



Grant Opportunity Guidelines

Industry 4.0 Testlabs for Australia

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Closing date and time:	5.00pm AEDT on 29 October 2018
Commonwealth policy entity:	Department of Industry, Innovation and Science
Administering entity:	Department of Industry, Innovation and Science
Enquiries:	If you have any questions, contact us at business.gov.au .
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Type of grant opportunity:	Closed non-competitive

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1. Industry 4.0 Testlabs for Australia grant opportunity processes

The Industry 4.0 Testlabs for Australia is designed to achieve Australian Government objectives

This grant opportunity contributes to Department of Industry, Innovation and Science's Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation. The department has worked with stakeholders to plan and design the program according to the *Commonwealth Grants Rules and Guidelines*.



The grant opportunity opens

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



You complete and submit a grant application



We assess all grant applications

We assess the applications against eligibility criteria and notify you if you are not eligible. We assess eligible applications against the merit criteria including an overall consideration of value with relevant money.



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 enter into a grant agreement

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



Delivery of grant

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



Evaluation of the grant opportunity

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

2. About the Industry 4.0 Testlabs for Australia grant opportunity

These guidelines contain information for the Industry 4.0 Testlabs for Australia grant opportunity.

The grant opportunity builds on the recommendations of the Industry 4.0 Testlabs in Australia¹ report, released by the Prime Minister's Industry 4.0 Taskforce, which advocates for a network of testlabs across Australia.

The grant opportunity is delivered as a pilot program. It establishes five initial Australian testlabs that can underpin the expansion of a broader national network. The department undertook extensive consultation with stakeholders from industry, research and government sectors to inform the development of this pilot program.

Industry 4.0 testlabs established through this grant opportunity will be located at the five Australian universities listed at section 4.2 and will support small and medium enterprises (SMEs) in several of the Australian Government's priority growth sectors. These may include:

- Advanced manufacturing
- Cyber security
- Food and agribusiness
- Medical technologies and pharmaceuticals
- Mining equipment, technology and services
- Oil, gas and energy resources

Siemens Australia has committed to providing in-kind support to the selected universities through the provision of product lifecycle management software and/or equipment.

The testlabs must focus on building capability in SMEs to adopt the latest technologies and digital innovation, including:

- the internet of things
- big data and analytics
- cybersecurity
- robotics
- sensors and automation
- innovative production methods.

The objectives of the grant opportunity are to:

- establish five Industry 4.0 testlabs at the five Australian universities listed in section 4.2
- provide innovation support for SMEs in priority industry growth sectors, through access to Industry 4.0 testlabs
- build the skills required to capitalise on technological opportunities presented by Industry 4.0

The intended outcomes of the grant opportunity are improved:

- collaboration between the tertiary education sector, vocational education and training (VET) sector and SMEs in areas of innovation
- skills and capabilities of SMEs to incorporate technology and innovation associated with Industry 4.0 into their businesses

¹ <https://www.industry.gov.au/sites/g/files/net3906/f/July%202018/document/pdf/industry-4.0-testlabs-report.pdf>

- competitiveness of Australian manufacturing industries.

This document sets out:

- the eligibility and merit criteria
- how we consider and assess grant applications
- how we monitor and evaluate grantees
- responsibilities and expectations in relation to the opportunity.

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

We will publish the opening and closing dates and any other relevant information on business.gov.au and [GrantConnect](#)².

We administer the program according to the Commonwealth Grants Rules and Guidelines (CGRGs)³.

We have defined key terms used in these guidelines in appendix A.

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

2.1. Grant amount and grant period

The Australian Government has announced a total of \$5 million over the 2018-19 financial year for this grant opportunity.

3. Grants available

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

The maximum grant amount is up to \$1,000,000.

You must contribute the remaining 50 per cent of eligible project costs. Your contribution must be cash and not in-kind.

You cannot use funding from other government grants to fund your share of eligible project expenditure.

3.1. Project duration

You must complete your project by 30 June 2019.

We may approve a further 6-month extension provided you complete your project by 31 December 2019.

4. Eligibility criteria

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

4.1. Who is eligible?

To be eligible you must:

- be invited to apply

² <https://www.grants.gov.au/>

³ <https://www.finance.gov.au/sites/default/files/commonwealth-grants-rules-and-guidelines.pdf>

- be one of the universities listed in section 4.2
- have an Australian Business Number (ABN)
- be an entity incorporated in Australia and a trading corporation, where your trading activities
 - form a sufficiently significant proportion of the corporation's overall activities as to merit it being described as a trading corporation; or
 - are a substantial and not merely peripheral activity of the corporation.

4.2. Universities invited to apply

The grant opportunity aims to establish five initial Australian testlabs that can underpin the expansion of a broader national network. The following universities will be invited to apply by the Minister for this pilot grant opportunity:

- The University of Queensland
- University of Technology Sydney
- University of South Australia
- University of Western Australia
- Swinburne University of Technology.

These universities were strategically selected for the pilot grant opportunity to leverage off their existing collaborative partnerships with industry, including the in-kind support from Siemens Australia.

4.3. Additional eligibility requirements

We can only accept applications:

- where you can provide evidence from your board (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding.
- where you can provide evidence of how you will provide your share of project costs. You must use the Accountant Declaration form available on business.gov.au and [GrantConnect](#)⁴.
- where you can provide evidence that you have an agreed arrangement with Siemens Australia for their in-kind support through the provision of product lifecycle management software and/or equipment.

We cannot waive the eligibility criteria under any circumstances.

5. Eligible grant activities

5.1. Eligible projects

To be eligible your project must:

- establish a new Industry 4.0 testlab facility or upgrade an existing testlab to Industry 4.0 capability
- provide free and open access to SMEs (to hardware and software) in the priority growth sectors listed in section 2
- focus on upskilling SMEs in Industry 4.0 technology

⁴ <https://www.grants.gov.au/>

- include eligible activities and eligible expenditure

We cannot fund your project if it receives funding from another Commonwealth Government grant. You can apply for a grant for your project under more than one Commonwealth program, but if your application is successful, you must choose either the Industry 4.0 Testlabs for Australia grant or the other Commonwealth grant.

You cannot use funding from other state or territory grants to fund your share of eligible project expenditure.

5.2. Eligible activities

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

- purchase, installation and commissioning of Industry 4.0 technology, software, hardware or equipment (other than that provided by Siemens Australia)
- upgrade or modification of existing laboratory to incorporate Industry 4.0 technology.

5.3. Eligible expenditure

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

- For guidelines on eligible expenditure, see appendix B.
- For guidelines on ineligible expenditure, see appendix C.

If your application is successful, we may ask you to verify project costs that you provided in your application.

Not all expenditure on your project may be eligible for grant funding. The program delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure, if required.

To be eligible, expenditure must:

- be a direct cost of the project
- be incurred by you for required project audit activities. Refer to section 10.7.

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

You may start your project and incur eligible expenditure from the date you submitted your application. However, we will not accept responsibility for any expenses until a grant agreement is executed. If you choose to start your project before a grant agreement is executed, you do so at your own risk.

6. The merit criteria you need to address

To be competitive, you will need to address all merit criteria in your application. We will assess your application against each criterion using the weighting indicated.

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

6.1. Merit criterion 1

How your project aligns with the program objectives, in particular how it will benefit Small and Medium Enterprises (50 points)

You should demonstrate this by identifying:

- a. the value proposition of your Industry 4.0 testlab
- b. how your project will engage and provide innovation support to SMEs. You should provide a detailed SME engagement plan.
- c. the extent to which your project will develop skills and expertise of SMEs needed to address the technological and capability challenges presented by the emergence of Industry 4.0
- d. how your project will facilitate collaboration with industry and the vocational education and training (VET) sector through a free and open access policy.

6.2. Merit criterion 2

Capacity, capability and resources to deliver the project (25 points)

You should demonstrate this through identifying:

- a. your track record managing comparable projects
- b. your access to personnel with the right skills and experience, including management and technical staff
- c. your access to facilities, capital equipment, technology, intellectual property, administrative systems, including record keeping practices, reporting and required regulatory or other approvals
- d. your ability to comply with relevant policies and laws, including Workplace, Health and Safety (WHS) requirements
- e. a sound project plan to manage and monitor the project and risks.

6.3. Merit criterion 3

Impact of the grant (25 points)

You should demonstrate this by identifying:

- a. whether your project will go ahead without the grant. Explain how the grant will impact your project in terms of scale, timing and reach
- b. your justification for the funding amount requested with respect to the scale of the project, grant period and intended outcomes
- c. a detailed project budget and the total investment including any cash or in-kind contributions the grant will leverage. Where you identify the grant has leveraged in-kind contributions, you should calculate the dollar value.
- d. detailed key performance indicators against which your testlab will be measured, including outcomes for participating SMEs.

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](#)⁵.

You will need to set up a user account to access our online portal. The portal allows you to apply for and manage a grant or service in a secure online environment.

To apply, you must:

- complete and submit your application through the portal
- provide all the information requested
- address all eligibility and merit 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 1995* (Cth). If we consider that you have provided false or misleading information we may not progress your application. If you find an error in your application after submitting it, you should call us immediately on 13 28 46.

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

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

7.1. Attachments to the application

We require the following documents with your application:

- project plan
- project budget, including quotations for major capital expenditure
- SME engagement plan
- [accountant declaration](#) (template provided on business.gov.au and [GrantConnect](#)⁶)
- evidence of support from the board, CEO or equivalent
- evidence of agreed arrangements with Siemens Australia for their in-kind support through the provision of product lifecycle management software and/or equipment.

You must attach supporting documentation in line with the instructions provided in the portal. You should only attach requested documents. We will not consider information in attachments that we do not request.

7.2. Timing of grant opportunity

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

⁵ <https://www.grants.gov.au/>

⁶ <https://www.grants.gov.au/>

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	4 weeks
Approval of outcomes of selection process	4 weeks
Negotiations and award of grant agreements	1-3 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of grant activity	20 September 2018
End date of grant commitment	30 June 2019

8. The selection process

We first assess your application against the eligibility criteria and then against the merit criteria. Only eligible applications will proceed to the merit assessment stage.

We may establish an expert committee to assess applications. The committee may also seek additional advice from independent technical experts.

If one is established, the committee will assess your application against the merit criteria and recommend which projects to fund.

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

8.1. Final decision

The Minister decides which grants to approve.

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

- the approval of applications for funding
- the amount of grant funding awarded
- the terms and conditions of funding.

We cannot review decisions about the merits of your application.

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

9. Notification of application outcomes

If you are successful, we will email you, and include in the email any specific conditions attached to the grant.

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

10. If your application is successful

10.1. Grant agreement

You must enter into a grant agreement with the Commonwealth. A sample [grant agreement](#) is available on business.gov.au and [GrantConnect](#)⁷.

We will manage the grant agreement through the portal. Accepting the agreement through the portal is the equivalent of signing a grant agreement. After you have accepted it, we will execute the agreement. Execute means both you and the Commonwealth Government have entered into the grant agreement. We will notify you when this happens and a copy of the executed agreement will be available through the portal. The agreement will not become binding until it is executed. We must execute a grant agreement with you before we can make any payments.

You may start your project and incur eligible expenditure from the date you submitted your application. However, we will not accept responsibility for any expenses until a grant agreement is executed. If you choose to start your project before a grant agreement is executed, you do so at your own risk. The approval of your grant may have specific conditions determined by the assessment process or other considerations made by the Minister. We will identify these when we notify you of your successful application.

If you enter an agreement under this grant opportunity, you cannot receive other grants for this project from other Commonwealth programs.

You can receive grants from state or territory programs, however you cannot use the state or territory grants to fund your share of eligible project expenditure.

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

You will have 30 days from the date we notify you of your success to execute the grant agreement with the Commonwealth ('execute' means both you and the Commonwealth have accepted the agreement). During this time, we will work with you to finalise details. The offer may lapse if both parties do not accept the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the Minister.

10.2. How we pay the grant

The grant agreement will state the:

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

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

We will make a single upfront payment on execution of the grant agreement. You will be required to report how you spent the grant funds at the completion of the project.

⁷ <https://www.grants.gov.au/>

10.3. How we monitor your project

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

- progress against agreed project milestones
- project expenditure, including expenditure of grant funds
- contributions of participants directly related to the project.

The amount of detail you provide in your reports should be relative to the project size, complexity and grant amount.

We will monitor the progress of your project by assessing reports you submit and may conduct compliance 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.

10.4. Progress reports

Progress reports must be submitted six monthly:

- include details of your progress towards completion of agreed project activities
- include the agreed evidence as specified in the grant agreement
- 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)
- be in the format provided in the grant agreement.

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

10.5. End of project report

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

The end of project report must:

- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project
- include evidence of expenditure
- be submitted by the report due date
- be in the format provided in the grant agreement.

10.6. Ad-hoc report

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.

10.7. Independent audit report

When you have completed your project you must 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 attached to the sample grant agreement.

10.8. Compliance visits

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

10.9. 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
- changing project activities.

Note 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 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.

10.10. Keeping us informed

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

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

You must also inform us of any changes to your:

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

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

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

10.11. Evaluation

We will evaluate the program to determine the extent to which the grant is contributing to the program objectives and outcomes. 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.

10.12. Tax obligations

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

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

10.13. Grant acknowledgement

If you make a public statement about a project funded under the program, 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.

11. Conflicts of interest

11.1. Your conflict of interest responsibilities

A conflict of interest will occur if your private interests conflict with your obligations under the grant. Conflicts of interest could affect the awarding or performance of your grant. A conflict of interest can be:

- real (or actual)
- apparent (or perceived)
- potential.

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

If you later identify that there is an actual, apparent, or potential conflict of interest or that one might arise in relation to your grant, you must inform us in writing immediately.

11.2. Our conflict of interest responsibilities

We recognise that conflicts of interest may arise with our staff, technical experts, committee members and others delivering the program between:

- their program duties, roles and responsibilities and
- their private interests.

We manage our conflicts of interest according to the APS Code of Conduct (section 13 (7) of the *Public Service Act 1999* (Cth)). We publish our [conflict of interest policy](#)⁸ on the department's website.

8

<https://www.industry.gov.au/AboutUs/InformationPublicationScheme/Ourpolicies/Documents/Conflict-of-Interest-and-Inside-Trade-Expectations-Policy.pdf>

Program officials must declare any conflicts of interest. If we consider a conflict of interest is a cause for concern, that official will not take part in the assessment of relevant applications under the program.

12. How we use your information

Unless the information you provide to us is:

- confidential information as per 12.1, or
- personal information as per 12.3,

we may share the information with other government agencies for a relevant Commonwealth purpose such as:

- to improve the effective administration, monitoring and evaluation of Australian Government programs
- for research
- to announce the awarding of grants.

12.1. How we handle your confidential information

We will treat the information you give us as sensitive and therefore confidential if it meets all of the following conditions:

- you clearly identify the information as confidential and explain why we should treat it as confidential
- the information is commercially sensitive
- disclosing the information would cause unreasonable harm to you or someone else
- you provide the information with an understanding that it will stay confidential.

12.2. When we may disclose confidential information

We may disclose confidential information:

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

We may also disclose confidential information if

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

12.3. How we use your personal information

We must treat your personal information according to the Australian Privacy Principles (APPs) and the *Privacy Act 1988* (Cth). This includes letting you know:

- what personal information we collect
- why we collect your personal information
- to whom we give your personal information.

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

- manage the program
- research, assess, monitor and analyse our programs and activities.

We, or the Minister, may:

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

You may read our [Privacy Policy](#)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.

12.4. Public announcement

We will publish non-sensitive details of successful projects on [GrantConnect](#)¹⁰ and business.gov.au. We are required to do this by the *Commonwealth Grants Rules and Guidelines* and the [Australian Government Public Data Policy Statement](#)¹¹, unless otherwise prohibited by law.

This information may include:

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

We publish this information to ensure open access to non-sensitive data within Australian Government agencies to enable greater innovation and productivity across all sectors of the Australian economy.

12.5. 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.

⁹ <http://www.industry.gov.au/Pages/PrivacyPolicy.aspx>

¹⁰ <https://www.grants.gov.au/>

¹¹ <http://www.dpmc.gov.au/resource-centre/data/australian-government-public-data-policy-statement>

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. Enquiries and feedback

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

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

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

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

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

Head of Division

AusIndustry - Support for Business

Department of Industry, Innovation and Science

GPO Box 2013

CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman¹²](#) with your complaint (call 1300 362 072).

There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

¹² <http://www.ombudsman.gov.au/>

Appendix A. Definitions of key term

Term	Definition
Application	The details that applicants provide in the online portal to apply for funding under the grant opportunity.
AusIndustry	The division of the same name within the department.
Department	The Department of Industry, Innovation and Science.
Committee	The body established by the Minister to consider and assess eligible applications and make recommendations to the Minister for funding under the program.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.2.
Eligible application	An application or proposal for grant funding under the program that the program delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in 5.3.
Eligible expenditure guidelines	The guidelines that are at appendix B.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
Grantee	The recipient of grant funding under a grant agreement.
Guidelines	Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.

Term	Definition
Industry 4.0	<p>At a high level, refers to the real-time, high data volume, multilateral communication and interconnectedness between cyber-physical systems and people.</p> <p>For the purpose of the grant opportunity, Industry 4.0 refers to the disruption of traditional production processes caused by the advent of digital technologies, and associated changes to business models, organisation, and culture that support this transformation.</p> <p>Industry 4.0 is underpinned by several emerging technologies including:</p> <ul style="list-style-type: none"> • Artificial intelligence • Augmented reality • Automation • Big data analytics • Collaborative robots • Cyber security • Flying maintenance robots • Innovative production methods. • Nanomaterials and nanosensors • Robotic vision • 3D printing • the internet of things • sensors and automation
Minister	The Commonwealth Minister for Jobs and Innovation.
Non-income-tax-exempt	Not exempt from income tax under Division 50 of the <i>Income Tax Assessment Act 1997</i> (Cth) or under Division 1AB of Part III of the <i>Income Tax Assessment Act 1936</i> (Cth).
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	Departmental web based platform that applicants use to apply for funding and manage a program grant or service in a secure online environment.
Program delegate	An AusIndustry general manager within the department with responsibility for the program.

Term	Definition
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.
Testlab	Testlabs are research facilities with a strong focus on industry access and input. They enable researchers, students and industry to work in partnership to design trial and showcase the application of Industry 4.0 technologies to manufacturing processes in order to solve business challenges.

Appendix B. Eligible expenditure

This section provides guidelines 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
- meet the guidelines on eligible expenditure.

13.1. How we verify eligible expenditure

In your application, we will ask you to verify your project budget and 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, up to a maximum of 1 per cent of total eligible project expenditure.

13.2. Equipment expenditure

We consider costs of purchase, freight and installation of 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. For commissioning and installation costs to be eligible, equipment costs must be paid after your project start date.

You can claim related freight and installation costs on capital expenditure.

Where you need to pay in instalments to purchase capital items (for example deposits, payment on installation, or payment on commissioning), you should claim the grant amount for the items progressively across multiple progress reports up to the end of the project period.

You may show expenditure on 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).

13.3. Construction related to installation of new equipment

Construction costs necessary to accommodate new Industry 4.0 equipment in an existing facility may be eligible. The construction must directly relate to modifications that are required to undertake the project.

If you claim expenditure for related construction to accommodate new equipment, we limit this to

- the costs of materials
- direct construction labour salary costs
- contractor 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.

13.4. ICT hardware and software

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

13.5. Other eligible expenditure

Other eligible expenditures for the project may include:

- contingency costs up to a maximum of 10% of the eligible project costs.

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 guidelines on what we consider ineligible expenditure.

The program delegate may impose additional limitations or exclude other types of expenditure, in addition to the ineligible expenditure listed in these guidelines, in a grant agreement or by notice to you.

Examples of ineligible expenditure include:

- research activities
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to a grant agreement being executed
- any in-kind contributions
- financing costs, including interest
- capital expenditure for the purchase of assets that are outside the scope of the project
- modification or upgrade of facilities such as buildings and laboratories that are outside the scope of the project
- costs such as rental, renovations and utilities
- 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 equipment
- maintenance costs
- site preparation activities that are outside the scope of the 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 accommodation costs

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.