



## Grant Opportunity Guidelines

# Carbon Capture, Use and Storage Development Fund

<b>Opening date:</b>	1 March 2021
<b>Closing date and time:</b>	5.00 PM Australian Eastern Daylight Time on 29 March 2021 Please take account of time zone differences when submitting your application.
<b>Commonwealth policy entity:</b>	Department of Industry, Science, Energy and Resources
<b>Administering entity:</b>	Department of Industry, Science, Energy and Resources
<b>Enquiries:</b>	If you have any questions, contact us on 13 28 46.
<b>Date guidelines released:</b>	1 March 2021
<b>Type of grant opportunity:</b>	Open competitive

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# 1. Carbon Capture, Use and Storage Development Fund processes

## **The Carbon Capture, Use and Storage Development Fund is designed to achieve Australian Government objectives**

This grant opportunity is part of the above grant program, which contributes to Department of Industry, Science, Energy and Resource's Outcome 2: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change and contribute to the negotiation of an effective global solution to climate change, through developing and implementing a national response to climate change. The department 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](http://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.



## **Program Committee assesses eligible applications**

The Program Committee assesses eligible applications against the assessment criteria including an overall consideration of value with relevant money and compare it to other eligible applications.



## **Grant recommendations are made**

The Program Committee provides 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 Carbon Capture, Use and Storage Development Fund**

We evaluate the specific grant activity and the grant 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 Carbon Capture, Use and Storage Development Fund (the program) will run over three years from 2020-21 to 2022-23. The program will support carbon capture, use and storage (CCUS) pilot projects or pre-commercial projects aimed at reducing emissions. For this program and unless otherwise specified, CCUS includes carbon capture and storage (CCS) and carbon capture and use (CCU) technologies.

The objectives of the program are to:

- reduce emissions across energy generation, natural gas or hydrogen production and heavy industries (including manufacturing, chemicals, cement and fertiliser production)
- foster existing, pilot or pre-commercial CCUS facilities that could connect into a regional CCS hub in the future and bring together a network of multiple greenhouse gas emitters enabling reductions in costs and risks for CCUS projects and large-scale abatement
- support the Australian Government's priority technology stretch goal to compress, transport and store carbon dioxide (CO<sub>2</sub>) for less than \$20 per tonne of CO<sub>2</sub>
- leverage expertise and viable geological storage resources for CCUS in Australia
- support new opportunities to use carbon dioxide in the development of CO<sub>2</sub>-derived products and services.

The intended outcomes of the program are to:

- lower the cost of technology adoption and encourage industry investment in deploying CCUS in Australia
- progress the deployment of CCUS projects from R&D towards commercial operation.

There may be other grant opportunities as part of this program and we will publish the opening and closing dates and any other relevant information on [business.gov.au](https://www.business.gov.au) and [GrantConnect](#).

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 (the department) is responsible for administering this grant opportunity.

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

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

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

## 3. Grant amount and grant period

The Australian Government has announced a total of \$50 million over three years for the program. A project may span beyond the end of the grant opportunity but no later than 30 June 2025.

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

### 3.1. Grants available

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

- The minimum grant amount is \$500,000
- The maximum grant amount is \$25 million.

We expect that most grants will be between \$5 million and \$20 million, depending on the scope and complexity of the project.

You are responsible for the remaining eligible project expenditure over the grant amount plus any ineligible expenditure.

Contributions to your project may be cash or in-kind contributions, and can come from the State and Territory government grants and cash or in-kind contributions from project partners. Where you provide in-kind contributions such as labour, equipment or materials, you must calculate the equivalent dollar value.

We cannot fund your project if it receives funding from another Commonwealth government grant. You can apply for a grant for your project under more than one Commonwealth program, but if your application is successful, you must choose either the Carbon Capture, Use and Storage Development Fund grant or the other Commonwealth grant.

### 3.2. Project period

Funding will be provided up to 30 June 2023.

You must complete your project by 30 June 2025. An end of project report will be required.

## 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:
  - an entity incorporated in Australia and a trading or financial corporation, where your trading or financial activities
    - form a sufficiently significant proportion of the corporation's overall activities as to merit it being described as a trading or financial corporation; or
    - are a substantial and not merely peripheral activity of the corporation
  - a foreign corporation
  - an incorporated trustee on behalf of a trust where the trustee is also a trading, financial or foreign corporation
  - an Australian State/Territory Government agency or body; or
  - an authority of the Commonwealth such as the Commonwealth Science and Industrial Research Organisation.

Joint applications are acceptable, provided you have a lead organisation who is the main driver of the project and is eligible to apply. For further information on joint applications, refer to section 7.2

## 4.2. Additional eligibility requirements

We can only accept applications:

- where you can provide evidence from your board (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding
- where you can provide evidence of how you will provide your share of project costs such as an accountant declaration that confirms you can fund your share of the project costs, including any ineligible expenditure. An accountant declaration template is available on [business.gov.au](https://business.gov.au) and [GrantConnect](#)
- from a Foreign Corporation where you and/or your sub-contractors are not on the [Consolidated List](#)<sup>2</sup>.

We cannot waive the eligibility criteria under any circumstances.

## 4.3. Eligible locations

Your project must be located in Australia.

## 4.4. Who is not eligible?

You are not eligible to apply if you are:

- income tax exempt
- an individual
- partnership
- unincorporated association
- any organisation not included in section 4.1
- trust (however, an incorporated trustee may apply on behalf of a trust).

# 5. What the grant money can be used for

## 5.1. Eligible activities

To be eligible your project must:

- be aimed at developing CCUS technology or CCUS deployment involved in energy generation, natural gas production, hydrogen production, or heavy industries (including manufacturing, chemicals, cement and fertiliser production)
- pilot and/or significantly progress CCUS deployment in Australia towards commercial operations
- have at least \$500,000 in eligible expenditure.

Eligible activities may include:

- consultation and planning, including community, industry and research engagement
- constructing, installing and commissioning of CCUS equipment and software
- process design and engineering
- monitor the performance of the supply, reliability and quality of CCUS
- knowledge sharing activities including demonstrations and workshops

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<sup>2</sup> <https://www.dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list>

- transformation of carbon dioxide to create economically viable products, such as fuels, chemicals and building materials.

We may also approve other activities.

## 5.2. Eligible expenditure

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

Eligible expenditure items are:

- 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 will ask you to verify project costs that you provided in your application. You will 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 an AusIndustry general 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
- 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 elect to commence your project from the date we notify you that your application is successful. 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

#### **Alignment with program objectives (50 points)**

You must describe the activity and provide information that demonstrates this by identifying:

- a. how your project will use or develop viable CCUS technologies to reduce emissions across energy generation, natural gas or hydrogen production or heavy industries (including

manufacturing, chemicals, cement and fertiliser production), and thus contribute to Australia's emission reduction obligations

- b. the maturity and effectiveness of your technologies to be adopted at pilot or larger scale
- c. where the project is co-located with existing or prospective CCUS or research hubs - its prospective abatement potential, and proposed methods for measuring abatement
- d. where the project seeks to advance CCS technologies or develop CCUS hubs, how it will support the Australian Government's priority technology stretch goal to compress, transport and store CO<sub>2</sub> for less than \$20 per tonne of CO<sub>2</sub>.
- e. where the project is aimed at utilising CO<sub>2</sub>, how your project will utilise CO<sub>2</sub> in the development of CO<sub>2</sub>-derived products and services or leverage expertise and viable geological storage resources for CCUS in Australia and/or how your pilot CCUS project will progress towards commercial scale
- f. the tangible business or economic benefits the project has/will deliver in terms of addressing industry needs or the level of job creation.

## 6.2. Assessment criterion 2

### **Capacity, capability and resources to deliver the project (30 points)**

You must demonstrate this by identifying:

- a. your track record in managing similar projects and access to personnel with the right skills and experience, including management and technical staff
- b. how you will ensure safe operations, apply industry best practices, ensure regulatory compliance and public assurance
- c. how you will manage the project, including timeframes, risks and budget
- d. your access, or future access to, any infrastructure, capital equipment, technology, intellectual property and required regulatory or other approvals
- e. increase knowledge and capability in Australia, to support the likelihood of development of further Australian CCUS projects
- f. your ability to extend or expand the project beyond the grant funding, if needed.

## 6.3. Assessment criterion 3

### **Impact of the grant funding on your project (20 points)**

You must demonstrate this by identifying:

- a. how the grant will impact your project scope
- b. the likelihood your project would not proceed without the grant
- c. any additional investment the grant will leverage including any co-investment your entity, other levels of government or project partners and explain how this benefits your project.

## 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.

You can only submit an application during a funding round.

To apply, you must:

- complete the online [application form](#) via [business.gov.au](https://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 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](https://business.gov.au) or by calling 13 28 46.

### 7.1. Attachments to the application

You must provide the following documents with your application:

- project plan (including risk plan)
- project budget
- accountant declaration (template provided on [business.gov.au](https://business.gov.au) and [GrantConnect](#), to be provided where you are funding part of the project)
- evidence of funding strategy, e.g. financial statements, loan agreements, cash flow documents (to be provided where you are funding part of the project)
- evidence of support from the board, CEO or equivalent (template provided on [business.gov.au](https://business.gov.au) and [GrantConnect](#)). Where the CEO or equivalent submits the application, we will accept this as evidence of support.
- trust deed (where applicable).

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

### 7.2. Joint applications

We recognise that some organisations may want to join together as a group to deliver a project. In these circumstances, you must appoint a lead organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application should identify all other members of the proposed group and include a letter of support from each of the project partners. Each letter of support should include:

- details of the project partner
- an overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
- an outline of the relevant experience and/or expertise the project partner will bring to the group

- the roles/responsibilities the project partner will undertake, and the resources it will contribute (if any)
- details of a nominated management level contact officer.

You must have a formal arrangement in place with all parties prior to execution of the grant agreement.

### 7.3. 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 you will be able to commence your project around April 2021.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	4 weeks
Approval of outcomes of selection process	4 weeks
Negotiations and award of grant agreements	1-3 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	The date when the date we notify you that your application is successful.
End date of grant commitment	30 June 2023

## 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 refer your application to the CCUS Development Fund Program Committee, an independent committee of experts. The committee may also seek additional advice from independent technical experts.

The committee will assess your application against the assessment criteria and compare it to other eligible applications before recommending which projects to fund. The committee will perform their duties in accordance with the CGRGs.

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 will advise you of any specific conditions attached to the grant.

### 9.1. Further grant opportunities

If there are not enough suitable applications to meet the program's objectives, there may be additional grant rounds.

## 10. Successful grant applications

### 10.1. Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. The grant agreement has general terms and conditions that cannot be changed. A sample [grant agreement](#) is available on [business.gov.au](#) and GrantConnect.

We 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 the Carbon Capture, Use and Storage Development Fund, 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.

We will use a standard grant agreement.

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

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

### 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 land use and environmental management
- Commonwealth, state or legislation in relation to CCUS activities
- State/Territory legislation in relation to working with children.

### 10.2.1. Building and construction requirements

Wherever the government funds building and construction activities, the following special regulatory requirements apply.

- *Code for the Tendering and Performance of Building Work 2016* ([Building Code 2016](#))<sup>3</sup>
- Australian Government Building and Construction WHS Accreditation Scheme ([WHS Scheme](#))<sup>4</sup>

These regulations are subject to the level of funding you receive as outlined below.

#### 10.2.1.1. Building Code

The Building Code is administered by relevant State and Territory administrations under relevant State or Territory legislation on behalf of the [Australian Building and Construction Commission](#).<sup>5</sup>

The Building Code applies to all construction projects funded by the Australian government through grants and other programs where:

- the value of Australian Government contribution to a project is at least \$5 million and represents at least 50 per cent of the total construction project value; or
- regardless of the proportion of Australian Government funding, where the Australian Government contribution to a project is \$10 million or more.

#### 10.2.1.2. WHS Scheme

The WHS Scheme is administered by the [Office of the Federal Safety Commissioner](#)<sup>6</sup>.

The Scheme applies to projects that are directly or indirectly funded by the Australian Government where

- the value of the Australian Government contribution to the project is at least \$6 million and represents at least 50 per cent of the total construction project value; or
- the Australian Government contribution to a project is \$10 million (GST inclusive) or more, irrespective of the proportion of Australian Government funding; and
- a head contract under the project includes building work of \$4 million or more (GST Inclusive).

### 10.3. How we pay the grant

The grant agreement will state the:

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<sup>3</sup> <https://www.abcc.gov.au/building-code/building-code-2016>

<sup>4</sup> <http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme>

<sup>5</sup> <https://www.abcc.gov.au/>

<sup>6</sup> <http://www.fsc.gov.au/sites/FSC>

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

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

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

#### 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 entities<sup>7</sup>.

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
- 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.

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<sup>7</sup> See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au

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
- project expenditure, including expenditure of grant funds

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

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

### 12.2.1. Progress reports

Progress reports must:

- include details of your progress towards completion of agreed project activities
- show the total eligible expenditure incurred to date
- include evidence of expenditure
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

We will only make grant payments when we receive satisfactory progress reports.

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
- 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](http://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 but within the maximum three year period
- changing project activities

The program does not allow for:

- an increase of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the project end date. We can provide you with a variation request template.

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

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

## 12.7. 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\(7\)\)](#)<sup>8</sup> 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](#)<sup>9</sup> 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.

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<sup>8</sup> <https://www.legislation.gov.au/Details/C2019C00057>

<sup>9</sup> [https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf\\_files\\_redirect](https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect)

### 13.2.1. 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.

### 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](#)<sup>10</sup> 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.

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<sup>10</sup> <https://www.industry.gov.au/data-and-publications/privacy-policy>

#### 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.

#### 13.2.5. National Security

You and any individuals participating in the project must disclose all foreign ownership (including foreign government ownership), affiliations with foreign governments, organisations, institutions or companies, or membership of foreign government talent programs. You must report any material changes in the nature of the activity or key personnel involved, including affiliations/links with foreign governments or companies.

If you have acknowledged in the declaration that, you can appropriately manage national security risks, we may ask you to provide a satisfactory risk assessment plan outlining your approach as a condition of funding.

#### 13.2.6. Disclosure of financial penalties

You must disclose whether any of your board members, management or persons of authority have been subject to any pecuniary penalty, whether civil, criminal or administrative, imposed by a Commonwealth, State, or Territory court or a Commonwealth, State, or Territory entity. If this is the case, you must provide advice to the department regarding the matter for consideration.

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.

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

Head of Division

AusIndustry

Department of Industry, Science, Energy and Resources

GPO Box 2013

CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman<sup>11</sup>](#) with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

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<sup>11</sup> <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.
AusIndustry	The division of the same name within the department.
Department	The Department of Industry, Science, Energy and Resources.
CCUS Development Fund Program Committee	A panel that provides advice to the Delegate in regards to the program guidelines and eligible applications under the program.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.1.
Eligible application	An application or proposal for [services or grant funding] under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in 5.2.
Eligible expenditure guidance	The guidance that is provided at Appendix A.
In-kind contribution	In-kind contribution refers to goods, services and labour provided to deliver your project that have a monetary value, but do not involve a payment. For the purposes of the program, it does not include the cost of employees, volunteers or service delivery after project completion.
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.
<a href="#">GrantConnect</a>	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.
Innovation and Science Australia	The statutory board established by the <i>Industry Research and Development Act 1986</i> (Cth) and named in that Act as Innovation and Science Australia.

Term	Definition
Minister	The Minister for Energy and Emissions Reduction
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"> <li>a. whether the information or opinion is true or not; and</li> <li>b. whether the information or opinion is recorded in a material form or not.</li> </ol>
Program Delegate	An AusIndustry general 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.

## Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time, so you should make sure you have the current version from the [business.gov.au](https://www.business.gov.au) website before preparing your application.

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.

### 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 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.3 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.4 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.5 Other eligible expenditure

Other eligible expenditures for the project may include:

- research and development costs where you can demonstrate that this will complement the development of an existing pilot project
- building modifications where you own the modified asset and the modification is required to undertake the project
- staff training that directly supports the achievement of project outcomes
- costs you incur in planning or developing sites or transport routes, or the design of engineering processes or facilities. 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. We may update this guidance from time to time, so you should make sure you have the current version from the [business.gov.au](http://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:

- research not directly supporting eligible activities or Projects that are primarily directed towards research and development activities
- activities that the local, state, territory or Australian Government agency has the responsibility to undertake
- activities that the proponent must perform to comply with legislation, including costs incurred in order to obtain environmental or other regulatory approvals during the project period
- 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
- financing costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings and laboratories
- costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project)
- costs such as rental, renovations and utilities
- non-project-related staff training and development costs
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- debt financing
- costs related to obtaining resources used on the project, raising funds, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment beyond the life of the project
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- infrastructure development costs, including development of road, rail, port or fuel delivery networks beyond the manufacturing site
- site preparation activities which are not directly related to, or for, the main purpose of transitioning to higher value and/or niche manufacturing
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of manufacturing production inputs
- donations
- project proponent's salaries
- sales promotion activities

- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests
- travel that exceeds 10% of total project costs except where otherwise approved by the Program Delegate.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.