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Australian Government

**Department of Infrastructure, Transport,
Regional Development and Communications**

MS21-000019

Ministerial Submission

Decision

To Minister for Decentralisation and Regional Education

CC Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development

CC Mr Simon Atkinson, Secretary

Subject Guidelines for the Regional Decentralisation Agenda - Securing Raw Materials Program

Action date Please action by 4 February 2021 to ensure the Guidelines can be launched on 24 February 2021

Recommendations - That you:

- 1) approve to the Grant Opportunity Guidelines for the Regional Decentralisation Agenda – Securing Raw Materials Program (**Attachment A**) which will deliver total grant funding of up to \$35 million over two years (2020-21 to 2021-22) for businesses that relocate to regional Australia.

approved / not approved

- 2) s 47E(d)

noted / please discuss

s 47C

- 3) sign the draft letter (**Attachment B**) to Senator the Hon Simon Birmingham, Minister for Finance, seeking his agreement to the public release of the Guidelines for the Regional Decentralisation Agenda - Securing Raw Materials Program.

signed / not signed

- 4) agree to publish the Grant Opportunity Guidelines (**Attachment A**), subject to agreement from the Minister for Finance, expected by 24 February 2021.

agreed / not agreed

- 5) note that the grant opportunity process will be conducted by the Business Grants Hub in accordance with the Commonwealth Grant Rules and Guidelines.

noted / please discuss

Signature:

___/___ 2021

Comments

s 47C

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Executive summary

1. s 47E(d)
2. Based on the Detailed Timeline (**Attachment C**), if you are write to the Minister for Finance immediately, the grant may open up to 1 week earlier than anticipated. s 47E(d)
s 47E(d)
3. Following the agreement from the Minister for Finance, the Guidelines will be released and applications will open. Communication products will be provided to you separately to support the launch of the Guidelines.

Key points

4. The Securing Raw Materials Program (SRMP) is a 2020-21 Budget Measure and a \$35 million component of a \$41 million package to support research and development activities in regional areas. Policy Authority is provided in s 34.
5. The Guidelines have been developed in consultation with the Business Grants Hub, which is delivering the program. They comply with the competitive grants template issued by the Department of Finance and provide essential information about the funding, who can apply, how to apply and how applications will be assessed. The Guidelines will be published on GrantConnect per the Commonwealth Grant Rules and Guidelines (CGRGs) and eligible organisations may apply.
6. The Guidelines list expected outcomes from the grant funding as:
 - a. industry growth in, and economic resilience of, regional Australia;
 - b. stronger supply of, and access to, innovative and improved raw materials for industry;
 - c. increased competitiveness and productivity of, and lower costs to, businesses through access to improved or innovative raw materials;
 - d. strengthened supply chains for raw materials suppliers and businesses; and
 - e. increased research, investment and economic capacity in Australia's regions.
7. Applicants must have the support of at least one regional university or research organisation located in a regional area and relocate during the project period from a city to a regional area or establish a new office in a regional area. At least 10 full-time equivalent employees must be located in the regional area.
8. Grants of between \$250,000 and \$5 million will be matched by successful applicants.
9. s 47E(d)
- a. The grant opportunity is scheduled to open for applications on 24 February 2021 and close on 24 March 2021. Announcement of successful applications is scheduled for May 2021 (refer to **Attachment C** for a detailed timeline).
10. An independent assessment committee will be established to assess the merits of eligible applications and provide advice to you. The committee is expected to be comprised of representatives of the Australian university, research and business sectors. We will brief you separately on this committee, including members and governance, s 47E(d)

Government policy issues and impact on other portfolios

11. This grant opportunity aligns with the Regionalisation and Decentralisation Policy Framework, particularly by:
- a. supporting research and development activities directly benefitting regional industries by securing reliable raw material inputs for manufacturing and process activities in regional Australia;
 - b. delivering long term jobs and investment to regional Australia; and
 - c. better leveraging the comparative advantages of a region.

Key risks and mitigation

12. s 47E(d)

Communications and media strategy

13. The Department of Infrastructure, Transport, Regional Development and Communications will prepare a Media Release for your consideration to launch the program. We will also prepare draft Talking Points, a Shell Media Release for distribution to your colleagues, and content for social media to assist in promoting the program. This package will be provided in a separate brief in the week commencing 8 February 2020.

Stakeholder consultation

14. The Department has prepared the Guidelines in consultation with the Department of Finance, the Department of the Prime Minister and Cabinet and the Business Grants Hub. This consultation has ensured the Guidelines are consistent with the requirements of the Commonwealth Grants Rules and Guidelines (CGRGs) and Implementing Better Practice Grants Administration released by the Australian National Audit Office.
15. There is an opportunity to liaise with your parliamentary colleagues to promote this program.

Attachments

- Attachment A Guidelines for the Regional Decentralisation Agenda - Securing Raw Materials Program
- Attachment B Draft Letter to Minister for Finance seeking agreement to the public release of Guidelines
- Attachment C Detailed Timeline of the Grant Opportunity

Clearance

Cleared by:	Brendan McRandle, Deputy Secretary, Water Infrastructure	02 6274 7515	s 47F
Created by:	s 47F Director, Drought and Decentralisation Section	s 47F	s 47F
Division:	Regional Development Local Government and Regional Recovery		



Australian Government
Department of Industry, Science,
Energy and Resources
Department of Infrastructure, Transport,
Regional Development and Communications

Grant Opportunity Guidelines

Regional Decentralisation Agenda – Securing Raw Materials Program

Opening date:	24 February 2021
Closing date and time:	5.00pm Australian Eastern Standard Time on 24 March 2021 Please take account of time zone differences when submitting your application.
Commonwealth policy entity:	Department of Infrastructure, Transport, Regional Development and Communications
Administering entity:	Department of Industry, Science, Energy and Resources
Enquiries:	If you have any questions, contact us on 13 28 46.
Date guidelines released:	24 February 2021
Type of grant opportunity:	Open competitive

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1. Regional Decentralisation Agenda – Securing Raw Materials Program processes

The Regional Decentralisation Agenda – Securing Raw Materials Program is designed to achieve Australian Government objectives

This grant opportunity is part of the above grant program which contributes to the Department of Infrastructure, Transport, Regional Development and Communications' (DITRDC) Outcome 3: Strengthening the sustainability, capacity, and diversity of our cities and regional economies. The DITRDC works with stakeholders to plan and design the grant 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

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



We assess all grant applications

We review the applications against eligibility criteria and notify you if you are not eligible. We assess eligible applications against the assessment criteria including an overall consideration of value with relevant money and compare it to other eligible applications.



We refer your application to an independent committee

An independent committee will assess applications and provide recommendations to the decision maker.



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 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.

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Evaluation of the Regional Decentralisation Agenda – Securing Raw Materials Program

We evaluate the specific grant activity and Regional Decentralisation Agenda – Securing Raw Materials Program as a whole. We base this on information you provide to us and that we collect from various sources.

2. About the grant program

The Regional Decentralisation Agenda – Securing Raw Materials Program (the program) will provide funding over two years (2020-21 to 2021-22) to businesses that relocate to regional areas in Australia and partner with a regional university or research organisation located in a regional area. The purpose is to undertake research [into](#) and development of innovative and locally sourced raw material supplies (including establishing new suppliers or products and value adding to existing known supplies). The program recognises that establishing or securing a supply of raw materials is a crucial element of business success.

The Regional Decentralisation Agenda supports the long-term economic prosperity of Australia's regional communities by promoting jobs growth, boosting investment, and building sustainable businesses and competitive regional industries. It delivers [economic and](#) lifestyle benefits to regional communities by encouraging businesses and government agencies to relocate to regional Australia.

The objectives of the program are to:

- support research and development into innovative and locally sourced raw material supplies and capitalise on a region's comparative advantages
- establish, secure and strengthen the supply of innovative or improved raw materials to Australian industry, [particularly regional industries](#)
- increase economic activity, diversity and jobs in regional areas, including by establishing new industry sectors, businesses and suppliers
- support and strengthen partnerships between industry and regional universities and research organisations.

The intended outcomes of the program are:

- industry growth in, and economic resilience of, regional Australia
- stronger supply of, and access to, innovative and improved raw materials for industry
- increased competitiveness and productivity of, and lower costs to, businesses through access to improved or [innovative-new](#) raw material [supplies](#)
- strong supply chains for raw materials suppliers and businesses
- increased research, investment and economic capacity in Australia's regions.

This document sets out:

- 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.

The Department of Industry, Science, Energy and Resources (we/the department) is responsible for administering this grant opportunity on behalf of the Department of Infrastructure, Transport, Regional Development and Communications.

We administer the program according to the [Commonwealth Grants Rules and Guidelines](#) (CGRGs)¹.

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We have provided a definition of *regional areas* and other key terms used in these guidelines in the glossary at section 14.

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

3. Grant amount and grant period

The Australian Government announced \$35 million over two years 2020-21 and 2021-22 for this grant opportunity.

3.1. Grants available

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

- The minimum grant amount is \$250,000
- The maximum grant amount is \$5 million.

You are responsible for the remaining 50 per cent or more of eligible project expenditure plus any ineligible expenditure.

You can fund your contribution from any source including State, Territory and local government grants. Your contribution must be cash.

Where you receive a cash contribution from another source (e.g. State government), the source must provide you with formal documentation confirming the cash contribution to attach to your application.

Your cash contribution can also come from Aboriginal Benefits Account, Financial Assistance Grants to local government and fully repayable loans from organisations such as Indigenous Business Australia and the Northern Australia Infrastructure Facility, as these are not considered Commonwealth funding.

You cannot use funding from other Commonwealth grants to fund the balance of project expenditure not covered by the grant.

3.2. Project period

The maximum project period is 12 months. We may approve an extension under exceptional circumstances.

You must complete your project by 31 March 2022.

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:

- have an Australian Business Number (ABN)

and be one of the following entities:

¹ <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

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- 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
- an Incorporated Trustee on behalf of a trust, where the trust's trading activities:
 - form a sufficiently significant proportion of the trust's overall activities as to merit it being described as a trading trust; or
 - are a substantial and not merely peripheral activity of the trust.

You should be the lead applicant as the main driver of the project with the support of at least one regional university or research organisation located in a regional area. You will need to attach supporting evidence of this project relationship in your application.

4.2. Additional eligibility requirements

We can only accept applications where you:

- declare that during the project period you:
 - will relocate from a capital city to a regional area or
 - will establish a new operation, branch or outpost of your operation in a regional area and
 - have at least 10 full-time equivalent (FTE) employees in your organisation who are relocating or commencing work in the regional area
- provide a letter of support from a regional university or research organisation confirming your relationship relating to the research and development component of the project
- provide confirmation from your board (or chief executive officer or equivalent if there is no board) that:
 - you are a trading corporation
 - you can complete the project
 - you will relocate to or establish a presence in a regional area during the project period
 - you can meet the costs of the project not covered by grant funding.

We cannot waive the eligibility criteria under any circumstances.

4.3. Who is not eligible?

You are not eligible to apply if you are:

- an individual
- partnership
- unincorporated association
- an incorporated not for profit organisation
- any organisation not included in section 4.1
- trust (however, an incorporated trustee may apply on behalf of a trust where it meets the requirements in 4.1)
- a Commonwealth, State, Territory or local government body (including government business enterprises)
- a non-corporate Commonwealth entity.

Projects in the minerals extraction and traditional energy production sectors are not eligible for grant funding.

5. What the grant money can be used for

5.1. Eligible activities

To be eligible your project must:

- support research into, and development of, innovative or improved locally sourced raw material supplies (including value-add or use of existing known supplies for new purposes)
- include your business relocating from a capital city to a regional area or your business establishing a new operation, branch or outpost in a regional area as defined in the glossary at section 14
- include eligible activities and eligible expenditure
- include at least \$500,000 in eligible expenditure.

Eligible activities may include:

- research into, and development of, new or improved raw materials, methods of processing raw materials, technologies to produce raw materials or methods of growing raw materials, or new uses for existing raw materials
- proof of concept of the outcomes of research
- commercialising the outcomes of research
- establishing new processing facilities in regional areas
- relocating business operations or establishing a new branch or outpost of the business' operations.

We may also approve other activities.

5.2. Eligible locations and commitment expectation

You must conduct your project in regional areas (see section 14 Glossary).

You must relocate or establish a new operation, branch or outpost in a regional area, between the project period start and end date. The project start date will be considered the date you submitted your eligible and complete application, should you be successful.

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 guidance on eligible expenditure, see appendix A.
- For guidance on ineligible expenditure, see appendix B.

We may update the guidance 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 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 department with responsibility for 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 a direct cost of the project, including the relocation of your business to, or establishment of a new operation, branch or outpost in, a regional area
- be incurred by you for required project audit activities.

You must incur the project expenditure between the project start and end date for it to be eligible unless stated otherwise. You may commence preparing for the relocation and incurring eligible expenditure from the date you submitted your eligible and complete application. We are not responsible for any expenditure you incur until a grant agreement is executed. The Commonwealth will not be liable, and should not be held out as being liable, for any activities undertaken before the grant agreement is executed.

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 size limits for answers.

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

6.1. Assessment criterion 1

Project alignment with policy intent (program objectives/ outcomes) (60 points)

You should demonstrate this by describing:

- how your project will develop or increase the supply of new, innovative or improved locally-sourced raw materials
- the benefits of the project to your business, industry sector and wider economy, including potential job creation and the broader utility of the project within the industry sector
- how your project will strengthen supply chains and linkages to, or relationships with, the research sector in regional Australia
- how you will embed the benefits of the project and your entity's relocation in the regional area of the project

6.2. Assessment criterion 2

Capability, capacity and resources to deliver your project (30 points)

You should demonstrate this by describing:

- your track record in managing similar projects and access to personnel with the right skills and experience, including management and technical staff
- your plan to manage the project, addressing scope, implementation, timeframes, budget and risk
- the role of each partner and how collaboration will be managed to deliver project outcomes.

You must attach a detailed budget as part of your application.

6.3. Assessment criterion 3

Impact of the grant funding on your project (10 points)

You should demonstrate this by describing:

- a. how the funding amount requested is justified with respect to the scale of the project and intended outcomes.

7. How to apply

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

To apply, you must:

- complete the online [application form](#) via [business.gov.au](#)
- provide all the information requested
- address all eligibility and assessment criteria
- include all necessary attachments.

You should retain a copy of your application for your own records. You can view and print a copy of your submitted application on the portal for your own records.

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* (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 are unable to submit an application online, [contact us](#) at [business.gov.au](#) or by calling 13 28 46.

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7.1. Attachments to the application

You must provide the following documents with your application:

- confirmation from your board, CEO or equivalent (template provided on [business.gov.au](#) and [GrantConnect](#)) including:
 - you are a trading corporation
 - you can complete the project
 - you will relocate to or establish a presence in a regional area during the project period
 - meet the costs of the project not covered by grant funding.
- trust deed (where applicable)
- a letter of support from a regional university or research organisation confirming your relationship relating to the research and development component of the project.

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You must attach supporting documentation to the application form in line with the instructions provided within the form. 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.

If you are successful we expect to execute a grant agreement around June 2021.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	6 weeks
Approval of outcomes of selection process	3 weeks
Negotiations and award of grant agreements	1-3 weeks
Notification to unsuccessful applicants	2 weeks
Execution of grant agreements	June 2021
End date of grant commitment	30 June 2022

8. The grant selection process

8.1. Assessment of grant applications

We first review your application against the eligibility criteria. If eligible, we will then assess it against the assessment criteria. 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.

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

- the overall objectives of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant sought.

8.2. Who will assess applications?

We will establish an independent committee comprised of representatives of the Australian university, research and business sectors to re-assess eligible 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 providing recommendations on projects that should be funded.

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.

8.3. Who will approve grants?

The Minister decides which grants to approve taking into account the recommendations of the committee and the availability of grant funds.

The Minister'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 Minister 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.

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

10. Successful grant applications

10.1. Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. We will use a Commonwealth standard grant agreement for all projects. 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 must execute a grant agreement with you before we can make any payments. Execute means both you and the Commonwealth have signed the agreement. We are not responsible for any expenditure you incur 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 Minister. We will identify these in the offer of grant funding.

If you enter an agreement under Regional Decentralisation Agenda – Securing Raw Materials Program, you cannot receive other grants for the same activities from other Commonwealth granting programs.

The Commonwealth may recover grant funds if there is a breach of the 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. Project specific legislation, policies and industry standards

You must comply with all relevant laws and regulations in undertaking your project. You must also comply with the specific legislation/policies/industry standards that follow. It is a condition of the

grant funding that you meet these requirements. We will include these requirements in your grant agreement.

In particular, you will be required to comply with:

- State/Territory legislation in relation to working with children.

10.3. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (grant percentage)
- 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 an initial payment on execution of the grant agreement. We will make subsequent payments in arrears, based on your actual eligible expenditure. Payments are subject to satisfactory progress on the project.

We set aside 10 per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory end of project report demonstrating you have completed outstanding obligations for the project. We may need to adjust your progress payments to align with available program funds across financial years and/or to ensure we retain a minimum 10 per cent of grant funding for the final payment.

10.4. Tax obligations

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 entities².

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.

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11. Announcement of grants

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

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- 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

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

- your organisation's industry sector.

12. How we monitor your grant activity

12.1. Keeping us informed

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

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

You must also inform us of any changes to your:

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

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

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

12.2. Reporting

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

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

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

We will monitor the progress of your project by assessing reports you submit and may conduct site visits to confirm details of your reports if necessary. Occasionally we may need to re-examine claims, seek further information or request an independent audit of claims and payments.

12.2.1. Progress reports

Progress reports must:

- include a project plan and details of your progress towards completion of agreed project activities
- provide evidence of progress toward relocating to or establishing a presence in a regional area
- 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.

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

12.2.2. End of project report

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

End of project reports must:

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

12.2.3. Ad-hoc reports

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

12.3. Independent audits

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

Field Code Changed

Field Code Changed

12.4. 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. 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.

12.5. 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.

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.

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.

12.6. Evaluation

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

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

12.7. Grant 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 CGRGs.

13.1. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity or program. There may be a conflict of interest, or perceived conflict of interest, if our staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who 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, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation 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.

Field Code Changed

Conflicts of interest for Australian Government staff are handled as set out in the Australian [Public Service Code of Conduct \(Section 13\(7\)\)](#)³ of the *Public Service Act 1999* (Cth). Committee members and other officials including the decision maker must also declare any conflicts of interest.

Field Code Changed

We publish our [conflict of interest policy](#)⁴ on the department's website.

Field Code Changed

13.2. How we use your information

Unless the information you provide to us is:

- confidential information as per 13.2.1, or
- personal information as per 13.2.3,

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.

13.2.1. 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.

13.2.2. 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.

³ <https://www.legislation.gov.au/Details/C2019C00057>

⁴ https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect

Field Code Changed

13.2.3. 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](#)⁵ 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.

Field Code Changed

13.2.4. 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.

13.3. 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.

Field Code Changed

Field Code Changed

Field Code Changed

Field Code Changed

⁵ <https://www.industry.gov.au/data-and-publications/privacy-policy>

Field Code Changed

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

Chief Financial Officer
Department of Industry, Science, Energy and Resources
GPO Box 2013
CANBERRA ACT 2601

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

Field Code Changed

14. Glossary

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
Department	The Department of Industry, Science, Energy and Resources.
Capital city	Urban Centre and Locality (UCL) cities with a population of over 1 million people as defined by the Australian Bureau of Statistics' Australian Statistical Geography Standard (Sydney, Melbourne, Brisbane, Perth and Adelaide) and the Australian Capital Territory.
Committee	The independent body established to consider and assess eligible applications and make recommendations to for funding under the program.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in Section 5.1.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in Appendix A.
Traditional energy production sector	The traditional energy production sector includes businesses engaged in the production, supply or trade of electricity and natural gas. It does not include energy production methods included in the Government's Low Emissions Technology Statement.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding.

⁶ <http://www.ombudsman.gov.au/>

Field Code Changed

Term	Definition
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the 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 CGRGs.
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.
Minerals extraction sector	The mineral extraction sector includes businesses engaged in the exploration, extraction and processing of rocks, ores or minerals up until the point of fabricated materials production.
Minister	The Commonwealth Minister for Decentralisation and Regional Education
Personal information	Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is: Information or an opinion about an identified individual, or an individual who is reasonably identifiable: 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	An manager within the department with responsibility for 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) and corporate Commonwealth entities, and State and Territory business enterprises which undertake publicly funded research.
Raw material	Materials or substances used in the primary production or manufacturing of goods. Raw materials can include a raw material input, a work in progress or a finished product. Finished products can include waste material that can be used in further processing activities.

Field Code Changed

Term	Definition
Regional university or research organisation	<p>An entity, such as university or research organisation, irrespective of its legal status or way of financing, whose primary goal is to conduct fundamental research, industrial research or experimental development and to disseminate its results by way of teaching, publication or technology transfer.</p> <p>Includes a publicly funded research organisation including an approved research institute, which is either:</p> <ul style="list-style-type: none"> ▪ the Commonwealth Scientific and Industrial Research Organisation ▪ any university, college, institute, association or organisation that has been approved <ul style="list-style-type: none"> ○ in writing by the one of the approving authorities ○ as an institution, association or organisation for undertaking scientific research which is, or may prove to be, of value to Australia.
Regional area	<p>A regional area is any location that is outside the Urban Centre and Locality (UCL) cities with a population of over 1 million people as defined by the Australian Bureau of Statistics' Australian Statistical Geography Standard (Sydney, Melbourne, Brisbane, Perth, Adelaide). Regional areas do not include the Australian Capital Territory. Regional areas include Hobart and Darwin.</p>
Relocation	<p>An Australian industry entity must relocate part of its operations from a capital city or the Australian Capital Territory to, or establish a new part of its operation in, a regional area. A physical presence (for example an office, factory or research facility) must be established in the regional area, including staff working in the operation or directly relevant to the work being undertaken with funding from the grant. An administrative presence or single researcher is not sufficient. Salaries or wages must be paid to at least ten employees that are working at the regional operation for at least 85 per cent of standard hours over the life of the grant. The business does not need to relocate to the same region as the research institution or the raw material supply provided it is located within a reasonable distance that meetings the program's objectives.</p>
Research and Development	<p>Research and experimental development comprises creative and systematic work undertaken to increase the stock of knowledge –including knowledge of humankind, culture and society – and to devise new applications of available knowledge.</p>

§ 47C

Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure.

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

To be eligible, expenditure must:

- be incurred by you within the project period, including up to 5% of costs associated with relocation to, or establishing an operation, branch or outpost in, regional areas
- be a direct cost of the project
- be incurred by you to undertake required project audit activities
- meet the eligible expenditure guidelines.

A.1 How we verify eligible expenditure

If your application is successful, we will 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.

A.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.

A.3 Labour expenditure

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

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

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the ATO. We consider salary-

sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is \$175,000 per financial year.

For periods of the project that do not make a full financial year, you must reduce the maximum salary amount you claim proportionally.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

A.4 Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30% allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the provision of computers.

You should calculate eligible salary costs using the formula below:

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

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

Evidence you will need to provide can include:

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

A.5 Contract expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

- another organisation
- an individual who is not an employee, but engaged under a separate contract.

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

- the nature of the work they perform
- the applicable fees, charges and other costs payable.

Invoices from contractors must contain:

- a detailed description of the nature of the work
- the hours and hourly rates involved
- any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense. The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

- an exchange of letters (including email) setting out the terms and conditions of the proposed contract work
- purchase orders
- supply agreements
- invoices and payment documents.

You must ensure all project contractors keep a record of the costs of their work on the project. We may require you to provide a contractor's records of their costs of doing project work. If you cannot provide these records, the relevant contract expense may not qualify as eligible expenditure.

A.6 Travel expenditure

Eligible travel expenditure may include

- domestic travel limited to the reasonable cost of accommodation and transportation required to conduct agreed project and collaboration activities in Australia.

Eligible air transportation is limited to the economy class fare for each sector travelled; where non-economy class air transport is used only the equivalent of an economy fare for that sector is eligible expenditure. Where non-economy class air transport is used, the grantee will require evidence showing what an economy airfare costs at the time of travel.

A.7 Other eligible expenditure

Other eligible expenditures for the project may include:

- costs associated with relocating to, or establishing your new operation, branch or outpost in regional Australia (including fit-out) up to a maximum of 5% of the eligible project cost
- 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
- 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% 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 B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure.

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

Projects in the minerals extraction and energy production sectors are not eligible for grant funding.

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 you submitting your eligible and complete application
- any in-kind contributions
- financing costs, including interest
- 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 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
- 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, or for, the main purpose of the project
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of manufacturing production inputs
- 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.

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.



The Hon Andrew Gee MP

Minister for Decentralisation and Regional Education
Minister Assisting the Minister for Trade and Investment

Parliament House
CANBERRA ACT 2600

Telephone: 02 6277 7630

Our Ref: MS21-000019

Senator the Hon Simon Birmingham
Minister for Finance
Parliament House
CANBERRA ACT 2600

Dear Minister

I am writing to seek your agreement to release and publish the Grant Opportunity Guidelines for the Regional Decentralisation Agenda - Securing Raw Materials Program.

The Regional Decentralisation Agenda - Securing Raw Materials Program is a 2020-21 Budget Measure providing \$35 million over two financial years. The intended outcomes of the program are:

- industry growth in, and economic resilience of, regional Australia
- stronger supply of, and access to, innovative and improved raw materials for industry
- increased competitiveness and productivity of, and lower costs to, businesses through access to improved or innovative raw materials
- strong supply chains for raw materials suppliers and businesses
- increased research, investment and economic capacity in Australia's regions.

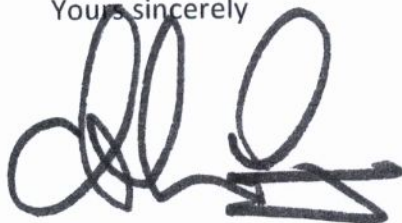
The Department of Infrastructure, Transport, Regional Development and Communications has prepared Grant Opportunity Guidelines in consultation with your department, the Department of the Prime Minister and Cabinet and the Business Grants Hub. This consultation has ensured the guidelines are consistent with the requirements of the Commonwealth Grants Rules and Guidelines and Implementing Better Practice Grants Administration released by the Australian National Audit Office. s 47E(d)

s 47E(d)

s 34(2) I am seeking your agreement to the release the Guidelines ten business days from the date of this letter.

Subject to your agreement, my department intends to open the grant opportunity to applications on 24 February 2021 to enable the budget measure to commence prior the end of the financial year.

Yours sincerely

A handwritten signature in black ink, consisting of several loops and a final horizontal stroke.

ANDREW GEE

10 February 2021

The Hon Andrew Gee MP
Parliament House CANBERRA ACT 2600 | 02 6277 7630 | Andrew.Gee.MP@aph.gov.au
PO Box 673 ORANGE NSW 2800 | PO Box 54 BATHURST NSW 2795

Attachment C

Detailed Timeline of the Grant Opportunity	
Overview	The Securing Raw Materials Program (\$35 million over two years from 2020-21) will provide up to \$5 million of matched funding to support research, development and commercialization of raw materials. Grant funding is available to businesses that relocate to regional Australia, ensuring they are closer to the source of raw materials, and enter into research partnership with a regional university or research organisation.
Program Name	Regional Decentralisation Agenda - Securing Raw Material Program
Grant Opportunity Type	Merit - Open competitive
Appropriation Total (\$m)	\$35m

Activity	Timeframe (due by)
Guidelines sent to DoF / Centrals	s 47E(d)
Assessment Committee approved by Minister	s 47E(d)
Guidelines approved by DoF / Centrals	s 47E(d)
Guidelines approved by Minister	s 47E(d)
Minister writes to the Minister for Finance	s 47E(d)
Guidelines approved by Minister for Finance	s 47E(d)
Minister Launches and announces Program	s 47E(d)
Applications open	s 47E(d)
Close the Round	s 47E(d)
Assess applications	s 47E(d)
Assessment Committee Meets	s 47E(d)
Decision / Approval and Announcement	s 47E(d)
Contract development and finalisation	s 47E(d)

MS21-000611


Australian Government
**Department of Infrastructure, Transport,
Regional Development and Communications**
To: Senator the Hon Bridget McKenzie (for decision)
cc: The Hon Barnaby Joyce MP
cc: Mr Simon Atkinson, Secretary
cc: Dr Rachel Bacon, Deputy Secretary
Decisions on projects to be funded from the Securing Raw Materials Program
Action required by: 2 August 2021
Reason: To support the preparation of grant agreements and communications products.

Recommendations:

1. That you **note** the Assessment Committee recommends two projects are funded under the Securing Raw Materials Program and a second round be conducted, with refinements to strengthen the number and competitiveness of applications (letter of advice is at **Attachment A**).

Noted / Please Discuss

2. That you **sign** each line of the Decision Sheet (**Attachment B**), which provides an overview of the two eligible applications and recommendations from the Assessment Committee. By agreeing to fund a project and signing the Decision Sheet, you are indicating that you are satisfied the proposed expenditure for that project represents a proper use of relevant money, in accordance with section 71 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Signed / Not Signed

3. Where you do not agree to fund an eligible project, record your reasons against the relevant project in the Decision Sheet (**Attachment B**).

Noted / Please Discuss

4. That you **note** your obligations under the PGPA Act and Commonwealth Grants Rules and Guidelines (CGRGs) set out in **Attachment C**, including requirements about approving grants in a Minister's own electorate, managing a Minister's perceived or real conflict of interest and reporting to Senator the Hon Simon Birmingham, Minister for Finance on all instances where you approve a particular grant which the Department of Infrastructure, Transport, Regional Development and Communications has recommended not be approved.

Noted / Please Discuss

5. That you **agree** to a second round of the Securing Raw Materials Program using unspent funds appropriated to the program, and sign the draft letter to the Prime Minister, the Hon Scott Morrison MP, seeking his agreement to a second round and a reprofile of funds to reflect the expected expenditure (**Attachment D**).

Agreed / Not Agreed

s 47C

6. That you **sign** the letters of thanks to members of the Assessment Committee at **Attachment E** and **Attachment F**.

Signed / Not Signed

Senator the Hon Bridget McKenzie

Date:

19/8/2021

Comments:

s 47C

1. The Securing Raw Materials Program was appropriated \$35 million to provide matched grants of up to \$5 million to businesses for research and development activities that will deliver a reliable and viable supply of raw materials. Funding is available to businesses that relocate to regional Australia from a major capital city, and enter a research partnership with a regional university or research organisation.
2. Applications opened 26 February and closed 24 March 2021. Five applications were received and assessed by the Business Grants Hub (the Hub) against the eligibility criteria in the Grant Opportunity Guidelines (**Attachment G**). Two applications were assessed as eligible and the remaining three as ineligible.
3. An independent Assessment Committee (the Committee) was established by the Hon Andrew Gee MP, the then Minister for Decentralisation and Regional Education to consider eligible applications and provide advice to you (as the decision-maker) on projects to be funded, comprising:
 - a. Mr Brendan McRandle (Chair), Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications;
 - b. Professor Nick Klomp, Vice Chancellor, CQUniversity, and Chair of the Regional Universities Network; and
 - c. Mrs Christine McIntosh, Special Counsel for King & Wood Mallesons and Member of the Kinross Wolaroi School Council.
4. In assessing eligible applications, the Committee considered the assessment criteria in the Grant Opportunity Guidelines, the Hub's analysis and views of each member. A consensus model informed the Committee's recommendations to you (refer **Attachment A** for the Committee's letter of advice).

Eligible Applications

5. The Committee recommends that both eligible applications are funded, to a total value of \$5.85 million:
 - a. \$5 million to InnovationClub Pty Ltd for the *Raw Material Optimisation for the Development of Compostable Plastics* project. The Committee agreed this was a strong project which would deliver economic, regional and environmental benefits. It noted the project's strong links to the national Science and Research Priorities, and established arrangements with the University of Newcastle and Muswellbrook Shire Council.

- b. \$847,000 be provided to AlgOz Solutions Pty Ltd for the *Australian Seaweed Innovation, Development and Commercialisation* project. The Committee agreed this was a sound project which, s 47C [REDACTED] would deliver economic and regional benefits and capitalise on a gap in the market. s 47C [REDACTED]
s 47C [REDACTED]

6. The Department also recommends both eligible applications are funded, given their benefits to regional Australia, including creating jobs, expanding the industry base and supporting regional research. The technology proposed to be developed is also transferrable to other regional locations.
7. As decision maker, you must satisfy the requirements of the CGRGs by:
- where you approve a project not recommended by the Department, recording the reason for your decision in the Decision Sheet at **Attachment B**; and
 - taking the requirements of the PGPA Act and CGRGs into account, including requirements relating to approving grants in a Minister's own electorate, managing a Minister's perceived or real conflict of interest and reporting to the Minister for Finance on all instances where you approve a grant which the Department has recommended not be approved (refer **Attachment C**).
 - The Department notes that neither project is located in Victoria.

Proposed second round

8. The Committee also discussed ineligible applications and the conduct of the first round of the program. s 47C [REDACTED]
s 47C [REDACTED] The Department recommends you seek the Prime Minister's agreement to a second round using unspent program funds and an associated reprofile of funds. A draft letter to the Prime Minister is at **Attachment D**.

9. s 47C [REDACTED]

10.

Communication Strategy

11. s 47C [REDACTED]

12. The Department will provide a communications package to support the announcement, including a Media Release, letters of advice to successful proponents, and letters of advice to local members or patron senators. ✓

s 22

Financial impacts:

17. Reprofiles of program funds are needed.

Consultation:

18. Department of the Prime Minister and Cabinet, Business Grants Hub, Department of Industry, Science, Energy and Resources, Department of Finance.

Name: Joe Castellino

Position: Assistant Secretary

Branch: Regional Policy and Recovery

Ph: 02 6274 6426

s 47F

Date: 12 July 2021

Contact Officer: s 47F

Section: Drought and Decentralisation

s 47F

s 47F

Attachments:

A: Letter of Recommendations from the Committee

B: Decision Sheet

C: Requirements of the PGPA Act and the CGRGs

D: Draft letter to the Prime Minister

E: Letter of thanks to Mrs McIntosh

F: Letter of thanks to Professor Klomp

G: Grant Opportunity Guidelines

H: Overview of Eligible and Ineligible Applications

ASSESSMENT COMMITTEE

SECURING RAW MATERIALS PROGRAM

Senator the Hon Bridget McKenzie
 Minister for Regionalisation, Regional Communications and Regional Education
 Parliament House
 CANBERRA ACT 2600

Dear Minister

Thank you for the opportunity, afforded by the Hon Andrew Gee MP, former Minister for Decentralisation and Regional Education, to review eligible applications for the Regional Decentralisation Agenda Securing Raw Materials Program (the Program), and provide advice on projects to be funded. There were five applications for the Program, of which three were deemed ineligible. The Assessment Committee therefore discussed learnings from the round, which may be of assistance in shaping any future rounds.

The Committee met on Friday, 11 June 2021 and, consistent with the Grant Opportunity Guidelines, reviewed the individual and relative merits of each application and ranked applications according to merit. The Committee recommends:

1. A grant of \$5 million be provided to InnovationClub Pty Ltd for the Raw Material Optimisation for the Development of Compostable Plastics project. The Committee considered it was a strong project which would deliver economic, regional and environmental benefits. We noted the project had strong links to the national Science and Research Priorities, and established arrangements with the University of Newcastle and Muswellbrook Shire Council.
2. A grant of \$847,000 be provided to AlgOz Solutions Pty Ltd for the Australian Seaweed Innovation, Development and Commercialisation project. The Committee considered this to be a sound project which, while modest in its funding request, would deliver economic and regional benefits and capitalise on a gap in the market. The University of the Sunshine Coast will collaborate in the research and development component. We noted the potential to replicate the project in other regional locations, if successful. s 47C

s 47C

s 47C

Eligibility Criteria

The Committee noted that eligible applicants must relocate from a capital city to a regional location for the duration of the project. s 47C

s 47C

Assessment Criteria

Applicants are required to present a case against each of the Assessment Criteria, which then support the assessment of the individual and relative merits of applications. s 47C

s 47C

Time to Prepare Applications

The Committee noted that decisions to relocate to a region and to invest in research and development are significant, particularly for small businesses. Businesses also need time to identify the optimal regional location, plan for the impacts on operations and staff, and build strong relationships with regional universities. s 47C

s 47C

Project Timelines

Grant funds for the current round are being delivered in 2021-22, and in practice (taking account of the time to negotiate Funding Agreements) means that the initiative would need to be delivered typically within nine months. s 47C

s 47C

The underlying principle is that the longer a business operates in a region, the more likely it is to remain.

The Committee also noted that relatively short timeframes for delivery may result in sub-optimal project plans and increase the risk that proposed milestones may not be achievable. s 47C

Communication and Marketing

The Committee noted that three of the five applications heard about the grant opportunity through 'word of mouth'. s 47C

s 47C

We appreciate the opportunity to participate in this process. We commend the two eligible projects to you and we are confident that this Program can deliver real and lasting benefits to regional Australia.

Yours sincerely



Mr Brendan McRandle
Chair

7 July 2021



Professor Nick Klomp
Member



09 July 2021



Mrs Christine McIntosh
Member

9 July 2021

Securing Raw Materials Program – Decision Sheet

Applicant	Project Title and Description	Funding Sought	Overview of Grants Hub and Department’s Analysis	Assessment Committee’s Recommendation	Agree to Fund	Reason for Decision Not to Fund	Signature
InnovationClub Pty Ltd	<p>Raw material optimisation for the development of compostable plastics.</p> <p>The National Plastics Plan (2021) noted that compostable plastics are a substitute for petroleum-plastics. Compostable plastics in Australia are imported due to a lack of manufacturing capacity.</p> <p>This project seeks to use local bio waste materials, such as grape marc, wheat and barley straw and canola waste, to manufacture compostable plastic products.</p> <p>Innovation Club Pty Ltd, in collaboration with The University of Newcastle and Muswellbrook Council, will undertake research and development into bioprocessing methods for innovative compostable plastics. If successful, the company will deliver the first Australian made certified compostable plastics using local resources and manufactured in a regional facility.</p>	\$5 million	<p><i>Grants Hub:</i> The applicant presented a strong case which demonstrated the process to develop compostable plastic products from waste products. Assessed as 70/100 (Suitable).</p> <p><i>Department:</i> The applicant has a strong relationship with the University of Newcastle and Muswellbrook Council, and notes its facility (in Muswellbrook) will potentially support around 100 direct and indirect jobs. It will also support regional bio economy infrastructures, integrated agricultural value chains for raw material supply, increased research capacity in regional Australia and the development of innovative compostable products.</p> <p>Business benefits will include reduced costs of manufacturing, increased competitiveness and improved profitability. Other benefits include support for local suppliers and businesses and a reduction in reliance on compostable plastic materials imported from overseas suppliers.</p>	<p>Assessed as 70/100 (Suitable).</p> <p>The Committee considered this to be a strong project that delivers on national priorities. The project proposes new uses for existing waste bio resources and delivers benefits for agriculturalists with waste products.</p> <p>The Committee noted limited employment opportunities associated with the proposal, given the largely automated manufacturing process. The Committee noted that supply linkages have been explained well.</p>	<div>Yes</div> <div>No</div>		
Applicant	Project Title and Description	Funding Sought	Overview of Grants Hub and Department’s Analysis	Assessment Committee’s Recommendation	Agree to Fund	Reason for Decision	Signature
Algoz Solutions Pty Ltd	<p>Australian seaweed innovation, development and commercialisation project.</p> <p>This project seeks to cultivate seaweed using a cost-effective on-shore system. If successful, the cultivation system will be scaled and commercialised to produce at least 50 tonnes of high quality fresh seaweed each year. The seaweed will be produced for commercial use, replacing imported product.</p> <p>The company will work with the University of the Sunshine Coast, which has expertise in on-shore aquaculture and species development.</p>	\$847,000	<p><i>Grants Hub:</i> The applicant presented a good case for the cultivation of seaweed in tanks, and demonstrated its potential as an effective and cost-efficient solution. It notes the potential of the project to expand production capacity and the use of seaweed as source of food and nutrition. The proposed methodology will rely less on the natural environment. Benefits included delivering a reliable supply of seaweed and reduced production costs. Assessed as 60/100 (Suitable).</p> <p><i>Department:</i> If successful, the project will deliver a supply of seaweed to meet domestic demand. Demand is expected to increase due to seaweed’s ability to absorb carbon dioxide, which is considered more cost effective and delivers faster results than planting trees. Demand for seaweed is also increasing as a high protein food.</p> <p>The project will relocate the organisation and 2 full-time equivalent jobs from Sydney to Hervey Bay and create 8 additional full-time jobs in the region. Investment in the construction of new seaweed tanks as part of the project can be expected to embed the facility in the region.</p>	<p>Assessed as 60/100 (Suitable).</p> <p>The Committee agreed the proposal is positive and modest, and will support pilot research, development and commercialisation of on-shore seaweed cultivation.</p> <p>It noted the project delivered benefits to the region and had the potential to be replicated in other regions.</p> <div>s 47C</div>	<div>Yes</div> <div>No</div>		

			Proposed benefits include reducing imports, increasing exports, additional economic activity and returns to the business. Local suppliers and businesses are also expected to benefit. The applicant proposes to replicate and scale this project to other areas of regional Australia, delivering wider regional benefits.					
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REQUIREMENTS OF THE PUBLIC GOVERNANCE, PERFORMANCE AND ACCOUNTABILITY ACT 2013, THE COMMONWEALTH GRANTS RULES AND GUIDELINES 2017 AND DEPARTMENT OF FINANCE GRANT REQUIREMENTS SUMMARY

Any decision by a Minister to approve expenditure of relevant money must be undertaken in a manner that is consistent with the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and the Commonwealth Grants Rules and Guidelines 2017 (CGRGs).

The PGPA Act and CGRGs requirements relevant to the approval of funding for this proposed expenditure of relevant money are:

Requirements under the PGPA Act

Section 71(1) – Approval of proposed expenditure by you requires that you must not approve the proposed expenditure of relevant money unless you are satisfied, after making reasonable enquiries that the expenditure would be a “proper” use of relevant money. “Proper” when used in relation to the use or management of public resources means efficient, effective, economical and ethical use.

Section 71 (2a) requires where you agree with the Department’s recommendation to approve or not approve the expenditure of relevant money for this project, that you must record the terms of approval in writing as soon as practicable after giving your approval. This brief and any attachments, including annotations or conditions recorded by you on these documents, satisfies the requirements of Section 71 (2a) of the PGPA Act.

Section 71 (2b) requires that if you approve a proposed expenditure of relevant money, that you must comply with any other requirements prescribed by the Rules in relation to the approval.

Requirements under the CGRGs – Section 4 – Grants Specific Processes and Requirements

The CGRGs contain a mandatory requirement that Entity Staff must provide written advice to you, where you exercise the role of an approver. These requirements are outlined under item 4.6 of the CGRGs and include:

- (a) That the proposed expenditure of relevant money for this project is for purposes of a “grant” as described in item 2.3 of the CGRGs;
- (b) That you are advised of any applicable requirements of the PGPA Act and Rules and the CGRGs relating to any ministerial reporting obligations, including the legal authority of the grant;
- (c) Outlining the application and selection process, including the selection criteria, that were used to select potential grants recipients; and
- (d) The merits of the proposed grant or grants relative to the grant guidelines and the key consideration of achieving value with relevant money.

As per item 4.7 of the CGRGs, officials must brief Ministers on the merits of grant applications. For the SRMP, this information is provided in the attachment relating to eligible and ineligible applications within this Ministerial Briefing Pack. Any specific recommendations regarding grant applications for approval can be added to this information. While officials do not have to rank all grants when briefing ministers on the merits of a specific grant or group of grants, officials should, at a minimum, indicate:

UNCLASSIFIED

- (a) Which grant applications fully meet the selection criteria;
- (b) Which applications partially meet the selection criteria; and
- (c) Which applications do not meet any selection criteria.

In addition, to the requirements under the PGPA Act, where the proposed expenditure relates to a grant or group of grants, the Minister under item 4.10 of the CGRGs:

- (a) Must not approve the grant without first receiving written advice from officials on the merits of the proposed grant or group of grants. That advice must meet the requirements of the CGRGs (see item 4.6); and
- (b) Must record, in writing, the basis for the approval relative to the grant opportunity guidelines and the key principle of achieving value with relevant money.

Item 4.11 of the CGRGs provides that where a Minister approves a proposed grant in his/her own electorate, the Minister must write to the Finance Minister advising of the details. For this purpose it is sufficient to provide the Finance Minister with a copy of correspondence to the grantee (except where the Minister has approved a grant which the relevant official has recommended be rejected).

Under item 4.12 of the CGRGs, Ministers may approve grants that are not recommended by the relevant officials:

- (a) Ministers (including Senators) must report annually to the Finance Minister on all instances where they have decided to approve a particular grant which the relevant official has recommended be rejected. The report must include a brief statement of reasons (i.e. the basis of the approval for each grant). The report must be provided to the Finance Minister by 31 March each year for the preceding calendar year.
- (b) If a decision relates to a Minister's own electorate (House of Representatives members only), the Minister must also include this information when writing to the Finance Minister in context of the process outlined in item 4.11)

Requirements under the CGRGs – Section 13 – Conflict of Interest Advice

Item 13.6 of the CGRGs outlines that actual or perceived conflicts of interest can be damaging to government, granting entities and it is officials, potential grantees and grantees. A conflict of interest arises where a person makes a decision or exercises a power in a way that may be, or may be perceived to be, influenced by either material personal interests (financial or non-financial) or material personal associations. A conflict of interest may arise:

- Where a decision-makers or officials involved in grants administration have a direct or indirect interest, which may influence the selection of a particular grant activity;
- Where members of external committees have a direct or indirect interest in informing a decision about expenditure or providing advice on grant opportunities; and
- Where a potential grantee has a direct or indirect interest, which may influence the selection of the proposed grant activity during the application process. Conflicts may also arise when undertaking the grant activity.



Senator the Hon Bridget McKenzie

Minister for Emergency Management and National Recovery and Resilience
Minister for Regionalisation, Regional Communications and Regional Education
Leader of the Nationals in the Senate
Senator for Victoria

Ref No: MS21-000611

The Hon Scott Morrison MP
Prime Minister
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

The Securing Raw Materials Program (SRMP) and the Regional Cooperative Research Centres Project (Regional CRC-P) grants program were announced as part of the 2020-21 Budget and are being delivered.

Together, these programs are supporting research, development and business activity in regional Australia. Program outcomes will contribute to the long-term economic prosperity of Australia's regions by delivering jobs, boosting investment, and building sustainable businesses and competitive regional industries.

Securing Raw Materials Program

The SRMP provides matched grants of up to \$5 million to businesses which relocate to regional Australia for research and development activities associated with securing a reliable and commercially viable supply of raw materials. The program supports businesses that enter research partnerships with regional universities or research organisations. \$35 million has been appropriated in 2021-22.

Based on recommendations of the independent assessment committee, comprised of Professor Nick Klomp (Vice-Chancellor, CQUniversity), Mrs Christine McIntosh (Special Counsel, King & Wood Mallesons) and Mr Brendan McRandle (Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications), I have agreed that two eligible projects be funded at a cost of \$5.8 million.

The first round of the program was characterised by a short application period, particularly given the significant investment decisions to be taken by business as a requirement of the program, complex merit criteria, and lack of marketing and promotion. Notwithstanding this, the assessment committee advises that the need for funding from this program remains. This demand is evidenced by the number of ineligible applications which proposed strong projects and the over 300 users who accessed program documentation through business.gov.au.

My assessment is also of a continued need for support for research and development in, and business relocation to, regional Australia. The program will contribute to investment in and growth of economies in our regions. Relocation of private sector activity to regional Australia creates local jobs, supports local suppliers and businesses, and strengthens regional communities. Robust research and development activity has the potential to anchor supporting activity, including commercialisation and manufacturing.

Accordingly, I seek your agreement to deliver a second round of the program using unspent funds of \$29.2 million. To strengthen outcomes, I propose to refine aspects of the program, including:

- expanding eligibility to include businesses located in regional Australia and expanding their operations to another region;
- simplifying the merit criteria, while ensuring they deliver program objectives;
- increasing the application period given the significance of decisions to relocate to a region and invest in research and development;
- extending the time period over which business can complete their research activities to up to three years; and
- improving marketing of the program.

Subject to your agreement, I will provide a copy of the revised Guidelines to your Office, for information.

To deliver this second round, I also seek your agreement to reprofile program funding to 2024-25 (refer **Attachment A**).

s 22

My proposed updates to these programs will ensure that regional Australia remains a desirable place for Australians to live, and that they are supported by strong economies, jobs and a diverse industry base.

Thank you for your continued support for our regions, and I look forward to your early advice.

Yours sincerely



Bridget McKenzie

19 AUG 2021

cc Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Hon Barnaby Joyce MP
Treasurer, the Hon Josh Frydenberg MP
Senator the Hon Simon Birmingham, Minister for Finance
The Hon Christian Porter MP, Minister for Industry, Science and Technology

Attachment A

Current Funding Profile	2021-22	2022-23	2023-24	2024-25	Total
SRMP	\$35,000,000	\$0	\$0	\$0	\$35,000,000
s 22					

Proposed Funding Profile	2021-22	2022-23	2023-24	2024-25	Total
SRMP	\$9,415,300	\$5,584,700	\$10,000,000	\$10,000,000	\$35,000,000
s 22					

Please note that if the above reprofile is agreed, the unspent funds of \$0.17 million will be returned to Consolidated Revenue.



Senator the Hon Bridget McKenzie

Minister for Emergency Management and National Recovery and Resilience
Minister for Regionalisation, Regional Communications and Regional Education
Leader of the Nationals in the Senate
Senator for Victoria

Ref No: MS21-000611

Mrs Christine McIntosh
Special Counsel for King & Wood Mallesons
Kinross Wolaroi School Council
59-67 Bathurst Road
ORANGE NSW 2800

Dear Mrs McIntosh

I am writing to thank you for your work on the independent committee which assessed applications for funding from Securing Raw Materials Program, and for your advice on the most meritorious applications.

I appreciate your recommendation to fund two projects and confirmation that they will support the economic growth and resilience of regional Australia, diversify the industry base of our regions and create local jobs. If successful, the research projects will increase investment in, and the capacity of, our regions.

I also appreciate your advice on the delivery of the first round, including refinements that will improve the number, quality and competitiveness of applications for any second round.

Thank you again for your time and contribution to the delivery of this important program.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bridget McKenzie', written over a circular stamp.

Bridget McKenzie

19 AUG 2021



Senator the Hon Bridget McKenzie

Minister for Emergency Management and National Recovery and Resilience
Minister for Regionalisation, Regional Communications and Regional Education
Leader of the Nationals in the Senate
Senator for Victoria

Ref No: MS21-000611

Professor Nick Klomp
Chair of the Regional Universities Network
Vice-Chancellor of CQUniversity
Building 1/G.10, Bruce Highway
NORTH ROCKHAMPTON QLD 4701

Dear Professor Klomp

A handwritten signature in black ink, appearing to read 'Nick'.

I am writing to thank you for your work on the independent committee which assessed applications for funding from Securing Raw Materials Program, and for your advice on the most meritorious applications.

I appreciate your recommendation to fund two projects and confirmation that they will support the economic growth and resilience of regional Australia, diversify the industry base of our regions and create local jobs. If successful, the research projects will increase investment in, and the capacity of, our regions.

I also appreciate your advice on the delivery of the first round, including refinements that will improve the number, quality and competitiveness of applications for any second round.

Thank you again for your time and contribution to the delivery of this important program.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bridget McKenzie'.

Bridget McKenzie

19 AUG 2021



Australian Government

Department of Industry, Science,
Energy and Resources

Department of Infrastructure, Transport,
Regional Development and Communications

Grant Opportunity Guidelines

Regional Decentralisation Agenda – Securing Raw Materials Program

Opening date:	26 February 2021
Closing date and time:	5.00pm Australian Eastern Daylight Time on 24 March 2021 Please take account of time zone differences when submitting your application.
Commonwealth policy entity:	Department of Infrastructure, Transport, Regional Development and Communications
Administering entity:	Department of Industry, Science, Energy and Resources
Enquiries:	If you have any questions, contact us on 13 28 46.
Type of grant opportunity:	Open competitive

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1. Regional Decentralisation Agenda – Securing Raw Materials Program processes

The Regional Decentralisation Agenda – Securing Raw Materials Program is designed to achieve Australian Government objectives

This grant opportunity is part of the above grant program which contributes to the Department of Infrastructure, Transport, Regional Development and Communications' (DITRDC) Outcome 3: Strengthening the sustainability, capacity, and diversity of our cities and regional economies. The DITRDC works with stakeholders to plan and design the grant 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

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



We assess all grant applications

We review the applications against eligibility criteria and notify you if you are not eligible. We assess eligible applications against the assessment criteria including an overall consideration of value with relevant money and compare it to other eligible applications.



We refer your application to an independent committee

An independent committee will assess applications and provide recommendations to the decision maker.



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 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 Regional Decentralisation Agenda – Securing Raw Materials Program**

We evaluate the specific grant activity and Regional Decentralisation Agenda – Securing Raw Materials Program as a whole. We base this on information you provide to us and that we collect from various sources.

2. About the grant program

The Regional Decentralisation Agenda – Securing Raw Materials Program (the program) will provide funding over two years (2020-21 to 2021-22) to businesses that relocate to regional areas in Australia and partner with a regional university or research organisation located in a regional area. The purpose is to undertake research into and development of innovative and locally sourced raw material supplies (including establishing new suppliers or products and value adding to existing known supplies). The program recognises that establishing or securing a supply of raw materials is a crucial element of business success.

The Regional Decentralisation Agenda supports the long-term economic prosperity of Australia's regional communities by promoting jobs growth, boosting investment, and building sustainable businesses and competitive regional industries. It delivers economic and lifestyle benefits to regional communities by encouraging businesses and government agencies to relocate to regional Australia.

The objectives of the program are to:

- support research and development into innovative and locally sourced raw material supplies and capitalise on a region's comparative advantages
- establish, secure and strengthen the supply of innovative or improved raw materials to Australian industry, particularly regional industries
- increase economic activity, diversity and jobs in regional areas, including by establishing new industry sectors, businesses and suppliers
- support and strengthen partnerships between industry and regional universities and research organisations.

The intended outcomes of the program are:

- industry growth in, and economic resilience of, regional Australia
- stronger supply of, and access to, innovative and improved raw materials for industry
- increased competitiveness and productivity of, and lower costs to, businesses through access to improved or new raw material supplies
- strong supply chains for raw materials suppliers and businesses
- increased research, investment and economic capacity in Australia's regions.

This document sets out:

- 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.

The Department of Industry, Science, Energy and Resources (we/the department) is responsible for administering this grant opportunity on behalf of the Department of Infrastructure, Transport, Regional Development and Communications.

We administer the program according to the [Commonwealth Grants Rules and Guidelines](#) (CGRGs)¹.

We have provided a definition of *regional areas* and other key terms used in these guidelines in the glossary at section 0.

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

3. Grant amount and grant period

The Australian Government announced \$35 million over two years 2020-21 and 2021-22 for this grant opportunity.

3.1. Grants available

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

- The minimum grant amount is \$250,000
- The maximum grant amount is \$5 million.

You are responsible for the remaining 50 per cent or more of eligible project expenditure plus any ineligible expenditure.

You can fund your contribution from any source including State, Territory and local government grants. Your contribution must be cash.

Where you receive a cash contribution from another source (e.g. State government), the source must provide you with formal documentation confirming the cash contribution to attach to your application.

Your cash contribution can also come from Aboriginal Benefits Account, Financial Assistance Grants to local government and fully repayable loans from organisations such as Indigenous Business Australia and the Northern Australia Infrastructure Facility, as these are not considered Commonwealth funding.

You cannot use funding from other Commonwealth grants to fund the balance of project expenditure not covered by this program.

3.2. Project period

The maximum project period is 12 months. We may approve an extension under exceptional circumstances.

You must complete your project by 31 March 2022.

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:

- have an Australian Business Number (ABN)
- and

¹ <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

- 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

You should be the lead applicant as the main driver of the project with the support of at least one regional university or research organisation located in a regional area. You will need to attach supporting evidence of this project relationship in your application.

4.2. Additional eligibility requirements

We can only accept applications where you:

- declare that during the project period you:
 - will relocate from a capital city to a regional area or
 - will establish a new operation, branch or outpost of your operation in a regional area and
 - have at least 10 full-time equivalent (FTE) employees in your organisation who are relocating or commencing work in the regional area
- provide a letter of support from a regional university or research organisation confirming your relationship relating to the research and development component of the project
- provide a detailed budget as part of your application
- provide confirmation from your board (or chief executive officer or equivalent if there is no board) that:
 - you are a trading corporation
 - you can complete the project
 - you will relocate to or establish a presence in a regional area during the project period
 - you can meet the costs of the project not covered by grant funding.

We cannot waive the eligibility criteria under any circumstances.

4.3. Who is not eligible?

You are not eligible to apply if you are:

- an individual
- partnership
- unincorporated association
- an incorporated not for profit organisation
- any organisation not included in section 4.1
- trust or trustee
- a Commonwealth, State, Territory or local government body (including government business enterprises)
- a non-corporate Commonwealth entity.

5. What the grant money can be used for

5.1. Eligible activities

To be eligible your project must:

- support research into, and development of, innovative or improved locally sourced raw material supplies (including value-add or use of existing known supplies for new purposes)
- include your business relocating from a capital city to a regional area or your business establishing a new operation, branch or outpost in a regional area as defined in the glossary at section 0
- include eligible activities and eligible expenditure
- include at least \$500,000 in eligible expenditure.

Eligible activities may include:

- research into, and development of, new or improved raw materials, methods of processing raw materials, technologies to produce raw materials or methods of growing raw materials, or new uses for existing raw materials
- proof of concept of the outcomes of research
- commercialising the outcomes of research
- establishing new processing facilities in regional areas
- relocating business operations or establishing a new branch or outpost of the business' operations.

We may also approve other activities.

Projects in the minerals extraction and traditional energy production sectors are not eligible for grant funding.

5.2. Eligible locations and commitment expectation

You must conduct your project in regional areas (see section 14 Glossary).

You must relocate or establish a new operation, branch or outpost in a regional area, between the project period start and end date. The project start date will be considered the date you submitted your eligible and complete application, should you be successful.

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 guidance on eligible expenditure, see appendix A.
- For guidance on ineligible expenditure, see appendix B.

We may update the guidance 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 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 department with responsibility for 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 a direct cost of the project, including the relocation of your business to, or establishment of a new operation, branch or outpost in, a regional area
- be incurred by you for required project audit activities.

You must incur the project expenditure between the project start and end date for it to be eligible unless stated otherwise. You may commence preparing for the relocation and incurring eligible expenditure from the date you submitted your eligible and complete application. We are not responsible for any expenditure you incur until a grant agreement is executed. The Commonwealth will not be liable, and should not be held out as being liable, for any activities undertaken before the grant agreement is executed.

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 size limits for answers.

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

6.1. Assessment criterion 1

Project alignment with policy intent (program objectives/ outcomes) (60 points)

You should demonstrate this by describing:

- a. how your project will develop or increase the supply of new, innovative or improved locally-sourced raw materials
- b. the benefits of the project to your business, industry sector and wider economy, including potential job creation and the broader utility of the project within the industry sector
- c. how your project will strengthen supply chains and linkages to, or relationships with, the research sector in regional Australia
- d. how you will embed the benefits of the project and your relocation into the regional area

6.2. Assessment criterion 2

Capability, capacity and resources to deliver your project (30 points)

You should demonstrate this by describing:

- a. your track record in managing similar projects and access to personnel with the right skills and experience, including management and technical staff
- b. your plan to manage the project, addressing scope, implementation, timeframes, budget and risk
- c. the role of each partner and how collaboration will be managed to deliver project outcomes.

You must attach a detailed budget as part of your application.

6.3. Assessment criterion 3

Impact of the grant funding on your project (10 points)

You should demonstrate this by describing:

- a. how the funding amount requested is justified with respect to the scale of the project and intended outcomes.

7. How to apply

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

To apply, you must:

- complete the online [application form](#) via business.gov.au
- provide all the information requested
- address all eligibility and assessment criteria
- include all necessary attachments.

You should retain a copy of your application for your own records. You can view and print a copy of your submitted application on the portal for your own records.

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* (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 are unable to submit an application online, [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:

- confirmation from your board, CEO or equivalent (template provided on [business.gov.au](#) and [GrantConnect](#)) including;
 - you are a trading corporation
 - you can complete the project
 - you will relocate to or establish a presence in a regional area during the project period
 - meet the costs of the project not covered by grant funding.
- a letter of support from a regional university or research organisation confirming your relationship relating to the research and development component of the project
- formal documentation confirming the cash contribution from another source (e.g. State government) (where applicable)
- a detailed budget for your project.

You must attach supporting documentation to the application form in line with the instructions provided within the form. 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.

If you are successful we expect to execute a grant agreement around June 2021.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	6 weeks
Approval of outcomes of selection process	3 weeks
Negotiations and award of grant agreements	1-3 weeks
Notification to unsuccessful applicants	2 weeks
Execution of grant agreements	June 2021
End date of grant commitment	30 June 2022

8. The grant selection process

We first review your application against the eligibility criteria. If eligible, we will then assess it against the assessment criteria. 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.

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

- the overall objectives of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant sought.

We will establish an independent committee comprised of representatives of the Australian university, research and business sectors to assess eligible 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 providing recommendations on projects that should be funded.

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. Who will approve grants?

The Minister decides which grants to approve taking into account the recommendations of the committee and the availability of grant funds.

The Minister'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 Minister 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.

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

10. Successful grant applications

10.1. Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. We will use a Commonwealth standard grant agreement for all projects. 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 must execute a grant agreement with you before we can make any payments. Execute means both you and the Commonwealth have signed the agreement. We are not responsible for any expenditure you incur 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 Minister. We will identify these in the offer of grant funding.

If you enter an agreement under Regional Decentralisation Agenda – Securing Raw Materials Program, you cannot receive other grants for the same activities from other Commonwealth granting programs.

The Commonwealth may recover grant funds if there is a breach of the 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. Project specific legislation, policies and industry standards

You must comply with all relevant laws and regulations in undertaking your project. You must also comply with the specific legislation/policies/industry standards that follow. It is a condition of the

grant funding that you meet these requirements. We will include these requirements in your grant agreement.

In particular, you will be required to comply with:

- State/Territory legislation in relation to working with children.

10.3. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (grant percentage)
- 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 an initial payment on execution of the grant agreement. We will make subsequent payments in arrears, based on your actual eligible expenditure. Payments are subject to satisfactory progress on the project.

We set aside 10 per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory end of project report demonstrating you have completed outstanding obligations for the project. We may need to adjust your progress payments to align with available program funds across financial years and/or to ensure we retain a minimum 10 per cent of grant funding for the final payment.

10.4. Tax obligations

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 entities².

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.

11. Announcement of grants

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Guidelines](#) unless otherwise prohibited by law. 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

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

- your organisation's industry sector.

12. How we monitor your grant activity

12.1. Keeping us informed

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

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

You must also inform us of any changes to your:

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

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

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

12.2. Reporting

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

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

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

We will monitor the progress of your project by assessing reports you submit and may conduct site visits to confirm details of your reports if necessary. Occasionally we may need to re-examine claims, seek further information or request an independent audit of claims and payments.

12.2.1. Progress reports

Progress reports must:

- include a project plan and details of your progress towards completion of agreed project activities
- provide evidence of progress toward relocating to or establishing a presence in a regional area
- 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.

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

12.2.2. End of project report

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

End of project reports must:

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

12.2.3. Ad-hoc reports

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

12.3. Independent audits

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

12.4. 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. 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.

12.5. 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.

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.

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.

12.6. Evaluation

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

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

12.7. Grant 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 CGRGs.

13.1. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity or program. There may be a conflict of interest, or perceived conflict of interest, if our staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who 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, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation 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\(7\)\)](#)³ of the *Public Service Act 1999* (Cth). Committee members and other officials including the decision maker must also declare any conflicts of interest.

We publish our [conflict of interest policy](#)⁴ on the department's website.

13.2. How we use your information

Unless the information you provide to us is:

- confidential information as per 13.2.1, or
- personal information as per 13.2.3,

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.

13.2.1. 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.

13.2.2. 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.

³ <https://www.legislation.gov.au/Details/C2019C00057>

⁴ https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect

13.2.3. 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](#)⁵ 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.

13.2.4. 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.

13.3. 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.

⁵ <https://www.industry.gov.au/data-and-publications/privacy-policy>

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

Chief Financial Officer
Department of Industry, Science, Energy and Resources
GPO Box 2013
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman⁶](#) with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

⁶ <http://www.ombudsman.gov.au/>

14. Glossary

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
Department	The Department of Industry, Science, Energy and Resources.
Capital city	Urban Centre and Locality (UCL) cities with a population of over 1 million people as defined by the Australian Bureau of Statistics' Australian Statistical Geography Standard (Sydney, Melbourne, Brisbane, Perth and Adelaide) and the Australian Capital Territory.
Committee	The independent body established to consider and assess eligible applications and make recommendations to for funding under the program.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in section 5.1.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in Appendix A.
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.
GrantConnect	The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs.
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.
Minerals extraction sector	The mineral extraction sector includes businesses engaged in the exploration, extraction and processing of rocks, ores or minerals up until the point of fabricated materials production.

Term	Definition
Minister	The Commonwealth Minister for Decentralisation and Regional Education
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"> whether the information or opinion is true or not; and whether the information or opinion is recorded in a material form or not.
Program Delegate	An manager within the department with responsibility for 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) and corporate Commonwealth entities, and State and Territory business enterprises which undertake publicly funded research.
Raw material	Materials or substances used in the primary production or manufacturing of goods. Raw materials can include a raw material input, a work in progress or a finished product. Finished products can include waste material that can be used in further processing activities.
Regional area	A regional area is any location that is outside the Urban Centre and Locality (UCL) cities with a population of over 1 million people as defined by the Australian Bureau of Statistics' Australian Statistical Geography Standard (Sydney, Melbourne, Brisbane, Perth, Adelaide). Regional areas do not include the Australian Capital Territory. Regional areas include Hobart and Darwin.

Term	Definition
Regional university or research organisation	<p>An entity, such as university or research organisation, irrespective of its legal status or way of financing, whose primary goal is to conduct fundamental research, industrial research or experimental development and to disseminate its results by way of teaching, publication or technology transfer.</p> <p>Includes a publicly funded research organisation including an approved research institute, which is either:</p> <ul style="list-style-type: none"> ▪ the Commonwealth Scientific and Industrial Research Organisation ▪ any university, college, institute, association or organisation that has been approved <ul style="list-style-type: none"> ○ in writing by the one of the approving authorities ○ as an institution, association or organisation for undertaking scientific research which is, or may prove to be, of value to Australia.
Relocation	<p>An Australian industry entity must relocate part of its operations from a capital city to, or establish a new part of its operation in, a regional area. A physical presence (for example an office, factory or research facility) must be established in the regional area, including staff working in the operation or directly relevant to the work being undertaken with funding from the grant. An administrative presence or single researcher is not sufficient. Salaries or wages must be paid to at least ten employees that are working at the regional operation for at least 85 per cent of standard hours over the life of the grant. The business does not need to relocate to the same region as the research institution or the raw material supply provided it is located within a reasonable distance that meets the program's objectives.</p>
Research and Development	<p>Research and experimental development comprises creative and systematic work undertaken to increase the stock of knowledge –including knowledge of humankind, culture and society – and to devise new applications of available knowledge.</p>
Traditional energy production sector	<p>The traditional energy production sector includes businesses engaged in the production, supply or trade of electricity and natural gas. It does not include energy production methods included in the Government's Low Emissions Technology Statement.</p>

Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure.

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

To be eligible, expenditure must:

- be incurred by you within the project period, including up to 5% of costs associated with relocation to, or establishing an operation, branch or outpost in, regional areas
- be a direct cost of the project
- be incurred by you to undertake required project audit activities
- meet the eligible expenditure guidelines.

A.1 How we verify eligible expenditure

If your application is successful, we will 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.

A.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.

A.3 Labour expenditure

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

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

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the ATO. We consider salary-

sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is \$175,000 per financial year.

For periods of the project that do not make a full financial year, you must reduce the maximum salary amount you claim proportionally.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

A.4 Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30% allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the provision of computers.

You should calculate eligible salary costs using the formula below:

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

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

Evidence you will need to provide can include:

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

A.5 Contract expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

- another organisation
- an individual who is not an employee, but engaged under a separate contract.

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

- the nature of the work they perform
- the applicable fees, charges and other costs payable.

Invoices from contractors must contain:

- a detailed description of the nature of the work
- the hours and hourly rates involved
- any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense. The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

- an exchange of letters (including email) setting out the terms and conditions of the proposed contract work
- purchase orders
- supply agreements
- invoices and payment documents.

You must ensure all project contractors keep a record of the costs of their work on the project. We may require you to provide a contractor's records of their costs of doing project work. If you cannot provide these records, the relevant contract expense may not qualify as eligible expenditure.

A.6 Travel expenditure

Eligible travel expenditure may include

- domestic travel limited to the reasonable cost of accommodation and transportation required to conduct agreed project and collaboration activities in Australia.

Eligible air transportation is limited to the economy class fare for each sector travelled; where non-economy class air transport is used only the equivalent of an economy fare for that sector is eligible expenditure. Where non-economy class air transport is used, the grantee will require evidence showing what an economy airfare costs at the time of travel.

A.7 Other eligible expenditure

Other eligible expenditures for the project may include:

- costs associated with relocating to, or establishing your new operation, branch or outpost in regional Australia (including fit-out) up to a maximum of 5% of the eligible project cost
- 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
- 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% 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 B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure.

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

Projects in the minerals extraction and energy production sectors are not eligible for grant funding.

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 you submitting your eligible and complete application
- any in-kind contributions
- financing costs, including interest
- 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 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
- 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, or for, the main purpose of the project
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of manufacturing production inputs
- 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.

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.

Overview of Eligible and Ineligible Applications

Eligible Applications

Organisation	Project Title	Details
InnovationClub Pty Ltd	Raw Material Optimisation for the Development of Compostable Plastics	The applicant seeks \$5 million in matched funding to make compostable plastics in Muswellbrook, New South Wales. This project seeks to use local bio waste materials, such as grape marc, wheat and barley straw and canola waste, to manufacture compostable plastic products. Innovation Club Pty Ltd, in collaboration with The University of Newcastle and Muswellbrook Council, will undertake research and development into bioprocessing methods for innovative compostable plastics. If successful, the company will deliver the first Australian made certified compostable plastics using local resources and manufactured in a regional facility.
Algoz Solutions Pty Ltd	Australian Seaweed Innovation, Development and Commercialisation Project	The applicant seeks \$847,000 in matched funding This project seeks to cultivate seaweed using a cost-effective on-shore system. If successful, the cultivation system will be scaled and commercialised to produce at least 50 tonnes of high quality fresh seaweed each year. The seaweed will be produced for commercial use, replacing imported product. The company will work with the University of the Sunshine Coast, which has expertise in on-shore aquaculture and species development.

Ineligible Applications

Organisation	Project Title	Details
s 47G		The applicant provided a letter from the Chief Executive Officer, however it did not contain all the required information, as set out in the Grant Opportunity Guidelines.
		The applicant did not provide the required supporting letter from the regional university until after the closing date for applications.
		The applicant did not relocate from a capital city, as required by the Grant Opportunity Guidelines.