

Commonwealth Standard Grant Agreement
between the Commonwealth represented by
***Department of Infrastructure, Transport,
Regional Development and
Communications***
and
Qantas Airways Limited

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Grant Agreement – International Aviation Support

Once completed, this document, together with each set of Grant Details and the Commonwealth Standard Grant Conditions (Schedule 1), forms an Agreement between the Commonwealth and the Grantee.

Parties to this Agreement

The Grantee

Full legal name of Grantee	Qantas Airways Limited
Legal entity type (e.g. individual, incorporated association, company, partnership etc)	Company
Trading or business name	Qantas Airways Limited
Any relevant licence, registration or provider number	Qantas Airways Limited, International Airline Licence No. 45/2009. Jetstar Airways Limited, International Airline Licence No. 47/2009
Australian Company Number (ACN) or other entity identifiers	ACN 009 661 901
Australian Business Number (ABN)	ABN 16 009 661 901
Registered for Goods and Services Tax (GST)?	Yes
Date from which GST registration was effective?	1 July 2000
Registered office (physical/postal)	10 Bourke Road, Mascot, NSW 2020
Relevant business place (if different)	As above
Telephone	47F
Fax	02 9490 1888
Email	47F

The Commonwealth

The Commonwealth of Australia represented by the Department of Infrastructure, Transport, Regional Development and Communications
111 Alinga Street, Canberra, ACT, 2601
ABN 86 267 354 017

Background

The Commonwealth has agreed to enter this Agreement under which the Commonwealth will provide the Grantee with one or more Grants for the purpose of assisting the Grantee to undertake the associated Activity.

The Grantee agrees to use each Grant and undertake each Activity in accordance with this Agreement and the relevant Grant Details.

Scope of this Agreement

This Agreement comprises:

- (a) this document;
- (b) the Supplementary Terms from the Clause Bank (if any);
- (c) the Standard Grant Conditions (Schedule 1);
- (d) the Grant Details;

(e) any other document referenced or incorporated in the Grant Details.

Each set of Grant Details, including Supplementary Terms (if any), only applies to the particular Grant and Activity covered by that set of Grant Details and a reference to the 'Agreement' in the Grant Details or the Supplementary Terms is a reference to the Agreement in relation to that particular Grant and Activity. If there is any ambiguity or inconsistency between the documents comprising this Agreement in relation to a Grant, the document appearing higher in the list will have precedence to the extent of the ambiguity or inconsistency.

This Agreement represents the Parties' entire agreement in relation to each Grant provided under it and the relevant Activity and supersedes all prior representations, communications, agreements, statements and understandings, whether oral or in writing.

Certain information contained in or provided under this Agreement may be used for public reporting purposes.

Grant Details – International Aviation Support

A. Purpose of the Grant

The Grant is being provided as part of the International Aviation Support program in accordance with the International Aviation Support Guidelines issued by the Commonwealth on 24 March 2021 (**Guidelines**).

The purpose of the Grant is to support the Grantee to maintain a core international aviation workforce and operational capability from 1 April 2021 (Activity Commencement Date) to the Activity Completion Date. The Grant will assist the Grantee to resume scheduled international airline passenger services when restrictions on international departures and arrivals are lifted, should the Grantee seek to do so.

B. Activity

For the duration of the period from the Activity Commencement Date up to and including the Agreement End Date (**Grant Period**), the Grantee will:

- Maintain the employment of at least 6,000 and up to 7,500 staff who can be demonstrably linked, to the Commonwealth's satisfaction, to the Grantee's capability to resume international passenger services. The Commonwealth acknowledges that the Grantee's international workforce will likely vary during the course of the Grant Period, including by reason of employees choosing to leave employment and further changes to the workforce as a result of the Grantee's three year restructuring program; and
- Maintain workforce and operational capability to enable the resumption of scheduled international passenger services upon international border restrictions being lifted in Australia so as to permit international aviation passenger departures and arrivals to recommence.

(each an **Activity**).

Eligible expenditure

Eligible expenditure in support of the Activity cannot be incurred prior to the Activity Commencement Date unless agreed by the Commonwealth in writing. The funding available under this Grant may be used for the Activities and may include:

- employee support and retention payments to maintain international workforce capability, including:
 - retention and supplement payments for eligible stood down staff, including those on leave without pay, special leave without pay, or those working reduced hours;
 - payments to support staff undertaking training; and
 - applicable on-costs directly attributable to employment such as superannuation and payroll tax costs;
- training to ensure skilled staff maintain skills and currency necessary to operate international passenger services;
- maintenance (including storage) and preparation of international aircraft for operating international passenger services;

-
- costs associated with bringing aircraft out of storage;
 - port readiness costs for ground operations such as recency training, compliance certification and audits of ground operations; or
 - any other activity or expenditure described as an eligible activity or expenditure in a variation or replacement of the Guidelines from time to time.

Ineligible uses of Grant funding

The funding available under this Grant must not be used for the following ineligible activities:

- staffing, fleet maintenance and other expenses to the extent used for domestic aviation operations;
- staffing, fleet maintenance and other expenses to the extent used for cargo aviation operations;
- operational costs for international airline subsidiaries that are not incorporated in Australia;
- activities already funded by other Commonwealth programs (including, but not limited to, expenses covered under Government-facilitated repatriation services and the International Freight Assistance Mechanism);
- operation of scheduled commercial passenger services, including services between Australia and New Zealand;
- dividends to equity holders;
- bonus payments to staff and executives, whether in the form of cash or other benefits;
- discretionary expenditure such as hospitality or corporate events; or
- any other activity described as an ineligible activity in a variation or replacement of the Guidelines from time to time.

The Grantee may seek to vary the eligible activities under this Grant Agreement by writing to the Commonwealth. Commonwealth approval of the variation in accordance with clause 8 of the Standard Grant Conditions must be received before expenditure on the proposed eligible activity by the Grantee.

The Grantee warrants that, at the date of execution of this Agreement and throughout the Grant Period, no Grant funds will be provided to or indirectly for the benefit of, any subsidiary of the Grantee that is not incorporated in Australia.

Should the Grantee be, or reasonably consider that it is likely to be, unable to satisfy the requirements of this Agreement during the Grant Period, they must notify the Commonwealth immediately in writing.

C. Duration of the Grant

The Activity starts on the Activity Commencement Date (which may be prior to the date of execution of this agreement). The Activity (other than the provision of any final reports) ends on 31 October 2021 (unless varied) which is the **Activity Completion Date**.

The Agreement ends when the Grantee has provided all of the reports and repaid any Grant amount as required under this Agreement which is the **Agreement End Date**.

Activity Schedule	
Milestone	Due Date
Progress report and statement	28 May 2021
Progress report and statement	21 June 2021
Progress report and statement	23 July 2021
Progress report and statement	20 August 2021
Progress report and statement	23 September 2021
Progress report and statement	22 October 2021
Independently Reviewed Verification report	31 December 2021

D. Payment of the Grant

The maximum total amount of the Grant is \$174.40 million (GST exclusive).

The Grantee's nominated bank account into which the Grant is to be paid is Bank: s47F

s47F

The Grant will be paid in monthly instalments by the Commonwealth.

The amount of the Grant for which the Grantee is eligible each month will depend on the number of staff employed over each month.

The amount of the Grant for payment number 1 in the Anticipated Payment Schedule in Item D1 below (**Payment Schedule**) will be based on a workforce of at least 7,500 staff. Payment no 2 will be decreased proportionately to the extent that the number of staff employed in the month to which payment number 1 relates falls below 7,500 staff.

If the Grantee maintains a workforce of at least 6,000 staff in accordance with Item B, the amount for which the Grantee is eligible in the relevant month during the Grant Period is the Total Base Payment set out in the Payment Schedule. To the extent that the Grantee maintains a workforce in excess of 6,000 staff in a month during the Grant Period, the amount of the Grant payable to it will increase proportionately by the number

of staff that have been employed in excess of 6,000 in the relevant month up to a Total Maximum Payment for 7,500 staff as described in the Payment Schedule.

An upfront payment will be made within 7 days following the execution of this Agreement.

The Commonwealth will determine, at its sole discretion, whether or not to make subsequent Grant payments to the Grantee and the amount of each payment. In making its determination, the Commonwealth will consider:

- whether the expenditure by the Grantee in the monthly progress report was eligible expenditure in support of an Activity as set out in Item B;
- whether the Grantee is compliant with the conditions in Item D.1; and
- any other consideration that the Commonwealth deems relevant.

If the Grantee's Eligible Expenditure in a particular month (the **Reporting Month**) is less than the anticipated Grant payment (see below), the maximum amount that may be paid for the next month is the Eligible Expenditure in the Reporting Month. The Commonwealth may, in its discretion, allow the Grantee to use the shortfall against the anticipated Grant funding in the Reporting Month in a subsequent month during the Grant Period.

The final payment will be divided; half will be paid at the commencement of the month (following approval of the previous month's progress report) and the other half will be paid once the Grantee has satisfied all reporting requirements under this Grant Agreement, including provision of a report which verifies the maintenance of employee levels and eligible expenditure of the Grant in accordance with clause 10.2 of the Standard Grant Conditions and Item E below (**Independently Reviewed Verification Report**).

Should the Commonwealth not be satisfied that the Grantee has performed their obligations under this Grant Agreement, the Commonwealth can request further evidence and can require the Grantee to repay the relevant amount or otherwise deal with the relevant amount in accordance with clause 11 of the Standard Grant Conditions.

Review of decisions in relation to payments

Where the Commonwealth decides to withhold a Grant payment, pay a reduced amount, or terminate the Agreement, the Grantee may request a review of the decision within one week of being notified of the decision. In support of the review, the Grantee may provide the Commonwealth with additional information supporting its claim, which must accompany the Grantee's request for review. The Commonwealth will review the decision and notify the Grantee of the outcome of this review within 10 days of receiving a request for review.

If the international workforce falls below 6000 staff for any period during the Activity Period:

- (a) if the Grantee can demonstrate that this is due to natural attrition at the election of the relevant employees (such as resignation), the Commonwealth will not treat this as a breach of this Agreement. The Commonwealth will consult with the Grantee and may vary the level of future Grant payments to have regard to the revised number of international staff in the workforce and the eligible expenditure for the remainder of the Grant period; and

- (b) If the Grantee cannot demonstrate that this is due to natural attrition, then the Commonwealth will have discretion as to whether to apply clauses 11 and 19.3 of the Agreement.

D.1 Conditions to be met prior to grant payments

To be eligible for a Grant payment, the Grantee agrees that they must:

- continue to maintain a current Australian International Airline Licence to operate scheduled international passenger services as a designated airline of Australia (issued under the Air Navigation Regulations 2016) and provide satisfactory evidence of this to the Commonwealth;
- satisfy the Activity requirements in Item B; and
- satisfy the reporting requirements in Item E.

Anticipated Payment Schedule

Payment no	Milestone	Anticipated date	Total Base Payment (million)* (ex. GST) ***	Total Maximum Payment (million)** (ex. GST) ***
1	Within 7 days of signature of agreement		\$24.91	\$24.91
2	Acceptance of progress report	5 June 2021	\$20.23	\$24.91
3	Acceptance of progress report	28 June 2021	\$20.23	\$24.91
4	Acceptance of progress report	30 July 2021	\$20.23	\$24.91
5	Acceptance of progress report	27 August 2021	\$20.23	\$24.91
6	Acceptance of progress report	30 September 2021	\$20.23	\$24.91
7	Acceptance of progress report	29 October 2021	\$10.11	\$12.46
8	Acceptance of Independent Verification Report	14 January 2022	\$10.11	\$12.48
	Total Amount		\$146.28	\$174.40

*Base payment based on 6,000 staff.

** Maximum payment based on 7,500 staff.

*** Actual amounts of final Grant payments calculated in accordance with Section D.

E. Reporting

The Grantee agrees to create the following reports in the form required by the Commonwealth and to provide the reports to the Commonwealth representative in accordance with the following:

Progress reports

Progress reports must be submitted in accordance with the Milestones set out in Item C and must include, to the Commonwealth's satisfaction:

- full particulars of expenses incurred and the Activities in relation to which Grant funds have been expended in the relevant calendar month to which the progress report relates;
- an update on the Grantee's level of international aviation employment and assurance that it continues to maintain international workforce capability as outlined in Item B;
- assurance that the Grantee is maintaining its international operational capability, including that all international employees will meet industry safety and security standards to conduct international flights and that aircraft are, or can quickly be made to be, in a condition to be used for international passenger services; and
- an acquittal of the previous Grant payment, sorted according to expenses incurred and including a breakdown of the flow of Grant funds to or for the benefit of any of the Grantee's subsidiaries.

Statements

A statement must accompany the submission of each progress report in a form acceptable to the Commonwealth confirming that the Grantee has met the requirements of the Grant Agreement for that period. The statement must be signed by either the Chief Executive Officer, Chief Executive Officer, Qantas Domestic and International, the Chief Financial Officer, or the Group Executive of Government, Industry, International and Sustainability.

After the Activity Completion Date the Grantee must provide:

Independently Reviewed Verification Report

This report must be provided by the Grantee consistent with the Milestones set out in Item C, and verify the expenditure of the Grant on eligible Activities for the duration of the Grant Period. The evidence in the report must confirm to the Commonwealth's satisfaction that the Grantee has met the Activity requirements in Item B and provision of all other deliverables required under Item B.

The report must be independently reviewed by KPMG, the Grantee's auditor, with such review to provide assurance satisfactory to the Commonwealth that, based on the review, nothing has come to the attention of the reviewer to indicate that the expenses identified in the report are materially misstated.

The report and the review must be supplied directly to the Commonwealth by both the independent reviewer and the Grantee (consistent with Section 10, Schedule 1).

Outcome summary

A summary of the outcomes or benefits achieved during the duration of the Grant Period from receipt of the Grant.

F. Party representatives and address for notices

Grantee's representative and address

Name	47F
Position	Executive Manager, Government Industry and Competition
Postal/physical address(es)	10 Bourke Road, Mascot, NSW 2020
Business hours telephone	47F
Mobile	
Fax	02 9490 1888
E-mail	47F
Alternative contact	

Commonwealth representative and address

Name	Jim Wolfe
Position	Assistant Secretary, International Aviation
Postal address	GPO Box 594, CANBERRA ACT 2601
Business hours telephone	02 6274 7611
Mobile	47F
E-mail	internationalaviation@infrastructure.gov.au

The Parties' representatives will be responsible for liaison and the day-to-day management of the Grant, as well as accepting and issuing any written notices in relation to the Grant.

Supplementary Terms from Clause Bank

None applicable.

Signatures

Executed as an agreement:

Commonwealth:

Signed for and on behalf of the Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications	47F [Redacted]
Name: (print)	CHRISTINE DACEY
Position: (print)	DEPUTY SECRETARY
Signature and date:	47F [Redacted] 1/5/21
Witness Name: (print)	JIM WOLFE 21/5/21
Signature and date:	47F [Redacted] 21/5/21

Grantee:

Signed for and on behalf of Qantas Airways Limited ABN 16 009 661 901 ACN 009 661 901 by its authorised representative:	47F [Redacted]
Authorised representative name: (print)	47F [Redacted]
Signature and date:	47F [Redacted] 21/5/2021
Witness Name: (print)	[Redacted]
Signature and date:	[Redacted] 1/5/2021

Schedule 1: Commonwealth Standard Grant Conditions**1. Undertaking the Activity**

1.1 The Grantee agrees to undertake the Activity for the purpose of the Grant in accordance with this Agreement.

1.2 The Grantee is fully responsible for the Activity and for ensuring the performance of all its obligations under this Agreement in accordance with all relevant laws. The Grantee will not be relieved of that responsibility because of:

- (a) the grant or withholding of any approval or the exercise or non-exercise of any right by the Commonwealth; or
- (b) any payment to, or withholding of any payment from, the Grantee under this Agreement.

2. Payment of the Grant

2.1 The Commonwealth agrees to pay the Grant to the Grantee in accordance with the Grant Details.

2.2 Notwithstanding any other provision of this Agreement, the Commonwealth may by notice withhold payment of any amount of the Grant and/or take any other action specified in the Supplementary Terms if it reasonably believes that:

- (a) the Grantee has not complied with this Agreement;
- (b) the Grantee is unlikely to be able to perform the Activity or manage the Grant in accordance with this Agreement; or
- (c) there is a serious concern relating to the Grantee or this Agreement that requires investigation.

2.3 A notice under clause 2.2 will contain the reasons for any action taken under clause 2.2 and, where relevant, the steps the Grantee can take to address those reasons.

2.4 The Commonwealth will only be obliged to pay a withheld amount once the Grantee has addressed the reasons contained in a notice under clause 2.2 to the Commonwealth's reasonable satisfaction.

3. Acknowledgements

3.1 The Grantee agrees not to make any public announcement, including by social media, in connection with the awarding of the Grant without the Commonwealth's prior written approval.

3.2 The Grantee agrees to acknowledge the Commonwealth's support in all Material, publications and promotional and advertising materials published in connection with this Agreement. The Commonwealth may notify the Grantee of the form of acknowledgement that the Grantee is to use.

4. Notices

4.1 Each Party agrees to promptly notify the other Party of anything reasonably likely to adversely affect the undertaking of the Activity, management of the Grant or its performance of any of its other requirements under this Agreement.

4.2 A notice given by a Party under this Agreement must be in writing and addressed to the other Party's representative as set out in the Grant Details or as most recently updated by notice given in accordance with this clause.

4.3 A notice is deemed to be effected:

- (a) if delivered by hand - upon delivery to the relevant address;
- (b) if sent by post - upon delivery to the relevant address; or
- (c) if transmitted electronically - upon actual receipt by the addressee.

4.4 A notice received after 5.00 pm, or on a day that is a Saturday, Sunday or public holiday, in the place of receipt, is deemed to be effected on the next day that is not a Saturday, Sunday or public holiday in that place.

4.5 The Commonwealth may, by notice, advise the Grantee of changes to the Agreement that are minor or of an administrative nature, provided that any such changes do not increase the Grantee's obligations under this Agreement. Such changes, while legally binding, are not variations for the purpose of clause 8.

5. Relationship between the Parties

A Party is not by virtue of this Agreement the employee, agent or partner of the other Party and is not authorised to bind or represent the other Party.

6. Subcontracting

6.1 The Grantee is responsible for the performance of its obligations under this Agreement, including in relation to any tasks undertaken by subcontractors.

6.2 The Grantee agrees to make available to the Commonwealth the details of any of its subcontractors engaged to perform any tasks in relation to this Agreement upon request.

7. Conflict of interest

7.1 Other than those which have already been disclosed to the Commonwealth, the Grantee warrants that, to the best of its knowledge, at the date of this Agreement neither it nor its officers have any actual, perceived or potential conflicts of interest in relation to the Activity.

7.2 If during the term of the Agreement, any actual, perceived or potential conflict arises or there is any material change to a previously disclosed conflict of interest, the Grantee agrees to:

- (a) notify the Commonwealth promptly and make full disclosure of all relevant information relating to the conflict; and
- (b) take any steps the Commonwealth reasonably requires to resolve or otherwise deal with that conflict.

8. Variation, assignment and waiver

8.1 This Agreement may be varied in writing only, signed by both Parties.

8.2 The Grantee cannot assign its obligations, and agrees not to assign its rights, under this Agreement without the Commonwealth's prior approval.

8.3 The Grantee agrees not to enter into negotiations with any other person for the purposes of entering into an arrangement that will require novation of, or involve any assignment of rights under, this Agreement without first consulting the Commonwealth.

8.4 A waiver by a Party of any of its rights under this Agreement is only effective if it is in a signed written notice to the other Party and then only to the extent specified in that notice.

9. Taxes, duties and government charges

9.1 The Grantee agrees to pay all taxes, duties and government charges imposed or levied in Australia or overseas in connection with the performance of this Agreement, except as provided by this Agreement.

9.2 Unless an amount is stated to be GST inclusive, if Goods and Services Tax (GST) is payable by a supplier on any supply made under this Agreement, the recipient of the supply will pay to the supplier an amount equal to the GST payable on the supply, in addition to and at the same time that the consideration for the supply is to be provided under this Agreement.

9.3 If at the commencement of the Agreement the Grantee is not registered for GST and during the term of the Agreement the Grantee becomes, or is required to become, registered for GST, the Grantee agrees to notify the Commonwealth in writing within 7 days of becoming registered for GST.

10. Spending the Grant

10.1 The Grantee agrees to spend the Grant for the purpose of performing the Activity and otherwise in accordance with this Agreement.

10.2 Within the timeframe specified by the Commonwealth (and if no timeframe is specified; one month) after the Activity Completion Date, and each 12 month anniversary of the Activity's start date during the term of the Activity,

the Grantee agrees to provide the Commonwealth with an independent review made by a person approved by the Commonwealth, verifying that nothing has come to the attention of the reviewer, based on its review, to indicate that the Grantee's statement of its expenditure is materially misstated.

10.3 The reports under clause 10.2 must be audited by:

(a) a Registered Company Auditor under the *Corporations Act 2001*; or

(b) a certified Practising Accountant; or

(c) a member of the National Institute of Accountants; or

(d) a member of the Institute of Chartered Accountants;

who is not a principal member, shareholder, officer or employee of the Grantee or a related body corporate.

11. Repayment

11.1 If any amount of the Grant:

(a) has been spent other than in accordance with this Agreement; or

(b) is additional to the requirements of the Activity;

then the Commonwealth may by written notice:

(c) require the Grantee to repay that amount to the Commonwealth;

(d) require the Grantee to deal with that amount as directed by the Commonwealth; or

(e) deduct the amount from subsequent payments of the Grant or amounts payable under another agreement between the Grantee and the Commonwealth.

11.2 If the Commonwealth issues a notice under this Agreement requiring the Grantee to repay a Grant amount:

(a) the Grantee must do so within the time period specified in the notice;

(b) the Grantee must pay interest on any part of the amount that is outstanding at the end of the time period specified in the notice until the outstanding amount is repaid in full; and

(c) the Commonwealth may recover the amount and any interest under this Agreement as a debt due to the Commonwealth without further proof of the debt being required.

12. Record keeping

12.1 The Grantee agrees to keep financial accounts and other records relating to the expenditure of the Grant and the conduct and management of the Activity and provide copies of the records to the Commonwealth upon request.

13. Reporting, liaison and review

13.1 The Grantee agrees to provide the Reporting Material specified in the Grant Details to the Commonwealth.

13.2 In addition to the obligations in clause 13.1, the Grantee agrees to:

(a) liaise with and provide assistance and information to the Commonwealth as reasonably required by the Commonwealth; and

(b) comply with the Commonwealth's reasonable requests, directions and monitoring requirements, in relation to the Activity and any Commonwealth review or evaluation of it.

13.3 If the Commonwealth acting reasonably has concerns regarding the performance of the Activity or the management of the Grant, the Commonwealth may by written notice require the Grantee to provide one or more additional reports, containing the information and by the date(s), specified in the notice.

13.4 If, at any time, a Party reasonably believes that the Activity is unlikely to fully meet the purpose of the Grant, or there are Activity risks that need to be addressed, that Party may provide written notice to the other Party setting out its reasons for that belief and proposing steps that could be taken to better achieve that purpose or address those risks. The Parties agree to work co-operatively to:

- (a) consider, and negotiate in good faith, any change proposed under this clause 13.4; and
- (b) implement any such change that is agreed by the Parties by executing a variation to this Agreement under clause 8.1.

13.5 Except to the extent the Parties agree a variation under clause 8.1, clause 13.4 does not limit any of a Party's other rights under this Agreement.

13.6 The Grantee acknowledges that the giving of false or misleading information to the Commonwealth is a serious offence under the *Criminal Code Act 1995* (Cth).

14. Privacy

14.1 When dealing with Personal Information in carrying out the Activity, the Grantee agrees:

- (a) to comply with the requirements of the *Privacy Act 1988* (Cth);
- (b) not to do anything which, if done by the Commonwealth, would be a breach of an Australian Privacy Principle;
- (c) to ensure that any of the Grantee's subcontractors or personnel who deal with Personal Information for the purposes of this Agreement are aware of the requirements of the *Privacy Act 1988* (Cth) and the Grantee's obligations under this clause; and
- (d) to immediately notify the Commonwealth if the Grantee becomes aware of an actual or possible breach of this clause by the Grantee or any of the Grantee's subcontractors or personnel.

15. Confidentiality

15.1 The Parties agree not to disclose each other's confidential information without the other Party's prior written consent unless required or authorised by law or Parliament to disclose.

15.2 The Commonwealth may disclose the Grantee's confidential information where;

- (a) the Commonwealth is providing information about the Activity or Grant in accordance with Commonwealth accountability and reporting requirements;
- (b) the Commonwealth is disclosing the information to a Minister of the Australian Government, a House or Committee of the Commonwealth Parliament; or
- (c) the Commonwealth is disclosing the information to its personnel or another Commonwealth agency where this serves the Commonwealth's legitimate interests.

16. Insurance

16.1 The Grantee agrees to maintain adequate insurance for as long as any obligations remain in connection with this Agreement and provide proof of insurance to the Commonwealth upon request.

17. Intellectual property

17.1 Subject to clause 17.2, the Grantee owns the Intellectual Property Rights in Activity Material and Reporting Material.

17.2 This Agreement does not affect the ownership of Intellectual Property Rights in Existing Material.

17.3 The Grantee provides the Commonwealth a permanent, non-exclusive, irrevocable, royalty-free licence to use, modify, communicate, reproduce, publish, adapt and sub-license the Reporting Material for Commonwealth Purposes.

17.4 The licence in clause 17.3 does not apply to Activity Material.

18. Dispute resolution

18.1 The Parties agree not to initiate legal proceedings in relation to a dispute arising under this Agreement unless they have first tried and failed to resolve the dispute by negotiation.

18.2 Unless clause 18.3 applies, the Parties agree to continue to perform their respective obligations under this Agreement when a dispute exists.

18.3 The Parties may agree to suspend performance of the Agreement pending resolution of the dispute.

18.4 Failing settlement by negotiation in accordance with clause 18.1, the Parties may agree to refer the dispute to an independent third person with power to intervene and direct some form of resolution, in which case the Parties will be bound by that resolution. If the Parties do not agree to refer the dispute to an independent third person, either Party may initiate legal proceedings.

18.5 Each Party will bear their own costs in complying with this clause 18, and the Parties will share equally the cost of any third person engaged under clause 18.4.

18.6 The procedure for dispute resolution under this clause does not apply to any action relating to termination, cancellation or urgent interlocutory relief.

19. Reduction, Suspension and Termination

19.1 Reduction in scope of agreement for fault

19.1.1 If the Grantee does not comply with an obligation under this Agreement and the Commonwealth believes that the non-compliance is incapable of remedy, or if the Grantee has failed to comply with a notice to remedy, the Commonwealth may by written notice reduce the scope of the Agreement.

19.1.2 The Grantee agrees, on receipt of the notice of reduction, to:

- (a) stop or reduce the performance of the Grantee's obligations as specified in the notice;
- (b) take all available steps to minimise loss resulting from the reduction;
- (c) continue performing any part of the Activity or the Agreement not affected by the notice if requested to do so by the Commonwealth; and
- (d) report on, and return any part of, the Grant to the Commonwealth, or otherwise deal with the Grant, as directed by the Commonwealth.

19.1.3 In the event of reduction under clause 19.1.1, the amount of the Grant will be reduced in proportion to the reduction in the scope of the Agreement.

19.2 Suspension

19.2.1 If:

- (a) the Grantee does not comply with an obligation under this Agreement and the Commonwealth believes that the non-compliance is capable of remedy;
 - (b) the Commonwealth reasonably believes that the Grantee is unlikely to be able to perform the Activity or manage the Grant in accordance with this Agreement; or
 - (c) the Commonwealth reasonably believes that there is a serious concern relating to the Grantee or this Agreement that requires investigation;
- the Commonwealth may by written notice:
- (d) immediately suspend the Grantee from further performance of the Activity (including expenditure of the Grant); and/or
 - (e) require that the non-compliance or inability be remedied, or the investigation be completed, within the time specified in the notice.

19.2.2 If the Grantee:

- (a) remedies the non-compliance or inability specified in the notice to the Commonwealth's reasonable satisfaction, or the Commonwealth reasonably concludes that the concern is unsubstantiated, the Commonwealth may direct the Grantee to recommence performing the Activity; or
- (b) fails to remedy the non-compliance or inability within the time specified, or the Commonwealth reasonably concludes that the concern is likely to be substantiated, the Commonwealth may reduce the scope of the Agreement in accordance with clause 19.1 or terminate the Agreement immediately by giving a second notice

in accordance with clause 19.3.

19.3 Termination for fault

19.3.1 The Commonwealth may terminate this Agreement by notice where the Grantee has:

- (a) failed to comply with an obligation under this Agreement and the Commonwealth believes that the non-compliance is incapable of remedy or where clause 19.2.2.b applies; or
- (b) provided false or misleading statements in relation to the Grant; or
- (c) become bankrupt or insolvent, entered into a scheme of arrangement with creditors, or come under any form of external administration.

19.3.2 The Grantee agrees, on receipt of the notice of termination, to:

- (a) stop the performance of the Grantee's obligations;
- (b) take all available steps to minimise loss resulting from the termination; and
- (c) report on, and return any part of, the Grant to the Commonwealth, or otherwise deal with the Grant, as directed by the Commonwealth.

20. Cancellation or reduction for convenience

20.1 The Commonwealth may cancel or reduce the scope of this Agreement by notice, due to:

- (a) a change in government policy; or
- (b) a Change in the Control of the Grantee which the Commonwealth reasonably believes will negatively affect the Grantee's ability to comply with this Agreement.

20.2 On receipt of a notice of reduction or cancellation under this clause, the Grantee agrees to:

- (a) stop or reduce the performance of the Grantee's obligations as specified in the notice;
- (b) take all available steps to minimise loss resulting from that reduction or cancellation;
- (c) continue performing any part of the Activity or the Agreement not affected by the notice if requested to do so by the Commonwealth; and
- (d) report on, and return any part of, the Grant to the Commonwealth, or otherwise deal with the Grant, as directed by the Commonwealth.

20.3 In the event of reduction or cancellation under this clause, the Commonwealth will be liable only to:

- (a) pay any part of the Grant due and owing to the Grantee under this Agreement at the date of the notice; and
- (b) reimburse any reasonable and substantiated expenses the Grantee unavoidably incurs that relate directly and entirely to the reduction in scope or cancellation of the Agreement.

20.4 In the event of reduction, the amount of the Grant will be reduced in proportion to the reduction in the scope of the Agreement.

20.5 The Commonwealth's liability to pay any amount under this clause is:

- (a) subject to the Grantee's compliance with this Agreement; and
- (b) limited to an amount that when added to all other amounts already paid under the Agreement will not exceed the total amount of the Grant.

20.6 The Grantee will not be entitled to compensation for loss of prospective profits or benefits that would have been conferred on the Grantee but for the cancellation or reduction in scope of the Agreement under clause 20.1.

20.7 The Commonwealth will act reasonably in exercising its rights under this clause.

21. Survival

The following clauses survive termination, cancellation or expiry of this Agreement:

- clause 10 (Spending the Grant);
- clause 11 (Repayment);
- clause 12 (Record keeping);
- clause 13 (Reporting);
- clause 14 (Privacy);
- clause 15 (Confidentiality);
- clause 16 (Insurance);
- clause 17 (Intellectual property);
- clause 19 (Reduction, Suspension and Termination);
- clause 21 (Survival);
- clause 22 Definitions; and
- Any other clause which expressly or by implication from its nature is meant to survive.

22. Definitions

In this Agreement, unless the contrary appears:

- **Activity** means the activity described in the Grant Details and includes the provisions of the Reporting Material.
- **Activity Completion Date** means the date or event specified in the Grant Details.
- **Activity Material** means any Material, other than Reporting Material, created or developed by the Grantee as a result of the Activity and includes any Existing Material that is incorporated in or supplied with the Activity Material.
- **Agreement** means the Grant Details, Supplementary Terms (if any), the Commonwealth Standard Grant Conditions and any other document referenced or incorporated in the Grant Details.
- **Agreement End Date** means the date or event specified in the Grant Details.
- **Australian Privacy Principle** has the same meaning as in the *Privacy Act 1988*.
- **Change in the Control** means any change in any person(s) who directly exercise effective control over the Grantee.
- **Commonwealth** means the Commonwealth of Australia as represented by the Commonwealth entity specified in the Agreement and includes, where relevant, its officers, employees, contractors and agents.
- **Commonwealth Purposes** includes the following:
 - a. the Commonwealth verifying and assessing grant proposals, including a grant application;
 - b. the Commonwealth administering, monitoring, reporting on, auditing, publicising and evaluating a grant program or exercising its rights under this Agreement;
 - c. the Commonwealth preparing, managing, reporting on, auditing and evaluating agreements, including this Agreement; and
 - d. the Commonwealth developing and publishing policies, programs, guidelines and reports, including Commonwealth annual reports;but in all cases:
 - e. excludes the commercialisation (being for-profit use) of the Material by the Commonwealth.
- **Commonwealth Standard Grant Conditions** means this document.
- **Existing Material** means Material developed independently of this Agreement that is incorporated in or supplied as part of Reporting Material or Activity Material.
- **Grant** means the money, or any part of it, payable by the Commonwealth to the Grantee for the Activity as specified in the Grant Details.
- **Grantee** means the legal entity other than the Commonwealth specified in the Agreement and includes, where relevant, its officers, employees, contractors and agents.
- **Grant Details** means the document titled Grant Details that forms part of this Agreement.
- **Guidelines** means the International Aviation Support Guidelines issued by the Commonwealth, as may be amended from time to time.
- **Intellectual Property Rights** means all copyright, patents, registered and unregistered trademarks (including service marks), registered designs, and other rights resulting from intellectual activity (other than moral rights under the *Copyright Act 1968*).
- **Material** includes documents, equipment, software (including source code and object code versions), goods, information and data stored by any means including all copies and extracts of them.
- **Party** means the Grantee or the Commonwealth.
- **Personal Information** has the same meaning as in the *Privacy Act 1988*.
- **Records** includes documents, information and data stored by any means and all copies and extracts of the same.
- **Reporting Material** means all Material which the Grantee is required to provide to the Commonwealth for reporting purposes as specified in the Grant Details and includes any Existing Material that is incorporated in or supplied with the Reporting Material.