



Australian Government
Department of Industry,
Innovation and Science
Prime Minister and Cabinet

Business

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Program Guidelines

Smart Cities and Suburbs Program – Round 1

Version March 2017

Contents

1. Smart Cities and Suburbs Program processes	4
2. Introduction	5
2.1 New to smart cities and smart technology?	5
3. Program overview	5
3.1 Program objectives	6
3.2 Program outcomes	6
3.3 Program rounds	6
4. Grant amount and grant period	6
4.1 Grants available	6
4.2 Project duration	7
5. Eligibility criteria	7
5.1 Who is eligible?	7
5.2 Additional eligibility requirements	7
5.2.1 Local government and private sector involvement	7
5.2.2 Support from a local government agency or body	7
5.2.3 Your funding co-contributions	8
5.2.4 Commencement timeframe	8
5.3 Eligible projects	8
5.4 Eligible activities	8
5.5 Eligible expenditure	9
6. The merit criteria you need to address	9
6.1 Merit criterion 1	10
6.2 Merit criterion 2	10
6.3 Merit criterion 3	10
6.4 Merit criterion 4	11
7. How we assess your application (selection process)	11
7.1 Final decision	11
8. How to apply	12
8.1 Attachments to the application	12
8.2 Project Partners	13
9. If your application is successful	13
9.1 Grant agreement	13
9.2 How we pay the grant	14
9.3 How we monitor your project	14
9.3.1 Progress report	14
9.3.2 Final report	14
9.3.3 Ad hoc report	15
9.3.4 Financial report	15

9.4	Compliance visits	15
9.5	Project variations.....	15
9.6	Keeping us informed.....	15
9.7	Evaluation	16
9.8	Tax obligations	16
10.	Conflicts of interest	16
10.1	Your conflict of interest responsibilities	16
10.2	Our conflict of interest responsibilities.....	16
11.	How we use your information	17
11.1	How we handle your confidential information	17
	11.1.1 When we may disclose confidential information.....	17
11.2	How we use your personal information	18
11.3	Public announcement.....	18
11.4	Freedom of information	18
12.	Grant acknowledgement.....	19
13.	Enquiries and feedback.....	19
	Appendix A. Definitions of key terms	20
	Appendix B. Eligible expenditure guidelines.....	22
	How we verify eligible expenditure	22
	Labour expenditure.....	22
	Labour on-costs and administrative overhead	23
	Contract expenditure.....	23
	Other eligible expenditure	24
	Appendix C. Ineligible expenditure	25

1. Smart Cities and Suburbs Program processes

The Smart Cities and Suburbs Program is designed to achieve Australian Government objectives

This grant program contributes to the Department of Prime Minister and Cabinet's outcome 1. The department works with stakeholders to plan and design the grant program according to the *Commonwealth Grants Rules and Guidelines*.



The grant opportunity opens

We publish the grant guidelines and advertise on business.gov.au.



You complete and submit a grant application



We assess all grant applications

We assess the applications against eligibility criteria and notify you if you are not eligible. We then assess your application against the merit criteria including an overall consideration of value for money and compare it to other applications.



We make grant recommendations

We provide advice to the decision maker on the merits of each application.



Grant decisions are made

The decision maker decides which applications are successful.



We notify you of the outcome

We advise you of the outcome of your application. We may not notify unsuccessful applicants until grant agreements have been executed with successful applicants.



We enter into a grant agreement

We will enter into a grant agreement with successful applicants. The type of grant agreement is based on the nature of the grant and proportional to the risks involved.



Delivery of grant

You undertake the grant activity as set out in your grant agreement. We manage the grant by working with you, monitoring your progress and making payments.



Evaluation of the Smart Cities and Suburbs Program

We evaluate the specific grant activity and the Smart Cities and Suburbs Program as a whole. We base this on information you provide to us and that we collect from various sources.

2. Introduction

These guidelines set out the funding rules for round one of the Smart Cities and Suburbs Program (the program) for applicants.

The Department of Industry, Innovation and Science (the department) is responsible for administering the program on behalf of the Department of the Prime Minister and Cabinet, according to the requirements of the [Commonwealth Grants Rules and Guidelines](#).¹ The program will run over 3 years from 2016-17 to 2018-19.

Separate program guidelines will be issued outlining the arrangements for any future rounds of the program and will be available on business.gov.au.

We will publish the [opening and closing](#) dates of any funding rounds on business.gov.au and GrantConnect.

We have defined key terms used in these guidelines in Appendix A.

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

2.1 New to smart cities and smart technology?

Local governments that are new to smart cities and smart technology can register for a structured incubation package. The Future Ready incubation package is not directly linked to the grants application process but supports capability building in local government. The package will provide participating local governments with the opportunity to collaborate with industry, build organisational capability, establish partnerships and develop innovative project proposals ahead of any future program rounds. Registrations are open until 21 April 2017. For more information on the package and to register, visit business.gov.au.

3. Program overview

As part of the 2016 election campaign the Australian Government announced the establishment of a \$50 million competitive Smart Cities and Suburbs Program to support projects that apply innovative technology-based solutions to urban challenges. The program encourages eligible organisations – local governments, private companies, research organisations and not for profit bodies – to deliver collaborative smart city projects that improve the liveability, productivity and sustainability of Australian cities, suburbs and towns.

Smart cities are created by and for people with the help of smart technology. For the purposes of this program, smart technologies generate, store, communicate and process data. Smart technologies enable local governments and their communities to work together and make better decisions about designing, delivering and using public assets, services and spaces. Smart technology can help local governments to:

- actively engage the community in planning and policy decisions
- address economic, social and environmental challenges
- increase the efficiency and effectiveness of urban service delivery.

Local governments are at the frontline of smart city innovation. The program will foster smart cities capability through collaborative projects involving one or more communities.

¹ <http://www.finance.gov.au/resource-management/grants/>

3.1 Program objectives

The program supports the Australian Government's commitment to help local governments and communities use smart technology and increase the accessibility and use of public data so that:

- cities, suburbs and towns become more liveable, productive and sustainable and
- urban service delivery becomes more efficient and effective.

In line with the [Smart Cities Plan](#),² the program supports projects that apply smart technology, data-driven decision making and people-focused design to deliver economic, social and environmental benefits in metropolitan and regional urban centres.

Projects will deliver innovative solutions that transform the government sector, advance community goals and address the needs of residents. The program will help to establish smart city innovation eco-systems and move Australia towards a global leadership position in smart city solutions.

Collaborative projects involving partners across multiple sectors and urban centres will:

- grow smart cities capability and capacity through shared knowledge and expertise
- drive innovation and wide adoption of solutions
- advance standards and improve regulation
- realise greater outcomes through maximum leverage of program funding.

3.2 Program outcomes

The intended outcomes of the program are to:

- improve the liveability and sustainability of cities, suburbs and towns through the application of smart technology solutions to economic, social and environmental challenges
- increase openly available public and private data sets to support citizen engagement, unlock innovation, and create new business opportunities
- increase innovation and capability in local governments through collaboration and smart city innovation ecosystem development
- contribute to development of smart city standards and improvement of regulation impacting the roll-out and use of smart technology.

3.3 Program rounds

The program may run over multiple rounds. For round one:

- applications open 17 March 2017
- applications close 30 June 2017

We will publish the dates for any future rounds on business.gov.au and GrantConnect.

4. Grant amount and grant period

4.1 Grants available

For round one:

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

² <https://cities.dpmc.gov.au/smart-cities-plan>

- The grant amount will be up to 50 per cent of eligible project costs.

The total program funding of \$50 million is available in round one as follows.

Total project value	Maximum grant amount (up to 50% of project costs)	Program funding available
\$200,000 - \$1 million	\$100,000 - \$500,000	\$10 million
\$1 million - \$10 million	\$500,000 - \$5 million	\$40 million

Total program expenditure in round one will depend on the quality of projects proposed. Unallocated funds will be available in future rounds. The program delegate may alter the program funding available in each category based on the applications received.

4.2 Project duration

You must complete your project by 30 June 2019.

5. Eligibility criteria

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

5.1 Who is eligible?

To be eligible to apply you must have an Australian Business Number (ABN), be registered for GST, and be one of the following:

- a local government agency or body as defined in Appendix A
- an entity incorporated in Australia
- an incorporated trustee on behalf of a trust
- a not for profit organisation
- a Publicly Funded Research Organisation (PFRO) as defined in Appendix A.

5.2 Additional eligibility requirements

5.2.1 Local government and private sector involvement

To be eligible your project must involve:

- at least one local government agency or body, and
- at least one private sector organisation during the life of the project.

We recognise many organisations, particularly local governments, are subject to procurement and probity requirements and may not be able to nominate a private sector partner at the time of application. Where a private sector partner cannot be nominated, local governments, not for profit organisations and PFROs must commit to engaging a private sector partner during the life of the project and identify the goods and services to be procured.

The involvement of a local government and a private sector organisation in all projects is a minimum requirement. Your project can involve multiple organisations (see 8.2).

5.2.2 Support from a local government agency or body

Projects must have in-principle support from a local government agency or body at the time of application. You must provide evidence of in-principle support by:

- a letter from the relevant Mayor(s) or Chief Executive Officer(s) stating that the project is endorsed by local government leadership and supported by relevant council divisions, in principle, if grant funding is awarded, or
- an approved Council minute from a formal meeting of Council.

5.2.3 Your funding co-contributions

You must provide evidence of how you will fund your minimum 50 per cent share of eligible project costs from funding sources other than the Commonwealth. You must provide a letter from the Mayor, Chief Executive Officer, Chief Financial Officer or equivalent of each partner organisation outlining their contribution, and confirming they can fund their share of project costs.

5.2.4 Commencement timeframe

You must start your project within two months of executing a grant agreement, which can include planning for procurement.

5.3 Eligible projects

The program funds projects that apply innovative smart technologies which generate, store, communicate and process data to target urban challenges.

Additionally, projects must involve the innovative application of knowledge, hardware or software that

- is new to the organisation, the local government area, city, region or country or
- delivers an outcome which has not previously been realised in your community or
- extends or deploys an existing smart technology in a novel way.

5.4 Eligible activities

Eligible activities must relate directly to the project.

Activities should align with one or more of the four program priority areas in Table 1 below.

Table 1: Project priority areas

Priority Area	Aim	Description
Smart Infrastructure	Improving the efficiency, reliability, delivery and maintenance of infrastructure and essential services	Solutions that improve <ul style="list-style-type: none"> ▪ infrastructure-related services such as traffic management, emergency response, waste management, communications and water supply ▪ landscape and green infrastructure assets ▪ infrastructure management and maintenance and transportation infrastructure issues including accessibility and mobility.
Smart Precincts	Making community precincts more liveable, productive, sustainable and safe	Solutions that improve the comfort, amenity, security and management of public facilities, assets and spaces. Solutions may include integrated and intelligent systems which provide automated responses to real-time environmental and usage data.

Priority Area	Aim	Description
Smart Services and Communities	Delivering community focussed local government services	Solutions that <ul style="list-style-type: none"> ▪ increase community engagement ▪ involve the community in service design and delivery ▪ empower customers to make decisions through greater access to information ▪ improve access to council services ▪ support real-time availability of council information and data.
Smart Planning and Design	Building adaptable and resilient cities through improved land use, strategic planning and governance.	Solutions that provide more sophisticated information to support decision making and improve governance at local, state and national level, including through <ul style="list-style-type: none"> ▪ automatic integration of data from sensor networks ▪ planning systems that predict development impacts ▪ smart planning tools that analyse data from myriad sources to improve land use and planning.

5.5 Eligible expenditure

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

- For guidelines on eligible expenditure, see Appendix B.
- For a list of ineligible expenditure, see Appendix C.

We may update the guidelines on eligible expenditure. If your application is successful, the version in place when you submitted your application applies to your project.

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

The earliest date you can start your project and incur eligible expenditure is the date of your letter of offer. If you choose to start your project before you enter into a grant agreement with the Commonwealth, you do so at your own risk. You cannot use funding from other Commonwealth government sources to fund your share of project costs.

The Program Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

6. The merit criteria you need to address

To be competitive, you will need to address all merit criteria in your application. We will assess your application against each merit criterion using the weighting indicated.

The application form asks questions that relate to the merit criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. The application form displays word limits.

We will only award funding to applications that score highly against all merit criteria, as these represent best value for money.

6.1 Merit criterion 1

The extent to which your project is innovative and uses smart technology and open data (30 points)

In assessing this criterion, we will consider:

- The extent to which your project is innovative (see 5.3).
- The extent that your project will promote open and accessible data
- The extent to which your project uses smart technology
- The degree that your project supports interoperability of systems and uses available standards, particularly open standards.

Examples of existing open standards include data models based on CitySDK, data platforms based on CKAN, APIs based on the FIWARE NGSI API framework, and information discovery standards like Hypercat.

6.2 Merit criterion 2

The scope of social, environmental and economic benefits your project will deliver (30 points)

In assessing this criterion, we will consider:

- The level of social, environmental and economic project benefits to be gained. This may include improving:
 - the efficiency and effectiveness of and access to local government services and facilities
 - the health and quality of the natural environment, including increased efficiency in the use of natural resources
 - the financial sustainability of your community, including generating an ongoing revenue stream, cost savings, or leveraging investment from third-parties.
 - the urban environment, including safety, design landscape and green infrastructure
 - business and industry development including job creation and skills development
 - social equity and community cohesion
- The degree to which your project will transform the government sector:
 - by serving as a demonstration of best practice for others and the potential to scale up, roll out or replicate your solution in other communities; and/or
 - by supporting improved regulation.

6.3 Merit criterion 3

The extent of the project's community focus and impact on the liveability of the cities, suburbs and towns (20 points)

In assessing this criterion, we will consider:

- The degree that your project will advance community goals including through alignment with any relevant strategic plans at the local, regional or state level.
- The level of engagement with citizens to ensure the project addresses community needs and has the support of the community.
- Your strategy to measure the project's success, including any targets and metrics

6.4 Merit criterion 4

Your capacity, capability and resources to carry out the project (20 points)

To assess this criterion, we will consider:

- The role of each project partner and how you will collaborate with them to improve your project outcomes
- Your track record managing similar projects
- Your access to personnel with the right skills and experience
- Your existing access to, or future access to, any infrastructure, capital equipment, technology, intellectual property, licences, radiofrequency spectrum etc.
- Your plan to manage and monitor the project, including planned governance and accountability arrangements
- The identification of key risks to the project's success and proposed treatments
- The level of continued support for, or capacity to, extend the project outcomes once the project is complete.
- The cash and in-kind contributions of all project partners. Additional investments such as cash contributions over 50 per cent or in-kind contributions will be highly regarded

7. How we assess your application (selection process)

We first assess your application against the eligibility criteria and then against the merit criteria. Only eligible applications will proceed to the merit assessment stage.

We refer your application to an assessment committee of Commonwealth officers with subject matter expertise.

The committee will assess your application against the merit criteria and compare it to other eligible applications before recommending which projects to fund. The committee may seek additional impartial advice on technical aspects of your proposal from experts.

To recommend your application for funding it must score highly against each merit criterion as this represents best value for money. While we assess all applications against the same merit criteria, we will score your application relative to the project size, complexity and grant amount requested. The evidence you provide to support your application should be proportional to the size and complexity of your project. If the selection process identifies unintentional errors in your application, we may contact you to correct or clarify the errors, but you cannot make any material alteration or addition.

7.1 Final decision

The Assistant Minister for Cities and Digital Transformation decides which grants to approve taking into account the recommendations of the committee and the availability of grant funds.

If you are successful, you will receive a written offer.

If you are unsuccessful, we will notify you in writing and give you an opportunity to discuss the outcome with us. You can submit a new application for the same project (or a similar project) in any future funding rounds. You should include new or more information to address the weaknesses identified in your previous application. If a new application is substantially the same as a previous ineligible or unsuccessful application we may refuse to accept it for merit assessment.

The Assistant Minister's decision is final in all matters, including:

- the approval of applications for funding
- the amount of grant funding awarded
- the terms and conditions of funding.

We cannot review decisions about the merits of your application.

The Assistant Minister will not approve funding if there are insufficient program funds available across financial years.

8. How to apply

Before applying you should read and understand these guidelines, the [sample application form](#) and the sample grant agreement published on business.gov.au.

You can only submit an application during a funding round. We will publish the [opening and closing date](#) for each round on business.gov.au and GrantConnect.

To apply, you must:

- complete the online Smart Cities and Suburbs Program application form on business.gov.au
- provide all the information requested
- address all eligibility and merit criteria
- include all necessary attachments

When you submit your online application we will provide you with an automated receipt number and a link. The link goes to a page where you can enter your email address to receive acknowledgment and a copy of your complete application.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code 1995* (Cth). We will investigate any false or misleading information and may not progress your application. If you find an error in your application after submitting it you should call us immediately on 13 28 46.

If we find an error or information that is missing we may ask for clarification or additional information from you that will not change the nature of your application. However we can also refuse to accept any additional information from you that would change your submission after the application closing time.

If you need further guidance around the application process or if you are unable to submit an application online [contact us](#) at business.gov.au or by calling 13 28 46.

8.1 Attachments to the application

The following documents are required with your application:

- letter from your Mayor, Chief Executive Officer or Chief Financial Officer with in-principle commitment to the project and in-principle allocation of the funding your organisation will contribute to the project
- letter of support from the Mayor, Chief Executive Officer or Chief Financial Officer of each project partner, including in-principle allocation of any funding they will contribute to the project
- project plan (for projects over \$1 million)
- project budget (for projects over \$1 million)
- trust deed (where applicable)

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. We will not consider information in attachments that we do not request.

8.2 Project Partners

You are encouraged to partner with other organisations to deliver a group project. Other parties may include but are not limited to:

- businesses
- business and industry organisations
- community sector organisations
- local governments
- state and territory governments
- research institutions
- statutory authorities or government business enterprises
- Regional Development Authorities
- Regional Organisations of Councils.

In these circumstances, you must appoint a lead organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application should identify all other members of the proposed group and include a letter of support from each of the project partners. Each letter of support should include

- details of the project partner organisation
- an overview of how the organisation will work with the lead organisation and any other project partners to successfully complete the grant project
- details of any cash contributions to the project
- an outline of the relevant experience and/or expertise the organisation will bring to the group
- the roles and responsibilities of the organisation, and the resources it will contribute (if any)
- details of a nominated management level contact officer.

9. If your application is successful

9.1 Grant agreement

You must enter into a grant agreement with the Commonwealth.

We will not make any grant payments until there is an executed grant agreement in place. We are not responsible for any of your project expenditure until a grant agreement is in place. If you choose to start your project before you have an executed grant agreement, you do so at your own risk.

The funding approval may have specific conditions as a result of the assessment process or other considerations made by the Assistant Minister. We will identify these in the offer of funding.

If you enter an agreement under the Smart Cities and Suburbs Program, you cannot receive other grants for the same activities from other Commonwealth granting programs.

The Commonwealth may recover grant funds if there is a breach of the grant agreement.

You will have 40 days from the date of a written offer to execute the grant agreement with the Commonwealth ('execute' means both you and the Commonwealth have signed the agreement).

During this time we will work with you to finalise details. The offer may lapse if both parties do not execute the grant agreement within this time. Under certain circumstances we may extend this period. We will base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the Assistant Minister.

9.2 How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible costs covered by the grant (up to 50% of eligible project costs)

We make an initial payment on execution of the grant agreement covering up to 6 months of eligible expenditure. We will make subsequent payments in arrears based on your achievement of activities and your eligible expenditure.

We set aside 10 per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory final report. We may need to adjust your progress payments to align with available program funds across financial years or to ensure we retain a minimum 10 per cent of grant funding for final payment.

9.3 How we monitor your project

You must submit progress and financial reports in line with the grant agreement. We will provide sample templates for these reports as appendices in the grant agreement. You will also be able to download them from business.gov.au. We will remind you of your reporting obligations before a report is due. We will expect you to report on

- progress against agreed project milestones
- contributions of participants directly related to the project
- project expenditure, including expenditure of grant funds.

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

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

9.3.1 Progress report

Progress reports must:

- include evidence of your progress towards completion of agreed project activities
- show the total eligible expenditure incurred to date
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

We will only make grant payments when we receive satisfactory progress reports.

You must discuss any project or activity reporting delays with us as soon as you become aware of them.

9.3.2 Final report

When you complete the project, you must submit a final report.

Final reports must:

- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project
- be submitted within four weeks of completing the project.
- be in the format provided in the grant agreement

9.3.3 Ad hoc report

We may ask you for ad-hoc reports on your project. This may be to provide an update on progress or any significant delays or difficulties in completing the project.

9.3.4 Financial report

You may need to provide an independently audited financial acquittal report. A financial acquittal report will verify that you spent the grant in accordance with the grant agreement. The financial acquittal report is attached to the sample grant agreement.

9.4 Compliance visits

We may visit you during the project period to review your compliance with the grant agreement. We may also inspect the records you are required to keep under the grant agreement. For large and complex projects, we may visit you after you finish your project. We will provide you with reasonable notice of any compliance visit.

9.5 Project variations

We recognise that unexpected events may affect project progress. In these circumstances, you can request a project variation, including:

- changing project milestones
- extending the timeframe for completing the project but by 30 June 2019.
- changing project activities
- The program does not allow for an increase of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the grant agreement end date. We can provide you with a variation request template.

If a delay in the project causes milestone achievement and payment dates to move to a different financial year, you will need a variation to the grant agreement. We can only move funds between financial years if there is enough program funding in the relevant year to allow for the revised payment schedule. If we cannot move the funds, you may lose some grant funding.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- how it affects the project outcome
- consistency with the program policy objective and any relevant policies of the department
- changes to the timing of grant payments
- availability of program funds.

9.6 Keeping us informed

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

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

You must also inform us of any changes to your:

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

If you become aware of a breach of terms and conditions under the grant agreement you must contact us immediately.

9.7 Evaluation

We may evaluate the program to determine the extent to which the funded activity is contributing to the program objectives and outcomes. We may use information from your application and project reports for this purpose. We may also interview you, or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes. We may contact you up to one year after you finish your project for more information to assist with this evaluation.

9.8 Tax obligations

If you are registered for the Goods and Services Tax (GST), we will add GST to your grant payment and provide you with a recipient created tax invoice.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office \(ATO\)](#). We are required to report grant payments for all entities with an ABN to the ATO. We do not provide advice on tax.

10. Conflicts of interest

10.1 Your conflict of interest responsibilities

A conflict of interest will occur if your private interests conflict with your obligations under the grant. Conflicts of interest could affect the awarding or performance of your grant. A conflict of interest can be:

- real (or actual)
- apparent (or perceived)
- potential.

We will ask you to declare, as part of your application, any perceived or existing conflicts of interests or that, to the best of your knowledge, there is no conflict of interest.

If you later identify that there is an actual, apparent, or potential conflict of interest or that one might arise in relation to your grant, you must inform us in writing immediately.

10.2 Our conflict of interest responsibilities

We recognise that conflicts of interest may arise with our staff, technical experts, advisory committee members and others delivering the program between:

- their program duties, roles and responsibilities and

- their private interests.

We manage our conflicts of interest according to the *APS Code of Conduct* (section 13 (7) of the *Public Service Act 1999* (Cth)). We publish our conflict of interest policy on the [Department of Industry, Innovation and Science³](#) website.

Program officials must declare any conflicts of interest. If we consider a conflict of interest is a cause for concern, that official will not take part in the assessment of applications under the program.

11. How we use your information

Unless the information you provide to us is

- confidential information as per 11.1, or
- personal information as per 11.2,

We may share the information with other government agencies for a relevant Commonwealth purpose such as:

- to improve the effective administration, monitoring and evaluation of Australian Government programs
- for research
- to announce the awarding of grants.

11.1 How we handle your confidential information

We will treat the information you give us as sensitive and therefore confidential if it meets one of the four conditions below:

1. You clearly identify the information as confidential and explain why we should treat it as confidential.
2. The information is commercially sensitive.
3. Disclosing the information would cause unreasonable harm to you or someone else.
4. You provide the information with an understanding that it will stay confidential.

11.1.1 When we may disclose confidential information

We may disclose confidential information:

- to the committee and our Commonwealth employees and contractors, to help us manage the program effectively
- to the Auditor-General, Ombudsman or Privacy Commissioner
- to the responsible Minister or Assistant Minister
- to a House or a Committee of the Australian Parliament.

We may also disclose confidential information if

- we are required or authorised by law to disclose it
- you agree to the information being disclosed, or

³

<http://www.industry.gov.au/AboutUs/InformationPublicationScheme/Ourpolicies/Pages/Library%20Card/ConflictofInterestInsideTradeExpectationsofInnovationEmployees.aspx>

- someone other than us has made the confidential information public.

11.2 How we use your personal information

We must treat your personal information according to the Australian Privacy Principles (APPs) and the *Privacy Act 1988*. This includes letting you know:

- what personal information we collect
- why we collect your personal information
- to whom we give your personal information.

We may give the personal information we collect from you to our employees and contractors, the committee, and other Commonwealth employees and contractors, so we can:

- manage the program
- research, assess, monitor and analyse our programs and activities.

We, or the Assistant Minister, may:

- announce the names of successful applicants to the public
- publish personal information on the department's websites.

You may read our [Privacy Policy](#)⁴ on the department's website for more information on:

- what is personal information
- how we collect, use, disclose and store your personal information
- how you can access and correct your personal information.

11.3 Public announcement

We will publish non-sensitive details of successful projects on, [business.gov.au](#) and on the [Department of the Prime Minister and Cabinet's website](#)⁵. We are required to do this by the *Commonwealth Grants Rules and Guidelines* and the [Australian Government Public Data Policy Statement](#),⁶ unless otherwise prohibited by law. This information may include:

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation's industry sector.

We publish this information to ensure open access to non-sensitive data within Australian Government agencies to enable greater innovation and productivity across all sectors of the Australian economy.

11.4 Freedom of information

The *Freedom of Information Act 1982* (FOI Act) applies to all documents we create, receive or store about the program. If someone requests a document under the FOI Act, we will release it

⁴ <http://www.industry.gov.au/Pages/PrivacyPolicy.aspx>

⁵ <https://www.dpmc.gov.au/who-we-are/grants-and-funding>

⁶ <http://www.dpmc.gov.au/resource-centre/data/australian-government-public-data-policy-statement>

(though we may need to consult with you and/or other parties first) unless it meets one of the exemptions set out in the FOI Act.

12. Grant acknowledgement

If you make a public statement about a project funded under the program, we require you to acknowledge the grant by using the following:

‘This project received grant funding from the Australian Government.’

13. Enquiries and feedback

For further information or clarification, you can contact us on 13 28 46 or by [web chat](#) or through our [online enquiry form](#) on business.gov.au.

We may publish answers to your questions on our website as Frequently Asked Questions.

The AusIndustry [Customer Service Charter](#) is available at business.gov.au. AusIndustry uses customer satisfaction surveys to improve its business operations and service.

If you have a complaint, call us on 13 28 46. We will refer your complaint to the appropriate manager.

If you are not satisfied with the way we handle your complaint, you can contact:

Head of Division
AusIndustry – Business Services
GPO Box 9839
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)⁷ with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

⁷ <http://www.ombudsman.gov.au/>

Appendix A. Definitions of key terms

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
Assistant Minister	Assistant Minister for Cities and Digital Transformation
AusIndustry	The division of the same name within the department.
City Deals	A Commonwealth initiative to bring together all three levels of government in a collaborative partnership to make our cities better places to live in and do business.
Department	The Department of Industry, Innovation and Science.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support. This is decided by the Program Delegate in accordance with these guidelines and the grant agreement.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support.
Eligible expenditure guidelines	The guidelines that are at Appendix B.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
Grantee	The recipient of grant funding under a grant agreement.
Guidelines	<i>Guidelines</i> that the Assistant Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.
Liveability	The aspects that determine the quality of life of a place, including its economy, amenity, built and natural environment, community, job and education opportunities, leadership and sustainability.
Local government agency or body	A local governing body as defined in the <i>Local Government (Financial Assistance) Act 1995</i> (Cth) and the ACT Government.
Personal information	Has the same meaning as in the <i>Privacy Act 1988</i> (Cth)
Program	Smart Cities and Suburbs Program

Term	Definition
Program Delegate	The AusIndustry General Manager with responsibility for the Smart Cities and Suburbs Program.
Program funding or Program funds	The funding made available by the Commonwealth for the program.
Project	A project described in an application for grant funding under the Smart Cities and Suburbs Program.
Publicly funded research organisation (PFRO)	<p>All higher education providers listed at Table A and Table B of the <i>Higher Education Support Act 2003</i> (Cth).</p> <p>This excludes government departments or agencies which undertake publicly funded research.</p>
Smart city	Urban areas that are created by and for people with the help of smart technology.
Urban	A built-up area in a city, suburb or town.

Appendix B. Eligible expenditure guidelines

This section provides guidelines on the eligibility of expenditure. We will update these guidelines from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

The Program Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be incurred by the grantee within the project period
- be a direct cost from the project
- be incurred by the grantee for approved project audit activities
- meet the eligible expenditure guidelines.

How we verify eligible expenditure

If your application is successful, we will ask you to verify the project budget that you provided in your application when we negotiate your grant agreement. You may need to provide evidence such as quotes for major costs.

The grant agreement will also include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure.

If requested, you will need to provide the agreed evidence along with your milestone achievement reports.

You must also keep payment records of all eligible expenditure, and must be able to explain how the costs relate to the agreed project milestones and activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

At the end of the project, you may be required to provide an independent financial audit of all eligible expenditure from the project.

Labour expenditure

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

We consider costs for technical, but not administrative, project management activities eligible labour expenditure. However, we limit administrative and project management costs to 20 per cent of the total amount of eligible labour expenditure claimed.

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the Australian Taxation Office (ATO). We consider salary-sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is \$150,000 per financial year.

For periods of the project that do not make a full financial year, the maximum salary amount you can claim will be reduced in proportion to the amount of time in the part financial year the project was taking place.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

Labour on-costs and administrative overhead

Eligible salary costs can be increased by an additional 30% allowance to cover on-costs such as employer paid superannuation, payroll tax and workers compensation insurance, and overheads such as office rent and the provision of computers.

You should calculate eligible salary costs using the formula below:

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

You cannot base labour costs on an estimation of the employee's worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.

We will only consider salaries paid to principals and/or their relatives as eligible labour expenditure when the ATO has assessed tax payable on the salary.

Evidence you will need to provide can include:

- details of all personnel working on the project, including name, title, function, time spent on the project and salary
- ATO payment summaries, pay slips and employment contracts.

Contract expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

- another organisation
- an individual (who is not an employee, but engaged under a separate contract).

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

- the nature of the work to be performed
- the applicable fees, charges and other costs payable.

Invoices from contractors must contain:

- a detailed description of the nature of the work
- the hours and hourly rates involved
- any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense as if you had claimed it directly (without engaging a contractor). The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

- an exchange of letters (including email) setting out the terms and conditions of the proposed contract work
- purchase orders
- supply agreements
- invoices and payment documents.

As stated in the grant agreement, you are required to ensure all project contractors keep a record of the costs of their work on the project. You may be required to obtain and provide a contractor's records of its costs of doing project work. If you do not provide such records, the relevant contract expense may not qualify as eligible expenditure.

Other eligible expenditure

Other eligible expenditures for the project may include:

- costs you incur as part of procurement activity relating to the project
- commissioning
- costs you incur as part of engaging with stakeholders and the community
- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure
- costs of acquiring intellectual property and technology required to implement the project
- costs of acquiring hardware and software directly related to the project
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
- contingency costs up to a maximum of 10% of the eligible project costs. Note that we make payments based on actual costs incurred.

Other specific expenditures may be eligible as determined by the Program Delegate.

Evidence you need to supply can include supplier contracts, purchase orders, invoices and supplier confirmation of payments.

Appendix C. Ineligible expenditure

This section provides guidelines on the ineligible expenditure of Australian Government grant funds. We will update these guidelines from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

The Program Delegate may impose limitations or exclude expenditure, or further include some ineligible expenditure listed in these guidelines in a grant agreement or otherwise by notice to you.

Examples of ineligible expenditure include:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to us notifying you that the application is eligible and complete
- any in-kind contributions
- financial costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, general office computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings
- costs involved in the purchase or upgrade / hire of software (including user licences) and ICT hardware not directly related to acquiring intellectual property or technology required for the project
- costs such as rental, renovations and utilities
- non-project-related staff training and development costs
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- debt financing
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- site preparation activities which are not directly related to, or for, the main purpose of the project
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports) and preparing any project variation requests
- travel or overseas costs that exceed 10% of total project costs except where otherwise approved by the Program Delegate.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program. You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.