



Australian Government

Australian Renewable
Energy Agency

ARENA

ARENA Funding Agreement Variation Policy

DOCUMENT NAME	ARENA FUNDING AGREEMENT VARIATION POLICY
VERSION	1.1
APPROVED BY	ARENA Chief Executive Officer
APPROVAL DATE	8 February 2018
AMENDMENT DATE	22 March 2018

ARENA Funding Agreement Variation Policy

For the purposes of this policy, a **variation** is a change to the terms and conditions of an agreement under which ARENA provides funding to a grantee.

There are circumstances where it is appropriate to vary an ARENA grant (including the Activity) relative to the approved application.

ARENA grants are awarded following rigorous due diligence and technical review of an application. In some cases, funding is awarded following competitive processes, and/or after consideration of the way in which the project contributes to the impact of the overall portfolio of projects funded by ARENA.

ARENA's funding agreements all provide that funds may only be used for the purposes for which they were provided, and accordingly, any proposed changes to a grant (including changes to the Funding Period) need to be considered relative to that original decision. In assessing proposed variations, ARENA will have regard to its Delegations. The Delegations identify and describe different categories of variations which are reviewed and ultimately determined by the appropriate Delegate according to the estimated monetary value and risk rating of the proposed variation.

Variation requests must be submitted to ARENA via arenacontracted@arena.gov.au.

Grantee variation requests must be submitted in a timely manner, as soon as practicable before the proposed date of effect to allow adequate time for review by ARENA. Requests for grantee variations with retrospective effect will only be approved in exceptional circumstances. Each grantee variation request will be considered based on its individual circumstances relative to the principles outlined in this policy.

Grantee Variations

Category A: Non-Material Variations

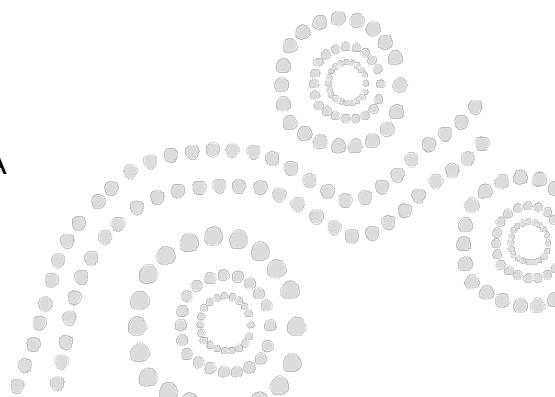
ARENA considers that the following variation types are unlikely to impact the overall merit, or value for money, of the project:

- Defer Commencement Date;
- Non-material amendment to Schedule (up to and including 6 months);
- Non-material change in Personnel;
- Improvements to the research techniques used to achieve the project Outcomes (e.g. new, cheaper or more accurate technique or technology becomes available);
- Reasonable adaptation to changing market conditions (see above); or
- Non-material budget changes (that do not increase the overall funding amount).

Category B: Material Variations

The following grantee variations may alter the overall merit assessment of the project:

- Material amendment to Schedule (exceeding 6 months);
- Material change in project Outcomes;
- Material Change in Research Plan;
- Material project design, construction and/or commissioning plan;
- Change of Control;
- Material increase in Funding (exceeding 20% of ARENA Funds);
- Change in Location;



- Material reduction in cash contributions or in-kind support; or
- Loss of commercial partner.

Where ARENA considers the grantee variation could impact the overall merit assessment, or value for money of the project in a detrimental way, it may:

- Refer the variation to the Advisory Panel, or technical due diligence advisor, for further consideration and advice; or
- Seek ARENA Board approval for the variation; or
- Treat the grantee variation as a new project and request the recipient to submit a new funding application under an appropriate ARENA program.

Variations that will not generally be considered by ARENA

Requests for variation that:

- give effect to a second stage of a project;
- otherwise extend or expand the scope of a program of work beyond the agreed project Outcomes; or
- seek further funds to conduct additional activities whether or not those activities contribute to the agreed project Outcomes,

will not generally be considered by ARENA. In these circumstances, applicants are invited to submit a proposal through ARENA's open programs, including competitive rounds.

As part of making a decision about the treatment of a variation request, ARENA will also take into consideration any other matters of which it is aware relevant to the project.

