



Grant Opportunity Guidelines

Antarctic Science Collaboration Initiative

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Administering entity	Department of Industry, Innovation and Science
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1. Antarctic Science Collaboration Initiative processes

The Antarctic Science Collaboration Initiative is designed to achieve Australian Government objectives

This grant opportunity contributes to the Department of Industry, Innovation and Science's Outcome 1. The Department of Industry, Innovation and Science 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



We assess your grant application

We assess your application against eligibility criteria and notify you if you are not eligible. An independent advisory committee then assesses your application against the merit criteria including an overall consideration of value with relevant money.



We make grant recommendations

We provide advice to the Minister on the merits of your application.



Grant decision is made

The Minister decides whether your application is successful.



We notify you of the outcome

We advise you of the outcome of your application.



We enter into a grant agreement

If successful, we will enter into a grant agreement with you.



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 Antarctic Science Collaboration Initiative

We evaluate the Antarctic Science Collaboration Initiative 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 Antarctic Science Collaboration Initiative (ASCI) will support the operation and activities of the Australian Antarctic Program Partnership (the partnership) – a new collaborative Antarctic research partnership that will bring together government and non-government entities to deliver and lead a significant part of the national Antarctic science program. The Australian Antarctic Program Partnership will be Australia's leading research partnership in Southern Ocean and Antarctic Science, focusing on the Australian Antarctic Territory, Southern Ocean and Australia's sub-Antarctic islands. It is expected that the partnership will include, but not be limited to, the Australian Antarctic Division, CSIRO, Geoscience Australia, Bureau of Meteorology and the University of Tasmania.

ASCI will deliver against the Australian Government's commitment to strategic, long term investment in science and support our science and research priorities, particularly those relating to climate science.

ASCI (the program) will run over 10 years from 2019-20 to 2028-29.

The objectives of the program are:

- to support research that aims to understand the role of the Antarctic region in the global climate system and the implications on marine ecosystems
- to enable the Australian Antarctic Program Partnership to undertake collaborative science, research and innovation activities under the Australian Antarctic Science Strategic Plan and Australian Antarctic Strategy and 20 Year Action Plan
- to secure Antarctic science jobs in Hobart.

The intended outcomes of the program are:

- continued scientific research activity in the Australian Antarctic Territory, aligned with the objectives of the Australian Antarctic Science Strategic Plan and the outcomes sought by the Australian Antarctic Strategy and 20 Year Action Plan
- employment and funding certainty for experts, students and early career researchers to strengthen Antarctic science capability in Australia.

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

This document sets out:

- the eligibility and merit criteria
- how we will consider and assess the grant application
- how we will monitor and evaluate the grantee
- responsibilities and expectations in relation to the opportunity

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

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

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

¹ <https://www.finance.gov.au/sites/default/files/commonwealth-grants-rules-and-guidelines.pdf>

3. Grants available

3.1 Grant amount and grant period

There is a single grant opportunity of \$50 million over 10 years from 2019/20 until 30 June 2029.

The grant will be up to 100 per cent of eligible project costs, however there is an expectation that the Australian Antarctic Program Partnership provides additional contributions, whether cash or in-kind.

A grant of \$5 million per year for 10 years will be provided to the recipient. All grant activities must be completed by 30 June 2029.

4. Eligibility criteria

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

4.1 Who is eligible?

To be eligible you must:

- be an entity incorporated in Australia
- have an Australian Business Number (ABN)
- be authorised to represent the Australian Antarctic Program Partnership.

4.2 Additional eligibility requirements

We recognise that the Australian Antarctic Program Partnership will be established under a formal collaborative agreement between relevant government and non-government entities. You must appoint a lead applicant that meets the eligibility criteria and who is authorised to represent the partnership. Only the lead applicant can submit the application form and enter into the grant agreement with the Commonwealth. The application must identify all members of the partnership and provide evidence of progress towards its establishment, including a letter of support from each of the project partners. Each letter of support should include:

- details of the project partner
- that the project partner authorises the lead applicant to represent the Australian Antarctic Program Partnership for the purposes of this grant opportunity
- an overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
- an outline of the relevant experience and/or expertise the project partner will bring to the group
- the roles/responsibilities the project partner will undertake, and the resources it will contribute (if any)
- details of a nominated management level contact officer.

You must have a formal collaborative agreement in place and provide evidence of this prior to entering into a grant agreement with the Commonwealth.

You may secure additional project partners or may substitute project partners during the period of the grant agreement.

We cannot waive the eligibility criteria under any circumstances.

4.3 Who is not eligible?

You are not eligible to apply if you are:

- a non-corporate Commonwealth entity.

5. Eligible grant activities

5.1 Eligible projects

Your project is the suite of activities you undertake to achieve program objectives. To be eligible your project must include eligible activities and eligible expenditure.

5.2 Eligible activities

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

- activities to improve our understanding of the role of Antarctica and the Southern Ocean in the global climate system;
- collaborative field and marine projects and monitoring aligned with objectives identified in the *Australian Antarctic Science Strategic Plan*, including:
 - science and monitoring programs
 - observations and experimental studies
 - process studies
 - data integration, availability, synthesis and modelling
 - decision support tools.

These activities should take the form of national or international scientific collaborations that support the Australian Antarctic Program.

We may also approve other eligible activities.

Eligible activities must complement and not duplicate research activities funded through other government programs including the Australian Research Council Special Research Initiative and the Australian Antarctic Division Australian Antarctic Science Grant Program.

5.3 Eligible expenditure

For guidelines on eligible expenditure, see appendix B.

For guidelines on ineligible expenditure, see appendix C.

Not all expenditure on your project may be eligible for grant funding. The Program Delegate, who is an AusIndustry Senior Responsible Officer 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
- 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.

Eligible expenditure can be incurred by the lead applicant and by project partners, with the exception of non-corporate Commonwealth entities. Grant funding is not able to be used to fund the activities of non-corporate Commonwealth entities.

You must not commence your project until you execute a grant agreement with the Commonwealth.

6. The merit criteria you need to address

The application form asks questions that relate to the merit criteria below. You will need to address all merit criteria in your application and provide evidence to support your answers. The application form displays size limits for answers.

6.1 Merit criterion 1

Alignment with the intent of the Antarctic Science Collaboration Initiative

You should demonstrate this by identifying:

- a. how your project supports research that aims to understand the role of the Antarctic region in the global climate system and the implications on marine ecosystems
- b. how your project will enable the Australian Antarctic Program Partnership to undertake collaborative science, research and innovation activities under the *Australian Antarctic Science Strategic Plan* and *Australian Antarctic Strategy and 20 Year Action Plan*, including the extent that it will deliver activities listed in 5.2
- c. the extent that your project will maintain Antarctic science jobs in Hobart.

6.2 Merit criterion 2

Capacity, capability and resources required to undertake the project

You should demonstrate this by identifying:

- a. your track record in managing similar projects
- b. the role of each partner and how the collaboration will be managed to improve your project outcomes
- c. a ten year project plan highlighting key areas of focus, high level budget and links with existing research
- d. a detailed work plan and budget for the first two years*.

*Note: you will be required to submit an updated work plan every two years over the life of the program.

7. How to apply

Before applying, you should read and understand these guidelines and the sample [grant agreement](#) published on business.gov.au and [GrantConnect²](#).

² <http://www.grants.gov.au/>

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

To apply, you must:

- complete and submit your application through the portal
- provide all the information requested
- address all eligibility and merit criteria
- include all necessary attachments.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code 1995* (Cth). If we consider that you have provided false or misleading information we may not progress your application. If you find an error in your application after submitting it, you should call us immediately on 13 28 46.

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

7.1 Attachments to the application

We require the following documents with your application:

- a detailed work plan for the first two years of the project, including project budget
- letters of support from each of the project partners, including information listed in 4.2.

You may attach other documentation that supports your application. You must attach supporting documentation to the application form in line with the instructions provided within the form.

7.2 Timing of grant opportunity

You can only submit an application between the published opening and closing dates. We will only accept a late application where agreed by the Program Delegate.

If you are successful we expect you will be able to commence your project on or after 1 July 2019. You may not commence project activity prior to the execution of a grant agreement.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	3 weeks
Approval of outcomes of selection process	2 weeks
Negotiations and award of grant agreement	6 weeks
Earliest start date of project	July 2019
End date of grant commitment	June 2029

8. The assessment process

We first assess your application against the eligibility criteria and then against the merit criteria.

We refer your application to the Australian Antarctic Science Council (the council). If the council is not established or has not been convened prior to the assessment process commencing, we will establish an independent committee of experts to assess applications. The council or committee may also seek additional advice from other independent technical experts.

The council or the committee will assess your application against the merit criteria before making a recommendation to the Minister. To recommend an application for funding it must score highly against each merit criterion. The evidence you provide to support your application should be proportional to the size and complexity of the project.

If the assessment process identifies unintentional errors in your application, we may contact you to correct or clarify the errors.

8.1 Final decision

The Minister for Industry, Science and Technology decides whether to approve the grant, taking into account the recommendations of the council.

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

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

9. Notification of application outcomes

If you are successful, you will receive a written offer, including any specific conditions attached to the grant.

10. If your application is successful

10.1 Grant agreement

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

We must execute a grant agreement with you before we can make any payments. You must not start any Antarctic Science Collaboration Initiative project activities 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 funding.

If you enter an agreement under the Antarctic Science Collaboration Initiative, you cannot receive other grants for the same activities from other Commonwealth, State or Territory 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 ('execute' means both you and the Commonwealth have signed the agreement). 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 Minister.

10.2 Activity specific legislation, policies and industry standards

You are required to be compliant with all relevant laws and regulations including safety, ethics and environmental requirements. In particular, you will be required to comply with:

- the Antarctic Treaty and its four international agreements
- State/Territory legislation in relation to working with children or vulnerable people.

It is a condition of the grant funding that you meet these requirements and they will be set out in your grant agreement with the Commonwealth.

Projects involving animals must obtain animal ethics approval before they commence. All such projects in Antarctica, the subantarctic (except Macquarie Island) and the Southern Ocean require approval by the Australian Antarctic Program Animal Ethics Committee (AAPAEC), regardless of approvals received from other similar committees.

Projects proposing animal research on Macquarie Island require approval from the Tasmanian Department of Primary Industries, Parks, Water and Environment animal ethics committee.

Any project activity at Macquarie Island is subject to approval by the Tasmanian Government.

10.3 How we pay the grant

The grant agreement will state the maximum grant amount we will pay.

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

We will make payments according to an agreed schedule set out in the grant agreement. Payments are subject to satisfactory progress on the project against your agreed work plan. We consider satisfactory progress to include acceptance of your updated work plan every two years.

We set aside one per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory final 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 one percent of grant funding for the final payment.

10.4 Work plan and budget

You must submit an updated work plan and budget every two years to demonstrate your project will continue to meet program objectives. The department will review your work plan and may take advice from the Australian Antarctic Science Council, taking into account the objectives and intended outcomes of the program.

The Program Delegate makes the final decision to accept your updated work plan.

10.5 How we monitor your project

You must submit reports in line with the grant agreement via our online portal. We will include content required 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
- project expenditure, including expenditure of grant funds.

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.

10.6 Progress reports

Progress reports must:

- include details of your progress towards completion of agreed project activities

- show the total eligible expenditure incurred to date
- include agreed 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.

10.7 End of project report

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

Final reports must:

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

10.8 Ad-hoc report

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

10.9 Independent audit report

You will be required to provide an independent audit report every two years and on completion of your project. 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. A report template will be provided.

10.10 Compliance visits

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

10.11 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
- changing project activities.

Note the program does not allow for:

- an increase of grant funds.

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

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

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

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

10.12 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 the Australian Antarctic Program Partnership, particularly if they affect your ability to complete your project, carry on business and pay debts due.

You must also inform us of any changes to your:

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

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

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

10.13 Evaluation

We will evaluate the program to determine the extent to which the funded activity is contributing to the program objectives and outcomes. We may use information from your application and project reports for this purpose. We may also interview you, or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes. We may contact you up to two years after you finish your project for more information to assist with this evaluation.

10.14 Tax obligations

If you are registered for the Goods and Services Tax (GST), we will add GST to your grant payment where applicable and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period.

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

10.15 Grant acknowledgement

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

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

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

11. Conflicts of interest

11.1 Your conflict of interest responsibilities

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

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

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

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

11.2 Our conflict of interest responsibilities

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

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

We manage our conflicts of interest according to the APS Code of Conduct (section 13 (7) of the *Public Service Act 1999* (Cth)). We publish our [conflict of interest policy](#)³ on the department's website.

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

12. How we use your information

Unless the information you provide to us is:

- confidential information as per 12.1, or
- personal information as per 12.2.

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

3

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

- for research
- to announce the awarding of grants.

12.1 How we handle your confidential information

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

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

12.2 When we may disclose confidential information

We may disclose confidential information:

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

We may also disclose confidential information if:

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

12.3 How we use your personal information

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

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

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

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

We, or the Minister, may:

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

You can read our [Privacy Policy](#)⁴ on the department's website for more information on:

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

12.4 Public announcement

We will publish non-sensitive details of your project on GrantConnect, and business.gov.au. We are required to do this by the *Commonwealth Grants Rules and Guidelines* and the [Australian Government Public Data Policy Statement](#)⁵, unless otherwise prohibited by law. 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
- location.

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

12.5 Freedom of information

All documents in the possession of the Australian Government, including those about the program, are subject to the *Freedom of Information Act 1982* (Cth) (FOI Act).

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

If someone requests a document under the FOI Act, we will release it (though we may need to consult with you and/or other parties first) unless it meets one of the exemptions set out in the FOI Act.

13. Enquiries and feedback

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

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

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

⁴ <http://www.industry.gov.au/Pages/PrivacyPolicy.aspx>

⁵ <http://www.dpmc.gov.au/resource-centre/data/australian-government-public-data-policy-statement>

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

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

Head of Division

AusIndustry – Support for Business

Department of Industry, Innovation and Science

GPO Box 2013

CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)⁶ with your complaint (call 1300 362 072).

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

⁶ <http://www.ombudsman.gov.au/>

Appendix A. Definitions of key terms

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
AusIndustry	The division of the same name within the department.
Australian Antarctic Program Partnership	The body established by the Antarctic research community to undertake collaborative science, research and innovation activities. The grant will fund the operation and activities of the Partnership
Australian Antarctic Science Council	The body established to provide independent advice to the Government on the Australian Antarctic Science Program and implementation arrangements for the Government's response to the Australian Antarctic Science Program Governance Review (the Clarke Review).
Australian Antarctic Science Strategic Plan	The Australian Antarctic Science Strategic Plan that is in place at the time the applicable biennial work plan is submitted to Government
Department	The Department of Industry, Innovation and Science
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.2.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in 5.3
Eligible expenditure guidelines	The guidelines that are at Appendix B.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program
Grantee	The recipient of grant funding under a grant agreement
Guidelines	Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time
Minister	The Commonwealth Minister for Industry, Science and Technology

Term	Definition
Non-income-tax-exempt	Not exempt from income tax under Division 50 of the <i>Income Tax Assessment Act 1997</i> (Cth) or under Division 1AB of Part III of the <i>Income Tax Assessment Act 1936</i> (Cth).
Personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <p>Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ol style="list-style-type: none"> a. whether the information or opinion is true or not; and b. whether the information or opinion is recorded in a material form or not.
Program Delegate	An AusIndustry Senior Responsible Officer 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.

Appendix B. Eligible expenditure

This section provides guidelines on the eligibility of expenditure.

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

To be eligible, expenditure must:

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

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.

You will be required to provide an independent audit report every two years and on completion of your project.

2 Plant and equipment expenditure

Plant is usually an input to the project or the tools or infrastructure used to undertake the project. Plant is likely to have a value or use outside of the project and you can build or obtain it with minimal technical risk or new learning.

3 Newly purchased plant and pre-existing purchased plant

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

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

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

4 Hired/leased plant

You must calculate eligible expenditure for hired, rented, or leased plant by the number of payment periods where you use the plant for the project multiplied by the period hiring fee. If you purchase plant under a hire purchase agreement, or you use a lease to finance the purchase of the plant, the cost of the item of plant, excluding interest, is capitalised, and then depreciated.

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

5 Constructed plant

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

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

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

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

6 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 administrative, and project management activities eligible labour expenditure. However, we limit these costs to 10 per cent of the total amount of eligible labour expenditure claimed.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the ATO. We consider salary-sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

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.

7 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.

8 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.

9 Travel and overseas expenditure

Eligible travel and overseas expenditure may include:

- domestic travel limited to the reasonable cost of accommodation and transportation required to conduct agreed project and collaboration activities in Australia
- overseas travel limited to the reasonable cost of accommodation and transportation required in cases where the overseas travel is material to the conduct of the project in Australia, for example travel related to the conduct of off-shore research activity.

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 air fare costs at the time of travel.

We will consider value for money when determining whether the cost of overseas expenditure is eligible. This may depend on:

- the proportion of total grant funding that you will spend on overseas expenditure
- the proportion of the service providers total fee that will be spent on overseas expenditure
- how the overseas expenditure is likely to aid the project in meeting the program objectives
- Overseas travel must be at an economy rate and you must demonstrate you cannot access the service, or an equivalent service in Australia.

10 Other eligible expenditure

Other eligible expenditures for the project may include:

- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure
- 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
- Other specific expenditures may be eligible as determined by the Program Delegate.

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

Appendix C. Ineligible expenditure

This section provides guidelines on what we consider ineligible expenditure. We may update these guidelines from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

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

Examples of ineligible expenditure include:

- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to us notifying you that the application is eligible and complete
- More than 10% of administrative costs, including:
 - to pay a participant for the indirect costs of research in relation to the ASCI-funded staff located in their organisation; or
 - the indirect costs of research conducted overseas.
- financing costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings and laboratories
- costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project)
- costs such as rental, renovations and utilities
- non-project-related staff training and development costs
- the indirect costs of research, not listed in eligible expenditure
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- debt financing
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment beyond the life of the project
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- infrastructure development costs, including development of road, rail, port or fuel delivery networks beyond the manufacturing site
- 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.