

Questions and Answers (Q&As) – Critical Minerals Development Program

This document outlines Q&As from the program information sessions held in January and February 2023.

1. Does accepting a grant prohibit funding from other funding sources such as Export Finance Australia (EFA) and the Northern Australia Infrastructure Facility (NAIF)?

The grant program does not prohibit funding from NAIF and EFA. As per the guidelines, cash contributions to your project cannot be made up of funding from other Commonwealth grants.

2. Are First Nations entities eligible to apply?

Yes. State/Territory Governments can also apply. Noting all eligible entities must have an ABN/ACN; be non-income-tax-exempt; and be registered for the Goods and Services Tax (GST).

3. Is a feasibility study an eligible activity (as long as it is completed within the 21 months)?

Yes – if the project activity falls between post-exploration and final investment decision stages and meets all other eligibility criteria identified in the guidelines. It would need to be a new activity, or an activity not yet committed to, unless there is a clear indication that the grant will either accelerate or add additional components to the study. You cannot claim eligible project expenditure prior to the grant agreement being executed.

4. Will there be future rounds of this program?

The Government may or may not allocate all funding in this round. Should all funding not be allocated and a future round exist, we expect unsuccessful applicants can reapply with feedback provided for future applications.

5. How will applications for novel extraction and production of copper be treated? (as it is not necessarily on the Critical Minerals List)?

As per the 4.2 of the guidelines, we can only accept applications for projects producing or planning to produce critical mineral(s) as listed in Australia's Critical Minerals Strategy.

6. Will [mineral] be added to the Critical Minerals List?

The Government will not be updating the Critical Minerals List for this round of grants.

7. The Australian Critical Minerals List has silicon on it. Is it referring to pure silicon or high purity silica sand or both?

The Critical Minerals List refers specifically to silicon, which may be produced from high purity silica sand.

8. Is it possible that the closing date can be extended to the end of February for all potential applicants?

We are unable to extend the timeframes.

9. Is the Department expecting individual plans covering gender equality and First Nations recruitment, procurement and engagement or can this be covered in one plan?

These can be covered in one plan/document.

10. Is mineral resource modelling or ore reserve estimation as part of a feasibility study eligible for grant funding?

As per 5.1 of the guidelines, eligible activities must be between the post-exploration and final investment decision stages. In the glossary of the guidelines, post exploration is defined as an activity relating to refining or developing a known resource.

11. How far up the value chain would you consider funding a project? Mineral processing, active material for electrodes, electrodes? Are enabling technologies for critical minerals also considered / eligible? Will the grant support battery recycling?

Section 4.2 of the guidelines states we can only accept applications for projects producing or planning to produce critical mineral(s) as listed in Australia's Critical Minerals Strategy. As per Section 2, the intended outcome of the CMDP is to support Australia's Critical Minerals Strategy. Assessment of each case would be made with reference to the Strategy.

12. Can you save partially completed forms incomplete without losing content?

Yes.

13. Will gender and First Nations engagement plans be assessed in relation to the current maturity of the business? i.e., some companies are not at a stage where they are actually engaging operational staff. Can these plans be focused on how they will develop these plans once operational?

Yes, we can accept a proposed plan level as well as developed/implemented plans.

14. The current program was described as a new iteration of a previous critical minerals grant program. Could you please provide information on the previous grant program, its successful applicants and projects, and how that relates to this current grant program?

The outcomes of the first tranche of the CMDP can be found in the [Minister's 16 September 2022 media release](#) and further information on the archived program is found [here](#).

15. If I sign a contract for an engineering firm to undertake a feasibility study before I sign the grant agreement but they don't commence work or get paid until after I sign the grant agreement, are they eligible for grant funding?

If the applicant was successful in obtaining a grant under the program and the work undertaken is considered eligible expenditure, the engineering firm would only be able to be paid for work undertaken after the grant agreement is executed. Any work completed prior to the execution of the grant agreement would be considered ineligible project expenditure and would not receive grant funding towards this.

16. Will the grant support manufacturing plant infrastructure related to IP? Also, how much detail needs to be given about the IP without fully disclosing the IP?

The Department has in place very strict need to know only basis of grant application information and sharing of information/IP across the department to facilitate associated due diligence and assessment consideration processes. However, we would need adequate details of the proposed project to understand what is to be carried out and achieved.

17. How do you define 'incur' in relation to eligible expense / prior to grant sign-off?

Further information is found at Section 5 of the grant opportunity guidelines that provides detailed information on eligible activities and eligible expenditure. For the purposes of any allocated grant funding this would only be provided to eligible expenses that have occurred after the grant agreement has been executed. Any expenses incurred before grant agreement execution are considered ineligible expenditure that would not receive any grant funding.

18. Is there a minimum concentration of critical minerals applicable / being targeted that applies to project eligibility?

There is no minimum critical mineral requirement in the guidelines. Section 2 notes the Program's intended outcome is to support Australia's Critical Minerals Strategy and long-term sustainable growth in the Australian critical minerals sector.

19. Does the merit include how critical the mineral is to target markets - e.g., Europe, USA, Japan, Korea rate magnesium metal as their most critical?

Yes, refer to Assessment Criterion 1 at 6.1.a of the Grant Opportunity Guidelines.

20. Can we add extra attachments to application, not just what was asked for? e.g., letters of support?

No, we require only mandatory attachments and note that there is a 20MB collective total limit for all attachments.

21. In the application requirements, it indicates 'have it costed' - can this be based on expert estimations vs quotations / QS?

We would expect some detailed knowledge and expert intelligence in providing accurate estimations if final quotations were not able to be sourced. This would provide a reasonable reflection of what is being proposed and in turn assessed.

22. In application requirements, it indicates risk analysis for larger projects. How do you define a larger project?

The term is not intended to be read as a threshold definition, instead, it sets the expectation that risk analysis should be commensurate with the scale and complexity of a project.

23. Do we need to satisfy a certain ownership threshold?

Section 4.2 of the Grant Opportunity Guidelines states the project activities must be substantially undertaken in Australia. Furthermore, projects will be assessed on their contributions to Australia (see 6.1 of the Grant Opportunity Guidelines).

24. Is there a limit on how much can be provided by a state government?

There is no limit.

25. If successful what are the reporting requirements to ensure compliance with the original grant application? For example, monthly or quarterly reports to the Department?

The sample grant agreement provides an example of the reporting requirements.

26. What percentage of the grant funding will be paid on signature of the grant agreement?

This depends on the project activities and the negotiated milestones on each individual successful application.

27. Is there weighting given to the criterion points (for the purpose of the 50% score requirement?)

Applications are assessed out of 100 points. These 100 points are distributed between Assessment Criteria 1-3 (which are allocated 50, 30, and 20 points respectively). Additionally, as per Section 6 of the Grant Opportunity Guidelines, projects must score at least 50% against each assessment criterion (i.e., 25, 15, and 10 points) to be considered for funding.

28. If I sign a contract for an engineering firm to undertake a feasibility study before I sign the grant agreement, but they don't commence work or get paid until after I sign the grant agreement, are they eligible for grant funding?

If the work to be undertaken by the engineering firm is considered eligible project expenditure and it doesn't commence prior to the execution of the grant agreement, this work would be eligible for grant funding.

29. Do each of the indicators listed under each criterion have a weighting associated with them?

No, the sub-criteria are not weighted.

30. Will there be a process of Q&A after the initial submission as the Committee begins its review? If so, what is the process and protocols around that e.g., request for additional information or clarification of language used in the application?

We do not have a Q&A process. We look at the guidelines and check whether you are an eligible entity and have provided the mandatory attachments, as well as undertake a due diligence check. We do not come back to you if you haven't provided something, this is undertaken by a Customer Service Manager (CSM) and assessed internally. If the committee have assessments where they have questions they can seek clarification but the applicant cannot provide further information and documentation to the application.

31. Do we need to make a statement as part of the submission along the lines of "we have reviewed the template Grant Agreement and are comfortable with its provisions?"

No statement is required.

32. Do you really mean 5,000 characters for project scope and key activities?

Yes. This includes special characters and spacing.

33. You mentioned that the project needs to be completed by 31 March 2025. If we were requesting a grant to complete a Feasibility Study and the study would be finished before March 2025 but the construction of the project would be completed after March 2025, would the Feasibility Study be eligible for the grant?

Yes, the feasibility study would be considered an eligible grant activity provided it meets all other eligibility criteria. In this example, the construction would not be considered in scope for grant activities, therefore would not have to be completed prior to March 2025.

34. How does the grant treat activities underway? i.e., if a consultant has commenced works today and they will continue for 12 months, what aspect of this is covered by the grant?

Until the grant agreement is executed, no expenditure prior to this period is considered eligible.

35. What would the likely outcome be if the company's expenditure comes in under budget and falls below the minimum \$1m expenditure? For example, we apply for the minimum grant of \$1m and we achieve the stated outcomes, however our company expenditure is only \$1,870,000?

We work with the grantee by staying in touch with them throughout the grant period. We require progress reports on the project so we have an understanding of how budgets are tracking. Therefore, we wouldn't have this sort of situation come as a surprise. Additionally, there is a negotiation period between awarding the grant with the applicant where we negotiate the progress payments.

36. We are a technology provider / developer to critical minerals miners. Would we be ineligible to apply as the principal applicant? Would we need to get our customer to take the lead?

Eligibility will depend on if you meet the criteria in the guidelines.

37. Where critical minerals form a lesser proportion of predicted production (e.g., cobalt as part of a nickel-cobalt operation) will this still meet the critical mineral eligibility?

Yes.

38. Can you give an example of something that would qualify for the 10% 'in-kind' contribution, which contributes to the 50%?

As an example, a business partner lends you a piece of equipment or someone provides knowledge/advice without reimbursement. In general, it will be specific to your project but if it is of a commercial value and not paid for, it could be used.

39. Are there any rules or can you offer guidance on pilot plants projects?

Subject to other relevant eligibility criteria, these would be considered in scope.

40. Would an early exploration program activity be eligible for this program?

Please note the definition of 'post exploration' in the glossary of the guidelines.

41. Are there any implications for R&D tax credits if a project receives funding through this program?

We suggest you consult with the specific R&D program you refer to.

42. Our test work is undertaken overseas as it is very niche. Are there any limits on eligibility due to location of test work? The end project will be an Australian onshore project.

There would be an eligibility concern if all the funding is spent offshore. We would need to look closely at how the proposed activities would benefit Australia's sovereign capability.