance and thermal stability or equivalent).

Proposals should demonstrate how the payload will address key environmental or climate changes, support applications such as disaster response, biodiversity monitoring or climate modelling and contribute to global data-sharing efforts.

Mass	12kgs
Volume	100 mm x 100 mm x 340 mm
CAD	Not Available, Mounting & FOV datum assumed
FOV	22°
Swath	As per design
Power	20W (Average)
TM/TC	MIL-STD-1553 serial
Data Interface	Standard LVDS interface
Thermal Interface	Payload will be maintained within a temperature table of –10C to +50C

The Grantee must meet the following deliverables during the project period:

- Provide relevant documents and in-orbit assessment and verification plans to the Agency and ISRO (through the Agency)
- Provide interface requirements and test information and support as necessary to the Agency and ISRO (through the Agency)

- Provide payload simulator and technical support to ISRO (through the Agency), as specified in the ICD, for compatibility/interface testing
- Provide ISRO (through the Agency) high-level software and hardware engineering models, results of analysis, and/or software simulators/emulators, as specified in the ICD
- Provide ISRO (through the Agency) all interface payload information required for ISRO to ensure Spacecraft and launch vehicle compatibility, as specified in the ICD
- Provide detailed documentation including test results, interface requirements and other technical assistance in connection with the Payload Provider payloads as necessary
- Support the assembly, integration and testing activities as per the schedule of the spacecraft activities
- Deliver the Flight model of the payload for integration by end of calendar year 2026 (Dates TBC).

The applicants can contact the Department for further clarifications on required interface definitions. The successful grantee will be part of the joint technical team and will be able to work closely with the Agency on all relevant technical details pending.

Appendix B. Eligible expenditure

This section provides guidance on the eligibility of expenditure.

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

To be eligible, expenditure must:

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

B.1 How we verify eligible expenditure

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

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

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

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

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

B.2 Plant and equipment expenditure

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B.3 Newly purchased plant and pre-existing purchased plant

Only depreciation of newly purchased and pre-existing purchased plant is eligible expenditure. Depreciation is the decline in asset value of an item of plant allowed through the Commissioner of Taxation's effective life schedules. The depreciation must be proportional to the time you use it on the project. In extraordinary situations, for instance, where the plant is subject to heavy usage, and where this is in accordance with Commissioner of Taxation's rules, you may apply a higher rate of depreciation.

You can only claim depreciation of the plant for the time you use it on the project. However, you can claim all eligible depreciation charges in full for each item of purchased plant as you deploy it.

Running costs for purchased or pre-existing plant are eligible expenditure but must be readily verifiable and may include items such as rent, light and power, repairs and maintenance.

B.4 Hired/leased plant

You must calculate eligible expenditure for hired, rented, or leased plant by the number of payment periods where you use the plant for the project multiplied by the period hiring fee. If you purchase

plant under a hire purchase agreement, or you use a lease to finance the purchase of the plant, the cost of the item of plant, excluding interest, is capitalised, and then depreciated.

Running costs for hired or leased plant are eligible expenditure but you must be able to verify them. They may include items such as rent, light and power, and repairs and maintenance.

B.5 Constructed plant

Only depreciation of constructed plant is eligible expenditure. Depreciation is the decline in asset value of an item of plant allowed through the Commissioner of Taxation's effective life schedules. The depreciation must be proportional to the time you use it on the project. In extraordinary situations, for instance, where the plant is subject to heavy usage, and where this is in accordance with Commissioner of Taxation's rules, you may apply a higher rate of depreciation.

Where you lease a project facility you may claim leasehold improvements where they are for your specific needs. The improvement cost is eligible expenditure if it is capitalised in your financial statements (balance sheet) and depreciated as above.

The starting value for constructed plant depreciation calculations is the capitalised construction cost or capitalised leasehold improvement cost for the plant item according to ATO requirements. You can only claim depreciation of the plant for the time you use it on the project. However, you can claim all eligible depreciation charges in full for each item of purchased plant as you deploy it.

Once fully completed, running costs for constructed plant are eligible expenditure but you must be able to verify them. They may include items such as rent, light and power, repairs and maintenance.

B.6 ICT hardware and software

Costs involved in the purchase, upgrade or hire of software (including user licences) are eligible where they are directly relates to the project. Purchase of ICT hardware is eligible where it is directly relates to the project.

B.7 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 and project management activities eligible labour expenditure, provided there are direct, demonstrated and monitored links to project objectives and outcomes. Labour expenditure for leadership or administrative tasks is not eligible. We only consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure where they are directly completing eligible project activities, including technical and project management tasks. 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.

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.

B.8 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.

B.9 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.

B.10 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.

B.11 Other eligible expenditure

Other eligible expenditures for the project may include:

- building modifications where you own the modified asset and the modification is required to undertake the project, for example installing a clean room. Modifications to leased buildings may be eligible. You must use the leased building for activities related to your manufacturing process.
- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure, the cost of an independent audit of project expenditure (where we request one) up to a maximum of 1 per cent of total eligible project expenditure
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
- contingency costs up to a maximum of 10 per cent of the eligible project costs. Note that we make payments based on actual costs incurred.

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

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

Appendix C. 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:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to executing a grant agreement
- 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
- infrastructure development costs, including development of road, rail, port or fuel delivery networks beyond the manufacturing site
- site preparation activities which are not directly related to the project
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests
- travel or overseas costs that exceed 10 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.