



## Grant Opportunity Guidelines

# Industry Growth Program: Commercialisation and Growth

<b>Opening date:</b>	2 May 2024
<b>Closing date and time:</b>	Not applicable
<b>Commonwealth policy entity:</b>	Department of Industry, Science and Resources (DISR)
<b>Administering entity:</b>	Department of Industry, Science and Resources (DISR)
<b>Enquiries:</b>	If you have any questions, contact us on 13 28 46 or <a href="mailto:IGPGrants@industry.gov.au">IGPGrants@industry.gov.au</a> .
<b>Date guidelines released:</b>	2 May 2024
<b>Type of grant opportunity:</b>	Open non-competitive

# Contents

<b>1. Industry Growth Program: Commercialisation of Growth processes .....</b>	<b>4</b>
1.1.    Introduction .....	6
<b>2. About the Industry Growth Program .....</b>	<b>7</b>
2.1.    About the Industry Growth Program: Commercialisation and Growth grant opportunity	8
<b>3. Grant amount and grant period.....</b>	<b>8</b>
3.1.    Grants available .....	8
3.2.    Project period.....	9
<b>4. Eligibility criteria .....</b>	<b>9</b>
4.1.    Who is eligible to apply for a grant?.....	9
4.2.    Additional eligibility requirements .....	9
4.3.    Who is not eligible to apply for a grant?.....	10
<b>5. What the grant money can be used for .....</b>	<b>10</b>
5.1.    Eligible grant activities .....	10
5.2.    Eligible expenditure.....	11
<b>6. The assessment criteria.....</b>	<b>12</b>
6.1.    Assessment criterion 1.....	12
6.2.    Assessment criterion 2.....	13
6.3.    Assessment criterion 3.....	13
6.4.    Assessment criterion 4.....	14
<b>7. How to apply.....</b>	<b>14</b>
7.1.    Staged applications.....	15
7.2.    Attachments to the application.....	15
7.3.    Timing of grant opportunity processes.....	16
7.4.    Questions during the application process.....	16
<b>8. The grant selection process .....</b>	<b>16</b>
8.1.    Assessment of grant applications .....	16
8.2.    Who will assess applications? .....	17
8.3.    Who will approve grants? .....	17
<b>9. Notification of application outcomes.....</b>	<b>18</b>
<b>10. Successful grant applications.....</b>	<b>18</b>
10.1.    The grant agreement .....	18
10.2.    Specific legislation, policies and industry standards.....	19
10.3.    How we pay the grant .....	19
10.4.    Grant Payments and GST .....	19
<b>11. Announcement of grants .....</b>	<b>19</b>
<b>12. How we monitor your grant activity .....</b>	<b>20</b>
12.1.    Keeping us informed .....	20
12.2.    Reporting .....	20

12.3.	Grant agreement variations .....	21
12.4.	Compliance visits .....	22
12.5.	Record keeping .....	22
12.6.	Evaluation .....	22
12.7.	Acknowledgement.....	22
<b>13.</b>	<b>Probity.....</b>	<b>22</b>
13.1.	Enquiries and feedback .....	23
13.2.	Conflicts of interest .....	23
13.3.	Privacy .....	24
13.4.	Confidential information .....	24
13.5.	Freedom of information.....	25
13.6.	National security .....	25
13.7.	Disclosure of Commonwealth, state or territory financial penalties .....	27
<b>14.</b>	<b>Glossary.....</b>	<b>28</b>
<b>Appendix A.</b>	<b>Eligible expenditure.....</b>	<b>33</b>
A.1	Heads of expenditure .....	33
A.2	How we verify eligible expenditure .....	33
A.3	Labour expenditure .....	33
A.4	Contract expenditure.....	34
A.5	Capitalised expenditure .....	36
A.6	Travel and overseas expenditure .....	38
A.7	Business development activities .....	39
A.8	Other eligible expenditure .....	39
<b>Appendix B.</b>	<b>Ineligible expenditure.....</b>	<b>40</b>
<b>Appendix C.</b>	<b>National Reconstruction Fund Priority areas .....</b>	<b>42</b>
<b>Appendix D.</b>	<b>Acronyms .....</b>	<b>45</b>

## 1. Industry Growth Program: Commercialisation of Growth processes

**The Industry Growth Program is designed to achieve Australian Government objectives**

This program contributes to the Department of Industry, Science and Resources' (we/us/the department/DISR) Outcome 1: *Support economic growth, productivity and job creation for all Australians by investing in science, technology and commercialisation, growing innovative and competitive businesses, industries and regions, and supporting resources.* The department works with stakeholders to plan and design the program. Grants under this program are delivered in accordance with the [Commonwealth Grants Rules and Guidelines \(CGRGs\)](#).

Advisory Service Processes

### **The program opens**

We publish the program information [business.gov.au](#) and [GrantConnect](#).



### **You complete and submit an Industry Growth Program Advisory Service (Advisory Service) application**

You complete the Advisory Service application form, addressing all of the eligibility criteria in order for your application to be considered.



### **We assess all Advisory Service applications**

We assess the applications against eligibility criteria and notify you of the outcome.



### **We provide an Advisory Service**

Eligible applicants are allocated an Industry Growth Program Adviser (Adviser) who provides commercialisation and/or growth advice tailored to your business needs.



### **Your Adviser provides recommendations in a report**

Your Adviser recommends commercialisation and transformative growth strategies and/or development opportunities in a report. In developing your report, your Adviser will consider suitable opportunities for an Industry Growth Program grant to support commercialisation and/or growth outcomes for your business.



### **Evaluation of Advisory Service**

We evaluate your specific activity in the Advisory Service and the Industry Growth Program as a whole. We base this on information you provide to us and that we collect from various sources.

## Industry Growth Program Grant Opportunities Processes

### You may apply for an Industry Growth Program grant opportunity

Once you have received your report, you may apply for funding to support your commercialisation and/or growth project through the program's grant opportunities.

Details on grant opportunities under the Industry Growth Program are available at [business.gov.au](http://business.gov.au) and GrantConnect.

### We assess all grant applications

We assess the applications against eligibility criteria and notify you if you are not eligible.

The Industry Growth Program Committee will assess eligible applications against the assessment criteria including an overall consideration of value with relevant money. The report provided to your business through the program's Advisory Service is also considered as part of the assessment process.

### We make grant recommendations

The assessment committee provides recommendations to the Decision Maker on the merits of each application.

### Grant decisions are made

The Decision Maker determines which applications are successful.

### We notify you of the outcome

We advise you of the outcome of your application.

### We enter into a grant agreement

We will enter into a grant agreement with successful applicants.

### 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 Industry Growth Program

We evaluate your specific activities under the program's grant opportunities and the Industry Growth Program as a whole. We base this on information you provide to us and that we collect from various sources.

## 1.1. Introduction

This grant opportunity is part of the Industry Growth Program (the program). The Program consists of two core elements:

- the Industry Growth Advisory Service (Advisory Service), and
- the Industry Growth Program Grant Opportunities (grant opportunities), which includes:
  - the grant opportunity for Early-Stage Commercialisation projects<sup>1</sup>; and
  - this grant opportunity for Commercialisation and Growth projects.

The Advisory Service is open for all eligible businesses to apply through the [portal](#). To be eligible for funding through the program, you must first participate in, and receive advice through the Advisory Service. Details on how to engage in the program's Advisory Service are available through the [Industry Growth Program – Information Guide](#). Once you have received a report from your Adviser you can apply for funding under the grant opportunity.

These guidelines contain information for the Industry Growth Program: Commercialisation and Growth grant opportunity.

This document sets out:

- the purpose of the grant opportunity
- 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.

This grant opportunity and process will be administered by the Department of Industry, Science and Resources (the department/DISR).

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

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

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<sup>1</sup> The guidelines for the Industry Growth: Early-Stage Commercialisation grant opportunity are available at <https://business.gov.au/grants-and-programs/industry-growth-program#key-documents>.

## 2. About the Industry Growth Program

The Industry Growth Program has been established to support innovative Small and Medium Enterprises (SMEs) undertaking commercialisation and/or growth projects within the [National Reconstruction Fund](#) (NRF) priority areas. Participating businesses will have access to Advisory Services to help them overcome the significant challenges that may be associated with their projects. Under the program:

- An **innovative** product, process or service:
  - is new, unique or significantly different to any other previous product, process or service in the market or industry where the product is intended to be sold/traded; or
  - involves significant enhancements or developments of current products, processes or services that will enable the business to scale and transform.
- Minor changes or improvements to existing products or services are not considered innovative.
- **Early-stage commercialisation** projects are intended to include the journey from feasibility studies and the development of proof-of-concept through to the production and testing of early prototypes in a simulated or theoretical environment. Testing should validate the commercial viability of the innovative product, process or service. Various scales are typically referenced to demonstrate technology readiness or market readiness, with one example commonly referenced being Technology Readiness Levels (TRLs). As a guide, early-stage commercialisation grant projects are intended to broadly include the journey through TRL3 to TRL6.
- **Commercialisation and growth** projects are intended to include those that can already demonstrate completion of feasibility studies and proof-of-concept. Projects are intended to include the journey of product, process or service development from early prototyping through to actual application in its final form, and the capability to scale up to full rate production and grow into new markets. Various scales are typically referenced to demonstrate technology readiness or market readiness, with one example commonly referenced being Technology Readiness Levels (TRLs). As a guide, commercialisation and growth grant projects are intended to broadly include the journey through TRL4 to TRL9.

The program targets businesses beginning to, or with capacity to, scale as described above but does not include routine business growth.

Having participated in the Advisory Service aspect of the Industry Growth Program you can apply for matched grant funding under either of the grant opportunities to undertake your commercialisation or growth projects. This program will complement the NRF's mission to drive investment in projects that develop Australia's industrial capability, helping to transform Australia's industry and economy.

The NRF priority areas are:

1. value-add in resources
2. value-add in agriculture, forestry and fisheries
3. transport
4. medical science
5. renewables and low emissions technologies
6. defence capability

## 7. enabling capabilities.<sup>2</sup>

The objectives of the Industry Growth Program are to support innovative SMEs undertaking projects in NRF priority areas to:

- commercialise their ideas into new products, processes and services and grow their operations
- improve their ability to engage in, or increase, their national and/or international trading operations
- better position them to seek future investment and further scaling opportunities, including through the NRF where relevant.

The intended outcomes of the program are to increase trade in national markets and/or markets in other countries by:

- improving commercialisation capability and performance of participating businesses
- improving growth capability and performance of participating businesses
- scaling up participating businesses.

### 2.1. About the Industry Growth Program: Commercialisation and Growth grant opportunity

Participants in the Advisory Service may apply for Commonwealth grant funding to support specific commercialisation and/or growth projects.

The commercialisation and growth stages may include developing marketplace strategies for entry to market, accelerating growth and scaling up into national and international markets.

The objectives and outcomes of the Commercialisation and Growth grant opportunity are the same as those outlined in section 2.

We administer all grant opportunities in the Industry Growth Program according to the *Commonwealth Grants Rules and Guidelines* (CGRGs)<sup>3</sup>.

## 3. Grant amount and grant period

### 3.1. Grants available

The Australian Government has committed a total of \$287 million over four years for the Industry Growth Program grant opportunities from 2023-24 to 2026-27. There is no specific amount allocated to each of the two funding streams. The maximum amount of grant funding you (and your related bodies corporate) can receive across both funding streams is \$5.25 million.

For the Commercialisation and Growth grant opportunity:

- the minimum grant amount is \$100,000.
- the maximum grant amount is \$5,000,000.

You may apply for multiple grants under this opportunity, however the combined total you (and your related bodies corporate) can receive through the Commercialisation and Growth grant opportunity is \$5,000,000. You can only apply for one grant at a time through a staged process and your end of

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<sup>2</sup> Detailed definitions of NRF priority areas are provided by the *National Reconstruction Fund Corporation (Priority Areas) Declaration 2023* available at: <https://www.legislation.gov.au/Details/F2023L00716>

<sup>3</sup> <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

project report must be approved before applying again under either of the program's grant opportunities. You cannot receive additional funding for activities which have previously been funded through the program. Further details on staged applications is available at section 7.1.

You are required to contribute towards the grant activities or project. The grant amount will be up to 50 per cent of eligible expenditure.

Contributions to your project must be cash.

You are responsible for the remaining eligible and ineligible project costs.

You cannot use funding from other Commonwealth, state, territory or local government grants to fund the balance of project expenditure not covered by the grant.

### 3.2. Project period

The minimum project period is 12 months.

The maximum project period is 24 months.

You must complete your project within 2 years of your project start date, unless approved by the Program Delegate.

## 4. Eligibility criteria

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

### 4.1. Who is eligible to apply for a grant?

To be eligible you must:

- have an Australian Business Number (ABN)
- be non-income-tax-exempt
- be registered for the Goods and Services Tax (GST).

and be one of the following entities:

- a company, incorporated in Australia
- a co-operative
- an incorporated trustee applying on behalf of a trust.

### 4.2. Additional eligibility requirements

We can only accept applications from participants in the program who:

- have a combined annual turnover of less than \$20 million for each of the three financial years prior to the lodgement of the application
- have received a report through the program's Advisory Service
- own or have access to any Intellectual Property (IP) you need to undertake your commercialisation and growth project and own or have the exclusive right to commercialise any IP generated from it.
- can provide evidence of your ability to fund at least your share of eligible project expenditure, such as funding strategy and a bank statement or loan agreement. You must provide an accountant declaration that confirms your ability to fund the project.

We cannot waive the eligibility criteria under any circumstances.

### 4.3. Ownership or access to IP

You must be able to demonstrate that you own or have access to any existing IP needed to carry out your project. You are not eligible for this grant opportunity if the IP required for your project is in dispute or there is unsatisfactory evidence of ownership or access to it. We expect you will own any IP generated from your project (or have the exclusive right to commercialise any such IP).

A definition of IP is included in the glossary at section 14.

### 4.4. Who is not eligible to apply for a grant?

You are not eligible to apply if you are:

- an organisation, or your project partner is an organisation, included on the [National Redress Scheme's website](#) on the list of 'Institutions that have not joined or signified their intent to join the Scheme'
- an employer of 100 or more employees that has [not complied](#) with the *Workplace Gender Equality Act (2012)*.
- an individual, partnership or trust (however, an incorporated trustee may apply on behalf of a trust)
- an unincorporated association
- a Commonwealth, state or local government agency or body (including government business enterprises)
- a non-corporate Commonwealth entity.

## 5. What the grant money can be used for

### 5.1. Eligible grant activities

To be eligible your project must:

- be aimed at commercialising and/or scaling up of an innovative product, process or service for entry into national and/or international markets
- be aimed at achieving Commercialisation and Growth grant opportunity outcomes and objectives as described in section 2
- have at least \$200,000 in eligible expenditure
- not result in the maximum allowable amount of \$5,000,000 in Commercialisation and Growth grant funding being exceeded
- not contain activities funded through a previous Industry Growth Program grant opportunity for the same innovative product, process or service.

**Commercialisation and growth** projects are intended to include those that can already demonstrate completion of feasibility studies and proof-of-concept. Projects are intended to include the journey of product, process or service development from early prototyping through to actual application in its final form, and the capability to scale up to full production and grow into new markets.

Various scales are typically referenced to demonstrate technology readiness or market readiness, with one example commonly referenced being TRLs. As a guide, commercialisation and/or growth projects are intended to include the journey through all or part of TRL4 to TRL9, with the

expectation that projects will ideally move up at least three readiness levels (noting that typical timeframes to move through levels can vary by NRF priority areas).

Eligible activities include:

- small scale testing and validation of basic components to establish that they will work together
- larger scale testing of the system (integrated prototype components) in the commercially intended environment
- scaled prototype system or subsystem testing in the commercially intended environment
- preliminary designs of critical components completed
- initial cost models, required investments and supporting partners identified
- capability to produce systems, subsystems of components in the commercially intended environment
- demonstrated system operated in the commercially intended environment over the full range of expected conditions
- pilot capability demonstrated
- small scale production demonstrated, with capability in place to scale up to full scale production
- innovative product, process or service available to customers and consumers.

Eligible activities do not include:

- marketing activities in markets where you have already made your first sales of the innovative product, process or service
- manufacturing plants to produce an existing product more efficiently, or to increase the profitability of an existing service, in support of incremental growth or business-as-usual activities
- commercialisation of the next version or iteration of an existing product, process or service where updates and changes are minor, as this would not meet our definition of an innovative product, process or service (see the glossary at section 14)
- developing an innovative product, process or service for internal use only (i.e. not for sale), for example an enhancement to a manufacturing process that you will only use in your manufacturing plants to produce an existing product more efficiently, or to increase the profitability of an existing service
- activities funded through a previous Industry Growth Program grant for the same innovative product, process or service.

The Program Delegate (who is a manager within the department with responsibility for administering the program) makes the final decision on what activities are eligible under the grant opportunity.

## 5.2. Eligible expenditure

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

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

We may update the guidelines 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.

Not all expenditure on your project may be eligible for grant funding. 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 or be incurred for project audit activities (where applicable)
- not be provided for the benefit or profit of related bodies
- meet the eligible expenditure guidelines.

You must incur the project expenditure between the project start and end date for it to be eligible unless stated otherwise.

You must not commence your grant project until 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.

Eligible expenditure is subject to a grant agreement. Where your project commences prior to execution of a grant agreement any expenditure incurred is at your own risk.

## 6. The assessment criteria

You must address all assessment criteria in your application. Applications will be assessed 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.

Your application responses should also consider the broader investment imperatives and government priorities for industry (e.g. net zero) where these are relevant to your project and to your business growth opportunity. A list of these priorities can be found on [industry.gov.au](https://industry.gov.au) and may change over the life of the Industry Growth Program.

You should provide evidence to support your answers in your attached documents (see section 7.2). Your attached documents will be considered as part of your assessment criteria responses. The application form displays character limits for each response.

We will only award funding applications that score at least 50 per cent against each assessment criterion.

### 6.1. Assessment criterion 1

#### **Alignment of your project with grant opportunity objectives and outcomes (20 points).**

You should demonstrate this through identifying how your project:

- a. will contribute to the objectives and outcomes of the Commercialisation and Growth grant opportunity as set out in section 2 of these guidelines
- b. aligns with, and benefits, the NRF priority areas

- c. is transformational to your business or market
- d. will support your business in becoming more competitive in Australian national and/or international markets.

## 6.2. Assessment criterion 2

### **Capacity, capability, and resources to carry out the project (40 points).**

You should demonstrate this by describing:

- a. your leadership team's commitment to the project
- b. your organisations track record in delivering similar projects and/or your access to personnel with the right expertise and experience to deliver the proposed project activities
- c. your plan to manage the project and its outputs, with reference to your attached documentation<sup>4</sup>, including:
  - i. your project plan including activities, milestones, budget and deliverables, as well as any relevant governance arrangements deployed to manage your project
  - ii. your plan to identify and manage any risks associated with the project (e.g. structural, financial or market challenges)
  - iii. your execution plan including your path to market (e.g. direct sales, distribution channels, franchising)
  - iv. your operational plan including your business and delivery model, human resources, marketing and communications plan, financial plan, manufacturing strategy (where applicable) and your plan to manage risk
  - v. if your project is IP dependent, how you will manage IP (e.g. future protection strategies, freedom to operate, patent insurance, etc.) and any IP you need to deliver your project (e.g. ownership, access and/or beneficial use).

## 6.3. Assessment criterion 3

### **Market opportunity (20 points).**

You should demonstrate this by explaining:

- a. how the product, process or service you intend to commercialise is innovative, differentiates your business in the marketplace and increases your value proposition
- b. the customer problem you propose to solve
- c. your target market including:
  - i. intended customers (e.g. individuals, business or government)
  - ii. total and accessible market size (e.g. number of customers, average revenue per customer)
  - iii. market structure (e.g. the value/supply chain and relationship between suppliers, distributors, influencers and end customers)
  - iv. your pricing strategy
  - v. your position in the market

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<sup>4</sup> See section 7.1

- d. your forecast return on investment and business growth resulting from for your project (e.g. your measure of commercial success, sales revenue, jobs, exports, IP utilisation, further investment).

Notwithstanding your overall score against the assessment criterion, you must provide a strong case that your product, process or service is innovative to be successful for this grant opportunity.

#### 6.4. Assessment criterion 4

##### **Benefits to be provided by the grant (20 points)**

You should demonstrate this by detailing the positive impact the grant will have:

- a. on the size, scale or timing of your project
- b. on your business, including the creation of new jobs and increase in anticipated annual turnover
- c. on the broader industry, social, environmental or economic outcomes during and beyond the grant period.

## 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.

Applicants should read all eligibility and assessment criteria closely and attach detailed evidence that supports the assessment criteria.

In order to apply for a commercialisation and growth grant, you must have received your report from the program's Advisory Service. The Advisory Service is available to all eligible businesses. To access the Advisory Service you must submit an application form through the online portal on [business.gov.au](#). You can apply at any time over the life of the program.

The grant application form will be available through the online portal once you have received your Advisory Service Report.

The application must be completed by an authorised representative of your business.

To apply, you must:

- complete and submit the application through the online portal
- provide all the information requested
- address all eligibility and assessment 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 Act 1995](#). 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.

After submitting your application, we can contact you for clarification if we find an error or any missing information, including evidence that supports your eligibility/merit. The acceptance of any additional information provided after the submission of your application is at the discretion of the Decision Maker.

You can view and print a copy of your submitted application on the portal for your own records. You should keep a copy of your application and any supporting documents.

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. Staged applications

In some circumstances it may be appropriate to divide a project into stages and to apply for grant assistance for each stage progressively.

If you have received a grant for one project stage, there is no guarantee that you will receive grants for further stages. For each new project stage, a new application must be submitted.

There are a number of factors to consider in staging a project, including:

- the stage of development of your company – e.g. for a newly formed company a smaller project could be more appropriate due to the challenges and risks associated with setting up a new business
- your current financial position and your ability to raise additional funds at the key milestones of the project
- the level of unknowns in relation to executing your project – e.g. if there is a go/no-go milestone then it may be best to apply for grant funding for activities leading up to that milestone only
- the limits that apply in relation to multiple applications (see details under section 3.1)
- the time, cost, and potential project delays associated with making multiple applications.

Where the project IP, market opportunity and value proposition are essentially the same as in the previous application, you are considered to be applying for assistance for the next stage of your project and the following apply:

- the grant funds received through the Commercialisation and Growth grant opportunity for all stages of the project must not exceed \$5,000,000 in total
- the outcomes of any previous Industry Growth Program grants will be taken into account in the assessment of an Industry Growth Program Grant application for the next stage of a project. You must have successfully completed the previous stage of your project and had the end of project report approved before any subsequent applications can be assessed by the Industry Growth Program Committee.

The maximum duration for each individual grant is two years.

## 7.2. Attachments to the application

You must provide the following documents with your application:

- **a detailed project plan** – providing the scope of the project and a timeline of activities. Your project plan should include a list of all key management and technical staff, including their relevant experience and details of any contractors that you have or intend to engage as a part of the project. Your project plan should be a maximum of 20 pages. It should also include:
  - **governance structure** – outlining the governance model and arrangements for managing your project and relationships with partners and why the chosen model and arrangements are the most appropriate for your project
  - **a risk management plan** – and any supporting documentation, describing how you propose to monitor, manage and report identified risks. The risk management plan should give specific consideration to risks associated with cyber security attacks and national security as outlined in section 13.6 of these grant opportunity guidelines

- a **commercialisation and growth plan** including your path to market (e.g. direct sales, distribution channels, franchising)
- an **operational plan** including your business and delivery model, human resources, marketing and communications plan, financial plan, manufacturing strategy (where applicable)
- the report received through participation in the Industry Growth – Advisory Service
- evidence of an appropriate IP strategy (if not developed evidence of ownership/access to IP as required in section 4.2)
- evidence of your funding strategy
- an accountant declaration verifying the financial sustainability of your business (independent of the grant funding) and confirming your share of the project costs can be met.

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. The amount of detail and provide in your attachments should be proportionate to the grant amount requested. The total of all attachments cannot exceed 20MB. We will not consider information in attachments that we do not request.

### 7.3. Timing of grant opportunity processes

You can submit an application at any time while the grant opportunity remains open.

If you are successful we expect you will be able to commence your project upon approval of the grant application.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	Continuous assessment – Approximately every six weeks on an ongoing basis.
Negotiations and award of grant agreements	30 days from the grant offer
Earliest start date of grant activity	From approval of the grant application
End date of grant commitment	Grant agreement end date

### 7.4. Questions during the application process

If you have any questions during the application period, [contact us](#) at [business.gov.au](http://business.gov.au) or by calling 13 28 46.

## 8. The grant selection process

### 8.1. Assessment of grant applications

We first review your application against the eligibility criteria.

If eligible, your application will be assessed against the assessment criteria (section 6). Only eligible applications will proceed to the assessment stage.

We consider your application on its merits, based on:

- how well it meets the criteria

- whether it provides value with relevant money.<sup>5</sup>

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

- the overall objective/s 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 also consider any financial, legal/regulatory, governance, national interest, national security or other issue or risk that we identify regarding you, project partners, related body corporates, related entities and associated entities (as defined in the Corporations Act 2001) and related personnel.

If we identify risks which would affect our assessment, we may ask you to comment on these, subject to security considerations. If we identify risks that cannot be adequately mitigated, we may exclude your application from further consideration.

We may seek additional information about you, project partners, related bodies corporate, related entities and associated entities (as defined in the Corporations Act) and related personnel from third party sources, including other Commonwealth agencies, for due diligence purposes. We may do so even if you do not nominate the sources as referees. We may also consider information that is discovered through the normal course of business.

Due diligence checks may occur at eligibility, merit or decision-making stages. We use this information to verify the information you provide in the application and to identify issues and risks. See section 13 for information on how we use the information you provide to us.

## 8.2. Who will assess applications?

We refer your eligible application to the Industry Growth Program Committee (the committee) which comprises independent experts delegated authority from Industry Innovation and Science Australia.

The committee will assess your eligible application against the assessment criteria before recommending which projects to fund to the Decision Maker. To assist with assessment, your Adviser will provide a report to the committee that provides comment on the claims you have made in your application. The committee will be required to perform their duties in accordance with the CGRGs.

The committee may seek additional information about you or your application. They may do this from within the Commonwealth, even if you do not nominate the sources as referees. The committee may also consider information about you or your application that is available as a result of the due diligence process or through the normal course of business.

## 8.3. Who will approve grants?

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

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

- the grant approval
- the grant funding to be awarded

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<sup>5</sup> See glossary for an explanation of 'value with money'.

- any conditions attached to the offer of grant funding.

We cannot review decisions about the merits of your application.

The Decision Maker will not approve funding if there is insufficient program funds available across relevant financial years for the program.

## 9. Notification of application outcomes

We will advise you of the outcome of your application in writing. If you are successful, we advise you of any specific conditions attached to the grant.

If you are unsuccessful, we will advise you of the reasons why your application was unsuccessful and give you an opportunity to discuss the outcome with us.

If you are unsuccessful you can submit one new application for the same (or similar) project in the future. You must include new or additional information addressing weaknesses in your previous application. If a new application is substantially the same as a previous ineligible or unsuccessful application, we may refuse to consider it for assessment.

## 10. Successful grant applications

### 10.1. The 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 will manage the grant agreement through the online portal. This includes issuing and executing the grant agreement. Execute means both you and the Commonwealth have accepted the agreement. You must not start any grant project activities until you have been notified that your project has been approved. We are not responsible for any expenditure you incur and cannot make any payments 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 Decision Maker. We will identify these in the offer of grant funding.

If you enter an agreement under the Industry Growth Program: Commercialisation and Growth grant opportunity, 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.

Industry Growth Program: Commercialisation and Growth grants will be delivered through a Commonwealth 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 Decision Maker.

## 10.2. Specific legislation, policies and industry standards

You must comply with all relevant laws, regulations and Australian Government sanctions in undertaking your project. You must also comply with the specific legislation/policies/industry standards that follow. It is a condition of the grant funding that you meet these requirements. We will include these requirements in your grant agreement.

In particular, you will be required to comply with:

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

## 10.3. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (50 per cent)
- any financial contribution provided by you.

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. Grant Payments and GST

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>6</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 tax advice.

# 11. Announcement of grants

If successful, your grant will be listed on the GrantConnect website 21 calendar days after the date of effect.

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Guidelines](#), Section 5.3. 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

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<sup>6</sup> See Australian Taxation Office ruling GSTR 2012/2 available at [ato.gov.au](#)

- your organisation's industry sector.

## 12. How we monitor your grant activity

### 12.1. Keeping us informed

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

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

You must also inform us of any changes to your:

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

You must also inform us of any material changes in the circumstances of project participants including but not limited to:

- changes to organisation ownership or governance structure
- changes in financial and in-kind support contributions
- affiliations with foreign governments, including foreign militaries, intelligence organisations, police forces and government-owned or sponsored organisations (see section 13.6).

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 and outcomes
- project expenditure, including expenditure of grant funds
- contributions of participants directly related to the project.

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

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

#### 12.2.1. Progress reports

Progress reports must:

- include 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. 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.

#### **12.2.3. End of project report**

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

End of project reports must:

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

#### **12.3. Audited financial acquittal report**

We will 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](https://business.gov.au) and GrantConnect.

#### **12.4. 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 two year period unless, under exceptional circumstances and only after your project has commenced, you can apply to the Program Delegate to vary your project end date. Approval will be at the discretion of the Program Delegate.
- changing project activities.

If you want to propose changes to the grant agreement, you must put them in writing before the project end date. You can submit a variation request 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
- 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.

### 12.5. 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 will provide you with reasonable notice of any compliance visit.

### 12.6. Record keeping

We may also inspect the records you are required to keep under the grant agreement.

### 12.7. Evaluation

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

We may contact you up to 5 years after you finish your project for more information to assist with this evaluation.

### 12.8. Acknowledgement

You must not make any public announcement, including by social media, in connection with the awarding of your grant until the Minister has publicly announced the outcome of the round or as otherwise instructed by us.

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.’

Acknowledgement of the grant can also be accompanied by the use of the department logo. You must seek permission from the department for it to be used, including a description of where the logo will be placed. You can contact either your Customer Service Manager to request the logo or to ask other questions about public announcements.

## 13. Probit

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.

These guidelines may be changed from time-to-time by DISR. When this happens, the revised guidelines will be published on GrantConnect.

### **13.1. 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:

General Manager  
Industry Growth Program  
Department of Industry, Science and Resources  
GPO Box 2013  
CANBERRA ACT 2601

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

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

### **13.2. Conflicts of interest**

Any conflicts of interest could affect the performance of the grant opportunity and/or program. There may be a conflict of interest, or perceived conflict of interest, if any individual or entity<sup>7</sup> involved in assessing, funding, administering or undertaking the project :

- has a professional, commercial or personal relationship with a party which 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, a party which could prevent the activity from being carried out fairly and independently or otherwise compromise the integrity of the activity or its participants
- has a relationship with, or interest in, a party from which they could receive personal gain because the party 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\(7\)\)](#) of the [Public Service Act 1999](#). Committee members and other officials including the Decision Maker must also declare any conflicts of interest.

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<sup>7</sup> Including: any of our staff able to influence the project, any member of a committee or Advisers, you, your project partners, and any personnel involved in the project.

We publish our [conflict of interest policy](#)<sup>8</sup> on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

### 13.3. Privacy

Unless the information you provide to us is:

- confidential information as per 13.4, or
- personal information as per below.

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.

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
- identify and manage any financial, legal/regulatory, governance, national interest, or national security risks.

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>9</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.

### 13.4. Confidential information

Other than information available in the public domain, you agree not to disclose to any person, other than us, any confidential information relating to the grant application and/or agreement, without our prior written approval. The obligation will not be breached where you are required by law, Parliament or a stock exchange to disclose the relevant information or where the relevant

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<sup>8</sup> <https://www.industry.gov.au/publications/conflict-interest-policy>

<sup>9</sup> <https://www.industry.gov.au/data-and-publications/privacy-policy>

information is publicly available (other than through breach of a confidentiality or non-disclosure obligation).

We may at any time, require you to arrange for you; or your employees, agents or subcontractors to give a written undertaking relating to nondisclosure of our confidential information in a form we consider acceptable.

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.

We may disclose confidential information:

- to the committee and our Commonwealth employees, contractors and service providers, 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
- to other Commonwealth agencies for risk management purposes.

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.

### 13.5. 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.

### 13.6. National security

Eligible activities under this grant may have national security implications. It is your responsibility to consider any such implications of the proposed project and identify and manage any risks, particularly relating to export controls, IP protection, espionage and foreign interference and unwanted transfer of technology, data or other knowledge.

You must inform the department if you identify any material risks relating to national security. To assist with managing security risks, you are strongly encouraged to review the department's [Guide to undertaking international collaboration](#)<sup>10</sup>.

### 13.6.1. Know Your Partner

You should ensure that you know who you are collaborating with by undertaking appropriate due diligence, proportionate to the risk and subject to available information, on all partners and personnel participating in the project. This should take into account any potential security, ethical, legal and reputational risks, and, where necessary, you should be prepared to demonstrate how you will manage and mitigate any identified risks.

### 13.6.2. Export Controls

Australia's export control regime limits the overseas transfer of goods and technologies listed on the [Defence and Strategic Goods List](#) (DSGL). The regime may apply to the export of products, and to any situation involving the overseas transfer, sharing, publication or brokering of controlled goods, technology, software or related knowledge.

It is your responsibility to consider whether the export control regime applies to your activity. If you are unsure whether your activity may require an export license, you should complete the [DSGL Activity Questionnaire](#) and/or contact [Defence Export Controls \(DEC\)](#).

### 13.6.3. Foreign Affiliations

Eligible activities under this grant may involve partners or personnel with foreign affiliations. You must inform us of any relationships between project participants and foreign parties that could influence or benefit from the proposed activity. Such relationships may include foreign ownership or sponsorship, connections to foreign governments, militaries, political parties, or other organisations, and membership of foreign talent programs. You must also inform us of the establishment of any such relationships throughout the life of the grant.

### 13.6.4. Foreign Government Affiliations

Eligible activities under this grant may involve partners or personnel with connections to foreign governments. You must inform us if you, your project partners or any project personnel are receiving funding or benefits from, or otherwise affiliated with, a foreign government, including:

- a foreign state or local government
- a foreign military, intelligence organisation or police force
- an organisation owned or sponsored by a foreign government (such as a state-owned corporation or state-sponsored university)
- a foreign government talent program.

You must also inform us of the establishment of any such relationships throughout the life of the grant.

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<sup>10</sup> <https://www.industry.gov.au/strategies-for-the-future/increasing-international-collaboration/a-guide-to-undertaking-international-collaboration>

### **13.7. Disclosure of Commonwealth, state or territory 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.

## 14. Glossary

Term	Definition
Administering entity	When an entity that is not responsible for the policy, is responsible for the administration of part or all of the grant administration processes.
Adviser	A specialist engaged by us to guide you through the commercialisation and/or scale-up and growth process
Advisory Service	The Industry Growth Program Advisory Service which provides eligible, innovative SMEs with access to advice and support to help commercialise ideas and/or grow their business operations.
Application form	The document issued by the Program Delegate that applicants use to apply for participation in the program.
Assistant Minister	The Commonwealth Assistant Minister for Manufacturing and Assistant Minister for Trade.
Authorised representative	An individual acting with a company's or entity's express or implied authority and on behalf of the company/entity.
Combined annual turnover	The combined annual turnover must include the turnover of the applicant and of each related bodies corporate (if any) at the time the Program Delegate receives the application, Turnover must be less than \$20 million for each of the three financial years prior to the lodgement of the application.
<u><a href="#">Commonwealth Grants Rules and Guidelines (CGRGs)</a></u>	Establish the overarching Commonwealth grants policy framework and articulate the expectations for all non-corporate Commonwealth entities in relation to grants administration. Under this overarching framework, non-corporate Commonwealth entities undertake grants administration based on the mandatory requirements and key principles of grants administration.
Commercialisation	The steps necessary to establish the commercial viability of an innovative product, process or service, including progress from proof-of-concept to minimum viable product and commercial application.
Decision Maker	The General Manager within the department with responsibility for the outcomes of the Program.
Department	The Department of Industry, Science and Resources.
Early-stage commercialisation	The initial phase of the commercialisation journey necessary to establish the commercial viability of an innovative product, process or service. This includes the steps to undertake feasibility and proof-of-concept through to production and testing of early prototypes.

Term	Definition
Eligible application	An application or proposal for services under the Program that the Program Delegate has determined is eligible for assessment in accordance with this guide.
Eligibility criteria	Refer to the mandatory criteria which must be met to qualify for a participation in the Program.
General Manager	Position title for Senior Executive Service level staff within the department.
Grant	<p>For the purposes of the CGRGs, a ‘grant’ is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:</p> <ul style="list-style-type: none"> <li>a. under which relevant money<sup>11</sup> or other <a href="#">Consolidated Revenue Fund</a> (CRF) money<sup>12</sup> is to be paid to a grantee other than the Commonwealth; and</li> <li>b. which is intended to help address one or more of the Australian Government’s policy outcomes while assisting the grantee achieve its objectives.</li> </ul>
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the Program.
Grant opportunity	Refers to the specific grant round or process where a Commonwealth grant is made available to potential grantees. Grant opportunities may be open or targeted, and will reflect the relevant grant selection process.
<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.
Grow/growth	Growth under the program means scaling up your business into national or international markets, through the successful commercialisation of your innovative product, process or service. The program targets businesses beginning to, or with capacity to, scale as described above but does not include routine business growth.
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.

<sup>11</sup> Relevant money is defined in the PGPA Act. See section 8, Dictionary.

<sup>12</sup> Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

Term	Definition
Industry Growth Program Committee (the committee)	A subcommittee of the independent statutory body, Innovation and Science Australia, established under the <i>Industry Research and Development Act 1986 (Cth)</i> , formed to assess eligible applications and make recommendations to the Decision Maker for funding under the grant opportunity.
Industry Partner Organisation	Industry bodies engaged by the department to provide specialised sectoral expertise, advice and services.
Intellectual Property (IP)	Intellectual Property (IP) represents creations of the mind or intellect that can be legally owned. IP may be protected through laws governing patents, trade marks, registered designs, copyright, circuit layout rights, plant breeder's rights, trade secrets, and confidential information.
Innovative product, process or service	<p>A product, process or service that:</p> <ul style="list-style-type: none"> <li data-bbox="673 871 1356 1012">▪ is new, unique or significantly different to any other previous product, process or service in the market or industry where the product is intended to be sold/traded; or</li> <li data-bbox="673 1035 1356 1140">▪ involves significant enhancements or developments of current products, processes or services that will enable the business to scale and transform.</li> </ul> <p>Minor changes or improvements to existing products or services are not considered innovative.</p>
Minister	The Commonwealth Minister for Industry and Science
Non-income-tax-exempt	Not exempt from income tax under Division 50 of the <i>Income Tax Assessment Act 1997 (Cth)</i> or under Division 1AB of Part III of the <i>Income Tax Assessment Act 1936 (Cth)</i> .
Personal information	<p>Has the same meaning as in the <i>Privacy Act 1988 (Cth)</i> 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 data-bbox="720 1671 1356 1731">a. whether the information or opinion is true or not; and</li> <li data-bbox="720 1742 1356 1803">b. whether the information or opinion is recorded in a material form or not.</li> </ol>
Portal	<a href="http://portal.business.gov.au">portal.business.gov.au</a>
Program Delegate	A manager within the department with responsibility for administering the program.

Term	Definition
Project	A project described in an application for grant funding under the program.
Related body corporate	Has the same meaning as in section 50 of the <i>Corporations Act 2001</i> (Cth)
Technological Readiness Levels	A benchmarking tool used to track the progress of the development of specific technological innovations, from blue-sky research (TRL 1) to full system demonstration under expected market conditions (TRL 9).
Turnover	<p>Turnover Revenue earned from ordinary activities during a full financial year. Revenue means the gross inflow of economic benefits arising in the course of the company's ordinary activities. Ordinary activities means activities that are undertaken by the company as part of its normal business operations, and includes the sale or supply of goods, lease of premises, hire of equipment, giving of advice, export of goods, and supply of other things.</p> <p>Ordinary activities do not include:</p> <ul style="list-style-type: none"> <li>▪ economic contributions by the owners</li> <li>▪ the principal component of a loan repayment</li> <li>▪ payments received under an insurance recovery</li> <li>▪ donations and government grants</li> <li>▪ revenue attributable to transactions or other events of a type that are outside the day-to-day activities of the entity and are not of a recurring nature (for example, proceeds from the sale of a capital asset used in the business or investments held by the business which are not related to its day-to-day activities)</li> <li>▪ the proceeds from the sale of a Portfolio company by a venture capital fund.</li> </ul>

Term	Definition
Value with relevant money	<p>Value with relevant money in this document refers to 'value with money' which is a judgement based on the grant proposal representing an efficient, effective, economical and ethical use of public resources and determined from a variety of considerations.</p> <p>When administering a grant opportunity, an official should consider the relevant financial and non-financial costs and benefits of each proposal including, but not limited to:</p> <ul style="list-style-type: none"> <li>▪ the quality of the project proposal and activities;</li> <li>▪ fitness for purpose of the proposal in contributing to government objectives;</li> <li>▪ that the absence of a grant is likely to prevent the grantee and government's outcomes being achieved; and</li> <li>▪ the potential grantee's relevant experience and performance history.</li> </ul>

## Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time; check you are referring to the most current version from the [business.gov.au](https://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 or be incurred by you to undertake required project audit activities (where applicable)
- not be provided for the benefit or profit of related bodies
- meet the eligible expenditure guidelines.

### A.1 Heads of expenditure

You must record your eligible project expenditure under the following heads of expenditure:

- Labour expenditure
- Contract expenditure
- Capitalised expenditure
- Travel and overseas expenditure
- Other expenditure.

### A.2 How we verify eligible expenditure

If your application is successful, we may 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.3 Labour expenditure

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

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

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, business owners and partners, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks, unless you substantiate to our satisfaction that these costs relate to performance of core elements of the agreed project.

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 \$250,000 per financial year. The amount of any higher salaries above \$250,000 must be at your own cost.

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.

#### Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30 per cent allowance to cover on-costs such as employer paid superannuation, payroll tax and works compensation insurance. The allowance also includes administrative overheads such as incidental travel, a proportion of communications, accommodation, computing facilities, recruitment, printing and stationery, postage, administrative support salaries, legal, accounting and auditing fees, and bank charges.

You should calculate eligible salary costs using the formula below:

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

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

- eligible expenditure incurred in relation to contractors located offshore is limited to 10 per cent of total eligible expenditure unless you have prior approval by the Decision Maker.

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
- the country where the work is undertaken (and if more than one country, the approximate expenditure relevant to each).

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.

Where a contractor is engaged in constructing, assembling, installing and/or commissioning plant or prototypes, the contractor's costs should be apportioned between:

- design costs, claimed as contract expenditure
- constructing, assembling, installing and/or commissioning costs, claimed as either plant expenditure, and State-of-the-art manufacturing plant or pilot manufacturing plant expenditure, or prototype expenditure.

Where the contractor is a related body corporate of the applicant, eligible contract expenditure is limited to the measurable direct cost to the contractor of performing the contracted project work transferred to the applicant with no mark-ups or profit margin attached, 'at cost'.

In accordance with the general conditions of the grant agreement, you are required to ensure all project contractors keep a record of the costs of their work on the project. For purposes of verifying that contract expenses are purely 'at cost' and contain no element of profit, we may require you to obtain and provide a contractor's records of its costs of doing project work. If such records are not provided, we may deem the relevant contract expense not to be eligible expenditure.

Where overseas contracts are made you must identify the overseas component in your project budget.

Contract costs for leadership and administrative contractors (such as contracted CEOs, CFOs, accountants and lawyers) are not eligible expenditure unless the approved by the department that these costs relate to performance of core elements of the agreed project.

## A.5 Capitalised expenditure

If your project related expenditure has been incurred on a capital asset, or is of a capital nature, the extent to which it can be considered eligible expenditure is determined by the following sections. You are encouraged to prioritise plant and equipment designed and manufactured in Australia where available.

The following sections, break down capitalised expenditure into two broad categories to help you determine the relevance to the program:

- Plant and equipment – capitalised expenditure on items used to carry on, or facilitate, your project.
- Prototypes or pilot plant -- capitalised expenditure on items that are the subject of your project.

Capitalised expenditure for production (or full run rate) plant and equipment will be up to 25 per cent of your total grant funding under this program.

We cannot consider any expenditure incurred or paid before date of the letter of offer as eligible expenditure.

Capitalised expenditure does not include costs related to financing, including interest.

Grant payments for capital items may affect your tax obligations. We recommend that you seek independent professional advice on any tax related matters.

### Plant and equipment expenditure

The cost of acquiring, designing, installing, freight, commissioning, leasing (finance lease or operating lease under certain conditions), or the self-construction of, plant and equipment, will be considered eligible expenditure, to the extent the expenditure is directly related to your project or used to carry on or facilitate your project.

Additionally, the cost of purchasing, licensing or the self-construction of intangible assets (non-physical assets such as software) will be considered eligible expenditure to the extent the expenditure is directly related to your project or used to carry on or facilitate your project.

“To the extent” means the proportion of time the asset is used for the project. If the asset is wholly used on the project then its cost can be fully attributed to the project. If used for other purposes, you will need to pro-rate the cost across its use for the project and other purposes.

You may show expenditure on plant and equipment by providing evidence of:

- purchase price
- payments (e.g. tax invoices and receipts from suppliers confirming payment)
- commitment to pay for the capital item (e.g. supplier contract, purchase order or executed lease agreement)
- receipt of capital items (e.g. supplier or freight documents)
- associated costs such as freight and installation (e.g. supplier documents)
- the capital item on your premises (e.g. date stamped photographic evidence).

If you claim expenditure for the construction of plant and equipment, we limit this to expenditure on:

- materials
- direct labour
- contractors
- commissioning
- freight and establishment.

Evidence for construction expenditure may include purchase orders, invoices, payment documentation, photographic evidence (date stamped) of the capital item in your premises and details of labour costs.

You must list commissioning costs as a separate item within the project budget in the application form, and on reports of expenditure during project milestones.

#### **Items not listed on the balance sheet**

Eligible costs for plant and equipment will normally need to be on your balance sheet. We will only consider costs for plant and equipment not on your balance sheet under certain circumstances. We will only consider plant and equipment costs subject to an operating lease to be eligible if:

- you integrate the plant or equipment into your manufacturing process
- you cannot transfer the plant or equipment and the lease period is at least 4 years.

#### **Instalments**

Where you need to pay in instalments to purchase capital items (for example deposits, payment on installation, or payment on commissioning), you can claim the grant amount for the items progressively across multiple progress reports up to the end of the project period. Alternatively, you can choose to claim the full amount in a single report, when you pay for the capital item.

#### **Leased items**

For leased items, you will need to furnish an executed copy of the lease agreement identifying the capital cost of the item and the lease period. We can pay you the grant entitlement when:

- you have entered into a formal lease agreement
- you have received the capital item
- you make the initial payment.

#### **Prototype or pilot plant expenditure**

An asset may itself be the subject of the project rather than merely being used to carry on or facilitate the project. Common examples of these items are a prototype or pilot plant.

In such cases, there may be amounts of expenditure incurred on labour, materials and contractors as work in progress, rather than the capital acquisition of a completed asset. Such costs may be considered eligible prototype expenditure if the item serves a functional purpose within the project, for example:

- testing the prototype or pilot plant
- the provision of data for analysis
- prototype or pilot modifications to progress the research.

### **Multiple prototypes**

The Program Delegate may refuse to accept certain prototype expenditures where the number of prototypes and the scale of prototypes exceed the level needed to prove the concept(s) underpinning the agreed project and/or establish its commercial viability.

Costs incurred in the construction of a number of identical prototypes may be eligible expenditure only where a strong reason for multiples exist, such as to enable testing under varied operating conditions.

## **A.6 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
- types of expenditure directly related to such activities, including on-costs, travel and depreciation of plant. For example, travel expenditure in relation to an overseas activity that has been booked and paid for in Australia is considered overseas expenditure.
- plant and other goods, including goods purchased for inclusion in a prototype, that are purchased overseas are not necessarily treated as overseas expenditure. Where plant is used, not where it is purchased, is the basis of treating plant expenditure as overseas or domestic expenditure.

Accommodation refers to room cost only. Associated costs such as meals, internet, entertainment and other incidentals are not eligible travel expenditure and cannot be claimed as part of the cost of accommodation;

Transport may include the cost of local transport at outward destinations.

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

If specific travel costs are not identified in the application, this ‘other expenditure’ is not eligible during the project period unless the Program Delegate subsequently approves a request from the grantee.

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
- the availability of domestic resources and facilities
- the appropriateness of carrying out activities overseas rather than within Australia
- cost implications
- how the additional overseas activities expenditure is likely to aid the project in meeting the objectives of the program.

Eligible overseas activities expenditure is limited to 10 per cent of total eligible expenditure, unless approved by the Decision Maker.

### A.7 Business development activities

Examples of eligible business development and supporting activities expenditure are:

- labour expenditure for a sales person or a business development manager
- labour expenditure or legal costs in regards to setting up licensing, distribution or manufacturing agreements
- contractor's fees for developing a capital plan and/or an investment proposal in order to secure continuing funding for the project beyond the grant period
- labour expenditure and other costs in relation to developing a partnership or collaboration with another business or organisation to increase the chances of commercial success for the project
- labour expenditure and other costs in relation to obtaining regulation and standards compliance, such as certification or accreditation, in the market(s) relevant to the project
- labour expenditure and travel costs to attend a trade show (as either exhibitor or visitor to the trade show)
- labour expenditure, travel and other costs to participate in roadshows organised by the Industry Growth Program.

### A.8 Other eligible expenditure

Other eligible expenditures for the project may include:

- activities relating to technology transfer and IP, including protection of IP, legal advice, and licensing
- costs of acquiring IP and/or leading edge technology where subsequent adaptation will contribute directly to the completion of an agreed 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
- financial auditing of project expenditure, the cost of an independent audit of project expenditure (where we request one) up to a maximum of 1 per cent of total eligible project expenditure
- costs directly related to the project that you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
- contingency costs up to a maximum of 10 per cent 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; check you are referring to the most current version from the [business.gov.au](https://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:

- costs associated with defending your IP
- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources, such as other government initiatives, including services provided by Industry Partner Organisations
- costs incurred prior to the project start date
- any in-kind contributions
- financing costs, including interest
- production tooling
- 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, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of production tooling beyond the life of the project
- depreciation of plant and equipment beyond the life of the project
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- routine operating expenses not accounted as labour on-costs – including communications, accommodation, overheads and consumables, e.g. paper, printer cartridges, office supplies
- ongoing upgrades, updates and maintenance of existing ICT systems and computing facilities, including websites, customer relationship management systems, databases, the cost of ongoing subscription based software and IT support memberships, and warranties for purchases that are not directly related to the project
- recurring or ongoing operational expenditure (including annual maintenance, rent, water and rates, 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
- overseas costs that exceed 10 per cent of total project costs except where otherwise approved by the Decision Maker.

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.

## Appendix C. National Reconstruction Fund Priority areas

The definition of manufacturing supports a broad understanding of the entire manufacturing process, focusing not just on production, but also on the pre-production development and post-production services. This approach has been taken because modern manufacturing is supported by a dynamic ecosystem capturing value at every stage of the product cycle.

The definition of products includes not only manufactured products for the end user, but the manufactured inputs for use in final products. It includes both tangible and intangible products like software.

Value-add in resources	<p>The area of the Australian economy that is involved in:</p> <ul style="list-style-type: none"><li>▪ manufacturing products for use in or in connection with the mining industry; or</li><li>▪ manufacturing products for use in or in connection with processing minerals; or</li><li>▪ processing minerals.</li></ul> <p>For example; the manufacture of exploration or drilling technologies, mining safety solutions, or products to assist with transportation of minerals</p> <p>For example; the refining and processing of spodumene to lithium hydroxide and then onto cathode active materials for use in battery manufacture as well as the manufacture of technologies and other products used in this processing would be considered part of this area of the economy.</p>
Value-add in agriculture, forestry and fisheries	<p>The area of the Australian economy that is involved in:</p> <ul style="list-style-type: none"><li>▪ manufacturing products for use in or in connection with a primary industry; or</li><li>▪ manufacturing products for use in or in connection with processing produce of a primary industry; or</li><li>▪ processing produce of a primary industry.</li></ul> <p>For example, it covers the manufacture of fertilisers and farming equipment; technologies to manage crop, tree, and animal health; and improved storage solutions to extend product life. It also covers the manufacture of food, beverage, timber, and fibre products because this manufacturing involves the processing of produce of primary industries. It does not include developing new farms or plantations.</p>
Transport	<p>The area of the Australian economy that is involved in manufacturing any of the following products:</p> <ul style="list-style-type: none"><li>▪ aircraft, road vehicles, rail vehicles or ships;</li><li>▪ products for use in or in connection with aircraft, road vehicles, rail vehicles or ships.</li></ul>

	<p>For instance, it could include the manufacture of electric vehicles, or components or charging equipment connected with their use. It does not include common use infrastructure such as roads or railways, but may include products for use with or in such infrastructure such as road surfacing solutions, or components for rails.</p>
Medical science	<p>The area of the Australian economy that is involved in manufacturing products for therapeutic use.</p> <p>For example, use such as medical devices, medicines, personal protective equipment, and vaccines.</p> <p>It does not include products for veterinary purposes and is not intended to include products with possible secondary health applications, for instance, cosmetics or health food.</p>
Renewables and low emission technologies	<p>The area of the Australian economy that is involved in manufacturing products for use in or in connection with:</p> <ul style="list-style-type: none"> <li>▪ renewable energy generation, transmission, distribution or storage; or</li> <li>▪ greenhouse gas emissions reduction; or</li> <li>▪ energy efficiency; or</li> <li>▪ recycling; or</li> <li>▪ waste reduction; or</li> <li>▪ resource recovery.</li> </ul> <p>This includes opportunities such as manufacturing components of wind turbines, production of batteries and solar panels, hydrogen electrolyzers and innovative packaging solutions for waste reduction.</p> <p>It does not cover the installation of standalone renewable energy infrastructure for the generation of power for general use, such as solar or wind farms.</p>
Defence capabilities	<p>The area of the Australian economy that is involved in manufacturing products that are wholly or primarily for use in or in connection with defence.</p> <p>It captures the parts of the economy involved in delivering the fundamental inputs to defence capability, such as those involved in the development, manufacturing, and sustainment of relevant products.</p>
Enabling capabilities	<p>The area of the Australian economy that is involved in manufacturing any of the following products:</p> <ul style="list-style-type: none"> <li>▪ advanced manufacturing technologies or materials technologies;</li> <li>▪ artificial intelligence technologies;</li> <li>▪ advanced information or communication technologies;</li> <li>▪ quantum technologies;</li> <li>▪ autonomous systems;</li> <li>▪ robotics technologies;</li> </ul>

	<ul style="list-style-type: none"> <li>▪ positioning, timing and sensing technologies;</li> <li>▪ biotechnologies;</li> <li>▪ space objects or products for use in, or in connection with, space objects;</li> <li>▪ other advanced technologies.</li> </ul> <p>Advanced manufacturing or materials technologies refers to technologies such as additive manufacturing, advanced composite materials, high specification machining processes, and semiconductors and advanced integrated circuit manufacture.</p> <p>Other advanced technologies” is intended to capture emerging technologies, recognising that Australian industry is developing and adopting technology at a rapid rate, and that funding of manufacturing of such new and innovative advanced technologies aligns with the overall policy objective of the Government in establishing the Corporation to diversify and transform Australian industry.</p>
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## Appendix D. Acronyms

ABN	Australian Business Number
APPs	Australian Privacy Principles
CGRGs	Commonwealth Grants Rules and Guidelines
CRF	Consolidated Revenue Fund
Cth	Commonwealth
DISR	Department of Industry, Science and Resources
DEC	Defence Export Controls
DSGL	Defence and Strategic Goods List
FOI Act	Freedom of Information Act
FTE	Full-time equivalent
GST	Goods and Services Tax
IP	Intellectual Property
MVP	Minimum Viable Product
NRF	National Reconstruction Fund
SMEs	Small and Medium Enterprises
TRLs	Technology Readiness Levels