

9 July 2025

# RESEARCH, DEVELOPMENT & COMMERCIALISATION (RDC) PROGRAM

Program Guidelines



Australian Government  
Australian Renewable  
Energy Agency

**ARENA**

# EXECUTIVE SUMMARY

1. The ARENA Research, Development and Commercialisation Program (the Program) is delivered by the Australian Renewable Energy Agency (ARENA) in competitive rounds (Funding Rounds).
2. The purpose of these Program Guidelines is to describe the procedures and requirements used by ARENA to determine which Proposals will receive funding. In addition to the Program Guidelines, each competitive Funding Round will include a Funding Announcement which will announce the start of the Funding Round.
3. Funding Announcements will include information on:
  - a. Objectives for the Funding Round (Round Objectives).
  - b. The Priority Technology(ies) for the Funding Round, including any technology specific outcomes the Funding Round is targeting.
  - c. The amount of funding available under the Funding Round for eligible Proposals.
  - d. Any additional information on the application and assessment process that has not been specified in these Program Guidelines, including deadlines for Proposal submission.
  - e. Any clarifications of eligibility and merit criteria that apply to the targeted activities and outcomes, including clarification on any criterion that will not apply to the Funding Round.
4. Under the Program, the application and assessment process will consist of two contractual stage gate in the guidelines: an Expression of Interest (EOI) stage and a Full Application stage. Both stages involve an assessment against all eligibility and merit criteria (unless otherwise specified in the Funding Announcement).
5. Only Proposals which meet the Eligibility Criteria outlined in Part 3 will be assessed under the Merit Criteria outlined in Part 4.
6. ARENA will award Grant funding to eligible Full Applications on the basis of a competitive Merit Criteria Assessment. The four Merit Criteria will be equally weighted and are as follows:
  - a. Merit Criterion A: Contribution to the Program Outcomes and Round Objectives
  - b. Merit Criterion B: Applicant capability and capacity
  - c. Merit Criterion C: Project design and methodology
  - d. Merit Criterion D: Financial viability and co-funding commitment
7. The sharing of Project knowledge and data that supports research, development and commercialisation outcomes is the return ARENA expects on its investment of public money in its Projects. All successful Applicants will be expected to agree to share knowledge from their Projects as outlined in the Eligibility Criteria (see Part 3) and in accordance with the Knowledge Sharing Plan specified with the Funding Announcement.
8. All Proposals must be completed online using ARENA's Grants Management System, ARENANet which is accessible from the Program webpage on ARENA's website at [arena.gov.au/funding](https://arena.gov.au/funding).



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# PART 1. OVERVIEW

## PURPOSE

- 1.1 The purpose of these Guidelines is to provide a framework for the operation of ARENA's Research, Development and Commercialisation (R&D) Program. The Program is delivered by way of competitive Funding Rounds and each Funding Round may have different priorities for funding as specified in the Funding Announcement.
- 1.2 Applicants should read the Guidelines in conjunction with the Funding Announcement and any supporting information provided on the Program's webpage which can be accessed at [arena.gov.au/funding](https://arena.gov.au/funding).
- 1.3 In the Guidelines, the common meaning of the word applies, unless defined in the glossary at the end of these Guidelines.
- 1.4 In the event of any inconsistency between a Funding Announcement, other ARENA materials and these Guidelines, the Funding Announcement for the relevant Funding Round will prevail. These Guidelines will prevail to the extent of any inconsistency with other ARENA materials.

## OUTCOMES OF THE PROGRAM

- 1.5 The Program aims to provide funding to deliver the following outcomes:
  - a. Research and development (R&D) of a range of high quality and innovative Priority Technologies that enhance Australia's World-Class research position and/or address conditions specific to Australia;
  - b. progression of core research into early stage commercialisation activities to support a disruptive, transformative approach to investment in R&D;
  - c. increased skills, capacity and knowledge relevant to the Round Objectives and Priority Technologies within Australia; and
  - d. improvement in the technology readiness and commercial readiness of the Funding Round's Priority Technologies.

## COMMENCEMENT AND AUTHORITY FOR GUIDELINES

- 1.6 The Guidelines have been approved by the ARENA Board and commence in July 2024. The Guidelines supersede the previous version dated 14 December 2022.
- 1.7 The Guidelines may be revoked or varied from time to time. Where this occurs, all current Applicants will be notified in writing of any such amendment.
- 1.8 Without limiting its rights, ARENA may, in its absolute discretion:
  - a. suspend, defer or terminate this Program at any time;
  - b. issue new guidelines;
  - c. issue amended guidelines; and/or



- d. extend the closing date and time of any Funding Round.
- 1.9 The ARENA Board is responsible for approving financial assistance under the Program and for ARENA entering into contracts to do so.
- 1.10 The ARENA Board may delegate responsibility for the Program in accordance with the ARENA Act.

## **PROGRAM FUNDING MODEL**

- 1.11 The amount of funding available under each Funding Round of the Program will be published in the relevant Funding Announcement.
- 1.12 All funding provided through the Program will be in the form of Grants.
- 1.13 It is expected that Project recipients will, at a minimum, match the ARENA Grant on a 1:1 basis, with a combination of cash and In-Kind Contributions. The funding allocated and expected ARENA Grant range will be set out in the Funding Announcement.
- 1.14 Eligible Proposals will be assessed for merit and competitively ranked within Streams and in accordance with the assessment procedure outlined in the Funding Announcement.



# PART 2. APPLICATION AND ASSESSMENT PROCESS

## OVERVIEW

- 2.1 The application and assessment process under the Program is competitive and involves two stages:
  - a. an Expression of Interest (EOI); and
  - b. a Full Application.
- 2.2 Eligible Applicants can apply for funding under the Program for eligible Projects (the Project). The Eligibility Criteria for Applicants and Projects are described in Part 3 of these Guidelines.

## EXPRESSION OF INTEREST

- 2.3 Applicants must submit their EOIs by the closing date and time as outlined in the Funding Announcement.
- 2.4 ARENA may, acting in its sole discretion, elect to consider EOIs received after the closing date and time.
- 2.5 EOIs must include the information specified in the Funding Announcement unless one or more requirements have been waived by ARENA. If you do not provide the specified information, in the format set out in ARENA's online application system ARENANet or on the Program's webpage on ARENA's website [arena.gov.au](http://arena.gov.au), ARENA may seek supplementary information or clarification from you or decline to assess the EOI.

## FULL APPLICATION

- 2.6 Full Applications must be submitted by the closing date and time specified by ARENA at the time of Full Application invitation.
- 2.7 ARENA may, acting in its sole discretion, elect to consider any Full Applications received after the closing date and time.
- 2.8 Full Applications must include the information specified in the Funding Announcement unless one or more requirements have been waived by ARENA. If you do not provide the specified information, in the format set out in ARENA's online application system ARENANet or on the Program's webpage on ARENA's website [arena.gov.au](http://arena.gov.au), ARENA may seek supplementary information or clarification from you or decline to assess the Full Application.

## SUBMITTING A PROPOSAL

- 2.9 All Proposals (including at EOI stage) must be completed online using ARENA's Grants Management System, ARENANet, or as otherwise directed by ARENA. ARENANet is accessible from the Program webpage on ARENA's website [arena.gov.au/funding](http://arena.gov.au/funding).



- 2.10 The online application system prescribed by ARENA may include a mix of mandatory fields, optional fields (including free text fields) and may require attachments to be provided by the Applicant.
- 2.11 Strict word limits may apply at various fields when completing the online application. The ARENANet application form (EOI and Full Application) will prevent Applicants from submitting answers in excess of specified word limits.
- 2.12 Word and page limits may also apply to requested responses and attachments that accompany an EOI or Full Application. ARENA may, acting in its sole discretion, elect to not read words beyond the specified word limit or any attached document beyond the last page of the specified page limit.
- 2.13 Applicants should ensure they have comprehensively completed each section of the online application form.
- 2.14 Different documents may be required to be completed and submitted at each stage of the application process. The documents required to be submitted are specified in the Funding Announcement.
- 2.15 The information required from Applicants at the EOI stage is less detailed than that required at the Full Application stage. The Full Application stage requires detailed evidence and documentation to describe and support the Applicant's Proposal and to support the Applicant's claims against the Eligibility Criteria and Merit Criteria.
- 2.16 If an EOI or Full Application (as the case may be) does not include the information required (and in the format set out in ARENA's prescribed online application system) ARENA may, acting in its sole discretion, decline to assess the EOI or Full Application. Alternatively, ARENA may, in its sole discretion, seek supplementary information or clarification from the Applicant.

## ASSESSMENT PROCESS

- 2.17 ARENA may engage consultants or advisors to assist with the assessment of a Proposal against the Eligibility Criteria or Merit Criteria.
- 2.18 ARENA will assess the eligibility of Applicants and their Proposals against the Program's Eligibility Criteria set out in Part 3 of these Guidelines as well as any additional requirements specified in the Funding Announcement. Applications that do not meet the Eligibility Criteria will not be assessed for merit.
- 2.19 Eligible Proposals will be assessed and ranked against the Program's Merit Criteria set out in Part 4 of these Guidelines as well as any additional requirements as specified in the Funding Announcement. The merit assessment and ranking will be undertaken by the ARENA Advisory Panel in its role as advisor to ARENA. Information on the members of the ARENA Advisory Panel is available on the ARENA website at [arena.gov.au](http://arena.gov.au). Eligible Proposals may not progress to the ARENA Advisory Panel for assessment where ARENA has assessed the Proposal to be of low merit.
- 2.20 ARENA may seek further information from the Applicant at any time throughout the application process in relation to any matter arising from the assessment of the EOI or Full Application.
- 2.21 ARENA may, at any time during the application process, modify the due diligence activities it proposes to undertake when assessing a Proposal. Due diligence activities may include, but are not limited to: inviting the Applicant to present on its Proposal to ARENA; commissioning or

completing relevant research, analysis and modelling to support assessment of Proposals; and contacting any relevant Commonwealth, State, Territory and international government agencies, Project Partners or other relevant parties about a Proposal.

- 2.22 ARENA may take a portfolio approach to selecting Projects for funding. That is, it may consider how a Project will contribute to the Round Objectives and Round Priorities, or as part of a suite of complementary ARENA Projects. ARENA may elect not to fund an otherwise meritorious Project if the aims or outcomes of that Project are the same as, or similar to, the aims and outcomes of a Project that has previously been funded or is currently under assessment. ARENA's current portfolio of Projects is listed on its website.
- 2.23 Following its assessment of an EOI or Full Application ARENA may:
- a. in the case of an EOI, invite shortlisted Applicants to progress to the Full Application stage; or
  - b. in the case of a Full Application, offer successful Applicants funding for their Project, subject to negotiation of a funding agreement on terms acceptable to ARENA; or
  - c. in the case of an EOI or Full Application (as the case may be), not accept the Proposal submitted by the Applicant or elect not to fund the Project.
- 2.24 Only eligible Applicants with Proposals that satisfy the Merit Criteria to a high standard will be successful.
- 2.25 The decision on whether funding will be offered to an Applicant under this Program will be made by the ARENA Board and this decision will be final. The ARENA Board may also stipulate conditions to this funding.
- 2.26 ARENA will advise the Applicant in writing of the outcome of the assessment of their EOI or Full Application, and, if applicable, including the amount and nature of any funding support to be offered by ARENA and any conditions attached to the funding offer. A funding offer under the Program may be for less or more than the amount of funding requested by the Applicant. A funding offer may exclude parts of a Project submitted by an Applicant, or include additional parts as requested by ARENA.
- 2.27 All Applicants may request feedback from ARENA on the merit of their Full Application at the conclusion of the assessment process. Feedback will be provided in a form determined suitable by ARENA. Feedback on merit will not be provided at the EOI stage for unsuccessful Proposals.

## CLIMATE PERFORMANCE

- 2.28 In making a funding decision, ARENA may consider the Climate Performance of an Applicant and any Project partners, including any recent climate-related litigation involving the Applicant and/or its Project Partners, that may be underway or occurred prior to submission of the Proposal.
- 2.29 At ARENA's discretion, the Applicant may be required to demonstrate, that over the course of the ARENA funded Project, the Applicant (or its parent company) has made effort to advance its maturity in areas including, but not limited to, emissions reporting, emissions reduction target setting, climate governance and the development of a Climate Transition Action Plan.
- 2.30 All Applicants are required to comment on their Climate Performance as part of the application process. The Climate Performance of the Applicant and any Project partners will be an unweighted consideration made by ARENA and will not form part of the Proposal's Merit Criteria assessment. The extent to which Climate Performance forms part of a funding decision will



depend on the emissions profile of the Applicant or Project Partners. Applicants should review the Program webpage for more information including any available submission templates and the sort of information and data Applicants are required to provide. Applicants are encouraged to discuss the Climate Performance requirement with ARENA prior to submission.



## PART 3. ELIGIBILITY CRITERIA

- 3.1 All of the Eligibility Criteria specified in Part 3 must be met for both EOIs and Full Applications, and continue to be met throughout the process.
- 3.2 Applicants should review the Funding Announcement section on Eligibility for any additional requirements or exclusions.

### ELIGIBILITY CRITERION A – ELIGIBLE APPLICANT

- 3.3 The Applicant must:
  - a. at the time of applying, hold an Australian Business Number (ABN) and
  - b. be either:
    - i. an Australian entity incorporated under the *Corporations Act 2001 (Cth)*; or
    - ii. an eligible Australian research institution as set out below;
      - a. an Australian university (University);
      - b. the Australian Nuclear Science and Technology Organisation (ANSTO);
      - c. the Commonwealth Scientific and Industrial Research Organisation (CSIRO) including Data61;
      - d. the Australian Institute of Marine Science (AIMS);
      - e. the Defence Science and Technology Organisation (DSTO);
      - f. Cooperative Research Centres (CRCs);
      - g. the National Measurement Institute (NMI); or
      - h. Australian Research Council (ARC) Centres of Excellence.

### ELIGIBILITY CRITERION B – ELIGIBLE PROJECT

- 3.4 The Applicant must be able to demonstrate to the satisfaction of ARENA that the Project described in the Proposal:
  - a. meets the definition of R&D activities as set out at item 3.5 of these Guidelines;
  - b. meets the TRL requirements as specified in the Funding Announcement;
  - c. involves Priority Technologies as identified for the Program listed in the Funding Announcement;
  - d. meets the Round Objectives specified in the Funding Announcement; and
  - e. meets any other requirements as specified in the Funding Announcement.

- 3.5 For the purposes of the Program, R&D activities:
  - a. are characterised by their originality, with the primary objective of the works being investigation, the outcomes of which will be new knowledge and may lead to practical applications, new improved materials, products, processes or services;



- b. include specialised scientific and technical information services, postgraduate research, and the design, construction and testing of prototypes (pilot plants where new data is evaluated); and
  - c. do not include basic or blue-sky research (Technology Readiness Level (TRL) 1), the implementation of innovations (including trial production and copying of prototypes), education and training of students (except postgraduate research), maintenance of national and international standards, feasibility studies, business models or marketing and market studies (excluding activities necessary to progress commercialisation of the technology or innovation).
- 3.6 The TRL index is a globally accepted benchmarking tool for tracking progress and supporting the development of a specific technology through the early stages of the innovation chain, from blue sky research (TRL 1) to actual system demonstration over the full range of expected conditions (TRL 9). More information on the TRL rating scale that ARENA uses for Priority Technologies is set out in Appendix A to these Guidelines.

### **ELIGIBILITY CRITERION C – TAKE PLACE IN AUSTRALIA**

- 3.7 The Applicant must be able to demonstrate to the satisfaction of ARENA that the majority of the Project activities will take place in Australia.
- 3.8 No more than 10 per cent of the total Project Budget may be spent overseas, with the exception of the purchase or use of equipment and materials. ARENA may consider a specific request to increase this cap. Any such request should be made in writing at the EOI stage with an explanation of why Project research and development activity conducted overseas:
- a. cannot be done in Australia; and/or
  - b. would benefit from being performed outside Australia.

### **ELIGIBILITY CRITERION D – INTELLECTUAL PROPERTY**

- 3.9 The Applicant must warrant it has ownership of, access to, or the beneficial use of, any intellectual property rights, including moral rights (IP) necessary to carry out the Project.
- 3.10 The Applicant must be able to provide evidence that they have the necessary rights to any IP required to undertake the Project. This includes identifying and dealing with:
- a. any third party background intellectual property, and the measures that will be put in place to ensure continuing access to this intellectual property and to protect it;
  - b. the effect any third-party ownership of background intellectual property will have on the ownership of intellectual property expected to be created by the Project;
  - c. any measures that may be needed to protect intellectual property created by the Project; and
  - d. any licensing arrangement required.
- 3.11 As part of its consideration of an EOI or Full Application, ARENA may request evidence or documentation supporting the Applicant's claim of access to the appropriate rights to any IP necessary to carry out the Project, or a documented plan detailing the proposed course of action

to acquire such access. Evidence may include patents, licences or any relevant intellectual property agreements.

## ELIGIBILITY CRITERION E – WORKPLACE GENDER EQUALITY

- 3.12 The Commonwealth has a policy of not entering into agreements with, or providing discretionary Grants or loan funds, to organisations that do not comply with their obligations, if any, under the *Workplace Gender Equality Act 2012 (Cth)*.
- 3.13 The Applicant must not be named as an organisation that has not complied with the *Workplace Gender Equality Act 2012 (Cth)*. Any Applicant so named will be excluded from further consideration.
- 3.14 Applicants must make a declaration in the application form to demonstrate that they understand and meet their obligations, if any, under that Act. ARENA will check Applicants' names against the list of non-compliant organisations on the website of the Workplace Gender Equality Agency at [wgea.gov.au](http://wgea.gov.au)

## ELIGIBILITY CRITERION F – MODERN SLAVERY

- 3.15 The Australian Government is taking a global leadership role in combating modern slavery through its landmark *Modern Slavery Act 2018 (Cth)* (Modern Slavery Act).
- 3.16 The Applicant must agree that it will:
  - a. take reasonable steps to identify, assess and address risks of modern slavery practices in the operations and supply chains used in delivering the Project;
  - b. if applicable, comply with its obligations under the Modern Slavery Act; and
  - c. assist ARENA to comply with its obligations under the Modern Slavery Act.
- 3.17 The Applicant must make a declaration in the application form that it will meet these requirements in relation to the Modern Slavery Act.

## ELIGIBILITY CRITERION G – KNOWLEDGE SHARING

- 3.18 The Applicant must agree that it will participate in any knowledge sharing events and activities related to the Funding Round. The Applicant must agree to publicly share knowledge and information about, and resulting from, the Project described in its Proposal.
- 3.19 Applicants must agree to ARENA's Knowledge Sharing Plan for the Funding Round, which can be found on the ARENA website at [arena.gov.au](http://arena.gov.au). ARENA may negotiate additional bespoke requirements for individual Projects, which will be agreed upon with the Applicant and set out in the Funding Agreement.
- 3.20 ARENA will not request the Applicant to share commercially sensitive information, and the details of the knowledge sharing obligations will be agreed by the parties and set out in the Funding Agreement.



## ELIGIBILITY CRITERION H – COMPLIANCE WITH OTHER REQUIREMENTS

- 3.21 The Applicant must comply with the following mandatory requirements:
- a. Completeness: Applicants must provide a response against all Merit Criteria and submit all mandatory attachments.
  - b. Comprehensiveness: Applicant's responses to Merit Criteria must be sufficiently detailed to allow an assessment of merit to be made by an independent expert.
- 3.22 The Applicant must accept all requirements outlined in Part 6 of these Guidelines.
- 3.23 ARENA requires that the Applicant warrants that: **(a.)** its Related Bodies Corporate (as defined under the *Corporations Act 2001* (Cth)) and their Personnel, have not contravened any Australian Sanctions Laws; and **(b.)** it will comply, and ensure that any Related Bodies Corporate comply, with Australian Sanctions Laws in delivering the Project and undertake reasonable endeavours to ensure compliance by any Recipient subcontractors engaged on the Project. Australian Sanction Laws means the *Charter of the United Nations Act 1945* (Cth) and the *Autonomous Sanctions Act 2011* (Cth) including the *Autonomous Sanctions Regulations 2011* (Cth).



## PART 4. MERIT CRITERIA

- 4.1 Eligible Proposals will be assessed for overall value for money and risk against the Merit Criteria. The Merit Criteria are equally weighted.
- 4.2 This section provides non-exhaustive guidance on how merit can be demonstrated against each criterion. The below information should be reviewed in conjunction with the Funding Announcement for the Funding Round.
- 4.3 Specific requirements for the EOI and Full Application (including word limits, additional attachments) will be outlined in the Funding Announcement.

### **MERIT CRITERION A – CONTRIBUTION TO THE PROGRAM OUTCOMES AND ROUND OBJECTIVES**

- 4.4 The extent to which the Project will contribute to the Program Outcomes and the Round Objectives and priorities as set out in the Funding Announcement for the Funding Round.

#### **OVERVIEW**

- 4.5 This merit criterion focuses on the extent to which the Project contributes to the Program Outcomes detailed in item 1.5 of these Guidelines and the Round Objectives as detailed in the Funding Announcement.

#### **DEMONSTRATING MERIT AGAINST THE CRITERION**

- 4.6 The Applicant should demonstrate merit against this criterion as follows:
  - a. Providing evidence and justification against the following: How the Project is aligned with the Round Objectives as identified in the Funding Announcement.
  - b. The potential transformative impact of the Project.
  - c. How the Project is World Class or innovative compared to research already being undertaken in this field (domestic and international).
  - d. Outline the pathway to market uptake for the technology that is the focus of the Project including a timeframe to commercialisation. How does the Project facilitate or accelerate movement along that pathway? What is the potential size of the market for the technology?
  - e. Outline any other contributions the Project is expected to make in the achievement of the Round Objective(s) not already mentioned above.

### **MERIT CRITERION B – APPLICANT CAPABILITY AND CAPACITY**

- 4.7 The capability and capacity of the Applicant, Project Partners and key Project personnel to deliver the Project.

## OVERVIEW

4.8 Assessment of this criterion may include consideration of the following:

- a. Research and commercialisation capability:
  - i. Applicant organisation: including technical and research skills, risk management (including Work Health and Safety Management System (WHSMS) skills), project management skills, financial management skills, knowledge management skills, track record in delivering outcomes in research of the Funding Round's Priority Technology and track record of undertaking commercialisation activities.
  - ii. Partner organisation(s): including technical and research skills, risk management (including WHSMS) skills, project management skills, financial management skills, knowledge management skills, experience in the delivery of commercialisation activities and track record in delivering outcomes relevant to the Project.
  - iii. Project Personnel: including technical expertise and experience, research skills and experience and track-record in delivering outcomes relevant to the Project.
  
- b. Capacity:
  - i. Applicant organisation: including what and how proposed resources (e.g. research facilities, equipment, technical staff, project managers, contract managers, etc.) will be made available for the duration of the Project to ensure the Project is delivered on time and within budget.
  - ii. Partner organisation(s): including what and how proposed resources (e.g. research facilities, equipment, technical staff, project managers, contract managers, etc.) will be made available for the duration of the Project to ensure the Project is delivered on time and within budget.
  - iii. Project personnel: including what Full Time Equivalent (FTE) key personnel will be devoting to the Project for its duration and how personnel will be made available to ensure the Project is delivered on time and within budget.

## DEMONSTRATING MERIT AGAINST THE CRITERION

4.9 The Applicant should demonstrate merit against this criterion as follows:

- a. Capability:
  - i. Demonstrate the technical and research expertise and experience of the key personnel, as relevant to the Project, including any awards and peer recognition or other validation of the credentials.
  - ii. Demonstrate the Applicant's capability to progress the relevant technology through the Technology Readiness Levels and towards Commercial Readiness. Include examples of where the Applicant and/or its key personnel have successfully progressed the outputs of other research projects towards technology maturity and Commercial Readiness, in the same or similar field contemplated by the Project.
  
- b. Capacity:
  - i. Describe the resources (including personnel, physical resources, facilities and organisation capacity) the Applicant will use to deliver the Project, including confirmation that such resources will be available for the duration of the Project.



- ii. Detail the Full Time Equivalent (FTE) of each of key personnel listed and how personnel will be made available to ensure the proposed Project is delivered on time and within budget.

## **MERIT CRITERION C – PROJECT DESIGN AND METHODOLOGY**

- 4.10 The strength of the Project design, in terms of meeting the proposed objectives within the timeframe and budget set out in the Proposal.

### **OVERVIEW**

- 4.11 The purpose of this Merit Criterion is to assess the technical strength of the Project and how well the Applicant has designed and planned the Project, including identifying and managing risks, in order to successfully deliver the Project.
- 4.12 This Merit Criterion assesses Project risk not identified in the assessment of the other Merit Criteria and the steps the Applicant proposes to take to mitigate those risks. It also assesses Project risk in terms of the likely success of the Project and the achievement of stated outcomes and considers the risk of negotiating and executing a Funding Agreement that is acceptable to ARENA.

### **DEMONSTRATING MERIT AGAINST THE CRITERION**

- 4.13 The Applicant should demonstrate merit against this criterion as follows.
  - a. Outline the technical design or methodology that will be employed to achieve the Project outcomes.
  - b. Provide the timeline for the Project, including milestones, stage-gates, dependencies and tangible deliverables associated with the Project.
  - c. Outline the main risks to achieving the outcomes of the Project and how these risks will be mitigated. Types of risk could include, but are not limited to technology, scale-up, commercialisation, project planning, infrastructure and equipment access, personnel and WHS risks.
- 4.14 Applicants should be aware that low compliance with the Funding Agreement template may impact on ARENA's assessment of Project risk. Strong compliance with the Funding Agreement will generally increase the merit of a Project.

## **MERIT CRITERION D – FINANCIAL VIABILITY AND CO-FUNDING COMMITMENT**

- 4.15 The financial viability of the Project, including the level of co-investment and evidence of commitment, both cash and in-kind, to the Project.

### **OVERVIEW**

- 4.16 This merit criterion assesses whether the Applicant and any Project Partners have the financial capacity and level of commitment required to deliver the Project successfully.



- 4.17 Applicants may apply for any amount of Project funding within the scope of the Funding Announcement for the Round. The maximum ARENA Grant to any individual Project cannot exceed \$15 million for any Funding Round.
- 4.18 ARENA is seeking to fund Projects that offer high value for the ARENA funding contribution compared to the total Project cost. Applicants should be aware that:
- a. Proposals that seek lower proportions of ARENA funding compared to Proposals that seek higher proportions of ARENA funding may be considered to be of higher merit.
  - b. ARENA expects that Applicants with Proposals closer to commercialisation, that is with a higher TRL, will make a larger financial contribution compared with Proposals that are in the earlier stages of development.
  - c. Proposals that include a higher cash contribution from the Applicant and its Project Partners may be considered of higher merit.
  - d. Proposals which include a higher financial contribution, either cash or in-kind or both, from industry partners may be considered of higher merit.
  - e. While financial contributions to Proposals from state and territory governments are welcome, Proposals that have a higher proportion of funding from government sources may be considered of lower merit.
- 4.19 ARENA will also assess whether the amount of ARENA funding sought and the total cost of the Project is appropriate:
- a. for the stage of R&D of the Priority Technology; and
  - b. for the extent to which the Applicant or other partners are providing funding or In-Kind Contributions for the Project.
- 4.20 While there is no separate ARENA funding stream supporting postgraduate research, funding for postgraduate research will be supported as part of a Project. Projects in which postgraduate research comprises the majority component of funding requested may be considered of lower merit.
- 4.21 Applicants should refer to the Eligible Expenditure Guide at Appendix B for information on what the ARENA funding may and may not be used for.

## **DEMONSTRATING MERIT AGAINST THE CRITERION**

- 4.22 The Applicant should demonstrate merit against this criterion as follows:
- a. A justification for the requested funding sought from ARENA for the Project.
  - b. A Project Budget, which should include the following:
    - i. a breakdown of expected expenses for the Project, including any overseas expenses;
    - ii. the total cost of the Project;
    - iii. the funding sought from ARENA; and
    - iv. details and amounts of cash and In-Kind Contributions from the Applicant and all other sources.



# PART 5. FUNDING AGREEMENTS

## FUNDING OFFERS

- 5.1 All funding offers and any payment of funds under the Program are conditional upon the execution of a Funding Agreement with ARENA.
- 5.2 Applicants must ensure that funding offers are kept confidential until the execution of such a document by both the Applicant and ARENA. All public statements by the Applicant between Proposal lodgement date and execution of the Funding Agreement can only be made with ARENA's consent.
- 5.3 ARENA may withdraw its offer of funding should an Applicant not comply with item 5.2 of these Guidelines.
- 5.4 The funding offer will, if appropriate, include any details of the Funding Agreement negotiation process, including timing.

## FUNDING AGREEMENT

- 5.5 The Funding Agreement will provide the legal framework for the obligations of each party and payment in relation to the Project.
- 5.6 Details of the process for management and variation of the Funding Agreement will be set out in the agreement.

## USE OF FUNDING

- 5.7 Applicants are required to prepare a budget for the Project, which is to be submitted with their EOI and Full Application.
- 5.8 An approved budget will form part of the Funding Agreement for the Project.
- 5.9 Funding from the Program must be used only for approved expenditure on the Project, as set out in the Eligible Expenditure Guide at Appendix B of these Guidelines. Exclusions or additional inclusions to Eligible Expenditure may be detailed in the Funding Announcement.

## KNOWLEDGE SHARING AND PUBLICATION OF PROJECT INFORMATION

- 5.10 A condition of funding through the Program is agreement to a Knowledge Sharing Plan to inform industry and the broader community about the Project's development and findings. ARENA will adopt a standardised process for refining knowledge sharing requirements for the Project.
- 5.11 An approved Knowledge Sharing Plan will form part of the Funding Agreement for the Project.
- 5.12 Once a Funding Agreement has been executed for a Project, the knowledge sharing requirements for that Project may be varied from time to time as set out in the Funding Agreement.



# PART 6. FURTHER PROGRAM INFORMATION

## CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

- 6.1 Subject to this item 6.1, information of a confidential nature which is provided by an Applicant as part of or in connection with any application or negotiation process (if any) will be treated as commercial- in-confidence information by ARENA and will only be disclosed with the consent of the Applicant.
- 6.2 Despite 6.1 above, commercial-in-confidence information provided by Applicants may be disclosed by ARENA to the following parties:
- a. the Minister and the Minister's office;
  - b. the Parliament of the Commonwealth of Australia in response to a request by a House or a Committee of the Parliament of the Commonwealth of Australia;
  - c. the Auditor General, Ombudsman, Information Commissioner or Privacy Commissioner;
  - d. the Australian Energy Market Operator (AEMO);
  - e. ARENA staff, consultants and advisers;
  - f. any Commonwealth agency or body, or any other organisation or individual considered by ARENA to have a need or an entitlement to know that information (including any state or territory agency or body), where that need or entitlement arises out of or in connection with ARENA's assessment, verification or due diligence of any aspect of a Proposal; or
  - g. where authorised or required by law to be disclosed.

## ACKNOWLEDGEMENT AND PUBLICITY

- 6.3 Unless otherwise agreed, ARENA requires that all funding Recipients will acknowledge the financial and other support received from ARENA in all publications, promotional and advertising materials, public announcements, events and activities in relation to the Project, or any products, processes or inventions developed as a result of that Project. The form of any such acknowledgement will be set out in the Funding Agreement.

## REVIEW OF DECISIONS AND COMPLAINTS

- 6.4 ARENA has in place a complaints handling policy, which is available on the ARENA website at [arena.gov.au](http://arena.gov.au). Any complaints concerning assessments or processes should be discussed with the ARENA official involved in the assessment or process in the first instance. If the Applicant is not satisfied following the discussion with the ARENA official, a formal complaint can be made at [complaints@arena.gov.au](mailto:complaints@arena.gov.au).

## CONFLICTS OF INTEREST

- 6.5 ARENA has in place policies to manage any conflicts of interest that may arise with respect to the ARENA Board, personnel and ARENA Advisory Panel members.

- 6.6 Applicants must advise ARENA in writing of any actual or potential conflicts of interest that arise during any part of the application process. The Applicant must comply with any directions from ARENA as to the management of a material conflict of interest.
- 6.7 ARENA reserves the right to cease consideration of a Proposal at any stage of the process, where a conflict arises that cannot be appropriately managed.

## ARENA'S DISCRETION

- 6.8 By submitting an EOI or Full Application, you acknowledge and agree to ARENA's right (in its absolute discretion) to reject, refuse to consider or cease evaluating your EOI or Full Application, at any time, if ARENA is of the view (in its absolute discretion) that your EOI or Full Application is unlikely to be successful.

## NO CONTRACT OR LIABILITY

- 6.9 Despite anything in the Guidelines, Funding Announcement or in any EOI or Full Application submission, or any other documentation that forms part of this process (in part or together), by submitting a Proposal, each Applicant:
- a. Acknowledges that neither ARENA nor the Applicant intends to create any contract or other relationship under which ARENA is obliged to conduct the process in relation to the Program in any manner or at all, and that there is in fact no such contract or other relationship in existence.
  - b. Acknowledges that neither the Guidelines, Funding Announcement, nor any submission will create any legal or other obligation upon ARENA to conduct the process in any manner or at all.
  - c. Agrees that ARENA will not be liable whatsoever for any costs incurred by the Applicant in preparing an EOI and/or Full Application for the purposes of applying for funding under this Program.
  - d. Releases ARENA from any claim it might otherwise have been able to make or bring against ARENA, arising out of or in connection with ARENA's conduct of, or failure to conduct, the process in any manner or at all.

## WORK HEALTH AND SAFETY

- 6.10 All organisations have obligations under relevant Work Health and Safety (WHS) Law to ensure the health and safety of workers so far as is reasonably practicable and that the health and safety of other persons is not put at risk from their undertakings. This obligation includes funding Recipients ensuring that safe systems of work are in place for each of their activities. ARENA expects Applicants to be committed to health and safety management in the Project.
- 6.11 ARENA also has a policy of ensuring that it enters into agreements with or provides funding to only those organisations that take a proactive approach to managing work health and safety risks in accordance with the requirements of WHS Law.



## OTHER APPLICABLE REQUIREMENTS

- 6.12 All Applicants must disclose any litigation, arbitration, mediation, conciliation or proceeding or any investigations (Proceedings) that to the best of the Applicant's knowledge, after having made proper enquiry, are taking place, pending or threatened, against them or a Related Body Corporate (as defined in the *Corporations Act 2001 (Cth)*), where such Proceedings have the potential to affect either:
- a. the Applicant's capacity to undertake the Project, or
  - b. the Applicant's reputation.
- 6.13 A range of Commonwealth policy and legislative requirements may also affect the conduct of Projects funded through the Program. Applicants should seek their own advice on any relevant legislation that may be applicable under the Funding Agreement.
- 6.14 ARENA will not enter into a Funding Agreement with an organisation on the list of persons and entities designated as terrorists. The list and more information on the anti-terrorism requirements are available at [www.dfat.gov.au/international-relations/security/sanctions/consolidated-list](http://www.dfat.gov.au/international-relations/security/sanctions/consolidated-list)



# APPENDIX A – TECHNOLOGY READINESS LEVELS

- A.1 The Technology Readiness Level (TRL) index is a globally accepted benchmarking tool for tracking progress and supporting development of a specific technology through the early stages of the innovation chain, from blue sky research (TRL 1) to actual system demonstration over the full range of expected conditions (TRL 9).
- A.2 There are various TRL rating scales that may be applicable to various technologies. For the purposes of this Program, ARENA uses the US Department of Energy Technology Readiness Level scale.
- A.3 The TRL range expected to have been achieved at the time of application for the R&D activities associated with any specific technology to be funded under the Funding Round, will be set out in the Funding Announcement.
- A.4 Applicants should refer to the table below in assessing the TRL of their Project. Applicants may also wish to use the TRL calculator available on the Program webpage at [arena.gov.au](https://arena.gov.au). The TRL calculator is a tool developed by the US Air Force Research Laboratory<sup>1</sup> for applying TRLs to technology development programs. In its present form, the calculator is a Microsoft Excel spreadsheet application that allows the user to answer a series of questions about a technology project. Once the questions have been answered, the calculator displays the TRL achieved. Because the same set of questions is answered each time the calculator is used, the calculator provides a standardised, repeatable process for evaluating the maturity of any hardware or software technology under development. In this way, the TRL calculator is one tool that can answer the question of how one can measure TRLs using a standardised method.<sup>2</sup>

**TABLE 1: US DEPARTMENT OF ENERGY TECHNOLOGY READINESS LEVELS <sup>3</sup>**

RELATIVE LEVEL OF TECHNOLOGY DEVELOPMENT	TRL	TRL DEFINITION	DESCRIPTION
<b>Systems operations</b>	TRL 9	Actual system operated over the full range of expected mission conditions	The technology is in its final form and operated under the full range of operating mission conditions. Examples include using the actual system with the full range of wastes in hot operations.
<b>System commissioning</b>	TRL 8	Actual system completed and	The technology has been proven to work in its final form and under expected conditions. In almost all cases, this

<sup>1</sup> Nolte, William L., et al., "Technology Readiness Level Calculator," October 20, 2003, Air Force Research Laboratory (AFRL), presented at the NDIA System Engineering Conference

<sup>2</sup> US Department of Energy Technology Readiness Assessment Guide (DOE 413.3-4 10-12-09) <https://www.directives.doe.gov/directives-documents/400-series/0413.3-EGuide-04a-admchg1/@@images/file>, page 28

<sup>3</sup> US Department of Energy Technology Readiness Assessment Guide (DOE 413.3-4 10-12-09) <https://www.directives.doe.gov/directives-documents/400-series/0413.3-EGuide-04a-admchg1/@@images/file> page 9 and 10

RELATIVE LEVEL OF TECHNOLOGY DEVELOPMENT	TRL	TRL DEFINITION	DESCRIPTION
		qualified through test and demonstration	TRL represents the end of true system development. Examples include developmental testing and evaluation of the system with actual waste in hot commissioning. Supporting information includes operational procedures that are virtually complete. An Operational Readiness Review (ORR) has been successfully completed prior to the start of hot testing.
	TRL 7	Full-scale, similar (prototypical) system demonstrated in relevant environment	This represents a major step up from TRL 6, requiring (prototypical) system demonstration of an actual system prototype in a relevant environment. Examples include testing full-scale prototype in the field with a range of stimulants in cold commissioning <sup>4</sup> . Supporting information includes results from the full-scale testing and analysis of the differences between the test environment, and analysis of what the experimental results mean for the eventual operating system/environment. Final design is virtually complete.
<b>Technology demonstration</b>	TRL 6	Engineering/ pilot-scale, similar (prototypical) system validation in relevant environment	Engineering-scale models or prototypes are tested in a relevant environment. This represents a major step up in a technology's demonstrated readiness. Examples include testing an engineering scale prototypical system with a range of simulants. Supporting information includes results from the engineering scale testing and analysis of the differences between the engineering scale, prototypical system/environment, and analysis of what the experimental results mean for the eventual operating system/ environment. TRL 6 begins true engineering development of the technology as an operational system. The major difference between TRL 5 and 6 is the step up from laboratory scale to engineering scale and the determination of scaling factors that will enable design of the operating system. The prototype should be capable of performing all the functions that will be required of the operational system. The operating environment for the testing should closely represent the actual operating environment.
<b>Technology development</b>	TRL 5	Laboratory-scale, similar system validation in relevant environment	The basic technological components are integrated so that the similar system configuration is similar to (matches) the final application in almost all respects. Examples include testing a high-fidelity, environment laboratory scale system in a simulated environment with

<sup>4</sup> Simulants should match relevant chemical and physical properties.

RELATIVE LEVEL OF TECHNOLOGY DEVELOPMENT	TRL	TRL DEFINITION	DESCRIPTION
			a range of simulants and actual waste <sup>5</sup> . Supporting information includes results from the laboratory scale testing, analysis of the differences between the laboratory and eventual operating system/environment, and analysis of what the experimental results mean for the eventual operating system/environment. The major difference between TRL 4 and 5 is the increase in the fidelity of the system and environment to the actual application. The system tested is almost prototypical.
	TRL 4	Component and/or system validation in laboratory environment	The basic technological components are integrated to establish that the pieces will work together. This is relatively “low fidelity” compared with the eventual system. Examples include integration of ad hoc hardware in a laboratory and testing with a range of simulants and small scale tests on actual waste. Supporting information includes the results of the integrated experiments and estimates of how the experimental components and experimental test results differ from the expected system performance goals. TRL 4-6 represent the bridge from scientific research to engineering. TRL 4 is the first step in determining whether the individual components will work together as a system. The laboratory system will probably be a mix of on hand equipment and a few special purpose components that may require special handling, calibration, or alignment to get them to function.
<b>Research to prove feasibility</b>	TRL 3	Analytical and experimental critical function and/or characteristic proof of concept	Active R&D is initiated. This includes analytical studies and laboratory-scale studies to physically validate the analytical predictions of separate elements of the technology. Examples include components that are not yet integrated or representative tested with simulants. Supporting information includes results of laboratory tests performed to measure parameters of interest and comparison to analytical predictions for critical subsystems. At TRL 3 the work has moved beyond the paper phase to experimental work that verifies that the concept works as expected on simulants. Components of the technology are validated, but there is no attempt to integrate the components into a complete system. Modelling and simulation may be used to complement physical experiments.

<sup>5</sup> Testing with as wide a range of actual waste as practicable and consistent with waste availability, safety, ALARA (as low as reasonably achievable), cost and project risk is highly desirable.



RELATIVE LEVEL OF TECHNOLOGY DEVELOPMENT	TRL	TRL DEFINITION	DESCRIPTION
<b>Basic technology research</b>	TRL 2	Technology concept and/or application formulated	Once basic principles are observed, practical applications can be invented. Applications are speculative, and there may be no proof or detailed analysis to support the assumptions. Examples are still limited to analytic studies. Supporting information includes publications or other references that outline the application being considered and that provide analysis to support the concept. The step up from TRL 1 to TRL 2 moves the ideas from pure to applied research. Most of the work is analytical or paper studies with the emphasis on understanding the science better. Experimental work is designed to corroborate the basic scientific observations made during TRL 1 work.
	TRL 1	Basic principles observed and reported	This is the lowest level of technology readiness. Scientific research begins to be translated into applied research and development. Examples might include paper studies of a technology's basic properties or experimental work that consists mainly of observations of the physical world. Supporting Information includes published research or other references that identify the principles that underlie the technology.

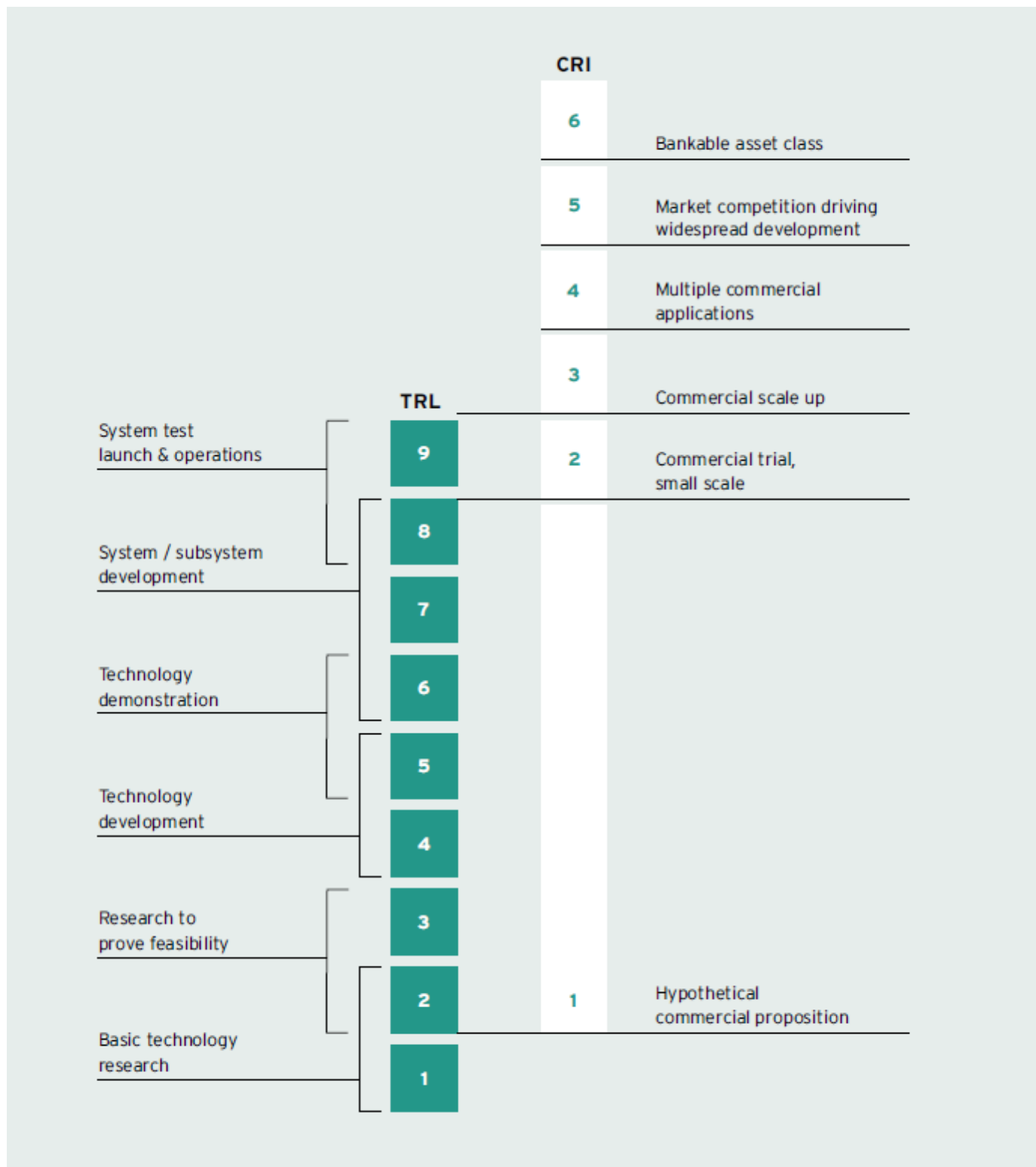


## COMMERCIAL READINESS INDEX

- A.5 ARENA has developed the Commercial Readiness Index (CRI) for Applicants to use when considering their Projects and developing funding applications for ARENA consideration. The index provides a rigorous structure for evaluating where one or more industry sectors are facing barriers, and enables ARENA to structure its funding support to best reduce risks and barriers at the various stages of the pathway to commercialisation.
- A.6 A pictorial representation of the TRLs and CRIs is shown in Figure 1. The CRI extends to the point at which the technology or application is commercially deployed and has become a bankable asset class. This figure demonstrates how researchers can consider at an early stage how their research will become commercial.
- A.7 More information on the CRI is available on the ARENA website [arena.gov.au](https://arena.gov.au).



**FIGURE 1: ARENA'S TRL AND CRI FRAMEWORK**



## APPENDIX B – ELIGIBLE EXPENDITURE GUIDE

- B.1 These Eligible Expenditure Guidelines specify the kinds of expenditure that are eligible or ineligible for Projects funded through the Program. The Eligible Expenditure Guidelines are incorporated in the Funding Agreements for the Program, and are to be followed:
- a. in the preparation of the Project Budget that is submitted with an EOI or Full Application for funding under the Program; and
  - b. in the preparation of reports required under the Funding Agreements.
- B.2 Budgets should be realistic and feasible in relation to the nature of the Project and the expected cash flow. As part of a Full Application, Applicants are required to:
- a. explain any underlying assumptions in the calculation of proposed expenditure;
  - b. indicate where quotes have been received or contracts are already in place; and
  - c. provide relevant document(s) to support expenditure calculations.
- B.3 If a Proposal is accepted for funding and a Funding Agreement is executed, ARENA will make payments as per the terms of the Funding Agreement. The amount and timing of funding to be paid will be determined on a case by case basis as part of the process of negotiating the Funding Agreement. Where an Applicant is in any doubt as to the eligibility of proposed expenditure, the Applicant must bring the matter to ARENA for decision. ARENA's determination on the eligibility of expenditure will be final.

### GENERAL PRINCIPLES

- B.4 The following general principles apply in the consideration of Eligible Expenditure:
- a. Eligible Expenditure is expenditure related directly to the undertaking of the Project;
  - b. Eligible Expenditure is calculated net of GST;
  - c. non-cash and In-Kind Contributions may be considered as Eligible Expenditure, provided that the Applicant can demonstrate to the satisfaction of ARENA that the requirements in these Eligible Expenditure Guidelines are satisfied;
  - d. In-Kind Contributions are non-monetary resources used on the Project where no cash has been transferred to the Recipient's account(s) for the Project;
  - e. expenditure that is undertaken prior to the signing of the Funding Agreement may be eligible, if prior written approval has been granted by ARENA;
  - f. expenditure that is incurred after the completion date for the Project specified in the Funding Agreement is generally ineligible;
  - g. Opportunity Costs are not Eligible Expenditure: Opportunity Costs are any benefits or production lost due to the allocation of resources to the Project ahead of any other possible activities by the Recipient;
  - h. where resources are used on a Project and on unrelated activities elsewhere in the Recipient organisation, the cost of those resources should be apportioned to the Project on the basis of the proportion of those resources that were used by the Recipient in



undertaking the Project. Where it is not possible to make such a proportionate allocation, the Recipient should allocate the cost of the resources on a reasonable basis and provide information to ARENA to support this allocation of the cost of the resources;

- i. related party transactions must be treated on an at cost basis, without mark-up, unless the Recipient can demonstrate to the satisfaction of ARENA that the transaction has been calculated on an arm's-length basis; and
- j. generally accepted accounting principles are to be followed and it must be possible to track expenditure relating to the Project through a Recipient's accounting system to meet the financial reporting and audit requirements in the Funding Agreement.

## SPECIFIC ELIGIBILITY PROVISIONS

### B.5 Eligible Expenditure includes:

- a. expenditure on the preparation of contracts entered into for the purposes of undertaking the activities required for the conduct of the Project, subject to the ineligible expenditure constraints below;
- b. labour expenditure, such as salaries and wages, including reasonable on-costs for personnel employed directly on the Project, which may be calculated as up to 125 percent of salaries. Labour on-costs that can be included are workers' compensation insurance, employer contributions to superannuation, sick leave, other leave, long service leave accrual and payroll tax;
- c. administrative expenses, including expenses incurred on communications, accommodation, computing facilities, travel, recruitment, printing and stationery, where such expenses are related directly to the Project;
- d. bench or lab access fees, directly related to the Project;
- e. expenditure on research infrastructure installed for the Project at the full delivered cost of the infrastructure;
- f. expenditure on research infrastructure including hire or lease costs, and running costs directly related to the delivery of the Project;
- g. expenditure activities that directly contribute to or enable knowledge including database development, websites, applications and reports;
- h. expenditure on legal, audit and accounting costs related directly to the Project;
- i. expenditure related to the raising of funds for the Project, or the formation of consortia or joint ventures or other partnering arrangements, where such activities can be related directly to the Project;
- j. expenditure such as relevant licence fees or intellectual property purchase costs, where the Applicant needs to access specific technology to undertake the Project; and
- k. expenditure related directly to obtaining government approvals to undertake the Project.

**B.6** Ineligible expenditure cannot be included in the total Project cost and ARENA funds cannot be used for ineligible expenditure.

**B.7** Ineligible expenditure includes, but is not limited to:

- a. expenditure related to the general operations and administration of the Applicant or Recipient that the Applicant or Recipient could reasonably be expected to undertake in the normal course of business, proportional to the Project;
- b. expenditure on activities that a local, state, territory or Commonwealth government agency has the responsibility to undertake, unless the Applicant or Recipient can demonstrate to the satisfaction of ARENA that the expenditure is related to a co-contribution;
- c. interest on loans for new and pre-existing capital items used for the Project;
- d. expenditure on the acquisition of land for a Project;
- e. sales or promotional activities that do not support directly the successful completion of the Project;
- f. membership fees;
- g. donations; and
- h. expenditure that does not directly support the delivery of the Project.

## LABOUR

- B.8 Eligible labour expenditure is the gross amount paid or payable to an employee of the Applicant or Recipient's company or organisation. Eligible salary includes any components of the employee's total remuneration package that are itemised on their Pay As You Go (PAYG) annual payment summaries submitted to the Australian Taxation Office (ATO).
- B.9 Where personnel are already engaged by the recipient prior to the commencement of the Project and have not been engaged specifically to work on the Project, this cost should be classified as In-kind Contributions, as opposed to Cash Contributions. In addition, where an existing member of personnel is transferred to work on the Project (for all or part of the time), then the proportion of time that is spent on the Project shall be classed as an in-kind contribution.
- B.10 Recipients must provide evidence to demonstrate the amount of time that an employee spent on the Project. Evidence to support Eligible Expenditure on labour could include timesheets, job cards or diaries.
- B.11 Labour costs cannot be claimed based on an estimation of the employee's worth to the company, where no cash has changed hands.

## CONTRACT EXPENDITURE

- B.12 Eligible contract expenditure is the cost of any activities to support the Project performed for the Recipient by another organisation. Work to be performed on a Project must be the subject of a written contract, including a letter or purchase order, which specifies the nature of the work to be performed for the Recipient and the applicable fees, charges and other costs payable. The written contract must be executed prior to the commencement of the work undertaken under the contract.
- B.13 It is not a requirement for contracts to be in place at the time an Applicant submits a Proposal to ARENA. However, for major items of contract expenditure, such as purchases of major items of

hardware to be incorporated in the Project, Applicants will be expected to have some form of documentary evidence, such as written quotes from suppliers, to substantiate the expenditure included in the budget for the Project.

- B.14 Where the contractor and the Applicant or Recipient are not at 'arm's-length', the amount assessed for work performed will be an amount considered to be a reasonable charge for that work and contain no unacceptable overheads and no element of 'in group profit'. Organisations considered not at 'arm's-length' include related companies and companies with common directors or shareholders.

## EXPENDITURE PRIOR TO EXECUTION OF THE FUNDING AGREEMENT

- B.15 ARENA reserves the right to approve expenditure incurred after ARENA has made a funding offer, but before a Funding Agreement has been executed. Requests must be submitted in writing after an offer of funding has been made. Note that any expenditure made before the execution of a Funding Agreement in the absence of ARENA's prior approval is done so at the sole risk of the Applicant.

## OVERSEAS EXPENDITURE

- B.16 As set out in item 3.9 of these Guidelines, any items of expenditure incurred by the Applicant outside of Australia, other than in respect of equipment or materials, must be limited to no more than 10 percent of total Project Budget, except in exceptional circumstances that must be justified by the Applicant and agreed to by ARENA in writing.
- B.17 Following execution of a Funding Agreement, expenditure on goods and services overseas may be subject to approval by ARENA as specified in the Funding Agreement.

## ACCOUNTING SYSTEMS

- B.18 Recipients and any relevant Project Partners are required to have suitable accounting systems in place that allow for:
- a. the separate and accurate identification of contributions and Eligible Expenditure on the Project; and
  - b. a clear audit trail of all Project funding contributions and Eligible Expenditure to be available upon request and as required to meet the requirements in the Funding Agreement.



# GLOSSARY

**Applicant** – an eligible institution as defined in item 3.2 of these Guidelines that has submitted a Proposal for funding under the Program.

**ARENA Advisory Panel** – information on the members of the ARENA Advisory Panel is available from the ARENA website at [arena.gov.au](http://arena.gov.au).

**Climate Performance** - refers to the track record of an organisation in reducing its greenhouse gas emissions including its commitment to activities such as emissions reporting, emissions reduction target setting, climate governance and the development of a Climate Transition Action Plan.

**Climate Transition Action Plan** - means a time-bound action plan that clearly outlines how an organisation will pivot its existing assets, operations, and business model towards a trajectory that aligns with the latest climate science recommendations and targets.

**Commercial Readiness** – the level of introduction into the market of a new Priority Technology being investigated by a Project, as mapped on the scale described in Appendix A of these Guidelines.

**Conflict of Interest** – a situation where a person makes a decision or exercises a power in a way that may be, or may be perceived to be, influenced by either material personal interests (financial or non-financial) or material personal associations.

**Corresponding WHS Law** – as defined in the Work Health and Safety Act 2011 (Cth), means each of the following:

- the *Work Health and Safety Act 2011* of New South Wales
- the *Occupational Health and Safety Act 2004* of Victoria
- the *Work Health and Safety Act 2011* of Queensland
- the *Occupational Safety and Health Act 1984* of Western Australia
- the *Work Health and Safety Act 2012* of South Australia
- the *Work Health and Safety Act 2012* of Tasmania
- the *Work Health and Safety Act 2011* of the Australian Capital Territory
- the *Work Health and Safety (National Uniform Legislation) Act 2011* of the Northern Territory
- any other law of a State or Territory prescribed by the regulations, as amended from time to time.

**Eligibility Criteria** – the Eligibility Criteria for Projects listed Part 3 of these Guidelines.

**Eligible Expenditure** – expenditure of the kind set out in Appendix B of these Guidelines.

**Expression of Interest (EOI)** – an expression of interest or first stage Proposal document containing the content required by clause 2.5.

**Full Application** – second stage Proposal document, containing the content required by clause 2.8.

**Full Time Equivalent (FTE)** – the ratio of the total number of paid hours during a period (part time, full time, contracted) by the number of working hours in that period Mondays through Fridays. The ratio units are FTE units or equivalent employees working full-time. In other words, one (1.0) FTE is equivalent to one employee working full-time.





**Funding Agreement** – the agreement between a Recipient and ARENA for funding under the Program. This includes a Head Funding Agreement or an individual Funding Agreement. Both agreements consist of two parts – the General Conditions and the Schedule:

- General Conditions – the predetermined standard contract approved by ARENA.
- Schedules – the specific information and conditions that are consistent with the funding offer of one or several Projects.

**Funding Announcement** – an announcement published on ARENA’s website which outlines the specific requirements for the Funding Round and signals the commencement of the Funding Round to which these Guidelines apply.

**Funding Round** – a competitive process to which these Guidelines apply, that is accompanied by a targeted Funding Announcement.

**General Funding Strategy** – the document made under Subdivision A, Division 2, Part 3 of the ARENA Act.

**Grant** – an amount awarded for a particular Project in return for the completion of specified milestones. A Grant is not to be confused with a gift or a loan. In the case of the Program, the Grant is the amount identified in the Funding Agreement. Grants are subject to normal taxation treatment as income and no special taxation agreements will apply to Grants under the Program.

**Guidelines** – the Research, Development and Commercialisation R&D Program Guidelines.

**In-Kind Contribution** – non-monetary resources used on the Project where no cash has been transferred to the Recipient’s account(s) for the Project.

**Investment Plan** – the ARENA Investment Plan, a document that ARENA releases annually, outlining ARENA’s investment Programs and initiatives.

**Knowledge Sharing Plan** – an agreement entered into between ARENA and the Applicant under a Funding Agreement to share knowledge from the Project.

**Merit Criteria** – the Merit Criteria listed in Part 4 of these Guidelines.

**Opportunity Costs** – any benefits or production lost due to the allocation of resources to the Project ahead of any other possible activities by the Recipient.

**Priority Technologies (also Round Priorities)** – those Priority Technologies identified for the Program listed in the Funding Announcement for the Round.

**Program** – the Research, Development and Commercialisation R&D Program.

**Project** – research, development and commercialisation activities involving a Priority Technology that meets the Program’s objectives and priorities as advised in these Guidelines and the relevant Funding Announcement.

**Project Budget** – the total budget for the proposed Project containing the information contained in the Funding Announcement for the Round.

**Project Partner** – A person, organisation or institution that the Applicant has engaged as a joint venturer, contractor or consultant to help deliver the proposed Project activities.

**Proposal** – An application to ARENA for a proposed Project.

**Recipient** – An entity that has entered into a Funding Agreement with ARENA for funding of a Project.

**Round Objectives** – the objectives for a Program Funding Round as outlined in the relevant Funding Announcement.

**Stream** – the Funding Round priority area(s) defined in the relevant Funding Announcement.

**Technology Readiness Level (TRL)** – the level of development of a Priority Technology being investigated by a Project, as mapped on the scale described in Appendix A of these Guidelines.

**WHS Law or WHS Legislation** – the *Work Health and Safety Act 2011 (Cth)*, Corresponding WHS Law or superseded work health and safety or occupational health and safety law in any jurisdiction. The WHS Law includes regulations established under the relevant Acts.

**WHSMS** – work health and safety management system.

**World Class** – ability to influence the global competitiveness and/or supply of the Priority Technology.



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