



Australian Government

Department of Industry, Science and Resources

PDR ID MB24-000638

EVENT SUMMARY

Assistant Minister for Manufacturing

Upper Spencer Gulf Workforce Summit

Event and purpose	Event: Upper Spencer Gulf (USG) Workforce Summit Purpose: Panellist for "On the Couch: Challenges and Progress" session
Date	30 July 2024
Time	2.30 pm
Location	Central Augusta Football Club (<u>not</u> Central Oval) 3 Hannagan Street, Port Augusta SA
Speakers	S 22
Key message(s)	

Issues/sensitivities

S 22

(Further information in
Attachment A)

- Fortescue: on 17 July, Fortescue announced it was cutting 700 jobs from its global operations and deprioritising some hydrogen projects, s 47(1)(b)

S 22

See attachments:

Consultation

S 22

OFFICIAL: Sensitive

Clearing Officer:	S 22	A/g General Manager, Industry Policy Branch, Industry & Manufacturing Division	Ph: S 22 Mob: S 22
Contact Officer:	S 22	Manager, Industry Investment & Transition	Ph: S 22 Mob: S 22
For Parliamentary Services' use only.			23/7/2024
Date Submitted to the Minister's office in PDMS:			

ATTACHMENT A

S 22

BACKGROUND

S 22

- Fortescue: On 17 July, Fortescue announced it will cut 700 jobs from its global operations and slow its green hydrogen development, s 47(1)(b)

s 47(1)(b)

On 26 February 2024, the SA Government announced it signed development agreements with five project partners including Fortescue. The Australian Government is providing \$70 million matched funding to the project through the Hydrogen Hubs program.

- The Fortescue job cuts are expected to be mainly head office efficiencies in bringing together mining and energy parts of the business. The impact of the hydrogen deprioritising is unclear, but Andrew Forrest has stated that the company remains committed to green hydrogen.

S 22



Australian Government
**Department of Industry,
Science and Resources**

Meeting Brief

MB25-000213

FOR INFORMATION - Fortescue Meeting brief request [Dino O'tranto, CEO, Fortescue Metals – Commonwealth Parliament Offices, Perth, 10.30am AWST 03 JUNE 2025]

TO: Minister for Industry and Innovation; Minister for Science

PURPOSE OF MEETING

- The Chief Executive Officer (CEO) of Fortescue Metals will likely discuss Fortescue's decarbonisation objectives, including their green iron plans.
- The CEO may also wish to discuss government supports available for green iron and renewable hydrogen including the Green Iron Innovation Fund (GIIF) and the Future Made in Australia Innovation Fund.

KEY MESSAGES

- Green iron has the potential to be a cornerstone of Australia's net zero economy. Australia's substantive iron ore resources, abundant renewable energy sources and skilled workforce mean we can have a sustained comparative advantage in green iron production.
- Value-adding to Australian iron ore resources with green iron manufacturing will help protect the industry from future economic shocks as more iron ore supply comes online globally.

Fortescue's green iron plans

- In August 2024, Fortescue announced it had begun construction of ^{s47(1)(b)} green iron pilot facility in Christmas Creek, WA. The pilot plant will produce 1,500 tonnes of green iron per annum and is expected to begin production by ^{s47(1)(b)}
- On 24 October 2024, Fortescue announced a feasibility study for a 1 million tonnes per annum commercial scale green iron project in the Pilbara.

Other net zero ambitions

- Fortescue is investing US\$6.2 billion to decarbonise its iron ore mining operations by building renewable energy generation and transmission infrastructure, and electrifying its fleet of heavy mining equipment and machinery.

Relevant government policies

- Green metals, including green iron, is a priority sector under the Future Made in Australia National Interest Framework's Net Zero Transformation Stream.

- The \$1 billion Green Iron Investment Fund (the Fund) will boost green iron manufacturing and supply chains by supporting early mover green iron projects with the upfront costs of establishing a commercial scale green iron manufacturing facility.
 - Up to \$500 million has been earmarked to support the Whyalla Steelworks longer-term transformation and at least \$500 million will be open to applicants across Australia.
- The FMA Innovation Fund will deliver \$1.5 billion in funding to support pre-commercial innovation, demonstration and deployment of renewable energy and low emission technologies. Funding allocations include:
 - \$750 million to green metals including iron, steel, alumina and aluminium
 - \$500 million to clean energy technology manufacturing
 - \$250 million to low carbon liquid fuels including sustainable aviation fuels and renewable diesel.
- The Australian Government is investing in hydrogen through the Future Made in Australia agenda, including the \$4 billion Hydrogen Headstart Program and Hydrogen Production Tax Incentive, due to commence in 2027.

Media

- On 21 May 2025, an Australian Financial Review article outlined Andrew Forrest's views that Australia's iron ore industry is at risk as Chinese manufactures move to higher ore grades better suited to lower emissions steelmaking. He cited the new Simandou mine being established in Guinea as a key threat to Australia's iron ore industry.
- On 14 May 2025, it was reported that Fortescue will cut 90 green hydrogen jobs in Perth, Western Australia and Gladstone, Queensland. Fortescue indicated they would refocus attention on research and development of new green technologies.

Submissions

s47(1)(b)

- Fortescue Future Industries made a submission to the 2023 Future Gas Strategy consultation process outlining the need for gas usage to gradually decline and the need for green hydrogen to be available and cost competitive with natural gas for Australia to meet net zero objectives. In this submission, Fortescue also welcomed the Government's development of sectoral decarbonisation plans.

Meetings with Fortescue

- The department has met with Fortescue in relation to the administration of their Modern Manufacturing Initiative grant funding, most recently on 13 May 2025.
- The department met with Fortescue on 21 August 2024, 18 September 2024 and 10 February 2025 to discuss their green metals ambitions, investment barriers, international partnerships and common-use infrastructure. Fortescue also raised their interests in sustainable fuels and hydrogen.
- Representatives from the department visited the Christmas Creek trial plant and iron ore mine on 24 March 2025.
- Fortescue sponsored the Australian Green Iron and Steel Forum on 26- 27 March 2025 and attended by departmental officials. The department had further discussions with Fortescue's green iron team to discuss their ambitions for a commercial scale green iron facility and the Green Iron Investment Fund.

SENSITIVITIES

- Gladstone Fortescue Future Industries Pty Ltd was awarded a grant of \$44.946m under the Modern Manufacturing Initiative Collaboration Program to construct a facility to manufacture green hydrogen electrolyzers. s47(1)(b)
- The facility supported by the grant was opened in April 2024 but will not achieve the agreed production capacity as the company is reassessing the facility's future (decision expected in August 2025). s 47(1)(b)

S 47C

Clearance Officer

Renee Chilton
A/g General Manager
Industrial Net Transformation Branch
Ph: S 22
30 May 2025

Contact Officer

S 22
A/g Manager, Green Iron and Steel Section
Ph: S 22

CONSULTATION

Business Grants Hub, Minerals and Resources Division, Oil and Gas Division

Senator the Hon Tim Ayres

Minister for Industry and Innovation | Minister for Science

MEETING REQUEST	
Meeting	Meeting with Fortescue
Date:	Friday 30 May 2025
Time:	12:30 PM-1:00 PM
Location:	Commonwealth Parliament Offices - Perth
Contact ⁱ :	
Attendees ⁱⁱ :	CEO Dino O'tranto, Minister Ayres

Bios:	No
Discussion Points:	No
Sensitivities/Issues	Yes
Prior meetings (Min or department)	Yes
Current and previous grants	Yes

Departmental Rep ⁱⁱⁱ :	No
Record of Meeting:	No

Speech Notes:	No
Speech (full text):	No
Q&A	No
Media Release:	No
Shell Release:	No

Gift: (bilat/international only)	No
-------------------------------------	----

MO Comments:	
--------------	--

ⁱ If a contact is listed by the Minister's Office, please contact them to confirm any necessary details of the meeting.

ⁱⁱ If an adviser is not listed, there is no need to contact the Minister's Office as this is generally resolved closer to the meeting. However, if an adviser is listed here, please ensure they are on the list transcribed to the brief, including any notes about them representing the Minister.

ⁱ If a contact is listed by the Minister's Office, please contact them to confirm any necessary details of the meeting.

ⁱⁱ If an adviser is not listed, there is no need to contact the Minister's Office as this is generally resolved closer to the meeting. However, if an adviser is listed here, please ensure they are on the list transcribed to the brief, including any notes about them representing the Minister.

ⁱⁱⁱ Departmental Representatives should attend in person. If the line area drafting the brief does not have a staff member located, or already visiting the town of the meeting, please send an AusIndustry representative as the first alternative. If there is no staff member who can attend in person, the phone number of a departmental officer who will be available to be dialled in should be included in the brief. To seek an AusIndustry Representative, the Line Area Manager is to email the [s 22\(1\)\(a\)](mailto:s22(1)(a)@industry.gov.au) [s 22\(1\)\(a\)](mailto:s22(1)(a)@industry.gov.au) who will coordinate for an appropriate officer from AusIndustry to attend.



Australian Government

Department of Industry,
Science and Resources

Meeting Brief

MB25-000263

FOR INFORMATION - Meeting with Fortescue CEO Dino Otranto

9:00am, Tuesday 29 July 2025

TO: Minister for Industry and Innovation; Minister for Science

CC: Assistant Minister for Science, Technology and the Digital Economy

PURPOSE OF MEETING

- You are meeting with Fortescue representatives Dino Otranto, CEO; **s 47F**
 - Fortescue would like to provide you with an update on their decarbonisation activity, progress towards net zero and their plan to produce green iron in the Pilbara.
 - Fortescue are likely to raise their views that the Fuel Tax Credit provides a disincentive for the users to decarbonise their diesel fuel assets, stalling progress against net zero by 2050 targets.
- You may wish to seek Fortescue's reflections on the Prime Minister's engagement on green iron and steel in China.

KEY MESSAGES

- The Future Made in Australia National Interest Framework identifies green metals (iron, steel, alumina and aluminium produced with low or zero emissions) as a priority sector.
 - Australia's substantive iron ore resources, abundant renewable energy sources and skilled workforce mean we can have a comparative advantage in green iron production.
 - Value-adding to iron ore resources with green iron manufacturing will help protect the industry from future economic shocks as more iron ore supply comes online globally.

Green Iron Investment Fund

- The \$1 billion fund Green Iron Investment Fund (GIIF) will support early mover green iron projects to overcome the initial capital hurdle of investment (**MB25-000213** refers). At least \$500 million will be open to applicants around Australia through an open, competitive process. Up to \$500 million will also support the Whyalla steelworks transformation.

Future Made in Australia Innovation Fund

- The FMA Innovation Fund, administered by the Australian Renewable Energy Agency (ARENA), will deliver \$1.7 billion in grants over 10 years to support innovation, commercialisation, pilot and demonstration projects and early stage development in priority sectors, including green metals, clean energy technology manufacturing and low carbon liquid fuels.

Net Zero Plan

- The Australian Government is developing a Net Zero Plan to guide Australia's transition to a net zero economy by 2050, underpinned by six sectoral decarbonisation plans that will cover all major sources of emissions across the economy. Together, these will set out government priorities, policies and measures to drive down emissions.
- You are responsible for the Industrial Sector Plan. The Industrial Sector Plan will cover nine sub-sectors that represent the greatest opportunity and need for decarbonisation, and those industries most impacted by the economy's transition.

Fuel Tax Credits (FTCs)

- The Fuel Tax Credit (FTC) scheme provides eligible businesses with a credit equal to the tax paid on fuel used as an input when producing goods and services. FTCs on eligible fuel for business activities are limited to the fuel tax revenues collected on that fuel. Taxation matters, including fuel tax settings, sit within the Treasurer's Portfolio. The Government has not announced any changes to FTCs at this time.

BACKGROUND

Australia-China Steel Dialogue

- The Prime Minister of Australia, the Hon Anthony Albanese MP, travelled to China from 12-18 July for the Australia-China Annual Leaders' Meeting (ALM). As part of the visit, the Prime Minister attended a High Level Business Lunch, a Steel Decarbonisation Roundtable, and a CEO roundtable – all of which were attended by Fortescue Chairman Dr Andrew Forrest or a senior Fortescue representative.
 - As an outcome from the ALM, China and Australia have agreed to establish a new Policy Dialogue on Steel Decarbonisation. The department will work with DFAT and DCCEEW to deliver this officials-level dialogue.

Fortescue's Green Iron projects

- Fortescue is developing its Christmas Creek pilot plant to produce 1,500 tonnes (t) of green iron per annum, ^{s47(1)(b)} The pilot plant would use renewable hydrogen to produce sponge iron, that then goes into an electric smelting furnace to make higher quality iron for use in steelmaking by its customers in China.

- Fortescue has plans to supply over 100 million tonnes (Mt) of 'green iron' to China annually. Fortescue is preparing a feasibility study to develop a 1Mt commercial scale green iron facility s47(1)(b). The feasibility study will consider locations, engineering design, energy system design, integration with infrastructure and costs.
- s 47(1)(b)

Fortescue's decarbonisation ambitions

- Fortescue aims to meet Real Zero by 2030 by investing in 2GW of renewable energy (solar and wind), 4GWh of batteries and an integrated energy transmission system. Some projects are under construction, while some projects require regulatory approvals before reaching final investment decision.
- Fortescue is also working to replace diesel mobile equipment with electric equipment. There are long lead times, with orders placed s 47(1)(b)

Fortescue's green hydrogen technology

- On 24 June 2025, Fortescue, Sparc Technologies and the University of Adelaide launched the [Sparc Hydrogen Advanced Research Pilot](#), SHARP pilot plant showcasing a breakthrough in solar hydrogen technology. The Sparc Hydrogen pilot aims to accelerate the commercialisation of scalable, low-cost hydrogen solutions and may support their broader decarbonisation and green iron ambitions.

Meetings with Fortescue

- You met with Fortescue in Perth on 3 June 2025 (MB25-000213 refers).
- The department met with Fortescue representatives on 18 June 2025 and discussed Fortescue's green iron investments, decarbonisation plans and concerns with the FTC scheme.
- The department is having regular meetings with Fortescue in relation to their Modern Manufacturing Initiative (MMI) grant for the green electrolyser manufacturing facility in Gladstone.

SENSITIVITIES

- s 47(1)(b)

CONSULTATION

The Treasury, Business Grants Hub, Minerals and Resources Division, International Strategy and National Security Division.

Clearance Officer

Louise Talbot

General Manager

Industrial Net Transformation Branch

Ph: S 22

18/7/2025

Contact Officer

S 22

Manager

Green Iron and Steel Policy

Ph: S 22

Senator the Hon Tim Ayres

Minister for Industry and Innovation | Minister for Science

MEETING REQUEST	
Meeting	Meeting with Fortescue
Date:	Tuesday 29 July 2025
Time:	9:00am-9:30am
Location:	APH
Contact: ⁱ	s 47F
Attendees ⁱⁱ :	CEO Dino Otranto s 47F

Bios:	No
Discussion Points:	No
Sensitivities/Issues	Yes
Prior meetings (with min or department)	Yes
Current or previous grant	Yes

Departmental Rep ⁱⁱⁱ :	No
Record of Meeting:	No

Speech Notes:	No
Speech (full text):	No
Q&A	No
Media Release:	No
Shell Release:	No

Gift: (<i>bilat/international only</i>)	No
--	----

MO Comments:	Fortescue would like to provide a further detailed update on their decarbonisation activity, progress towards net zero and their plan to produce green iron in the Pilbara.
--------------	---

ⁱ If a contact is listed by the Minister's Office, please contact them to confirm any necessary details of the meeting.

ⁱⁱ If an adviser is not listed, there is no need to contact the Minister's Office as this is generally resolved closer to the meeting. However, if an adviser is listed here, please ensure they are on the list transcribed to the brief, including any notes about them representing the Minister.

-
- i If a contact is listed by the Minister's Office, please contact them to confirm any necessary details of the meeting.
 - ii If an adviser is not listed, there is no need to contact the Minister's Office as this is generally resolved closer to the meeting. However, if an adviser is listed here, please ensure they are on the list transcribed to the brief, including any notes about them representing the Minister.
 - iii Departmental Representatives should attend in person. If the line area drafting the brief does not have a staff member located, or already visiting the town of the meeting, please send an AusIndustry representative as the first alternative. If there is no staff member who can attend in person, the phone number of a departmental officer who will be available to be dialled in should be included in the brief. To seek an AusIndustry Representative, the Line Area Manager is to email thes 22(1)(a)(ii) @industry.gov.au who will coordinate for an appropriate officer from AusIndustry to attend.



Ministerial Submission
PDR NUMBER

FOR ACTION - Senate Question on Notice No. 146, 147 and 148

TO: Minister for Industry and Innovation; Minister for Science
CC: Assistant Minister for Science, Technology and the Digital Economy

TIMING

Due to the Table Office by 3 September 2025

Recommendation

- That you **approve** the proposed responses to Senate Questions No. 146, 147 and 148
(Attachment A)

Approved / Not approved

Signature	Date: / /2025
-----------	---------------------

KEY POINTS

- On 4 August 2025 Senator James Paterson, Senator for Victoria, asked Senate Question No. 147 of the Minister for Industry and Innovation and Senate Question No. 148 of the Minister for Science. On 4 August 2025 Senator Paterson also asked Senate Question No. 146 of the Minister for Finance, which was transferred to the Minister for Industry and Innovation on 21 August 2025. As all of these questions were the same, they have been combined in the proposed response at [Attachment A](#).
- Gladstone Fortescue Future Industries Pty Ltd (Fortescue) was awarded a grant of \$44,946,000 under the Modern Manufacturing Initiative (MMI) Collaboration Stream to deliver the Green Hydrogen Gigafactory – Electrolyser Manufacturing Facility (GEF) project in Gladstone, Queensland.
- s 47(1)(b)
- s 47(1)(b)
- On 24 July 2025 Fortescue announced publicly their decision to not continue their Gladstone Hydrogen related projects (PEM50 and the Gladstone Electrolyser Facility). You met with representatives from Fortescue on 29 July 2025 (**MB25-000263** refers).
- From 25 July 2025, following Fortescue’s announcement of their decision to close the site, the department has worked with your office to provide responses to several media requests regarding the cessation of the project and any possible repayment of grant funds
- The first step of the termination process is confirming the final status of the project. A final report and audited financial statement are required for us to agree how much of the project activity has been completed and the total expenditure on the project. The final report has been received, and we expect the audited financial statement by mid-September 2025.
- s 47(1)(b)
- s 47(1)(b)

The terms of the termination have not yet been negotiated, this includes any potential repayments to the Commonwealth.

— s 47(1)(b), s 47C

- Once we have reviewed all the information required from Fortescue and confirmed requirements for repayment, a position will be provided to Fortescue in writing which will form the basis of the negotiation. We will keep your office informed as this progresses.
- s 47(1)(b), s 47C
- Senator Paterson has asked questions that seek detail relating to the grant agreement between Fortescue and the Commonwealth for this project. As the termination of the grant agreement is currently being negotiated, the publication of details relating to that agreement could have a negative impact on the negotiation process.
 - s 47(1)(b)
- s 47C

Clearance Officer
Kimberley Shrives
A/g Head of Division
Business Grants Hub
28 August 2025

Contact Officer
s 22(1)(a)
Manager
s 22(1)(a)(ii)

CONSULTATION

Corporate and Information Law

ATTACHMENTS

- A: Responses to Senate Question No. 146, 147 and 148
B: Copy of Grant Agreement between DISR and Gladstone Fortescue Future Industries Pty Ltd
C: Copy of the (Publicly Available) template Grant Agreement for Modern Manufacturing Initiative – Collaboration Steam

**Minister for Industry and Innovation
Minister for Science**

Senate Question Nos. 146, 147 and 148

Senator Paterson asked Senate Question No. 147 of the Minister for Industry and Innovation and Senate Question No. 148 of the Minister for Science on 04 August 2025. Senator Paterson also asked Senate Question No. 146 of the Minister for Finance on 04 August 2025, which was transferred to the Minister for Industry and Innovation on 21 August 2025:

1. With reference to the grant award with internal reference ID MMIMCS000124, made to Gladstone Fortescue Future Industries, to support the construction of a Green Hydrogen gigafactory in Queensland:
 - a. what conditions were specified in the grant agreement, upon failure of which funds would need to be returned by Fortescue; and
 - b. were one of these conditions a warranty that the project would be completed.
2. It is reported that Andrew Forrest has committed that Fortescue will return the grant funding now that the project has been abandoned:
 - a. have these funds been returned to the Commonwealth in whole or in part;
 - b. does the Department expect these funds to be returned;
 - c. if these funds are not returned in full, what steps will the Department take to retrieve them; and
 - d. does the grant agreement give the Department a right to the return of these funds.
3. Do Fortescue or any of Mr Forrest's other businesses owe any other liabilities to the Commonwealth; and if so, when does the Government expect these liabilities to be paid

Senator Ayres: Please see my answer below to the Senator's question:

1. a. The grant agreement sets out the grantee's obligations, supplementary terms and Commonwealth Standard Grant Conditions. These include the grant purpose, activity and outcomes, project milestones and timeframes. A copy of the contract proposed for grant agreements under the MMI-Collaboration program is available on the program page of business.gov.au.

Grant payments are subject to satisfactory progress on the project for the duration of the grant agreement.

Under the terms of this grant, the grantee is required to use project assets funded by the grant for a designated purpose, to ensure those assets are not left unused, used for any other purpose or otherwise disposed of during a designated period.

- b. No.

2.
 - a. No
 - b. Yes
 - c. The Department will take steps in accordance with repayment provisions of the grant agreement.
 - d. Yes.
3. The Department of Industry, Science and Resources does not hold records related to all of Mr Forrest's interactions with the Commonwealth and is therefore unable to answer this question.



Australian Government

Department of Industry, Science,
Energy and Resources

Commonwealth Standard Grant Agreement

between the Commonwealth represented by

Department of Industry, Science, Energy and Resources

and

<Grantee>

NB: This is an example standard grant agreement intended for use with the Modern Manufacturing Initiative - Manufacturing Collaboration Stream. The Commonwealth reserves the option to amend or adjust the form of the grant agreement.

Contents

Grant Agreement <grant number>	3
Parties to this Agreement.....	3
Background.....	3
Scope of this Agreement.....	3
Grant Details <grant number>	5
A. Purpose of the Grant.....	5
B. Activity.....	5
C. Duration of the Grant.....	5
D. Payment of the Grant.....	6
E. Reporting	6
F. Party representatives and address for notices	6
G. Activity Material	7
H. Project Participants	7
Supplementary Terms.....	8
Schedule 1: Commonwealth Standard Grant Conditions.....	21
Signatures.....	32
Commonwealth	32
Grantee	32
Schedule 2 Reporting requirements.....	33

Grant Agreement <grant number>

Once completed, this document, together with the Grant Details and the Commonwealth Standard Grant Conditions (Schedule 1), forms an Agreement between the Commonwealth and the Grantee.

Parties to this Agreement

The Grantee

Full legal name of Grantee	<entity name>
Legal entity type (e.g. individual, incorporated association, company, partnership, etc)	<ABR entity type>
Trading or business name	<trading name>
Any relevant licence, registration or provider number	Not applicable
Australian Business Number (ABN) or other entity identifiers	<ABN>
Australian Company Number (ACN)	<ACN>
Registered for Goods and Services Tax (GST)?	<GST status + if statement>
Date from which GST registration was effective?	<GST registered date>
Registered office address	<ABR registered address> <city> <state> <postcode>
Relevant business place	<business street address> <city> <state> <postcode>

The Commonwealth

The Commonwealth of Australia represented by the
Department of Industry, Science, Energy and Resources
of 10 Binara Street CANBERRA ACT 2600
ABN 74 599 608 295

Background

The Commonwealth has agreed to enter this Agreement under which the Commonwealth will provide the Grantee with a Grant for the purpose of assisting the Grantee to undertake the associated Activity.

The Grantee agrees to use the Grant and undertake the Activity in accordance with this Agreement and the relevant Grant Details.

Scope of this Agreement

This Agreement comprises:

- (a) this document;

- (b) the Supplementary Terms (if any);
- (c) the Standard Grant Conditions (Schedule 1);
- (d) the Grant Details;
- (e) any other document referenced or incorporated in the Grant Details or referenced elsewhere in the Agreement; and
- (f) any schedules or annexures to this Agreement.

If there is any ambiguity or inconsistency between the documents comprising this Agreement in relation to a Grant, the document appearing higher in the list will have precedence to the extent of the ambiguity or inconsistency.

This Agreement represents the Parties' entire agreement in relation to the Grant provided under it and the relevant Activity and supersedes all prior representations, communications, agreements, statements and understandings, whether oral or in writing.

Certain information contained in or provided under this Agreement may be used for public reporting purposes.

Grant Details <grant number>

A. Purpose of the Grant

The Grant is being provided as part of the Modern Manufacturing Initiative - Manufacturing Collaboration Stream grant opportunity.

<Grant opportunity objectives>

<Grant opportunity outcomes>

B. Activity

The Activity is made up of the Grantee's project and all eligible project activities as specified in these Grant Details.

Project title

<project title>

Project scope and description

<detailed project description>

Project outcomes

<project outcomes>

In undertaking the Activity, the Grantee must comply with the requirements of the grant opportunity guidelines (as in force at the time of application).

The Grantee must notify the Commonwealth about events relating to the project and provide an opportunity for the Minister or their representative to attend.

C. Duration of the Grant

The Activity starts on <project start date> and ends on <project end date>, which is the **Activity Completion Date**.

The Agreement ends on <agreement end date> which is the **Agreement End Date**.

Activity Schedule

In undertaking the Activity, the Grantee will meet the following milestones by the due dates.

Milestone number	Milestone name and description	Due date
<No>	<milestone name> <milestone description>	<dd/mm/yyyy>
<No>	AIP plan Implementation Report submitted to the Commonwealth	<dd/mm/yyyy>

D. Payment of the Grant

The total amount of the Grant is <grant amount> (plus GST if applicable).

The Grant will be provided at up to <grant percentage> per cent of eligible expenditure as defined in the grant opportunity guidelines subject to availability of Program funds.

The Grant will be paid in accordance with clause ST2.

The Grant will be paid according to the following schedule. Payments are subject to satisfactory progress on the project and compliance by the Grantee with its obligations under this Agreement.

Payment event	Payment amount (GST excl)	Anticipated payment date
<Payment trigger>	<insert amount>	<insert date>
<Payment trigger>	<insert amount>	<insert date>
Total	<total grant amount>	

Invoicing

The Grantee agrees to allow the Commonwealth to issue it with a Recipient Created Tax Invoice (RCTI) for any taxable supplies it makes in relation to the Activity.

E. Reporting

The Grantee agrees to provide the following reports to the Commonwealth representative in accordance with the reporting requirements (Schedule 2).<reporting table>

During the Agreement period, the Commonwealth may ask the Grantee for ad-hoc reports on the project. The Grantee must provide these reports in the timeframes notified by the Commonwealth.

F. Party representatives and address for notices

Grantee's representative and address

Grantee's representative name	<primary contact name>
Position	<primary contact position>
Address	<primary contact address>
Business hours telephone	<phone number>
Mobile	<mobile phone>
Email	<email address>

Commonwealth representative and address

Name of representative	<CSM name>
Position	<CSM position>

Postal address	GPO Box 2013 CANBERRA ACT 2601
Physical address	<CSM physical address> If blank 10 Binara Street CANBERRA ACT 2600
Business hours telephone	<CSM phone>
Email	<Program email address>

The Parties' representatives will be responsible for liaison and the day-to-day management of the Grant, as well as accepting and issuing any written notices in relation to the Grant.

G. Activity Material

Not applicable

H. Project Participants

The Grantee's subcontractors who are Project Participants are:

Project Participant Name	Project Participant ABN
<Project Participant name>	<insert ABN>

Supplementary Terms

ST1. Other Contributions

ST1.1 In this Agreement, Other Contributions means the financial or in-kind contributions other than the Grant set out in the following table:

Contributor	Nature of Contribution	Amount (GST exclusive)	Timing
Grantee	< insert description of contribution, e.g., cash, access to equipment, secondment of personnel etc>	\$<insert amount>	<project end date>
<name of third party providing the Other Contribution>	<insert description of contribution, e.g., cash, access to equipment, secondment of personnel etc>	\$<insert amount>	<insert date or Milestone to which the Other Contribution relates>
Total		\$<total other contributions>	

ST1.2 The Grantee agrees to provide, or to ensure the provision of, the Other Contributions and to use them to undertake the Activity. If the Other Contributions are not provided in accordance with this clause, then the Commonwealth may:

- (a) suspend payment of the Grant until the Other Contributions are provided; or
- (b) terminate this Agreement in accordance with clause 19 of this Agreement.

ST2. Activity Budget

ST2.1 In this Agreement, Appropriation means money drawn from the Consolidated Revenue Fund.

ST2.2 The Grantee agrees to use the Grant and any Other Contributions and undertake the Activity consistently with the Activity Budget in the following table:

<budget table>

Figures in the above table are GST inclusive amounts less GST credits that can be claimed in relation to the expenditure.

ST2.3 Subject to sufficient appropriation being available, the Grant will be paid up to the Annual Capped Amounts over the financial years specified in the following table.

Annual Capped Amounts

Financial year	Annual capped amount (GST excl)
<Insert financial year: yyyy-yy>	\$<amount>
<Insert financial year: yyyy-yy>	\$<amount>
<Insert financial year: yyyy-yy>	\$<amount>
<Insert financial year: yyyy-yy>	\$<amount>
Total	\$<total grant amount>

ST2.4 The Commonwealth is not required to make a payment if it would result in the amount paid in a financial year exceeding the Annual Capped Amount for that financial year specified in the table under clause ST2.3.

ST2.5 In accordance with the Activity Budget under clause ST2.2, the Annual Capped Amounts may not be exceeded unless the Commonwealth specifically approves an increase of that amount under clause ST2.8.

ST2.6 Subject to this clause, the Grantee may reallocate expenditure in respect of categories of expenditure in the Activity Budget, provided it does not materially change the Activity, any Milestone(s) set out in this Agreement, or cause the Grantee to be in breach of any of its obligations under this Agreement.

ST2.7 The Grantee must give the Commonwealth:

- (a) at any time the Grantee wishes to request a variation to any one or more of the Annual Capped Amounts; or
- (b) if otherwise requested by the Commonwealth,

a revised Activity Budget in a form acceptable to the Commonwealth. The revised Activity Budget must clearly identify any proposed changes, including of any proposed changes to the Annual Capped Amounts, and explain the reasons for the proposed changes.

ST2.8 The Commonwealth may, at its discretion, approve or reject a revised Activity Budget provided under clause ST2.7 and/or any proposed changes to the Annual Capped Amounts. The Commonwealth's approval may be granted subject to conditions.

ST2.9 If a revised Activity Budget and any proposed changes to the Annual Capped Amounts are approved by the Commonwealth, then it will become the Activity Budget and, if relevant, the Annual Capped Amounts will be adjusted accordingly.

ST3. Intellectual property in Activity Material

Not applicable

ST4. Access/monitoring/inspection

ST4.1 The Grantee agrees to give the Commonwealth, or any persons authorised in writing by the Commonwealth:

- (a) access to premises where the Activity is being performed and/or where Material relating to the Activity is kept within the time period specified in a Commonwealth notice; and
- (b) permission to inspect and take copies of any Material relevant to the Activity.

ST4.2 The Auditor-General and any Information Officer under the *Australian Information Commissioner Act 2010* (Cth) (including their delegates) are persons authorised for the purposes of clause ST4.1.

ST4.3 This clause ST4 does not detract from the statutory powers of the Auditor-General or an Information Officer (including their delegates).

ST5. Equipment and Assets

ST5.1 In this Agreement

Asset means any item of property purchased, leased, created or otherwise brought into existence wholly, or in part, with the use of the Grant, excluding Intellectual Property Rights.

ST5.2 The Grantee agrees to obtain the Commonwealth's prior written approval to use the Grant to purchase any item of equipment or Asset for more than \$50,000 (including GST), apart from those listed in the Activity Budget and/or detailed below:

<Equipment and Assets table>

ST5.3 Unless otherwise agreed in writing by the Commonwealth, the Grantee must ensure that it owns any equipment or asset acquired with the Grant.

ST5.4 Unless to the extent the Commonwealth agrees otherwise in writing, the Grantee agrees to use the Asset for the purpose of the Activity. The Commonwealth may give its agreement subject to conditions and the Grantee must comply with any such conditions.

ST5.5 The Grantee agrees to maintain a register of all Assets with a value of \$50,000 (including GST) or more at the time of the Asset's purchase, lease, creating or bringing into existence in the form specified below and to provide the register to the Commonwealth upon request.

Item number	Description	Total cost (including GST)
<i>Reference</i>	<i>Description of the equipment or asset</i>	<i>Total cost of the equipment or asset</i>

ST5.6 Without limitation to the Commonwealth's rights or Grantee's obligations under clause ST27 (Designated Use) (if applicable), on expiration or termination of the Agreement, the Grantee agrees to transfer any Asset to the Commonwealth or a third party nominated by the Commonwealth or otherwise deal with the Asset as directed by the Commonwealth.

ST6. Specified Personnel

Not applicable

ST7. Relevant qualifications, licences, permits, approvals or skills

ST7.1 The Grantee agrees to ensure that personnel performing work in relation to the Activity:

- (a) are appropriately qualified to perform the tasks indicated;
- (b) have obtained the required qualifications, licences, permits, approvals or skills before performing any part of the Activity, including
 - (i) <activities and qualifications>
- (c) continue to maintain all relevant qualifications, licences, permits, approvals or skills for the duration of their involvement in the Activity.

ST8. Vulnerable Persons

Not applicable

ST9. Child safety

Not applicable

ST10. Commonwealth Material, facilities and assistance

Not applicable

ST11. Jurisdiction

ST11.1 This Agreement is governed by the law of the Australian Capital Territory.

ST12. Grantee trustee of trust (if applicable)

ST12.1 In this Agreement, **Trust** means the trust specified in the Parties to the Agreement section of this Agreement.

ST12.2 The Grantee warrants that:

- (a) it is the sole trustee of the Trust; and
- (b) it has full and valid power and authority to enter into this Agreement and perform the obligations under it on behalf of the Trust; and
- (c) it has entered into this Agreement for the proper administration of the Trust; and
- (d) all necessary resolutions, consents, approvals and procedures have been obtained or duly satisfied to enter into this Agreement and perform the obligations under it; and
- (e) it has the right to be indemnified out of the assets of the Trust for all liabilities incurred by it under this Agreement.

ST13. Fraud

ST13.1 In this Agreement, **Fraud** means dishonestly obtaining a benefit, or causing a loss, by deception or other means, and includes alleged, attempted, suspected or detected fraud.

ST13.2 The Grantee must ensure its personnel and subcontractors do not engage in any Fraud in relation to the Activity.

ST13.3 If the Grantee becomes aware of:

- (a) any Fraud in relation to the performance of the Activity; or
- (b) any other Fraud that has had or may have an effect on the performance of the Activity;

then it must within 5 Business Days report the matter to the Commonwealth and all appropriate law enforcement and regulatory agencies.

ST13.4 The Grantee must, at its own cost, investigate any Fraud referred to in clause ST13.3 in accordance with the Australian Government Investigations Standards available at www.ag.gov.au.

ST13.5 The Commonwealth may, at its discretion, investigate any Fraud in relation to the Activity. The Grantee agrees to co-operate and provide all reasonable assistance at its own cost with any such investigation.

ST13.6 This clause survives the termination or expiry of the Agreement.

ST14. Prohibited dealings

ST14.1 In this Agreement

- Listed Terrorist Organisation** means an organisation listed as a terrorist organisation pursuant to Division 102 of the *Criminal Code Act 1995* (Cth). This list is available at: <https://www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/default.aspx>;
- Consolidated List** means the list of all individuals and entities subject to targeted financial sanctions pursuant to the Charter of the *United Nations Act 1945* (Cth) and the *Autonomous*

Sanctions Act 2011 (Cth). This list is available at:

<https://dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx>;

**World Bank
Listing of
Ineligible
Firms and
Individuals**

means the list of firms and individuals ineligible to be awarded a World Bank-financed contract. This list is available at:

<https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>

ST14.2 The Grantee agrees to take all reasonable steps to ensure that all individuals or entities involved in carrying out the Activity, including the Grantee itself and its officers, employees, contractors and agents:

- (a) are not directly or indirectly engaged in preparing, planning, assisting in or the doing of a terrorist act;
- (b) are not, and do not become a Listed Terrorist Organisation;
- (c) are not, and do not become listed on the Consolidated List;
- (d) are not, and do not become listed on the World Bank Listing of Ineligible Firms and Individuals;
- (e) are not owned or controlled by any individual or entity mentioned in the lists referred to in ST14.2 (b) to (d); and
- (f) do not provide direct or indirect support, resources or assets (including any Commonwealth funding) to any individual or entity associated with terrorism or mentioned in the lists referred to in ST14.2 (b) to (d).

ST14.3 The Grantee agrees to inform the Commonwealth immediately if the Grantee discovers that the Grantee itself or any of its officers, employees, contractors or agents or any other individual or entity involved in carrying out the Activity may have contravened this clause ST14.

ST15. Anti-corruption

ST15.1 In this Agreement:

Illegal or Corrupt Practice means directly or indirectly:

- (a) making or causing to be made, any offer, gift, payment, consideration or benefit of any kind to any party, or
- (b) receiving or seeking to receive, any offer, gift, payment, consideration or benefit of any kind from any party, as an inducement or reward in relation to the performance of the Activity, which would or could be construed as an illegal or corrupt practice;

ST15.2 The Grantee warrants that the Grantee, its officers, employees, contractors, agents and any other individual or entity involved in carrying out the Activity have not, engaged in an Illegal or Corrupt Practice.

ST15.3 The Grantee agrees not to, and to take all reasonable steps to ensure that its officers, employees, contractors, agents and any other individual or entity involved in carrying out the Activity do not:

- (a) engage in an Illegal or Corrupt Practice; or

- (b) engage in any practice that could constitute the offence of bribing a foreign public official contained in section 70.2 of the Criminal Code Act 1995 (Cth).

ST15.4 The Grantee agrees to inform the Commonwealth within five Business Days if the Grantee becomes aware of any activity as described in ST15.3 in relation to the performance of the Activity.

ST16. Step-in rights

Not applicable

ST17. Grant administrator

Not applicable

ST18. Management Adviser

Not applicable

ST19. Indemnities

ST19.1 The Grantee indemnifies the Commonwealth, its officers, employees and contractors against any claim, loss or damage arising in connection with the Activity.

ST19.2 The Grantee's obligation to indemnify the Commonwealth will reduce proportionally to the extent any act or omission involving fault on the part of the Commonwealth contributed to the claim, loss or damage.

ST20. Compliance with Legislation and policies

ST20.1 In this Agreement:

Legislation means a provision of a statute or subordinate legislation of the Commonwealth, or of a State, Territory or local authority.

ST20.2 The Grantee agrees to comply with all Legislation applicable to its performance of this Agreement.

ST20.3 The Grantee agrees, in carrying out its obligations under this Agreement, to comply with any of the Commonwealth's policies as notified, referred or made available by the Commonwealth to the Grantee (including by reference to an internet site).

ST20.4 In carrying out the Activity, the Grantee must comply with the following applicable policies/laws:

- (a) All State, Territory or Commonwealth law relating to the employment or engagement of people who work or volunteer with children in relation to the Activity including mandatory reporting and working with children checks however described and, if requested, provide the Commonwealth, at the Grantee's cost, with an annual statement of compliance with these requirements in such form as may be specified by the Commonwealth
- (b) The Building Code 2016¹ (Building Code) and the Australian Government's Work Health and Safety Accreditation Scheme² (the Scheme); and
- (c) All state and Territory laws relating to COVID-19 health regulations

¹ The Building Code 2016 can be found at <https://www.abcc.gov.au/building-code/building-code-2016>

² The Work Health and Safety Accreditation Scheme can be found at <https://www.fsc.gov.au/what-accreditation-1>

ST21. Work health and safety

ST21.1 The Grantee agrees to ensure that it complies at all times with all applicable work health and safety legislative and regulatory requirements and any additional work health and safety requirements set out in the Grant Details.

ST21.2 If requested by the Commonwealth, the Grantee agrees to provide copies of its work health and safety management plans and processes and such other details of the arrangements it has in place to meet the requirements referred to in clause ST21.1.

ST21.3 When using the Commonwealth's premises or facilities, the Grantee agrees to comply with all reasonable directions and procedures relating to work health and safety and security in effect at those premises or facilities, as notified by the Commonwealth or as might reasonably be inferred from the use to which the premises or facilities are being put.

ST22. Transition

Not applicable

ST23. Corporate Governance

ST23.1 In this Agreement:

Constitution means (depending on the context):

- (a) a company's, body corporate's or incorporated association's constitution, or equivalent documents, which (where relevant) includes rules and any amendments that are part of the constitution;
- (b) in relation to any other kind of body:
 - (i) the body's charter or memorandum; or
 - (ii) any instrument or law constituting or defining the constitution of the body or governing the activities of the body or its members.

ST23.2 The Grantee warrants that nothing in its Constitution conflicts with its obligations under this Agreement.

ST23.3 The Grantee agrees to provide a copy of its Constitution to the Commonwealth upon request and inform the Commonwealth whenever there is a change in the Grantee's Constitution, structure or management.

ST24. Counterparts

ST24.1 This Agreement may be executed in any number of counterparts. All counterparts, taken together, constitute one instrument. A Party may execute this Agreement by signing any counterpart.

ST25. Secret and Sacred Indigenous Material

Not applicable

ST26. Australian Industry Participation plan, Executive Summary and Implementation Report(s)

Australian Industry Participation (AIP) policy or AIP policy means the Australian Government policy designed to ensure full, fair and reasonable opportunity for Australian industry, including small and medium enterprises, to compete for work. This is achieved

through the development and implementation of an AIP plan. More information on the AIP policy and AIP plan requirement can be found at www.industry.gov.au/aip.

Australian Industry Participation (AIP) plan means a plan prepared and implemented by the Grantee in accordance with clause ST26.1.

AIP plan Implementation Report means a report provided to the Commonwealth in accordance with clause ST26.2.

Implementation Report Requirements means the requirements set out in the AIP policy and/or by the Commonwealth requiring the Grantee to complete an AIP plan Implementation Report.

ST26.1 The Grantee must prepare and implement an AIP plan which:

- a) demonstrates how Australian industry will be provided with full, fair and reasonable opportunity to participate in the Activity; and
- b) has been approved by the Commonwealth prior to execution of this Agreement.

ST26.2 In addition, the Grantee must prepare and submit an AIP plan Implementation Report, which:

- a) demonstrate(s) how the Grantee has satisfied the requirements of the AIP plan;
- b) must be submitted to the Commonwealth by the date specified at the relevant Milestone set out in the Activity Schedule, Item C (Duration of the Grant) of the Grant Details.

ST 26.3. If the Commonwealth determines that the AIP plan Implementation Report does not meet the Implementation Report Requirements, is incomplete, inadequate or does not provide sufficient evidence that the AIP plan has been implemented as agreed, the Commonwealth may, by written notice to the Grantee, reject the AIP Plan Implementation Report. Where the Commonwealth rejects the AIP plan Implementation Report, the Commonwealth will provide the Grantee with reasons for the rejection.

ST26.4. If the Commonwealth rejects the AIP plan Implementation Report pursuant to clause ST26.3, the Grantee must amend the AIP plan Implementation Report to address the reasons advised by the Commonwealth and to otherwise meet the Implementation Report Requirements, and provide the amended AIP plan Implementation Report to the Commonwealth within 10 Business Days of receiving the notice issued under clause ST26.3.

ST26.5 If a conflict arises between the AIP plan and this Agreement, this Agreement prevails to the extent of that conflict.

ST26.6 The Grantee consents to the Commonwealth

- a) publishing the executive summary of its AIP plan at www.industry.gov.au/aip once this Agreement is executed; and
- b) collecting and using information, including personal information, supplied in connection with the Activity, AIP plan and AIP plan Implementation Reports for the purposes of:
 - i. meeting the objectives and requirements of the AIP policy;
 - ii. program evaluation and monitoring;
 - iii. policy research, evaluation and development;
 - iv. providing information to the public and industry to assist and improve the participation of Australian entities; and
 - v. as may be otherwise authorised or required by law.

ST26.7 Once approved, the AIP plan will form Schedule 3 to this Agreement. Breach of Schedule 3 will constitute a breach of this Agreement.

ST27. Designated Use

<Optional clause- This clause will be included in Agreements where the Activity involves significant Assets being acquired or created, as determined by the Department.>

ST27.1 In this clause ST27:

Activity Period means the period commencing from the date this Agreement is executed by the last party and ending on the Activity Completion Date;

Asset has the same meaning as that term has in ST 5.1;

Designated Use means in respect of an Asset the designated use as specified by the Commonwealth in a written document and signed by both parties;

Designated Use Period means the period as specified by the Commonwealth in a written document and signed by both parties; and

Dispose means to sell, mortgage or encumber, lease or sublease, assign or otherwise transfer or give up ownership or the right to occupy or use, or to enter into an agreement to do any of the preceding acts.

ST27.2 The Grantee undertakes:

- a) for the Designated Use Period:
 - i. to use the Assets for the Designated Use;
 - ii. to ensure the Assets, are not left unused or unoccupied for a period in excess of 4 weeks without first obtaining the written consent of the Commonwealth (such consent may be withheld at the Commonwealth's discretion); and
 - iii. not to use the Assets, or permit the Assets to be used for any purpose other than the Designated Use, without first obtaining the written consent of the Commonwealth (such consent may be withheld at the Commonwealth's discretion); and
- b) at all times during the Activity Period and the Designated Use Period:
 - i. not to grant or Dispose of any interest in the Assets, and to ensure that any interests in the Assets are not granted or Disposed of, without first obtaining the Commonwealth's consent in writing (such consent may be withheld at the Commonwealth's discretion);
 - ii. to hold all Assets and safeguard them against theft, loss, damage or unauthorised use;
 - iii. to maintain all Assets in good working order;
 - iv. to be fully responsible for, and bear all risk arising in relation to the Assets; and
 - v. to maintain all insurances in respect of any Assets.

<Optional clause- The below formula may need to be amended by the Commonwealth to reflect the nature of the relevant Assets.>

ST27.3 Without limiting the Commonwealth's rights under this Agreement or otherwise at law or in equity, if:

- a) the Agreement terminates prior to the end of the Designated Use Period; or

- b) within the Activity Period or the Designated Use Period the Commonwealth is satisfied that the Grantee has failed to comply with any of its obligations under clause ST27.2 or ST 30.2,

the Commonwealth may by written notice to the Grantee require the Grantee to repay to the Commonwealth the relevant amount calculated according to the following formula:

$$\text{Repayment} = G - (G \times Y / \text{DUP})$$

where:

G is the total of all Grant amounts paid by the Commonwealth to the Grantee plus any interest earned on those Grant amounts, but excluding all monies that have been previously recovered from the Grantee by the Commonwealth for the Activity at the date that the formula is applied;

Y is the number of completed years since the commencement of the Designated Use Period (or if the Designated Use Period has not yet commenced Y is zero); and

DUP is the number of years in the Designated Use Period.

The Grantee must pay to the Commonwealth the amount set out in the notice, within 20 Business Days of the date of the Commonwealth's notice. If the Grantee fails to make payment within 20 Business Days, the Commonwealth may recover the amount specified in its notice as a debt due from the Grantee.

ST27.4 The Grantee acknowledges and agrees that:

- a) the amounts payable by the Grantee under clause ST27.3 represent a genuine and reasonable pre-estimate of the loss to the Commonwealth; and
- b) the Grantee releases the Commonwealth from all claims arising out of or in connection with the Commonwealth's rights under clause ST27.3.

ST27.5 This clause ST27 survives the termination or expiry of the Agreement.

ST28. Security

<The Department may require security to be granted by the Grantee and third parties (such as sub contractors (including Project Participants) of the Grantee or related body corporates) in respect of this Agreement. If so, the Department will provide security agreements or deeds granting the Department security interests in a form acceptable to the Department to the grantee for execution. Separate agreements or deeds with third parties may be required by the Department as part of the Department obtaining security interests, acceptable to the Department.>

ST28.1 The Grantee shall, prior to the commencement of this Agreement, grant or procure the grant to the Commonwealth of Security including over any right, title, interest, property or asset as the Commonwealth determines in its discretion pursuant to agreements or deeds in a form acceptable to the Commonwealth.

ST28.2 This clause ST28 survives the termination or expiry of the Agreement.

ST29. Additional Project Participant, subcontracting and third party obligations

ST29.1 In this clause ST29:

Asset has the same meaning as that term has in clause ST 5.1;

Change in Control has the same meaning as that term has in clause ST 30.1; and

Project Participant has the same meaning as that term has under clause ST30.1.

ST29.2 The Grantee must:

- a) not without the written approval of the Commonwealth subcontract its obligations under this Agreement if the value of the subcontract is greater than \$80,000 or the Project Participant will own any Assets valued at more than \$50,000; and
- b) not permit any third party, other than a Project Participant (if any) with who it has a subcontract to spend any part of the Grant.

ST29.3 If there are Project Participants, the Grantee must:

- a) ensure that Project Participants do not spend any part of the Grant paid to the Project Participants by the Grantee other than for the purpose of performing the Activity (as applicable to that Project Participant) in accordance with the requirement of this Agreement;
- b) ensure its subcontracts with each Project Participant will not conflict with or detract from the rights and entitlements of the Commonwealth under this Agreement;
- c) ensure that its subcontract with each Project Participant includes a requirement for the Project Participant to act in a manner that is consistent with, and enables the Grantee to give effect to, all of the Grantee's obligations under this Agreement. Without limiting the breadth of this clause ST29.3(c), each subcontract with a Project Participant must:
 - i. specify the amount of the Grant to be provided by the Grantee to the Project Participant for the Activity as well as the role of, and any financial or in-kind contribution to be provided by, the Project Participant for the Activity;
 - ii. require the Project Participant to repay to the Grantee any amount of the Grant provided by the Grantee to the Project Participant for the Activity that the Project Participant has not spent on the Activity, or otherwise on termination or expiry of this Agreement;
 - iii. require the Project Participant to provide the Grantee with the information that the Grantee requires to provide the reports required under this Agreement;
 - iv. require the Project Participant to provide the Commonwealth with the access specified in clause ST4 of this Agreement;
 - v. require the Project Participant to comply with all applicable laws;
 - vi. comply with and give effect to clauses ST4 (Access/monitoring/inspection), ST5 (Equipment and Assets), ST7 (Relevant qualifications, licences, permits, approvals or skills), ST13 (Fraud), ST14 (Prohibited Dealings), ST15 (Anti-corruption), ST19 (Indemnities), ST20 (Compliance with Legislation and policies), ST21 (Work health and safety), ST26 (Australian Industry Participation plan, Executive Summary and Implementation Reports(s)), ST27 (Designated Use), ST29 (Additional Project Participant, subcontracting and third party obligations), ST30 (Change in Control), 3 (Acknowledgements), 7 (Conflicts of Interest), 12 (Record keeping), 13 (Reporting and liaison), 14 (Privacy), 15 (Confidentiality), 16 (Insurance), 17 (Intellectual property), 19 (Reduction, Suspension and Termination) and 20 (Cancellation or reduction for convenience) .

<The Department may require a direct deed between a Project Participant and the Department in some circumstances (in a form acceptable to the Department).>

29.4 The Grantee:

- a) is responsible for any Assets acquired or created with the Grant by a third party and must ensure that the third party complies with clauses ST 5 and ST 27 in relation to such Assets;
- b) must provide details in its project expenditure report (Schedule 2) of any Assets that are acquired or created with the Grant by a third party (including any Project Participant);

- c) must obtain the Commonwealth's prior written consent if a third party (including any subcontractor) acquires or creates Assets with the Grant and the amount the Assets are obtained for is equal to or more than \$50,000; and
- d) must if requested by the Commonwealth, procure a third party mentioned in clause ST 29.4(c) to enter into an agreement with the Commonwealth in relation to such Assets on terms specified by the Commonwealth.

ST29.5 This clause ST29 survives the termination or expiry of the Agreement.

ST30. Change in Control

ST 30.1 In this clause ST30:

Change in Control means in relation to the Grantee, Project Participant (if any) or Guarantor (if any), where the ability to exercise or power to control, directly or indirectly:

- a) more than 20% of the voting power of the Grantee, Project Participant or Guarantor;
 - i. the composition of the board of directors of the Grantee, Project Participant or Guarantor;
 - ii. the ability to exercise appoint or remove a majority of directors of the Grantee, Project Participant or Guarantor;
 - iii. decision making, in relation to the financial and operating policies of the Grantee, Project Participant or Guarantor;
 - iv. any change in any person(s) who exercise effective control over the Grantee, Project Participant or Guarantor; or
 - v. more than 20% of the issued share capital of the Grantee, Project Participant or Guarantor,
 - vi. resides with persons other than those holding that power on the date this Agreement commenced.

Designated Use Period means the period as specified by the Commonwealth in a written document and signed by both parties.

Project Participant means each of the subcontractors of the Grantee listed in Item H of the Grant Details and any additional subcontractors that the Commonwealth approves as a Project Participant in writing to the Grantee.

ST30.2 During the period commencing on the date of execution of this Agreement until the later of the Agreement End Date, the Activity Completion Date and the last day of the Designated Use Period, the Grantee must:

- a) seek the Commonwealth's prior written consent to any proposed Change of Control in relation to any of the Grantee, Project Participant (if any) or Guarantor (if any) by providing notice to the Commonwealth at least 20 Business Days before the proposed Change of Control is to occur; and
- b) obtain the Commonwealth's prior written consent prior to a Change in Control in any of the Grantee, Project Participant (if any) or Guarantor (if any).

ST 30.3 If:

- c) the Grantee fails to notify the Commonwealth under clause ST30.2; or
 - i. there is a Change of Control in relation to any of the Grantee, Project Participant (if any) or Guarantor (if any) and the Commonwealth does not provide written consent to the Change of Control under clause ST 30.2(b),
 - ii. the Commonwealth may, at its discretion:
 - iii. reduce the scope of this Agreement under clause 19.1;

- iv. terminate this Agreement in accordance with clause 19.3.1(a); or
- v. require repayment of Grant amounts in accordance with clause 27.3.

ST30.4 This clause ST30 survives the termination or expiry of the Agreement.

ST31. Guarantee

ST31.1 The Grantee shall, prior to the commencement of this Agreement, provide the Commonwealth with deeds of guarantee in the form of Schedule 4 executed by each of the Guarantors.

ST31.2 This clause ST31 survives the termination or expiry of the Agreement.

Schedule 1: Commonwealth Standard Grant Conditions

1. Undertaking the Activity

1.1 The Grantee agrees to undertake the Activity for the purpose of the Grant in accordance with this Agreement.

1.2 The Grantee is fully responsible for the Activity and for ensuring the performance of all its obligations under this Agreement in accordance with all relevant laws. The Grantee will not be relieved of that responsibility because of:

- (a) the grant or withholding of any approval or the exercise or non-exercise of any right by the Commonwealth; or
- (b) any payment to, or withholding of any payment from, the Grantee under this Agreement.

2. Payment of the Grant

2.1 The Commonwealth agrees to pay the Grant to the Grantee in accordance with the Grant Details.

2.2 Notwithstanding any other provision of this Agreement, the Commonwealth may by notice withhold payment of any amount of the Grant and/or take any other action specified in the Supplementary Terms or these Commonwealth Standard Grant Conditions if it reasonably believes that:

- (a) the Grantee has not complied with this Agreement;
- (b) the Grantee is unlikely to be able to perform the Activity or manage the Grant in accordance with this Agreement; or
- (c) there is a serious concern relating to this Agreement that requires investigation.

2.3 A notice under clause 2.2 will contain the reasons any action taken under clause 2.2 and, where relevant, the steps the Grantee can take to address those reasons.

2.4 The Commonwealth will only be obliged to pay the withheld amount once the Grantee has addressed the reasons contained in a notice under clause 2.2 to the Commonwealth's reasonable satisfaction.

3. Acknowledgements

3.1 The Grantee agrees not to make any public announcement, including by social media, in connection with the awarding of the Grant without the Commonwealth's prior written approval.

3.2 The Grantee agrees to acknowledge the Commonwealth's support in all Material, publications and promotional and advertising materials published in connection with this Agreement. The Commonwealth may notify the Grantee of the form of acknowledgement that the Grantee is to use.

4. Notices

4.1 Each Party agrees to promptly notify the other Party of anything reasonably likely to adversely affect the undertaking of the Activity, management of the Grant or its performance of any of its other requirements under this Agreement.

4.2 A notice given by a Party under this Agreement must be in writing and addressed to the other Party's representative as set out in the Grant Details or as most recently updated by notice given in accordance with this clause.

5. Relationship between the Parties

5.1 A Party is not by virtue of this Agreement the employee, agent or partner of the other Party and is not authorised to bind or represent the other Party.

6. Subcontracting

6.1 The Grantee is responsible for the performance of its obligations under this Agreement, including in relation to any tasks undertaken by subcontractors.

Notwithstanding that the Grantee may have subcontracted some of its obligations under this Agreement, the Grantee remains responsible to the Commonwealth for the performance of this Agreement.

6.2 The Grantee agrees to make available to the Commonwealth the details of any of its subcontractors engaged to perform any tasks in relation to this Agreement upon request.

7. Conflict of interest

7.1 Other than those which have already been disclosed to the Commonwealth, the Grantee warrants that, to the best of its knowledge, at the date of this Agreement, neither it nor its officers or subcontractors have any actual, perceived or potential conflicts of interest in relation to the Activity.

7.2 If during the term of the Agreement, any actual, perceived or potential conflict arises or there is any material change to a previously disclosed conflict of interest, the Grantee agrees to:

- (a) notify the Commonwealth promptly and make full disclosure of all relevant information relating to the conflict; and
- (b) take any steps the Commonwealth reasonably requires to resolve or otherwise deal with that conflict.

8. Variation, assignment and waiver

8.1 This Agreement may be varied in writing only, signed by both Parties.

8.2 The Grantee cannot assign its obligations, and agrees not to assign its rights, under this Agreement without the Commonwealth's prior approval.

8.3 The Grantee agrees not to enter into negotiations with any other person for the purposes of entering into an arrangement that will require novation of, or involve any assignment of rights under, this Agreement without first consulting the Commonwealth.

8.4 A waiver by a Party of any of its rights under this Agreement is only effective if it is in a signed written notice to the other Party and then only to the extent specified in that notice.

9. Taxes, duties and government charges

9.1 The Grantee agrees to pay all taxes, duties and government charges imposed or levied in Australia or overseas in connection with the performance of this Agreement, except as provided by this Agreement.

9.2 If Goods and Services Tax (GST) is payable by a supplier on any supply made under this Agreement, the recipient of the supply will pay to the supplier an amount equal to the GST payable on the supply, in addition to and at the same time that the consideration for the supply is to be provided under this Agreement.

9.3 The Parties acknowledge and agree that they each:

- (a) are registered for GST purposes;
- (b) have quoted their Australian Business Number to the other; and
- (c) must notify the other of any changes to the matters covered by this clause.

9.4 The Grantee agrees that the Commonwealth will issue it with a recipient created tax invoice for any taxable supply it makes under this Agreement.

9.5 The Grantee agrees not to issue tax invoices in respect of any taxable supplies.

9.6 If the Grantee is not, or not required to be, registered for GST, then:

- (a) clauses 9.3(a), 9.4 and 9.5 do not apply; and
- (b) the Grantee agrees to notify the Commonwealth in writing within 7 days of becoming registered for GST if during the term of the Agreement it becomes, or is required to become, registered for GST.

10. Spending the Grant

10.1 The Grantee agrees to spend the Grant for the purpose of performing the Activity and otherwise in accordance with this Agreement.

10.2 Within 90 days after the Activity Completion Date, the Grantee agrees to provide a statement signed by the Grantee in a form specified by the Commonwealth verifying the Grant was spent in accordance with this agreement.

10.1 The Grantee agrees to spend the Grant for the purpose of performing the Activity and otherwise in accordance with this Agreement.

10.2 Within 90 days after the Activity Completion Date, the Grantee agrees to provide the Commonwealth with an independently audited financial acquittal report verifying that the Grant has been spent in accordance with this Agreement.

10.3 The reports under clause 10.2 must be audited by:

- (a) a Registered Company Auditor registered under the *Corporations Act 2001* (Cth); or
- (b) a certified Practising Accountant; or
- (c) a member of the Institute of Public Accountants; or
- (d) a member of Chartered Accountants Australia and New Zealand;

who is not a principal member, shareholder, officer or employee of the Grantee or a related body corporate.

11. Repayment

11.1 If any amount of the Grant:

- (a) has been spent other than in accordance with this Agreement; or
- (b) is additional to the requirements of the Activity

then the Commonwealth may, by written notice:

- (c) require the Grantee to repay that amount to the Commonwealth;
- (d) require the Grantee to deal with that amount as directed by the Commonwealth; or
- (e) deduct the amount from subsequent payments of the Grant or amounts payable under another agreement between the Grantee and the Commonwealth.

11.2 If the Commonwealth issues a notice under this Agreement requiring the Grantee to repay a Grant amount:

- (a) the Grantee must do so within the time period specified in the notice;
- (b) the Grantee must pay interest on any part of the amount that is outstanding at the end of the time period specified in the notice until the outstanding amount is repaid in full; and
- (c) the Commonwealth may recover the amount and any interest under this Agreement as a debt due to the Commonwealth without further proof of the debt being required.

12. Record keeping

12.1 The Grantee agrees to keep financial accounts and other records that:

- (a) detail and document the conduct and management of the Activity;
- (b) identify the receipt and expenditure of the Grant and any Other Contributions separately within the Grantee's accounts and records so that at all times the Grant is identifiable;
- (c) enable all receipts and payments related to the Activity to be identified and reported.

12.2 The Grantee agrees to keep the records for five years after the Activity Completion Date or such other time specified in the Grant Details and provide copies of the records to the Commonwealth upon request.

13. Reporting and liaison

13.1 The Grantee agrees to provide the Reporting Material specified in the Grant Details to the Commonwealth.

13.2 In addition to the obligations in clause 13.1, the Grantee agrees to:

- (a) liaise with and provide information to the Commonwealth as reasonably required by the Commonwealth; and
- (b) comply with the Commonwealth's reasonable requests, directions, or monitoring requirements,

in relation to the Activity.

13.3 If the Commonwealth acting reasonably has concerns regarding the performance of the Activity or the management of the Grant, the Commonwealth may by written notice require the Grantee to provide one or more additional reports, containing the information and by the date(s) specified in the notice.

13.4 The Grantee acknowledges that the giving of false or misleading information to the Commonwealth is a serious offence under the *Criminal Code Act 1995* (Cth).

14. Privacy

14.1 When dealing with Personal Information in carrying out the Activity, the Grantee agrees:

- (a) to comply with the requirements of the *Privacy Act 1988* (Cth);
- (b) not to do anything which, if done by the Commonwealth, would be a breach of an Australian Privacy Principle;
- (c) to ensure that any of the Grantee's subcontractors or personnel who deal with Personal Information for the purposes of this Agreement are aware of the requirements of the *Privacy Act 1988* (Cth) and the Grantee's obligations under this clause;
- (d) to immediately notify the Commonwealth if the Grantee becomes aware of an actual or possible breach of this clause by the Grantee or any of the Grantee's subcontractors or personnel.

14.2 In carrying out the Activity, the Grantee agrees not to send any Personal Information outside of Australia without the Commonwealth's prior written approval. The Commonwealth may impose any conditions it considers appropriate when giving its approval.

15. Confidentiality

15.1 The Parties agree not to disclose each other's confidential information without the other Party's prior written consent unless required or authorised by law or Parliament to disclose.

15.2 The Commonwealth may disclose the Grantee's confidential information where;

- (a) the Commonwealth is providing information about the Activity or Grant in accordance with Commonwealth accountability and reporting requirements;
- (b) the Commonwealth is disclosing the information to a Minister of the Australian Government, a House or Committee of the Commonwealth Parliament; or
- (c) the Commonwealth is disclosing the information to its personnel or another Commonwealth agency where this serves the Commonwealth's legitimate interests.

16. Insurance

16.1 The Grantee agrees to maintain adequate insurance for as long as any obligations remain in connection with this Agreement and provide proof of insurance to the Commonwealth upon request.

16.2 The Grantee agrees to provide proof of insurance to the Commonwealth upon request and within the time specified in the request.

17. Intellectual property

17.1 Subject to clause 17.2, the Grantee owns the Intellectual Property Rights in Activity Material and Reporting Material.

17.2 This Agreement does not affect the ownership of Intellectual Property Rights in Existing Material.

17.3 The Grantee provides the Commonwealth a permanent, non-exclusive, irrevocable, royalty-free licence to use, modify, communicate, reproduce, publish, adapt and sub-license the Reporting Material for Commonwealth Purposes.

17.4 The licence in clause 17.3 does not apply to Activity Material.

18. Dispute resolution

18.1 The Parties agree not to initiate legal proceedings in relation to a dispute arising under this Agreement unless they have first tried and failed to resolve the dispute by negotiation.

18.2 Unless clause 18.3 applies, the Parties agree to continue to perform their respective obligations under this Agreement when a dispute exists.

18.3 The Parties may agree to suspend performance of the Agreement pending resolution of the dispute.

18.4 Failing settlement by negotiation in accordance with clause 18.1, the Parties may agree to refer the dispute to an independent third person with power to intervene and direct some form of resolution, in which case the Parties will be bound by that resolution. If the Parties do not agree to refer the dispute to an independent third person, either Party may initiate legal proceedings.

18.5 Each Party will bear their own costs in complying with this clause 18, and the Parties will share equally the cost of any third person engaged under clause 18.4.

18.6 The procedure for dispute resolution under this clause does not apply to any action relating to termination, cancellation or urgent interlocutory relief.

19. Reduction, Suspension and Termination

19.1 Reduction in scope of agreement for fault

19.1.1 If the Grantee does not comply with an obligation under this Agreement and the Commonwealth believes that the non-compliance is incapable of remedy, or if the Grantee has failed to comply with a notice to remedy, the Commonwealth may by written notice reduce the scope of the Agreement.

19.1.2 The Grantee agrees, on receipt of the notice of reduction, to:

- (a) stop or reduce the performance of the Grantee's obligations as specified in the notice;
- (b) take all available steps to minimise loss resulting from the reduction;
- (c) continue performing any part of the Activity or the Agreement not affected by the notice if requested to do so by the Commonwealth;
- (d) report on, and return any part of the Grant to the Commonwealth, or otherwise deal with the Grant, as directed by the Commonwealth.

19.1.3 In the event of reduction under clause 19.1.1, the amount of the Grant will be reduced in proportion to the reduction in the scope of the Agreement.

19.2 Suspension

19.2.1 If:

- (a) the Grantee does not comply with an obligation under this Agreement and the Commonwealth believes that the non-compliance is capable of remedy;
- (b) the Commonwealth reasonably believes that the Grantee is unlikely to be able to perform the Activity or manage the Grant in accordance with this Agreement; or

- (c) the Commonwealth reasonably believes that there is a serious concern relating to this Agreement that requires investigation;

the Commonwealth may by written notice:

- (d) immediately suspend the Grantee from further performance of the Agreement (including expenditure of the Grant); and/or
- (e) require that the non-compliance or inability be remedied, or the investigation be completed, within the time specified in the notice.

19.2.2 If the Grantee:

- (a) remedies the non-compliance or inability specified in the notice to the Commonwealth's reasonable satisfaction, or the Commonwealth reasonably concludes that the concern is unsubstantiated, the Commonwealth may direct the Grantee to recommence performing the Activity; or
- (b) fails to remedy the non-compliance or inability within the time specified, or the Commonwealth reasonably concludes that the concern is likely to be substantiated, the Commonwealth may reduce the scope of the Agreement in accordance with clause 19.1 or terminate the Agreement immediately by giving a second notice in accordance with clause 19.3.

19.3 Termination for fault

19.3.1 The Commonwealth may terminate this Agreement by notice where the Grantee has:

- (a) failed to comply with an obligation under this Agreement and the Commonwealth believes that the non-compliance is incapable of remedy or where clause 19.2.2(b) or clause ST30.3 applies;
- (b) provided false or misleading statements in relation to the Grant; or
- (c) become bankrupt or insolvent, entered into a scheme of arrangement with creditors, or come under any form of external administration.

19.3.2 The Grantee agrees, on receipt of the notice of termination, to:

- (a) stop the performance of the Grantee's obligations;
- (b) take all available steps to minimise loss resulting from the termination; and
- (c) report on, and return any part of the Grant to the Commonwealth, or otherwise deal with the Grant, as directed by the Commonwealth.

20. Cancellation or reduction for convenience

20.1 The Commonwealth may cancel or reduce the scope of this Agreement by notice, due to:

- (a) a change in government policy

20.2 On receipt of a notice of reduction or cancellation under this clause, the Grantee agrees to:

- (a) stop or reduce the performance of the Grantee's obligations as specified in the notice; and
- (b) take all available steps to minimise loss resulting from that reduction or cancellation; and
- (c) continue performing any part of the Activity or the Agreement not affected by the notice if requested to do so by the Commonwealth;

- (d) report on, and return any part of the Grant to the Commonwealth, or otherwise deal with the Grant, as directed by the Commonwealth.

20.3 In the event of reduction or cancellation under this clause, the Commonwealth will be liable only to:

- (a) pay any part of the Grant due and owing to the Grantee under this Agreement at the date of the notice; and
- (b) reimburse any reasonable and substantiated expenses the Grantee unavoidably incurs that relate directly and entirely to the reduction in scope or cancellation of the Agreement.

20.4 In the event of reduction, the amount of the Grant will be reduced in proportion to the reduction in the scope of the Agreement.

20.5 The Commonwealth's liability to pay any amount under this clause is:

- (a) subject to the Grantee's compliance with this Agreement; and
- (b) limited to an amount that when added to all other amounts already paid under the Agreement will not exceed the total amount of the Grant.

20.6 The Grantee will not be entitled to compensation for loss of prospective profits or benefits that would have been conferred on the Grantee but for the cancellation or reduction in scope of the Agreement under clause 20.1.

20.7 The Commonwealth will act reasonably in exercising its rights under this clause.

21. Survival

21.1 The following clauses survive termination, cancellation or expiry of this Agreement:

- clause 10 (Spending the Grant);
- clause 11 (Repayment);
- clause 12 (Record keeping);
- clause 13 (Reporting);
- clause 14 (Privacy);
- clause 15 (Confidentiality);
- clause 16 (Insurance)
- clause 17 (Intellectual property);
- clause 19 (Reduction, Suspension and Termination);
- clause 21 (Survival);
- clause 22 (Definitions);
- ST4 (Access/monitoring/inspection);
- ST5 (Equipment and Assets);
- ST7 (Relevant qualifications, licences, permits, approvals or skills);
- ST 13 (Fraud);
- ST14 (Prohibited Dealings);
- ST 15 (Anti-corruption);
- ST19 (Indemnities);

- ST26 (Australian Industry Participation plan, Executive Summary and Implementation Reports(s));
- ST 27 (Designated Use);
- ST 28 (Security);
- ST 29 (Subcontractors);
- ST30 (Change in Control);
- ST31 (Guarantee); and
- any other clause which expressly or by implication from its nature is meant to survive.

22. Definitions

22.1 In this Agreement, unless the contrary appears:

- **Activity** means the activities described in the Grant Details and includes the provisions of the Reporting Material.
- **Activity Completion Date** means the date or event specified in the Grant Details.
- **Activity Material** means any Material, other than Reporting Material, created or developed by the Grantee as a result of the Activity and includes any Existing Material that is incorporated in or supplied with the Activity Material.
- **Agreement** means the document titled Grant Agreement, Grant Details, Supplementary Terms (if any), the Commonwealth Standard Grant Conditions and any other document referenced or incorporated in the Grant Details or referenced elsewhere in the Agreement and any schedules or annexures to this Agreement.
- **Agreement End Date** means the date or event specified in the Grant Details.
- **Amount Owed** means all money and amounts (in any currency) that the Grantee is or may become liable at any time (presently, prospectively or contingently, whether alone or not and in any capacity) to pay to or for the account of the Commonwealth (whether alone or not and in any capacity) under or in connection with this Agreement. It includes money and amounts:
 - (a) in the nature of principal, interest, fees, costs, charges, expenses, duties, indemnities, guarantee obligations or damages;
 - (b) whether arising or contemplated before or after the date of this document or as a result of the assignment (with or without the Grantee's consent) of any debt, liability or this Agreement; and
 - (c) which a person would be liable to pay but for the bankruptcy or insolvency, entry into a scheme of arrangement with creditors, or any form of external administration.
- **Australian Privacy Principle** has the same meaning as in the *Privacy Act 1988*.
- **Business Day** means any day that is not a Saturday, Sunday or public holiday in Canberra, Australian Capital Territory.
- **Commonwealth** means the Commonwealth of Australia as represented by the Commonwealth entity specified in the Agreement and includes, where relevant, its officers, employees, contractors and agents.
- **Commonwealth Purposes** includes the following:
 - (a) the Commonwealth verifying and assessing grant proposals, including a grant application;

- (b) the Commonwealth administering, monitoring, reporting on, auditing, publicising and evaluating a grant program or exercising its rights under this Agreement;
- (c) the Commonwealth preparing, managing, reporting on, auditing and evaluating agreements, including this Agreement; and
- (d) the Commonwealth developing and publishing policies, programs, guidelines and reports, including Commonwealth annual reports;

but in all cases:

- (e) excludes the commercialisation (being for-profit use) of the Material by the Commonwealth.

- **Commonwealth Standard Grant Conditions** means this document.
- **Existing Material** means Material developed independently of this Agreement that is incorporated in or supplied as part of Reporting Material or Activity Material.
- **Grant** means the money, or any part of it, payable by the Commonwealth to the Grantee for the Activity as specified in the Grant Details and includes any interest earned by the Grantee on that money once the Grant has been paid to the Grantee.
- **Grantee** means the legal entity other than the Commonwealth specified in the Agreement and includes, where relevant, its officers, employees, contractors and agents.
- **Grant Details** means the document titled Grant Details that forms part of this Agreement.
- **Guarantor** means each of the guarantors as specified by the Commonwealth in a written document and signed by both parties.
- **Intellectual Property Rights** means all copyright, patents, registered and unregistered trademarks (including service marks), registered designs, and other rights resulting from intellectual activity (other than moral rights under the *Copyright Act 1968*).
- **Material** includes documents, equipment, software (including source code and object code versions), goods, information and data stored by any means including all copies and extracts of them.
- **Party** means the Grantee or the Commonwealth.
- **Personal Information** has the same meaning as in the *Privacy Act 1988*.
- **PPS Law** means:
 - (a) the PPSA and any regulation made at any time under the PPSA, including the PPS Regulations (each as amended from time to time); and
 - (b) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).
- **PPS Regulations** means the *Personal Property Securities Regulations 2010* (Cth).
- **PPSA** means the *Personal Property Securities Act 2009* (Cth).
- **Records** includes documents, information and data stored by any means and all copies and extracts of the same.
- **Reporting Material** means all Material which the Grantee is required to provide to the Commonwealth for reporting purposes as specified in the Grant Details, and includes any Existing Material that is incorporated in or supplied with the Reporting Material.

- **Security** means any present or future Security Interest created or entered into as security (directly or indirectly) for the payment of any Amount Owing or the performance of any obligation in favour of the Commonwealth under this Agreement.
- **Security Interest** means any:
 - (a) 'security interest' as defined in the PPS Law;
 - (b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements); and
 - (c) thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset, and includes any agreement to create any of them or allow them to exist.

Signatures

Executed as an agreement:

Commonwealth

Signed for and on behalf of the Commonwealth of Australia as represented by the Department of Industry, Science, Energy and Resources.

Name	<name>
Position	<position >
Date	<date of execution >

Grantee

Full legal name of the Grantee	<name of the grantee> <ABN of the grantee>
Name of Authorised Representative	<name of authorised representative>
Date	<date of acceptance>

Schedule 2 Reporting requirements

Appendix 1

Modern Manufacturing Initiative - Manufacturing Collaboration Stream

-

Progress Report A requirements

You will need to provide the following information in your progress reports. The Commonwealth reserves the right to amend or adjust the requirements.

You must complete and submit your report on the [portal](#). You can enter the required information in stages and submit when it is complete.

Project progress

- a. Complete the following table, updating for all milestones shown in the Activity Schedule of your grant agreement.

Milestone	Agreed end date	Actual/ anticipated end date	Current % complete	Progress comments – work undertaken and impact of any delay

- b. Where applicable, describe any project activities completed during the reporting period that are not captured in the table above.
- c. Is your project on track to be completed by the agreed project end date?
- d. Is the overall project proceeding in line with your grant agreement?
If no, identify any changes or anticipated issues. Comment on any impacts on project timing and outcomes and how you expect to manage these.
- e. Are there any planned events relating to the project that you are required to notify us about in accordance with your agreement?
If yes, provide details of the event including date, time, purpose of the event and key stakeholders expected to attend.
- f. How many employees (headcount) do you currently employ?
- g. How many new employees have you hired as a result of your participation in this project?
- Full-time employees
 - Part-time employees
 - Casual employees or contractors
- h. How many of these new employees are undertaking skilled or unskilled roles?

- i. Skilled
- ii. Unskilled

*Skilled: requires an education level of either a bachelor degree or higher; advanced diploma or diploma; certificate III or IV (including trade certificate)

Unskilled: requires an education level of year 12 only and below.

- i. How many employees have you retained as a result of your participation in this project?
 - i. Full-time employees
 - ii. Part-time employees
 - iii. Casual employees or contractors
- j. What proportion of your employees have received training or upskilling specific to your project?
- k. If applicable, please describe and comment on the type of training/skills development undertaken and how upskilling has impacted the competitiveness of your organisation and your project partners.
- l. Since participating in this program, how has your profitability changed? This includes the profitability of your project partners.
- m. Please provide details of you and your project partners' net profit during the last quarter.
- n. As a result of your participation in this program, over the past quarter, how much (dollar value) have you and your project partners invested in:
 - i. Research and development
 - ii. Capital equipment
 - iii. New technology to you and your project partners
 - iv. Design
 - v. Acquisition of licenses
 - vi. Intellectual property
 - vii. Digital transformation activities
 - viii. Transaction costs
- o. Please provide details of you and your project partners' export revenue for the last quarter
- p. How much has your participation in this program increased your ability to manufacture exports?
- q. If applicable, what is the impact on export volume and value?
- r. Since participating in this program, did your organisation introduce any new or significantly improved goods or services that differ significantly from those previously offered?
 - i. Goods
 - ii. Services
 - iii. None of the above
- s. How many new patent or trademark applications can you attribute to participating in this program?

- t. What is the percentage of your total income associated to new products, processes or services developed with the support from the program?

Attachments

- a. Attach any agreed evidence required with this report to demonstrate project progress.
- b. Attach copies of any published reports and promotional material, relating to the project.

Certification

You must ensure an authorised person completes the report and can certify the following:

- The information in this report is accurate, complete and not misleading and that I understand the giving of false or misleading information is a serious offence under the *Criminal Code 1995* (Cth).
- The activities undertaken and the expenditure incurred is in accordance with the grant agreement.
- I am aware of the grantee's obligations under their grant agreement.
- I am aware that the grant agreement empowers the Commonwealth to terminate the grant agreement and to request repayment of funds paid to the grantee where the grantee is in breach of the grant agreement.

Appendix 2

Modern Manufacturing Initiative - Manufacturing Collaboration Stream

-

Progress Report B requirements

You will need to provide the following information in your progress reports. The Commonwealth reserves the right to amend or adjust the requirements.

You must complete and submit your report on the [portal](#). You can enter the required information in stages and submit when it is complete.

Project progress

- a. Complete the following table, updating for all milestones shown in the Activity Schedule of your grant agreement.

Milestone	Agreed end date	Actual/ anticipated end date	Current % complete	Progress comments – work undertaken and impact of any delay

- b. Where applicable, describe any project activities completed during the reporting period that are not captured in the table above.
- c. Is the overall project proceeding in line with your grant agreement?
If no, identify any changes or anticipated issues. Comment on any impacts on project timing and outcomes and how you expect to manage these.

Project outcomes

- a. Since your project commenced, has your organisation gained access to do business in new markets:
- Domestically?
 - Internationally?
 - Both Domestically and Internationally?
- b. Since your project commenced, has the program improved your organisation's ability to participate in global value chains?
If yes, how was it improved?
- c. As a result of the project, please indicate the type of organisation and location of organisation with which your organisation collaborated with to develop or introduce new products, services or processes:

- i. Another business owned by the same company
 - ii. Suppliers
 - iii. Customers/clients
 - iv. Consultants
 - v. Competitors/other businesses from the same industry
 - vi. Higher education institutions
 - vii. Government
 - Research institutions
 - Other government agencies
 - viii. Private non-profit
 - Research institutions
 - Other private not-profit agencies
 - ix. Commercial laboratories or private research and development enterprises
 - x. Other (please specify)
- d. Which of the following types of collaborative arrangements did you use to develop or introduce any new goods, services or processes in your project?
- i. joint research and development
 - ii. joint production of new goods and services
 - iii. joint prototype development
 - iv. sharing of facilities e.g. laboratories
 - v. sharing of staff resources
 - vi. joint marketing or distribution
 - vii. joint training
 - viii. informal arrangement
 - ix. other collaborative arrangements (please specify)
- e. Please identify how many new collaborations and/or partnerships have been formed as a result of this project, and also describe the nature of these, e.g.:
- i. Local and/or international
 - ii. Sharing resources or infrastructure with other organisations
 - iii. Sharing knowledge with other organisations
- f. How many employees (headcount) do you currently employ?
- g. How many new employees have you hired as a result of your participation in this project?
- i. Full-time employees
 - ii. Part-time employees
 - iii. Casual employees or contractors

- h. How many of these new employees are undertaking skilled or unskilled roles?
- i. Skilled
 - ii. Unskilled
- *Skilled: requires an education level of either a bachelor degree or higher; advanced diploma or diploma; certificate III or IV (including trade certificate)
- i. Unskilled: requires an education level of year 12 only and below.
- j. How many employees have you retained as a result of your participation in this project?
- i. Full-time employees
 - ii. Part-time employees
 - iii. Casual employees or contractors
- k. What proportion of your employees have received training or upskilling specific to your project?
- l. Since participating in this program, how has your profitability changed? This includes the profitability of your project partners.
- m. Please provide details of you and your project partners' net profit during the last quarter.
- n. As a result of your participation in this program, over the past six months, how much (dollar value) have you and your project partners invested in:
- i. Research and development
 - ii. Capital equipment
 - iii. New technology to you and your project partners
 - iv. Design
 - v. Acquisition of licenses
 - vi. Intellectual property
 - vii. Digital transformation activities
 - viii. Transaction costs
- o. Please provide details of you and your project partners' export revenue for the last six months
- p. How much has your participation in this program your ability to manufacture exports?
- q. If applicable, what is the impact on export volume and value?
- r. Since participating in this program, did your organisation introduce any new or significantly improved goods or services that differ significantly from those previously offered?
- i. Goods
 - ii. Services
 - iii. None of the above
- s. How many new patent or trademark applications can you attribute to participating in this program?

- t. What is the percentage of your total income associated to new products, processes or services developed with the support from the program?

Project expenditure

Provide the following information about your eligible project expenditure. Eligible expenditure is divided into the same categories as the budget in your application.

If you are registered for GST, enter the GST exclusive amount. If you are not registered for GST, enter the GST inclusive amount. We may ask you to provide evidence of costs incurred.

Refer to the grant opportunity guidelines or contact us if you have any questions about eligible expenditure.

- a. What is the eligible expenditure you have incurred in this reporting period?
- b. What is the estimated eligible expenditure for the next reporting period?
- c. What is the estimated eligible expenditure for remaining reporting periods in current financial year (if applicable)?
- d. What is the estimated total eligible expenditure for future financial years?
- e. What is the estimated total eligible expenditure for the project?
- f. Briefly explain the reason for any changes between the forecast and actual expenditure for the current reporting period, and any significant changes to the forecast budget for the remainder of the project.
- g. Is the project expenditure broadly in line with the activity budget in the grant agreement?
If no, explain the reasons.
- h. Has a project partner (including any approved subcontractor) acquired or created any assets with the grant?
If yes, please provide the value and a description of the asset/s.

Project funding

- a. Provide details of all contributions to your project other than the grant. This includes your own contributions as well as any contributions from government (except this grant), project partners or others.

Attachments

- a. Attach any agreed evidence required with this report to demonstrate project progress.
- b. Attach copies of any published reports and promotional material, relating to the project.

Certification

You must ensure an authorised person completes the report and can certify the following:

- The information in this report is accurate, complete and not misleading and that I understand the giving of false or misleading information is a serious offence under the *Criminal Code 1995* (Cth).

- The activities undertaken and the expenditure incurred is in accordance with the grant agreement.
- I am aware of the grantee's obligations under their grant agreement.
- I am aware that the grant agreement empowers the Commonwealth to terminate the grant agreement and to request repayment of funds paid to the grantee where the grantee is in breach of the grant agreement.

Appendix 3

Modern Manufacturing Initiative - Manufacturing Collaboration Stream - end of project report requirements

You will need to provide the following information in your end of project report. The Commonwealth reserves the right to amend or adjust the requirements.

You must complete and submit your report on the [portal](#). You can enter the required information in stages and submit when it is complete.

Project achievements

- a. Complete the following table, updating for all milestones shown in the Activity Schedule of your grant agreement.

Milestone	Agreed end date	Actual/ anticipated end date	Current % complete	Progress comments – work undertaken and impact of any delay

- b. Where applicable, describe any project activities completed during the reporting period that are not captured in the table above.

Project outcomes

- a. Outline the project outcomes achieved by the project end date.
- b. Has your company expanded to deliver/undertake different activities to your normal organisation activities?
If yes, what type of new activities does your organisation undertake? Select all that apply designing, branding, distribution, and after sales services.
- c. How many employees (headcount) do you currently employ?
- d. How many new employees have you hired as a result of your participation in this project?
- Full-time employees
 - Part-time employees
 - Casual employees or contractors
- e. How many of these new employees are undertaking skilled or unskilled roles?
- Skilled
 - Unskilled

*Skilled: requires an education level of either a bachelor degree or higher; advanced diploma or diploma; certificate III or IV (including trade certificate)

Unskilled: requires an education level of year 12 only and below.

- f. How many employees have you retained as a result of your participation in this project?
 - i. Full-time employees
 - ii. Part-time employees
 - iii. Casual employees or contractors
- g. What proportion of your employees have received training or upskilling specific to your project?
- h. If applicable, please describe and comment on the type of training/skills development undertaken and how upskilling has impacted the competitiveness of your organisation and your project partners.
- i. Since participating in this program, how has your profitability changed? This includes the profitability of your project partners.
- j. Please provide details of you and your project partners' net profit during the last quarter.
- k. Since participating in this program, how much (dollar value) have you and your project partners invested in:
 - i. Research and development
 - ii. Capital equipment
 - iii. New technology to you and your project partners
 - iv. Design
 - v. Acquisition of licenses
 - vi. Intellectual property
 - vii. Digital transformation activities
 - viii. Transaction costs
- l. Please provide details of you and your project partners' export revenue for the previous full financial year
- m. How much has your participation in this program increased your ability to manufacture exports?
- n. If applicable, what is the impact on export volume and value?
- o. Since participating in this program, did your organisation introduce any new or significantly improved goods or services that differ significantly from those previously offered?
 - i. Goods
 - ii. Services
 - iii. None of the above
- p. How many new patent or trademark applications can you attribute to participating in this program?
- q. What is the percentage of your total income associated to new products, processes or services developed with the support from the program?

- r. Have there been any unintended consequences, positive or negative, as a result of your participation in this project?
- s. If yes, please provide additional information to describe any unintended consequences
- t. Have there been any material changes in the nature of the activity of key personnel involved the project, including affiliations/links with foreign governments or companies, changes in the ownership of the company and/or its parent, and disclosure of any pecuniary penalty imposed by a Commonwealth, State or Territory court or entity.
- u. Are there any planned events relating to the project that you are required to notify us about in accordance with your agreement?
- v. If yes, provide details of the event including date, time, purpose of the event and key stakeholders expected to attend.
- w. Describe how you intend to sustain investment into your organisation following the conclusion of this grant.
- x. Since your project commenced, has your organisation gained access to do business in new markets:
 - i. Domestically?
 - ii. Internationally?
 - iii. Both Domestically and Internationally?
- y. Since your project commenced, has the program improved your organisations ability to participate in global value chains?
If yes, how was it improved?
- z. As a result of the project, please indicate the type of organisation and location of organisation with which your organisation collaborated with to develop or introduce new products, services or processes:
 - i. Another business owned by the same company
 - ii. Suppliers
 - iii. Customers/clients
 - iv. Consultants
 - v. Competitors/other businesses from the same industry
 - vi. Higher education institutions
 - vii. Government
 - Research institutions
 - Other government agencies
 - viii. Private non-profit
 - i) Research institutions
 - ii) Other private not-profit agencies
 - ix. i) Commercial laboratories or private research and development enterprises
 - x. j) Other (please specify)

- aa. Which of the following types of collaborative arrangements did you use to develop or introduce any new goods, services or processes in your project?
- joint research and development
 - joint production of new goods and services
 - joint prototype development
 - sharing of facilities e.g. laboratories
 - sharing of staff resources
 - joint marketing or distribution
 - joint training
 - informal arrangement
 - other collaborative arrangements (please specify)
- bb. Please identify how many new collaborations and/or partnerships have been formed as a result of this project, and also describe the nature of these, e.g.:
- Local and/or international
 - Sharing resources or infrastructure with other organisations
 - Sharing knowledge with other organisations

Project benefits

- What benefits has the project achieved?
- What ongoing impact will the project have?
- Did the project result in any unexpected benefits?
If yes, explain why.
- Did the project result in any unexpected negative impacts?
If yes, explain why.
- Is there any other information you wish to provide about your project?
If yes, provide details.

Total eligible project expenditure

- Indicate the total eligible project expenditure incurred. Eligible expenditure is divided into the same categories as the budget in your application.

If you are registered for GST, enter the GST exclusive amount. If you are not registered for GST, enter the GST inclusive amount. We may ask you to provide evidence of costs incurred.

Refer to the grant opportunity guidelines or contact us if you have any questions about eligible expenditure.
- Provide any comments you may have to clarify any figures.

- c. Was the expenditure incurred in accordance with the activity budget in the grant agreement?
- If no, explain the reason for a project underspend or overspend, or any other significant changes to the budget.
- d. Has a project partner (including any approved subcontractor) acquired or created any assets with the grant?
- If yes, please provide the value and a description of the asset/s.

Project funding

- a. Provide details of all contributions to your project other than the grant. This includes your own contributions as well as any contributions from government (except this grant), project partners or others.

Updated business indicators

- a. Provide the following financial data for your organisation for your latest complete financial year

These fields are mandatory and entering \$0 is acceptable if applicable.

- Financial year completed
- Sales revenue (turnover)
- Export revenue
- R&D expenditure
- Taxable income
- Number of employees including working proprietors and salaried directors (headcount)
- Number of independent contractors (headcount)

Attachments

- a. Attach any agreed evidence required with this report to demonstrate progress or successful completion of your project.
- b. Attach copies of any published reports and promotional material, relating to the project.

Declaration

You must ensure an authorised person completes the report and can declare the following:

- The information in this report is accurate, complete and not misleading and that I understand the giving of false or misleading information is a serious offence under the *Criminal Code 1995* (Cth).
- The grant was spent in accordance with the grant agreement.
- I am aware of the grantee's obligations under their grant agreement, including survival clauses.
- I am aware that the grant agreement empowers the Commonwealth to terminate the grant agreement and to request repayment of funds paid to the grantee where the grantee is in breach of the grant agreement.

Appendix 4

Modern Manufacturing Initiative - Manufacturing Collaboration Stream - Independent audit report

Background

These templates assist Grantees (and their auditors) to understand the audit requirements under a Commonwealth grant agreement administered by the Department of Industry, Science, Energy and Resources. For further information contact us on 13 28 46 or at business.gov.au.

When an independent audit report is required under our grant agreements the Grantee must provide us with:

- a statement of grant income and expenditure against the expenditure categories under the grant agreement (attachment A)
- an independent audit report on the statement of grant income and expenditure (attachment B)
- certification of certain matters by the auditor (attachment C).

You can find additional information on the grant opportunity relevant to your grant at business.gov.au or by calling us on 13 28 46.

Eligible expenditure

Advice on eligible expenditure for projects under the grant opportunity can be found in grant opportunity guidelines. These guidelines are revised from time to time and therefore more than one version of the document may exist. The relevant guidelines are those that were effective at the time the Grantee's application was accepted.

It is essential that Grantees and their auditors understand the eligible expenditure requirements because these determine whether, and the extent to which, certain costs are reportable and claimable.

The amount of grant funding we approve is based on the Grantee's estimated eligible expenditure, as provided in their application. However, the grant funding any Grantee is ultimately entitled to receive is determined against actual eligible expenditure incurred and paid for on the project. The grant amount specified in the grant agreement is the **maximum** amount the Grantee may be paid.

The expenditure reported in the 'statement of grant income and expenditure' at attachment A must represent actual 'eligible expenditure' paid on the project during that period.

Attachment A – Statement of grant income and expenditure

Grant opportunity name	[grant opportunity name]
Project number	[project number]
Grantee	[organisation]
Project title	[project title]
Reporting period start date	[project start date or other reporting period start date]
Reporting period end date	[project end date or other reporting period end date]

This statement of grant income and expenditure must be prepared by the Grantee and contain the following:

- Statement of funds, Grantee contributions and other financial assistance*
- Statement of eligible expenditure*
- Notes to the statement of eligible expenditure, explaining the basis of compilation
- Certification by directors of the Grantee
- *We will compare this information to that detailed in the grant agreement.

1. Statement of funds, Grantee contributions and other financial assistance

Complete the following table for all cash [and in-kind] contributions for your project for the period in question, including

- the grant
- other government funding
- your own contributions
- partner or other third party contributions
- any additional private sector funding.

Insert rows as required.

Contributor	Cash amount (GST excl)	[Estimated in-kind amount (GST excl)]	Total (GST excl)
Grant	[\$[enter amount]]	[\$[enter amount]]	[\$[enter amount]]
Grantee	[\$[enter amount]]	[\$[enter amount]]	[\$[enter amount]]
[enter contributor]	[\$[enter amount]]	[\$[enter amount]]	[\$[enter amount]]
[enter contributor]	[\$[enter amount]]	[\$[enter amount]]	[\$[enter amount]]
Total	[\$[enter amount]]	[\$[enter amount]]	[\$[enter amount]]

2. Statement of eligible expenditure

You must provide detail of the eligible expenditure that has been incurred and paid for during the reporting period in the 'Statement of eligible expenditure' spreadsheet.

Comment on any variance between the expenditure items and amounts detailed in the grant agreement and the actual items and amounts detailed in the attached statement of eligible expenditure.

[enter details]

3. Note to the statement of eligible expenditure

3.1 Eligible expenditure

The eligible expenditure as reported in the statement of eligible expenditure is in accordance with the grant opportunity guidelines.

3.2 Basis of compilation

This statement of eligible expenditure has been prepared to meet the requirements of the grant agreement between [enter Grantee name] and the Commonwealth represented by the Department of Industry, Science, Energy and Resources. Significant accounting policies applied in the compilation of the statement of grant income and expenditure include the following:

[enter details]

4. Certification by directors [if not director, replace with appropriate equivalent]

[Grantee name]

[Project number]

For the period [dd/ mm/yyyy] to [dd/ mm/yyyy]

We confirm that, to the best of our knowledge and believe, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

Statement of grant income and expenditure

- a. We have fulfilled our responsibilities for the preparation of the statement of grant income and expenditure in accordance with the cash basis of accounting and the terms of the grant agreement with the Commonwealth, represented by the Department of Industry, Science, Energy and Resources dated [enter date]; in particular, the statement of grant income and expenditure presents fairly in accordance therewith.
- b. All events subsequent to the date of the statement of grant income and expenditure which require adjustment or disclosure so as to present fairly the statement of grant income and expenditure, have been adjusted or disclosed.
- c. [Where applicable] The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the statement of grant income and expenditure as a whole. A list of the uncorrected misstatements is attached to this representation letter.
- d. That all Grantee contributions and other financial assistance were spent for the purpose of the project and in accordance with the grant agreement and that the Grantee has complied with the grant agreement and relevant accounting policies.
- e. That salaries and allowances paid to persons involved in the project are in accordance with any applicable award or agreement in force under any relevant law on industrial or workplace relations.

Signature

Name [enter name]

Director

Date [dd/mm/yyyy]

Signature

Name [enter name]

Director

Date [dd/mm/yyyy]

5. For Auditor use only

I certify that this statement of grant income and expenditure is the one used to prepare my independent audit report dated [enter date] for the Department of Industry, Science, Energy and Resources.

Signature

Name [enter name]

Position [enter position]

Auditor's employer [enter employer name]

Date [dd/mm/yyyy]

Attachment B - Independent audit report

Background for auditors

The purpose of the independent audit report is to provide us with an auditor's opinion on the Grantee's statement of grant income and expenditure. The statement of grant income and expenditure is prepared by the Grantee to correspond with the expenditure reported to the department by the Grantee for the same period, in the process of claiming grant payments.

The independent audit report must be prepared by a person who is an approved auditor.

An approved auditor is a person who is:

- a. registered as a company auditor under the *Corporations Act 2001* or an appropriately qualified member of Chartered Accountants Australia and New Zealand, or of CPA Australia or the Institute of Public Accountants; and
- b. not a principal, member, shareholder, officer, agent, subcontractor or employee of the Grantee or of a related body corporate or a Connected Entity.

The audit should be undertaken and reported in accordance with Australian Auditing Standards.

The independent audit report must follow the required format and include any qualification regarding the matters on which the auditor provides an opinion. We may follow up any qualifications with the Grantee or auditor. The independent audit report must be submitted on the auditor's letterhead.

Auditors must comply with the professional requirements of Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants in the conduct of their audit.

If the auditor forms an opinion that the statement of grant income and expenditure does not give a true and fair view of the eligible expenditure for the period, the independent audit report should be qualified and the error quantified in the qualification section of the independent audit report.

The required independent audit report format follows.

Auditor's report

Independent audit report in relation to [Grantee name]'s statement of grant income and expenditure to the Commonwealth, represented by the Department of Industry, Science, Energy and Resources (the department).

We have audited:

- a. the accompanying statement of grant income and expenditure of [Grantee name] for the period [dd/mm/yyyy] to [dd/mm/yyyy], a summary of significant accounting policies and other explanatory information, and management's attestation statement thereon (together "the financial statement"). The financial statement has been prepared by management using the cash basis of accounting described in note 3.2 to the financial statement; and
- b. [Grantee name]'s compliance with the terms of the grant agreement between [Grantee name] and the Commonwealth dated [date of agreement] for the period [dd/mm/yyyy] to [dd/mm/yyyy] (the grant agreement).

We have:

- a. reviewed [Grantee name]'s statement of labour costs in support of its claim of eligible expenditure; and
- b. performed limited assurance procedures on [Grantee name]'s statement of employee numbers under the grant agreement].

Management's responsibility

Management is responsible for:

- a. the preparation and fair presentation of the financial statement in accordance with the basis of accounting described in note 3.2, this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in accordance with the grant agreement;
- b. compliance with the terms of the grant agreement;
- c. the preparation of the statement of employee numbers and labour costs in support of eligible expenditure; and
- d. such internal control as management determines is necessary to:
 - i enable the preparation of the financial statement and the statement of [employee numbers and]labour costs that are free from material misstatement, whether due to fraud or error; and
 - ii enable compliance with the terms of the grant agreement.

Auditor's responsibility

Our responsibilities are:

- a. To express an opinion, based on our audit, on:
 - i the financial statement; and
 - ii [Grantee name]'s compliance, in all material respects, with the terms of the grant agreement; and

- b. To conclude based on:
 - i our review procedures, on the statement of labour costs; and
 - ii our limited assurance procedures on the statement of employee numbers.

We conducted our audit of the financial statement in accordance with Australian Auditing Standards; our audit of compliance with the grant agreement in accordance with ASAE 3100, our review of the statement of labour costs in accordance with ASRE 2405; and our limited assurance procedures on employee numbers in accordance with ASAE 3000. The applicable Standards require that we comply with relevant ethical requirements and plan and perform our work to:

- a. obtain reasonable assurance about whether the financial statement is free from material misstatement and that [Grantee name] has complied, in all material respects, with the terms of the grant agreement; and
- b. obtain limited assurance as to whether anything has come to our attention that causes us to believe that the statements of employee numbers and labour costs are materially misstated.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement and about the Grantee's compliance with the grant agreement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Grantee's preparation and fair presentation of the financial statement, and to the Grantee's compliance with the grant agreement, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Grantee's internal control. An audit also includes evaluating the appropriateness of accounting policies used by management, as well as evaluating the overall presentation of the financial statement.

A review consists of making enquiries and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the statement of labour costs.

A limited assurance engagement undertaken in respect of the statement of employee numbers, in accordance with ASAE 3000 involves [level of detail about procedures to be determined by the auditor]. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion, review and limited assurance conclusions.

Opinion

In our opinion:

- a. the financial statement presents fairly, in all material respects, the grant income and expenditure of [Grantee name] for the period [dd/mm/yyyy] to [dd/mm/yyyy] in accordance with the cash basis of accounting described in note 3.2 and the terms of the grant agreement, dated [date of agreement], with the Commonwealth; and

- b. [Grantee name] has complied, in all material respects, with the requirements of the grant agreement between the organisation and the Commonwealth dated [date of agreement], for the period [dd/mm/yyyy] to [dd/mm/yyyy].

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to note 3.2 to the financial statement, which describes the basis of accounting. The financial statement is prepared to provide information to the department in accordance with the grant agreement, dated [date of agreement]. As a result, the financial statement may not be suitable for another purpose.

Use of Report

This report has been prepared for [Grantee name] and the department in accordance with the requirements of the grant agreement between [Grantee name] and the Commonwealth, dated [date of agreement]. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than [Grantee name] and the department, or for any purpose other than that for which it was prepared.

Conclusions

Based on:

- a. Our review, which is not an audit, nothing has come to our attention that causes us to believe that the statement of labour costs in the period [dd/mm/yyyy] to [dd/mm/yyyy] is not, in all material respects, fairly presented in accordance with the grant agreement dated [date of agreement] with the Commonwealth; and
- b. The procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the statement of employee numbers as at [dd/mm/yyyy] is not prepared, in all material respects, in accordance with the grant agreement dated [date of agreement] with the Commonwealth].

Auditor's signature

Name [enter name]

Auditor's employer [enter employer name]

Employer's address [enter address]

Qualifications [enter qualification]

Position [enter position]

Date [dd/mm/yyyy]

Attachment C - Certification of certain matters by the auditor

The department also requires a certification of certain matters by the auditor in addition to the independent audit report. This should be submitted with the statement of grant income and expenditure and independent audit report.

The auditor who signs this certification must also initial and date a copy of the Grantee's statement of eligible expenditure. The department will not accept an independent audit report that lacks this attachment.

The required format of certification is on the following page.

[print on auditor letterhead]

[addressee]

Department of Industry, Science, Energy and Resources
GPO Box 2013
Canberra ACT 2601

I understand that the Commonwealth, represented by the Department of Industry, Science, Energy and Resources and [Grantee name] have entered into a grant agreement for the provision of financial assistance under the [grant opportunity name] to the Grantee for the project. A condition of funding under the grant agreement is that the Grantee provides a statement of grant income and expenditure certifying that expenditure on approved project items has been incurred within the relevant audit period and paid in accordance with the grant opportunity guidelines, and is supportable by appropriate documentation.

In fulfilment of the condition, I hereby certify that:

- a. I am a member of Chartered Accountants Australia and New Zealand/ CPA Australia/ the Institute of Public Accountants (as a Public Practice Certified Member).
- b. I have prepared the independent audit report on [Grantee name]'s, statement of grant income and expenditure in accordance with the details of the grant agreement between the Grantee and the Commonwealth, project no [project no] dated [dd/mm/yyyy].
- c. I have reviewed the grant agreement between the Grantee and the Commonwealth, project no [project no] dated [dd/mm/yyyy], and related grant opportunity guidelines and understand the requirements pertaining to financial reporting and eligible expenditure contained therein.
- d. I have signed the attached copy of [Grantee name]'s statement of eligible expenditure that I used to prepare the independent audit report.
- e. I have complied with the professional independence requirements of Chartered Accountants Australia and New Zealand/ CPA Australia/the Institute of Public Accountants. I specifically certify that I:
 - i am not, and have not been, a director, office holder, or employee of [Grantee name] or related body corporate of [Grantee name]
 - ii have not been previously engaged by [Grantee name] for the purpose of preparing their [grant opportunity name] application or any report required under the grant agreement
 - iii have no financial interest in [Grantee name].

Signature

Name [enter name]

Qualifications [enter qualification]

Position [enter position]

Date [dd/mm/yyyy]

Appendix 5

Modern Manufacturing Initiative - Manufacturing Collaboration Stream - Post Project Report requirements

You will need to provide the following information in your post project report. The Commonwealth reserves the right to amend or adjust the requirements.

You must complete and submit your report on the [portal](#). You can enter the required information in stages and submit when it is complete.

Project achievements

- a. In the 12 months following completion of your project has participating in this program has impacted your company's:
 - i. productivity - ability to produce more with the same or less input?
 - ii. ability to scale up?
 - iii. manufacturing capability?
 - iv. business acumen?
 - v. knowledge diffusion?
 - vi. Innovation?
 - vii. Transaction costs?
- b. If you selected any of the above options, please describe and comment on the impact to your organisation in the past 12 months.
- c. In the 12 months following completion of your project, has participating in this program influenced your company's competitiveness? For example:
 - i. % or \$ increase in total sales?
 - ii. increased profitability?
 - iii. increased market share?
 - iv. access to new domestic or international markets
- d. If yes, please describe and comment on influence the program has provided to support the competitiveness of your organisation.
- e. In the 12 months following completion of your project, has your organisation gained access to do business in new markets:
 - i. Domestically?
 - ii. Internationally?
 - iii. Both Domestically and Internationally?
- f. In the 12 months following completion of your project, has the program improved your organisations ability to participate in global value chains?
- g. If yes, how was it improved?

- h. In the 12 months following completion of your project, as a result of the project, please indicate the type of organisation and location of organisation with which your organisation collaborated with to develop or introduce new products, services or processes:
- i. Another business owned by the same company
 - ii. Suppliers
 - iii. Customers/clients
 - iv. Consultants
 - v. Competitors/other businesses from the same industry
 - vi. Higher education institutions
 - vii. Government
 - Research institutions
 - Other government agencies
 - viii. Private non-profit
 - Research institutions
 - Other private not-profit agencies
 - ix. Commercial laboratories or private research and development enterprises
 - x. Other (please specify)
- i. Please identify how many new collaborations and/or partnerships have been formed as a result of this project during the 12 months following completion of your project. Please also describe the nature of these, e.g.:
- i. Local and/or international
 - ii. Sharing resources or infrastructure with other organisations
 - iii. Sharing knowledge with other organisations
- j. In the 12 months following completion of your project has your participation in the program improved your company's ability to translate research into commercial outcomes?
- k. If yes, please describe and comment how the program has supported your organisation to translate research into commercial outcomes.
- l. In the 12 months following completion of your project describe has your company established any new collaborative arrangements and/or formed new partnerships as a result of your project?
- m. If yes, please identify how many new collaborations and/or partnerships have been formed and also describe the nature of these, e.g.:
- i. Local and/or international
 - ii. Sharing resources or infrastructure with other organisations
 - iii. Sharing knowledge with other organisations
- n. How many employees (headcount) do you currently employ?
- o. How many new employees have you hired as a result of your participation in this project?
- i. Full-time employees

- ii. Part-time employees
 - iii. Casual employees or contractors
- p. How many of these new employees are undertaking skilled or unskilled roles?
 - i. Skilled
 - ii. Unskilled

*Skilled: requires an education level of either a bachelor degree or higher; advanced diploma or diploma; certificate III or IV (including trade certificate)

Unskilled: requires an education level of year 12 only and below.
- q. How many employees have you retained as a result of your participation in this project?
 - i. Full-time employees
 - ii. Part-time employees
 - iii. Casual employees or contractors
- r. What proportion of your employees have received training or upskilling specific to your project?
- s. Since participating in this program, how has your profitability changed? This includes the profitability of your project partners.
- t. Please provide details of you and your project partners' net profit during the last quarter.
- u. In the 12 months following completion of your project describe how describe how you have sustained investment into your organisation. Please respond with respect to:
 - i. Research and development
 - ii. Capital equipment
 - iii. New technology to you and your project partners
 - iv. Design
 - v. Acquisition of licenses
 - vi. Intellectual property
 - vii. Digital transformation activities
 - viii. Transaction costs
- v. In the 12 months since you participated in this program, how much (dollar value) have you and your project partners invested in:
 - i. Research and development
 - ii. Capital equipment
 - iii. New technology to you and your project partners
 - iv. Design
 - v. Acquisition of licenses
 - vi. Intellectual property
 - vii. Digital transformation activities

- viii. Transaction costs
- w. Please provide details of you and your project partners' export revenue for the last 12 months
- x. How much has your participation in this program increased your ability to manufacture exports?
- y. If applicable, what is the impact on export volume and value?
- z. In the 12 months since you participated in this program, did your organisation introduce any new or significantly improved goods or services that differ significantly from those previously offered?
- i. Goods
 - ii. Services
 - iii. None of the above
- aa. How many new patent or trademark applications can you attribute to participating in this program?
- bb. What is the percentage of your total income associated to new products, processes or services developed with the support from the program?
- cc. In the 12 months following completion of your project have you applied new technology and/or developed new products, processes or services to one or more of the National Manufacturing priority areas?
- If yes, briefly please describe how you have achieved this?
- dd. In the 12 months following completion of your project has your company expanded to deliver/undertake different activities to your normal organisational activities?
- ee. If yes, what type of new activities does your organisation undertake? Select all that apply designing, branding, distribution, and after sales services.

Updated business indicators

- b. Provide the following financial data for your organisation for your latest complete financial year

These fields are mandatory and entering \$0 is acceptable if applicable.

- Financial year completed
- Sales revenue (turnover)
- Export revenue
- R&D expenditure
- Taxable income
- Number of employees including working proprietors and salaried directors (headcount)
- Number of independent contractors (headcount)

Certification

You must ensure an authorised person completes the report and can certify the following:

- The information in this report is accurate, complete and not misleading and that I understand the giving of false or misleading information is a serious offence under the *Criminal Code 1995* (Cth).
- The activities undertaken and the expenditure incurred is in accordance with the grant agreement.
- I am aware of the grantee's obligations under their grant agreement.
- I am aware that the grant agreement empowers the Commonwealth to terminate the grant agreement and to request repayment of funds paid to the grantee where the grantee is in breach of the grant agreement.



Australian Government
**Department of Industry,
Science and Resources**

Ministerial Submission

PDR NUMBER

FOR ACTION - Senate Question on Notice No. 146, 147 and 148

TO: Minister for Industry and Innovation; Minister for Science

CC: Assistant Minister for Science, Technology and the Digital Economy

TIMING

Due to the Table Office by 3 September 2025

Recommendation

- That you **approve** the proposed responses to Senate Questions No. 146, 147 and 148
(Attachment A)

Approved / Not approved

s 22(1)(a)(ii)

Date: 03/09/2025

KEY POINTS

- On 4 August 2025 Senator James Paterson, Senator for Victoria, asked Senate Question No. 147 of the Minister for Industry and Innovation and Senate Question No. 148 of the Minister for Science. On 4 August 2025 Senator Paterson also asked Senate Question No. 146 of the Minister for Finance, which was transferred to the Minister for Industry and Innovation on 21 August 2025. As all of these questions were the same, they have been combined in the proposed response at [Attachment A](#).
- Gladstone Fortescue Future Industries Pty Ltd (Fortescue) was awarded a grant of \$44,946,000 under the Modern Manufacturing Initiative (MMI) Collaboration Stream to deliver the Green Hydrogen Gigafactory – Electrolyser Manufacturing Facility (GEF) project in Gladstone, Queensland.
- s 47(1)(b)
- s 47(1)(b)
- On 24 July 2025 Fortescue announced publicly their decision to not continue their Gladstone Hydrogen related projects (PEM50 and the Gladstone Electrolyser Facility). You met with representatives from Fortescue on 29 July 2025 (**MB25-000263** refers).
- From 25 July 2025, following Fortescue's announcement of their decision to close the site, the department has worked with your office to provide responses to several media requests regarding the cessation of the project and any possible repayment of grant funds
- The first step of the termination process is confirming the final status of the project. A final report and audited financial statement are required for us to agree how much of the project activity has been completed and the total expenditure on the project. The final report has been received, and we expect the audited financial statement by mid-September 2025.
- s 47(1)(b)
- s 47(1)(b)
 - The terms of the termination have not yet been negotiated, this includes any potential repayments to the Commonwealth.
 - s 47(1)(b)

- Once we have reviewed all the information required from Fortescue and confirmed requirements for repayment, a position will be provided to Fortescue in writing which will form the basis of the negotiation. We will keep your office informed as this progresses.
- s 47(1)(b), s 47C
- Senator Paterson has asked questions that seek detail relating to the grant agreement between Fortescue and the Commonwealth for this project. As the termination of the grant agreement is currently being negotiated, the publication of details relating to that agreement could have a negative impact on the negotiation process.
 - s 47(1)(b)
- s 47C

Clearance Officer
Kimberley Shrives
A/g Head of Division
Business Grants Hub
28 August 2025

Contact Officer
s 22(1)(a)(ii)
Manager
s 22(1)(a)(ii)

CONSULTATION

Corporate and Information Law

ATTACHMENTS

- A: Responses to Senate Question No. 146, 147 and 148
B: Copy of Grant Agreement between DISR and Gladstone Fortescue Future Industries Pty Ltd
C: Copy of the (Publicly Available) template Grant Agreement for Modern Manufacturing Initiative – Collaboration Steam

**Minister for Industry and Innovation
Minister for Science**

Senate Question Nos. 146, 147 and 148

Senator Paterson asked Senate Question No. 147 of the Minister for Industry and Innovation and Senate Question No. 148 of the Minister for Science on 04 August 2025. Senator Paterson also asked Senate Question No. 146 of the Minister for Finance on 04 August 2025, which was transferred to the Minister for Industry and Innovation on 21 August 2025:

1. With reference to the grant award with internal reference ID MMIMCS000124, made to Gladstone Fortescue Future Industries, to support the construction of a Green Hydrogen gigafactory in Queensland:
 - a. what conditions were specified in the grant agreement, upon failure of which funds would need to be returned by Fortescue; and
 - b. were one of these conditions a warranty that the project would be completed.
2. It is reported that Andrew Forrest has committed that Fortescue will return the grant funding now that the project has been abandoned:
 - a. have these funds been returned to the Commonwealth in whole or in part;
 - b. does the Department expect these funds to be returned;
 - c. if these funds are not returned in full, what steps will the Department take to retrieve them; and
 - d. does the grant agreement give the Department a right to the return of these funds.
3. Do Fortescue or any of Mr Forrest's other businesses owe any other liabilities to the Commonwealth; and if so, when does the Government expect these liabilities to be paid

Senator Ayres: Please see my answer below to the Senator's question:

1. a. The grant agreement sets out the grantee's obligations, supplementary terms and Commonwealth Standard Grant Conditions. These include the grant purpose, activity and outcomes, project milestones and timeframes. A copy of the contract proposed for grant agreements under the MMI-Collaboration program is available on the program page of business.gov.au.

Grant payments are subject to satisfactory progress on the project for the duration of the grant agreement.

Under the terms of this grant, the grantee is required to use project assets funded by the grant for a designated purpose, to ensure those assets are not left unused, used for any other purpose or otherwise disposed of during a designated period.

- b. No.

2.
 - a. No
 - b. Yes
 - c. The Department will take steps in accordance with repayment provisions of the grant agreement.
 - d. Yes.
3. The Department of Industry, Science and Resources does not hold records related to all of Mr Forrest's interactions with the Commonwealth and is therefore unable to answer this question.