



### Future Drought Fund Drought Resilience Innovation Expression of Interest and Grants Program

#### **Questions and Answers**

#### Applying for a grant

#### 1. What is the closing time and date for Expression of Interest (EOI) applications?

The EOI application form must be submitted by 9:00 pm AEST on Wednesday 8 September 2021.

It is recommended that you submit your application well before the closing time and date.

### 2. If I am not able to submit my application by the due time and date, can I be granted an extension?

No, extensions will not be given.

#### 3. When will I know the outcome of my EOI application?

If your proposal is assessed as suitable in the EOI process for Proof-of-Concept Grant or an Innovation Grant you will be invited to apply for these through a targeted competitive grant round.

If your proposal is assessed as suitable in the EOI process for an Ideas Grant, you will be offered this grant based on your EOI.

Unsuccessful applicants will be notified of the outcome of your EOI application after the announcement of the successful applicants. For probity reasons, to treat all applicants fairly and equally, it is not possible to give you information about the status of individual applications during the assessment process.

#### 4. How can I submit the EOI application form?

The form is an online application form that you must submit electronically. The Community Grants Hub will not provide application forms or accept application forms for this grant opportunity by fax, email or through Australia Post unless otherwise stated in the grant opportunity documents.

#### 5. Do character limits apply to my application?

Yes, the application for the EOI (stage 1) includes character limits – up to 3,500 characters (approximately 525 words) per assessment criterion.

Please note: spaces are included in the character limits.



#### 6. What grant types are available?

The grant process is open competitive and will be run in 2 stages. The process commences with an EOI, followed by a targeted competitive round for shortlisted EOI applications.

Funding for each of the 3 grant types is described below.

- 1. Ideas Grants will provide \$50,000 (GST inclusive) for one year.
- 2. Proof-of-Concept Grants will provide funding of up to \$120,000 (GST inclusive) for one year.
- 3. Innovation Grants will provide funding of between \$300,000 to \$1.1 million (GST inclusive) per year for a maximum of 3 years.

It is your (the applicant's) responsibility to clearly state in the application form what grant you are applying for, and to tailor your application to that grant type.

All applicants need to align their project with one or more of the Investment Priorities as described in section 6 of the Grant Opportunity Guidelines.

Projects must deliver public good benefits as their primary outcome – see section 2.2 of the Grant Opportunity Guidelines.

If your submission for a Proof-of-Concept Grant or an Innovation Grant has merit, but the ability to manage the risk and deliver the project is uncertain, you may be offered an Ideas Grant to further develop the proposal and reduce project risk to an acceptable level.

#### 7. How much funding is available for this program?

\$37.6 million (GST inclusive) for 3 years. For each grant type, the following indicative caps have been set for total investment:

- \$1 million (GST inclusive) for Ideas Grants subject to assessments, this equates to 20 projects based on funding of \$50,000 per project.
- \$2.4 million (GST inclusive) for the Proof-of-Concept Grants, subject to assessments, this
  equates to a minimum of 20 projects based on a Proof-of-Concept Grant up to \$120,000
  (GST Inclusive)
- \$34.2 million (GST inclusive) for the Innovation grants subject to assessment processes, this equates to between 10 and 30 projects based on funding of \$300,000 to \$1.1 million (GST Inclusive) per year, over 3 years.

See section 3 of the Grant Opportunity Guidelines.

#### 8. Is the funding ongoing?

No.

#### 9. Does the program include agricultural production and related supply chains?

Yes.

#### 10. Does the program include forestry and fishing?

No. This grant opportunity does not include forestry and fishing.



# 11. Is there a list of drought-affected regions/how will I know if a location will be affected by drought?

No, there is no list of drought-affected regions. Projects under this program should be designed to build resilience to future droughts, not respond to the impacts of current or previous droughts.

# 12. Can the Department of Agriculture, Water and the Environment (the department) provide me with advice about my planned activities?

During the application process, the department cannot provide advice to potential applicants about specific project ideas. This includes making any comments about the merit of a project or any of the planned activities and whether they meet the program's objectives. This is to ensure that the process remains equitable, fair and impartial, for all applicants.

# 13. What preparation and pre-reading should I undertake before commencing my application?

Before applying, you must read and understand the Grant Opportunity Guidelines and this Questions and Answers document.

Prior to commencing your application, you may find the following information helpful.

The department commissioned the Drought Resilience Research, Development, Extension and Adoption (RDE&A) Stocktake report by ACIL Allen in 2020. The purpose of this stocktake was to understand the current investment in drought resilience RDE&A, and identify current activity and capability. This report is available on the <u>department's website</u>.

#### 14. How do I know if my application has been received?

You will receive an acknowledgement email when you submit your application to confirm your submission has been received.

Please wait for the acknowledgement email before closing your browser. This may take a few minutes depending on your internet connection.

#### 15. What if I find there is an error or information missing from my application?

If you find an error or missing information in your application after it has been submitted, you should immediately contact the Community Grants Hub by phone on 1800 020 283 (option 1) or by email at <a href="mailto:support@communitygrants.gov.au">support@communitygrants.gov.au</a>.

#### 16. Can I make changes to my application after it has been submitted?

You cannot change your application after the closing date and time.

#### Eligible expenditure

#### 17. Can funding be used to engage a contractor?

Yes, contractors can be engaged to deliver project activities where your project does not have the capability or the capacity to deliver those activities yourself, and where those activities are integral to successful achievement of your project outcomes.



#### 18. Can funding be used for capital expenditure?

Up to 25% of the grant amount sought may be used for major construction, capital expenditure and general infrastructure costs. Not all expenditure on your project may be eligible for grant funding. The department will make the final decision on what is eligible expenditure.

# 19. Can I apply for funding if I am receiving funding or have received funding for the same activity?

Activities cannot be funded more than once, and you cannot spend grant money from this program on activities that you receive funding for under any other Commonwealth programs or state, territory or local government bodies.

In your application, you must include funding available under any other government program as an identified co-contribution.

Please refer to section 5 of the Grant Opportunity Guidelines.

#### **Funding sources**

#### 20. What is a project co-contribution?

A project co-contribution is the provision of cash or in-kind resources to the project-by-project partners or other government programs. All co-contributions are in addition to grant funding.

#### 21. Is sourcing additional cash and in-kind co-contributions required?

No. However, co-contributions are encouraged and will be considered during assessment of each application and its value for money.

All EOI applications (and the Proof-of-Concept Grant applications in the targeted competitive grant round) must describe the project co-contribution (cash and in-kind) that you may obtain, and the sources and nature of that co-contribution.

For the Innovation Grants in the targeted competitive grant round, co-contributions are strongly encouraged, and this information will be used to assess the level of commitment of the lead and partner organisations to the proposed project.

For co-contributions to count towards your total eligible grant project value, they must directly relate to eligible activities.

Co-contributions can be in the form of cash or in-kind contributions and can come from any source.

As part of the first grant agreement milestone, cash and/or in-kind contributions must be included in the project budget that will be submitted as a part of the Activity Work Plan.

#### 22. What is the difference between a cash and an in-kind co-contribution?

A cash co-contribution is the actual money that project partners or other government programs provide to the project. Cash co-contributions should be recorded as entries into a bank account.

In milestone one of the grant agreement, cash co-contributions need to be included as part of the project budget within the Activity Work Plan.



In-kind co-contributions are the non-cash co-contributions. These can include labour contributions and facilities, equipment and services provided by project partners to the project. For in-kind contributions to count towards your total eligible grant project value, they must directly relate to eligible activities.

See **Appendix A** of the Grant Opportunity Guidelines for more details about what may be included as in-kind co-contributions.

#### Applicant eligibility

#### 23. Who is eligible to apply as a lead applicant for a grant?

To be eligible to apply for a grant, the lead applicant must be based in Australia and capable of entering into a legally binding and enforceable agreement with the Commonwealth.

Individuals and eligible organisations can apply. Ineligible organisations can be a member of a consortium with an eligible lead applicant.

See section 4 of the Grant Opportunity Guidelines for details on all eligible and ineligible entity types.

#### 24. What is a consortium, and can a consortium apply?

A consortium is 2 or more organisations who are working together to combine their capabilities when developing an application and delivering a grant activity.

Each consortium must nominate a lead applicant who is solely accountable to the Commonwealth for the delivery of grant activities.

Individuals and eligible organisations can form a consortium with ineligible organisations.

If you submit a joint application, you must nominate a lead applicant for the application. If your application is successful the lead applicant for the project will sign the grant agreement, receive the funding, and take legal responsibility for performing the activities and meeting the outcomes of the grant agreement.

#### 25. Can an individual or organisation submit or be part of more than one application?

Yes, applicants may submit more than one application for each grant type. Each application must be submitted separately as a new application.

Individuals or organisations can also be a member of one consortium and lead a different application.

Separate projects need a separate application form.

#### Selection process, assessment criteria and feedback

#### 26. What should I be mindful of when preparing my application?

The grants are available for projects that focus on development, extension, adoption and some commercialisation activities. Fundamental research (also referred to as 'basic' or 'pure' research) will not be funded. Applied research done in the context of development, extension, adoption and commercialisation activities is permissible.



You must address all assessment criteria in the EOI application. We will assess your EOI application based on each criterion (including the contribution to funding objectives, investment priorities and public good benefits; and likelihood of success, capacity to deliver and commitment to the project).

#### 27. What are public good benefits?

Public good benefits are the benefits of the project that are not captured by a particular business, individual or other entity.

Public good benefits can include contributions to economic and productivity growth, improvements to the environment that are valued by the community and government, and increased social connection and resilience in regional communities. Projects can involve private benefits, but private benefits should be more than offset by public benefits and/or co-contributions from non-government sources.

#### 28. How can I demonstrate if my project will deliver public good benefits?

Proposals must explain the nature of the expected benefits from grant activity, including demonstrating public good benefits from the project and providing a rationale for government funds being spent on the activity.

Determining private and public benefits (and appropriate cost sharing) involves consideration of what types of activity are proposed, what broader outcomes will be achieved, and for whom. In-kind contributions of labour, for example, may offset a private benefit potentially obtained, particularly where there is a clear plan to share the information with the wider farming community.

Applicants may be able to demonstrate public good benefits by describing the 'spill-over' gains that will be achieved by those not involved in the application and separate from funders of a project. Applicants should also explain how project benefits would not reasonably be expected to occur through commercial/market arrangements, and in the absence of the grant.

The Explanatory Memorandum of the <u>Future Drought Fund Act 2019</u> gives examples of Public Good as follows.

- The public good may be enhanced by reducing soil erosion and sediment run-off from the property. This would conserve soils, increase soil moisture and mitigate the effects of flooding, which in turn would increase drought resilience and enhance farm productivity. It would also contribute to the public good by arresting and reversing land degradation, improving animal welfare and improving biodiversity outcomes.
- Effective communication of research findings to the farming sector will accelerate the adoption of new knowledge and technologies that build drought resilience through more efficient and effective farming practices and more sustainable management of natural resources.

Public benefits may also be produced when innovation projects develop new products or services that address unmet social needs around drought resilience.



#### 29. At what stage will funding decisions be made for each grant?

#### **Ideas Grant**

Following the EOI stage, Ideas Grant applications will be assessed, and the Minister for Agriculture and Northern Australia will decide the successful applications (supported by advice from a Selection Advisory Panel and the Regional Investment Corporation).

#### Proof-of-Concept and Grant Innovation Grant

Following the EOI stage, successful applicants will be invited to complete and submit a grant application.

Applications will then be assessed, and the Minister for Agriculture and Northern Australia will decide the successful applications (supported by advice from a Selection Advisory Panel and the Regional Investment Corporation).

#### 30. How will my application be assessed and who is the decision maker?

All applications will initially be assessed by the Community Grants Hub. The Community Grants Hub will notify you if you are not eligible.

Eligible applications will be assessed by subject matter experts engaged by the department, who will undertake a preliminary assessment of applications against the selection criteria and will apply the criteria weightings set out in the Grant Opportunity Guidelines. This preliminary assessment will provide an initial ranking of applications to inform the deliberations of the Selection Advisory Panel.

For Proof-of-Concept and Innovation Grants, the Selection Advisory Panel will provide advice to the delegate (the First Assistant Secretary, Drought and Farm Resilience Division in the department), who will then invite suitable applicants to participate in the targeted competitive grant process.

For all grant streams (Ideas, Proof-of-Concept and Innovation), the Selection Advisory Panel will assess the merits of each application and will make recommendations to the Minister for Agriculture and Northern Australia. The Minister must also seek and consider advice from the Regional Investment Corporation Board about applications recommended for approval.

The Minister for Agriculture and Northern Australia is responsible for approving applications for funding.

Please refer to section 9 of the Guidelines regarding the grant selection process.

# 31. What is the Drought Resilience Adoption and Innovation Hubs' (Hubs') decision making role for Ideas Grants?

Hubs do not have a decision making role for this program.

Applicants who are offered an Ideas Grant will be invited to meet with relevant Hubs. The Hubs will provide initial advice on next steps, which may involve direct support to further develop the idea/concept, or the Hub referring you to other sources of advice and support.

Consultation with the Hubs is required as part of the first milestone of an Ideas Grant, and before any funding for an Ideas Grant is payable.



#### 32. Why do the criteria weightings differ for each grant type in the EOI?

For the EOI process (stage 1), criteria for all the grant types are the same. However, the weightings for the criteria differ between the grant types. Specifically, the Ideas Grants and the Proof-of-Concept Grants weights Criterion 1 more heavily.

The different weightings reflect the different risk levels of each grant type. The government will provide smaller grants to support proposals that have merit but need further development; and to provide a 'safe fail' pathway that supports testing of ideas that are merit-worthy but carry high uncertainty or risks of failure.

For the Innovation Grants, we are seeking applicants that have the capacity to deliver complex and large-scale projects. For the Innovation Grants, the EOI Criterion 1 and 2 weights are equal.

Further explanation is available in sections 2 and 7 of the Grant Opportunity Guidelines.

#### 33. How long will it take to assess the applications?

Assessments of the EOI responses (stage 1) will take up to 6 weeks.

Assessment of the stage 2 grant applications (the targeted competitive grant round) will take up to 4 weeks.

Approvals will then be required, which may take a further 8 weeks.

See section 8.3 of the Grant Opportunity Guidelines for further details of timing.

#### 34. What feedback will be available for this funding round?

Feedback summaries will be published on the Community Grants Hub website with general information about the grants process for both stages of the grant opportunity. These feedback summaries will contain a summary of the main strengths and weaknesses of the applications and areas for improvement.

The Selection Advisory Panel may provide a range of feedback to successful Ideas Grant applicants.

Refer to section 10.1 of the Grant Opportunity Guidelines.

#### 35. Is there an appeals process for the decisions?

There is no appeals process for the applicants.

The Minister for Agriculture and Northern Australia decides which grants to approve considering the recommendations of the Selection Advisory Panel, the advice of the Regional Investment Corporation Board and the availability of grant funds for the purposes of the grant program.

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

- the approval of the grants
- the grant funding amounts to be awarded
- the terms and conditions of the grants



There is no provision in the *Future Drought Fund Act 2019* for review by the Administrative Appeals Tribunal decisions to approve or not approve a grant.

#### Beginning and end of the grant agreement

#### 36. When can I start my project?

The Australian Government is not responsible for any of your expenditure prior to executing a grant agreement. If you choose to start your grant activities before the first milestone payment, you do so at your own risk.

Please refer to section 10 of the Grant Opportunity Guidelines.

#### 37. When does the grant program end?

For the Innovation Grants, all grant activity must be completed by 30 June 2024 with a final report submitted by September 2024.

For the Proof-of-Concept Grants and the Ideas Grants, all grant activity must be completed within 12 months, and the final report must be submitted by 30 June 2023.

#### 38. Will there be future funding rounds for this grant program?

At this time, no decisions to allocate further funding have been made for this program under the Future Drought Fund. You may like to regularly check the website of the Department of Social Services for future grant opportunities.

The best way to help you stay up to date with the latest news and announcements for the Future Drought Fund and its programs is to register your details on our <a href="Have Your Say website">Have Your Say website</a>. By subscribing, you will receive email alerts when the remaining programs have been announced, information on relevant tender or grant processes and their results.

#### **Arrangements during the contracting process**

#### 39. What form will the grant agreements take?

A Commonwealth Simple Grant Agreement will be used for Ideas Grants.

For Innovation Grants and Proof-of-Concept Grants, a Commonwealth Standard Grant Agreement will be used.

#### 40. What steps occur at the contracting stage and as part of the first milestone?

If you are the lead organisation in a consortium, you will be required to provide the department with signed statements of agreement from all consortium members.

As part of your first payment milestone, you will be asked to complete an Activity Work Plan that includes the main objective of the project, why it is important, project deliverables for a successful outcome, milestones, indicators of performance, and budget. Cash and/or in-kind contributions must be included in that project budget. The Activity Work Plan also documents risk management and community engagement relevant to the funded project.

Successful applicants' progress and outcomes against the Activity Work Plan will be monitored throughout the project through the submission of regular reports. The Activity Work Plan template is available on the GrantConnect website.



For the Innovation Grants (only), you will be required to develop a Monitoring, Evaluation and Learning (MEL) plan for the project and submit this to the Department of Agriculture, Water and the Environment within the timeframe specified in the grant agreement (within 3 months of acceptance of your Activity Work Plan). You will undertake MEL activities, and contract an independent evaluation of the project before its completion.

# 41. Who owns any intellectual property created in projects funded under this grant program?

As part of the application process, it is the applicant's responsibility to outline their intellectual property strategy, including any protection mechanisms that may be employed (for example, patent or trademark), and how the strategy aligns with the market opportunity and will produce public good.

These details will be settled with the department when negotiating the grant agreement.

#### 42. What are the tax implications of receiving a grant?

If you receive a grant, you should consider speaking to a tax advisor about the effect of receiving a grant before you enter into a grant agreement. You can also visit the <u>Australian Taxation Office website</u> for more information.

#### **Further Information**

#### 43. Where should I go for further information?

More information about this grant can be found in the Grant Opportunity Guidelines. If you have any questions during the application period, please contact the Community Grants Hub on 1800 020 283 (option 1) or email <a href="mailto:support@communitygrants.gov.au">support@communitygrants.gov.au</a>.

#### **Question and Answer added on 20 August 2021**

#### **Background Information about the Future Drought Fund**

#### 44. Can you please provide more information about the Future Drought Fund?

The Future Drought Fund is an enduring fund with many opportunities to help Australia's farmers and their communities build their drought resilience.

A number of projects and drought resilience building initiatives have been funded as part of our foundational year, with further grant or alternative opportunities planned for the future.

If you're wanting regular and up-to-date information on these opportunities, register your interest on our Have Your Say website.

# 45. Can you please describe the Adoption and Innovation Hubs, and their role in the process?

The Australian Government has established 8 regionally-focused Drought Resilience Adoption and Innovation Hubs.

The Hubs will facilitate transformational change through co-design of Hub research, development, extension, adoption and commercialisation activities. This will be achieved by bringing together farmers, researchers, local entrepreneurs, Indigenous groups, natural resource management practitioners, and industry and community groups.



Applicants do not need to engage with Hubs when preparing their applications. Hubs will not assess applications. Hub partners may apply for a grant if they are an eligible entity.

Successful applicants who are offered an Ideas Grant will be invited to meet with relevant Drought Resilience Adoption and Innovation Hubs (Hubs). The Hubs will provide initial advice on next steps. This might involve direct support from the Hubs to further develop the idea, or the Hubs referring you to other sources of advice and support. Consultation with the Hubs is required before any funding for an Ideas Grant is payable.

Further information about the Hubs can be found at <u>Drought Resilience Adoption and Innovation Hubs</u>.

#### Applying for a grant

#### 46. Is the online application form the same form for the 3 different grant types?

Yes, the online EOI Application form is the same for the 3 different grant types.

Separate projects need a separate EOI application form.

#### 47. Can I review the application form before I start my application?

Yes. There is a mock application form now available on the Community Grants Hub website.

#### 48. How extensive is the EOI paperwork?

The EOIs are short, minimising the burden on applicants. The focus of the EOI is on 1) the innovative idea for delivering drought resilience. 2) your plans for delivering the project.

If your EOI is competitive for the Innovation Grant or a Proof-of-Concept Grant, you will be invited to apply to the targeted competitive grant round. You will be asked for more information through stage 2 of the process, but you can use the info the EOI and/or expand on your original EOI.

If you are offered an Ideas Grant, this will be based on your EOI. You won't need to make another application, but there will be some paperwork for the grant agreement.

#### 49. Can you save an application and come back to it later?

Upon exiting the form please ensure that you use the 'Save and Exit' button. The 'Continue' button should only be used as you intend to progress through the form. For your EOI Application to be saved when exiting, you will need to click on:

- 'Save and Exit', and
- 'Confirm'.

You will know that your EOI Application is saved when you are taken from the current form process to the 'Form Saved' page.

Note that the 'Save and Exit' button will ask that you 'Confirm' that you wish to save the Application, which you must do to complete the save process. If this is not done, your EOI Application will not be saved.

You can return to your EOI Application with the data saved using the link on the 'Form Saved' page that says 'Click here to return to your form' and confirming your submission reference ID details.



Applications must be submitted by 9:00 pm AEST Wednesday 8 September 2021. No extensions will be granted. Applications received after this closing time/date will not be assessed.

#### 50. Will applications be confidential?

We will keep any information in connection with the grant agreement confidential to the extent that it meets all the 3 conditions below.

- You clearly identify the information as confidential and explain why we should treat it as confidential.
- The information is commercially sensitive.
- Revealing the information would cause unreasonable harm to you or someone else.

We will not be in breach of any confidentiality agreement if the information is disclosed to:

- the Selection Advisory Panel, the RIC Board and other Commonwealth employees, subject matter experts providing assessment advice, and contractors to help us manage the program effectively
- employees and contractors of the Australian Government so we can research, assess, monitor and analyse our programs and activities
- employees and contractors of other Commonwealth agencies for any purposes, including government administration, research or service delivery
- other Commonwealth, state, territory or local government agencies in program reports and consultations
- the Auditor-General, Ombudsman or Privacy Commissioner
- the responsible Minister or Parliamentary Secretary
- a House or a Committee of the Australian Parliament.

The grant agreement may also include any specific requirements about special categories of information collected, created or held under the grant agreement.

# 51. Where can I find further guidance on the 'Fields of activity' section of the EOI application?

The 'Fields of Activity' question seeks information on the proposed methodology and/or the broad disciplines that will be involved in the project. The options you have are:

- Mathematical Sciences
- Chemical Sciences
- Earth Sciences
- Environmental Sciences
- Biological Sciences
- Agriculture and Veterinary Sciences
- Information and Computing Sciences
- Engineering
- Technology (e.g. Agricultural Biotechnology, Environmental Biotechnology)
- Built Environment
- Design and Regional Planning
- Education



- Studies in Human Society (e.g. Anthropology and Demography) and or cultural studies
- Other (you have option of providing free text)
- Unsure.

Your responses to this question will assist the department to manage the assessment of applications by quickly identifying the nature of the application for assessment. 'Fields of Activity' are not mentioned in the guidelines and your 'field of activity' response will not have a bearing on our assessment of eligibility or the merits of your proposal, or the allocation of funds.

# 52. From the application form, can you please explain what you are looking for in the following fields:

- 'In which service area/s is the Applicant proposing to deliver the Project/Activity?'
- 'Location of Project provide details of the location where the project will be delivered'

What does 'deliver' mean? Is this the location of an applicant's organisation or the locations of the farms where the ideas will be applied?

The location you provide should be where the project activity will be undertaken, and not a business office location from which the project is administered. It is possible that multiple locations can be listed in a single project.

# 53. I wish to work with farming communities in a particular region – can you help with establishing connections?

How can schools get involved?

If you have a great idea, but need to find another party to collaborate with, register your interest to form connections to progress your idea at our website: - <u>Have Your Say - Drought</u> Resilience Research and Adoption Program.

Schools may apply if they are an eligible entity. They can also get involved as part of a consortium.

#### 54. Is there a need to have an industrial partner for the EOI stage?

No, there is requirement to have an industrial partner.

# 55. Is it possible to involve international collaborator(s) who have established expertise in drought productivity?

International collaborations can provide opportunities for Australia to leverage international capability and knowledge.

To be eligible to apply for a grant, the lead applicant must be based in Australia and capable of entering into a legally binding and enforceable agreement with the Commonwealth. International entities are not an eligible entity. However, ineligible entities can be part of a consortia.

The funding provided by the Program must be focused on delivering benefits to help Australian farmers and agricultural-dependent communities and businesses become more prepared for and resilient to the impacts of drought.



#### 56. Can your local Federal MP help and how?

There is no need to involve your local member when preparing an application.

Applications will be assessed by an independent Selection Advisory Panel. Decisions will be made by the Minister for Agriculture and Northern Australia, after advice from the Regional Investment Corporation Board.

#### Eligible expenditure

# 57. Are salaries eligible expenditure? Can expenditure on personnel be categorised: (a) ONLY as an 'in-kind' contribution; or (b) as a grant-funded cost?

Eligible expenditure for the grant includes personnel (salaries) related the grant activity. It cannot be for retrospective salary costs.

Personnel expenditure can also be listed as an in-kind contribution to the project.

Please refer to section 5 of the Grant Opportunity Guidelines for eligible expenditure.

#### 58. Can expenditure occurring before the grant execution be nominated as a cocontribution or in-kind support?

No.

Applicants can explain their previous activity and funding to demonstrate commitment to the project and explain how the project has developed through time. You cannot use the grant for activities that have commenced before the execution of the grant agreement.

#### 59. Can grant funding be used to cover the establishment of a holding account?

The Grant Opportunity Guidelines provide that administration costs cannot be valued at more than 10% of the grant amount sought.

It should also be noted that we will also not fund activities

- that have commenced before execution of the grant agreement
- are business-as-usual activities for the participants or beneficiaries of the project, or
- costs incurred in the preparation of a grant application or related documentation

Please refer to section 5 of the Grant Opportunity Guidelines for eligible expenditure.

### 60. Can you explain more about what's possible under commercialisation? What's off limits?

The path towards commercialisation represents a broad continuum of activities leading to the new business activity.

This grant opportunity can fund early-stage commercialisation activities, including

- Developing prototypes
- Exploring a market opportunity
- Understanding IP issues to inform strategy
- Early mapping of potential commercialisation pathways, business models etc.
- Identifying funding and advice options.



Please note that the overarching purpose of the Future Drought Fund is to enhance the public good by building drought resilience, so applicants will need to demonstrate that their project will also deliver public good benefits.

Section 7 provides that strong applicants will outline the following information about commercialisation proposals:

- why you've been unable to access sufficient funding for the entire project from directors, shareholders, loans or equity investment, and
- information about the target market, the value proposition, your competitors and market research".

It is expected that applicants have some information about the potential of a commercialisation project. The grant can be used to further refine that information and analysis.

Activities that cannot be funded under this grant opportunity include:

- activities that may be characterised as demonstrating a commercial opportunity, such as:
  - developing a business model and intellectual property strategy
  - attracting investors/capital
  - proving commercial viability to a customer, investor or strategic partner
  - engaging a senior management team
  - production design
- activities that may be characterised as realising a commercial outcome, such as:
  - activities related to making first sales
  - scaling production and/or marketing activities further sales
  - commercialising the next version or iteration of an existing product, process or service

Please refer to section 5 of the Grant Opportunity Guidelines for eligible expenditure.

61. Does the scope of the funding cover pipelines to redirect flood waters?

Does Tourism on farm qualify for investment if it is drought proofing the farm?

Can sporting clubs apply to drought proof their playing fields?

Would the grant support employment to carry out on-farm activities?

The Innovation Grants program is competitive and the grants are available for projects that focus on development, extension, adoption and some commercialisation activities. Projects must also deliver public good benefits as their primary outcome.

Where there is a private benefit, it needs to be offset but the public benefits. It is unlikely that we would fund individual businesses making improvements to their business alone as a public benefit must be demonstrated.

In addition, all grant proposals need to represent an innovation, address drought resilience, and be linked to the 9 investment priorities.

[This response is to be read in conjunction with the response to question 18]



# 62. Are there any synergies between existing emergency relief funding and distribution to vulnerable people impacted by bushfire and other associated social disadvantages (i.e. homeless, experiencing or at risk of family violence)?

We know that farmers and rural communities deal with a range of on and off-farm challenges, including drought. Future Drought Fund programs and initiatives are about preparedness and helping farmers and farming communities prepare and manage for the more frequent and severe droughts to come.

Those experiencing in-drought hardship can see what support is available now on the department's <u>website</u>.

#### **Applicant eligibility**

# 63. Who and what industries are eligible to apply or take a lead in a consortium? Is there any crop or industry focus for the program or across the board?

Section 4 of guidelines indicate all eligible and ineligible entity types, rather than specifying specific industries that are eligible to apply.

The grants available under the program support innovative projects that will assist Australian farmers and agricultural-dependent communities and businesses to prepare for future drought conditions.

The grants do not support projects that equip forestry and fishing businesses to prepare for drought.

[This question is to be read in conjunction with the responses to questions 10, 23 and 24]

# 64. We are graziers impacted by 7-year drought, do we qualify for this grant? Can the funded grant opportunity be targeted to specific cohorts who are impacted by drought?

The Future Drought Fund, and the innovation grants are focused on preparedness for the next drought.

There is no list of drought-affected regions or preferences for this grant program for people who have experienced drought or live in an area that is currently in drought or has been drought affected.

When applicants are preparing their proposal they do need to link their proposal to drought resilience.

#### Selection process, assessment criteria and feedback

#### 65. What are the key requirements for my EOI application?

Consistent with the Future Drought Fund's Funding Plan, all applications must address one or more of the following funding objectives, including:

- to grow the self-reliance and performance (productivity, profitability and sustainability) of the agricultural sector
- to improve the natural capital of agricultural and for better environmental outcomes
- to strengthen the wellbeing and social resilience of rural, regional and remote agriculturaldependent communities.



Specific investment priorities are linked to one or more of the funding objectives. All applications must address at least one of the investment priorities, listed from 1a through to 4e in the guidelines.

Projects must also deliver public good benefits as their primary outcome.

There are two assessment criteria for the EOI. You must address all assessment criteria in the EOI application. We will assess your EOI application based on each criterion.

66. How do small businesses without experience applying for grants have any chance of getting a grant against big organisations funded by government funds?

All EOIs submitted are assessed on their individual merit.

The EOIs are short, minimising the burden on applicants to apply.

67. Landholders are enquiring if they are permitted to harvest these trees and supply processing facilities and or register carbon rights of the plantings located on their property in their name [historic and proposed] that have been provided through public funded schemes?

As this is an Expression of Interest process, applicants are encouraged to submit applications that are innovative and address the selection criteria. It is important that projects address drought resilience and have public good benefits. We cannot comment on the merit worthiness of an idea.

#### **Questions and Answers added on 31 August 2021**

#### **Applying for a Grant**

68. Does the successful delivery of an Ideas Grant or Proof-of-Concept grant guarantee or improve the chances of obtaining an Innovation Grant at a later stage?

No it doesn't. The Government has announced a single round of the Drought Resilience Innovation Expression of Interest and Grants Program. Decisions about further rounds of the program will be subject to standard Government budget processes and consideration.

69. Can you apply for an Innovation Grant that is less than \$300,000 (GST inclusive) but runs for longer than a year?

No. The funding amount for the Innovation Grants has been stipulated to fund larger scale projects, with the minimum expenditure in any one year being \$300,000 (GST Inclusive).

70. Does the Innovation Grant have to go for 3 years? Is 2 years ok?

Innovation Grants will provide funding of between \$300,000 to \$1.1 million (GST inclusive) per year for a maximum of 3 years. A project for one or 2 years is also allowed.

71. Will there be just 20 EOI grants available, and normally how many would you get to choose from?

It is unknown how many EOI and grant applications will be received or be successful in this process. This is the first time that this grant round has been run and we do not have a benchmark of how many applications would normally be received.



\$37.6 million (GST inclusive) is available for this grants program. The funding caps indicated in the guidelines for each grant type are indicative. There is not a set number of grants which must be chosen. It very much depends on the volume of merit worthy proposals and how much funding is sought for different projects. This is particularly the case as some grant types have a broad range of funding available (for example, Innovation grants can be between \$300,000 to \$1.1 million per year).

It is likely that that there will be more than 20 grants successful in this grant program.

[This question is to be read in conjunction with the responses to question 7]

72. Section 3 of the guidelines indicated that most of the funding is in year 1. Is there funding available for the Innovation Grants of up to \$1.1 million per year in years 2 and 3?

The total funding for the round is \$37.6 million (GST inclusive) and will be provided over 3 years as follows: \$26.6 million (GST inclusive) in 2021-22, \$5.5 million (GST inclusive) in 2022-23 and \$5.5 million (GST inclusive) in 2023-24.

For an Ideas Grant and a Proof-of-Concept Grant the funding is for 12 months only.

For Innovation Grants, funding can be provided across 3 years. Projects of up to \$1.1m per year for 3 years can be accommodated in the program.

#### Eligible expenditure

73. What is considered infrastructure? For example, frames to put shade cloth over crops and then the shade cloth. The shade cloth has to be replaced over time, the frames stay in situ. Does this mean the frames are infrastructure and the shade cloth is not infrastructure?

"Infrastructure" in the guidelines means the structures and facilities needed for the project.

The grant cannot be used for major construction, capital expenditure, general infrastructure costs, or earthworks (for example, to prepare for new shelterbelts, rehabilitate dams which may include fencing) valued at more than 25% of the grant amount sought. Not all expenditure on a proposed project may be eligible for grant funding. The department will make the final decision on what is eligible expenditure.

This program aims to foster innovation to deliver drought resilience. Infrastructure will not be funded unless it is part of a larger, holistic innovation project focussed on delivering drought resilience.

[This response is to be read in conjunction with the response to question 61]



#### **Applicant Eligibility**

# 74. Is a 'State Government Entity' considered a legal entity type for this round or does it falls into the Corporate or Non-Corporate State Entity type?

Section 4 .1 of the grant guidelines provides that the following state bodies are eligible entities:

- Non-corporate State or Territory Statutory Authority
- Corporate State or Territory Entity

Section 4 .2 of the grant guidelines provides that the following are ineligible entities:

A non-corporate State or Territory Entity

The nature of a state government entity (for example as statutory, corporate or non-corporate) will depend on how the legal entity was formed. This is not a matter that we can provide advice on. Please note, however, that ineligible organisations can still participate in the grant program as a member of a consortium with an eligible lead applicant.

Please refer to section 4 of the Grant Opportunity Guidelines about eligible entities and see questions 23 and 24]

#### 75. Will collaborations be viewed more favourably?

Collaborations and consortia are welcome to apply but will not be favoured over other applicants. Each EOI will be assessed based on responses to criterion 1 and criterion 2, and grants awarded on the merits of the EOI submitted.

# 76. Can I submit a letter of support from a Drought Resilience Adoption and Innovation Hubs or provide information to confirm that the Hub have been engaged /is supporting/ are aware of the application? What is the process?

It is not necessary to submit a letter of support or referral from Drought Resilience Adoption and Innovation Hubs. Consultation with Hub is not a required part of the application process.

If you choose to discuss your idea with a Hub prior to submitting an application, you may choose to refer to this in your proposal but it will not be determinative. Attachments are not required for this purpose.

[This question is to be read in conjunction with the responses to guestion 31]

# 77. Are the Drought Resilience Adoption and Innovation Hubs expected to provide the Department with any feedback on applications, before or during the process?

Hubs have no role in decision making for this program and will not be consulted during the assessment process.

Applicants who are offered an Ideas Grant will be invited to meet with relevant Hubs. The Hubs will provide initial advice on next steps, which may involve direct support to further develop the idea/concept, or the Hub referring you to other sources of advice and support.

Consultation with the Hubs is required as part of the first milestone of an Ideas Grant, and before any funding for an Ideas Grant is payable.

[This question is to be read in conjunction with the responses to question 31]



#### **Grant Activities**

#### 78. Are aquaculture activities within scope?

Possibly, it would depend on the application. These grants will support innovative projects that equip farmers and agricultural-dependent communities and businesses with the tools and capacity to adapt, reorganise, transition and/or transform in preparation for drought conditions such as changing temperature, increasing variability and scarcity of rainfall, and changed seasonality of rainfall.

[This question is to be read in conjunction with the responses to questions 10, 23, 24 and 63]

# 79. Do projects require all features of "development AND extension and adoption AND/ or commercialisation" or may they focus on just one of these; also do they all require commercialisation?

No. The grants are available for projects that focus on development, extension, adoption and /or some commercialisation activities. Projects can cover one or more of these focus areas. They are not required to cover all areas. Applied research undertaken in the context of development, extension, adoption and commercialisation activities is also permissible.

# 80. Will these grants consider ideas coming out of existing work? I guess this is extension? Could you please give an example of what an extension idea might be?

Yes. The grants are available for projects that focus on development, extension, adoption and some commercialisation activities. Fundamental research (also referred to as 'basic' or 'pure' research) will not be funded. Applied research undertaken in the context of development, extension, adoption and commercialisation activities is permissible.

Previous research may provide the knowledge that underpins the innovative projects to be funded by the program. The innovative projects are proposed to equip farmers and agricultural-dependent communities and businesses with the tools and capacity to adapt, reorganise, transition and/or transform in preparation for drought conditions such as changing temperature, increasing variability and scarcity of rainfall, and changed seasonality of rainfall.

Without precluding any project ideas, extension may include disseminating information and knowledge to farmers and agricultural-dependent communities and businesses on technologies, practices and management for improved drought preparedness.

#### 81. A number of questions have been asked about research, listed below.

- Can grants be used for research?
- Can you give an example of pure/basic research?
- What are the boundaries for 'Fundamental research'?
- In the guidelines, grant money cannot be used for 'Fundamental Research'. What if we're trying to find drought resilience strategies through a fundamental research?
- Is a Proof-of-Concept grant suited more for applied research?
- Can grants be used for translational research?

The guidelines provide that fundamental research (also referred to as 'basic' or 'pure' research) will not be funded. Fundamental research aims to improve scientific theories for better understanding and prediction of natural or other phenomena



Applied research is permissible and may be used to address knowledge gaps to assist in the development, extension, adoption and commercialisation activities in the project. Applied research creates practical solutions for specific problems while fundamental research is an approach to research that seeks to expand knowledge in a field of study.

Applied research includes exploring the application of theories and/or knowledge to form solutions to specific problems and opportunities. We understand translational research to mean research aimed to solve specific problems, and this is synonymous with applied research.

An example of basic research includes the discovery of the double helical structure of DNA in the 1950's. Later applied research has focused on applying that knowledge generated through that basic research to create new varieties of plants and animals with characteristics for improved agricultural productivity.

# 82. How likely are you to accept an initiative that is only addressing the funding objective "to strengthen the wellbeing and social resilience of rural, regional and remote agricultural-dependent communities" and not others?

The funding objectives and investment priorities listed in the guidelines are relevant for the Ideas Grants, Proof-of-Concept Grants and Innovation Grants. Each objective and priority are equally important. Each application will be assessed on its merits and scored accordingly.

#### 83. What is a 'Blue Sky opportunity'?

The 'Blue Sky opportunities' is one of the 9 Investment priorities listed in the guidelines.

This provides a chance for people to think outside the box and seek support for cross cutting innovation ideas and projects.

The inclusion of 'Blue Sky opportunities' acknowledge there may be priorities out there that are important that we have not identified. Your "out of the box" ideas will be welcomed but they must relate to drought resilience and be consistent with 2 or more of the objectives of the Future Drought Fund.

# 84. Are proposals expected to align with Regional Drought Resilience Plans being rolled out through the Future Drought Fund?

No. The guidelines do not require alignment with the regional Drought resilience plans.

The Australian Government is working with state and territory governments to support regions to develop regional drought resilience plans to prepare for and manage future drought risks. These will be under development until mid-2022.

#### 85. Do I need to own intellectual property to undertake a project?

It is important that a proponent has ownership, access or beneficial use of any intellectual property needed to undertake the project.



#### 86. What is innovation?

All grant proposals need to represent an innovation, address drought resilience, and be linked to the nine investment priorities.

Innovation refers to a new or improved product, service or process (or a combination of these) that differs significantly from what is currently available, and could be brought into use or made available to potential users.

Funding will support ideas or projects that can lead to new outputs (information, services, processes and/or products) with practical applications – for example new and improved tools, technologies, methods, or scenario planning.

#### 87. Can you outline some examples of technologies?

The meaning of 'technologies' in the guidelines involves the application of scientific knowledge for practical purposes. Examples of technology include new and/or innovative machinery, equipment, decision support tools, genetics, sensors, artificial intelligence etc.

# 88. Can Ideas Grants be used for undertaking engagement activities with drought-impacted farmers and farming communities to identify knowledge gaps and good ideas?

Possibly. The Innovation Grants program is competitive and the Ideas Grant is intended to support grantees to undertake further co-design and idea development, for example, engaging experts to support project development, or provide commercialisation advice.

The Ideas Grants are designed to assist applicants who have submitted a proposal that has merit in terms of its idea (in its strengths in addressing Criterion 1- refer to section 7.1 of the guidelines) but requires further development before larger investments are considered.

That means that the application must be highly competitive in Criterion 1 but needs further work to address Criterion 2 before larger investments are considered (e.g. in terms of how the project will be delivered).

# 89. Can the ideas grants focus on only the extension or communications of information to growers and the agricultural community?

Ideas Grant funding is intended to support grantees to undertake further co-design and idea development, for example, engaging experts to support project development, or provide commercialisation advice. Ideas Grants are also contemplated as a 'safe fail' pathway that supports testing and further development of ideas that are merit-worthy but carry high uncertainty and/or risks of failure.

The idea to be supported can be focused on extension but Ideas grant funding will be provided to refine and develop the project.

#### Selection process, assessment criteria and feedback

# 90. If a project is not be selected for the Innovation Grant, will it be considered for an Ideas Grant or Proof-of-Concept Grant?

Suitable Proof-of-Concept and Innovation Grant applicants will be invited to participate in the targeted competitive grant process. Eligible applications that do not progress to the targeted competitive process, will be considered for an Ideas Grant.



# 91. Private and Public good – what is the balance required? Would the broad adoption of a commercial service by individual farms which delivered improved sustainable production not meet the criteria?

Projects must deliver public good benefits as their primary outcome. Public benefits may be derived from many sources including through the provision of information, knowledge, services, processes and/or products that help to drive broad practice change. These examples are likely to demonstrate 'spill-overs' where the benefits are spread widely.

Private benefits should be more than offset by public benefits and/or co-contributions from non-government sources.

The nature of each project is different. Your EOI application must:

- explain how your project will benefit the public in terms of drought resilience
- determine any private and public benefits, not necessarily in monetary terms

The balance between the public and private goods should be in the favour of the public good.

[This response is to be read in conjunction with the response to Question 27 and 28 above]

#### 92. How many projects will you be funding?

Indicative funding has been allocated for each of the three grant types which equates to around 20 projects of each type. However, it is indicative only and it very much depends on the volume of merit worthy proposals and how much funding is sought for different projects.

[To be read in conjunction with the response to question 7 and 70]

#### **Funding sources**

#### 93. Is the Innovation Grant an "eligible research grant income"?

The Department of Education, Skills and Employment is unable to provide rulings on specific situations. Universities are responsible for ensuring research income is reported in line with the Higher Education Research Data Collection Specifications in consultation with their auditors.

If the grant is eligible to be reported as research income in the Collection, the decision tree in the Specifications provides guidance on whether it would be reported as category 1 or category 2. The Specifications can be found on the Department of Education, Skills and Employment's <u>website</u>.

However, please note that the innovation grants are not focused on doing research. The grants are available for projects that focus on development, extension, adoption and some commercialisation activities.

Fundamental research will not be funded. Applied research is permissible in the context of development, extension, adoption and commercialisation activities.



# 94. How does the Future Drought Fund Innovation Grants program fit with other commercialisation programs?

The Drought resilience Innovation grants will only fund early stage commercialisation activities.

More mature commercialisation projects may be able to seek funding through other government programs or private contributions. Some alternative programs are outlined below:

- the Government's <u>Innovation Connections program</u> (part of the <u>Entrepreneurs' Program</u>) assists businesses to understand their research needs, connect with the research sector and fund collaborative research projects. The Program includes access to a facilitator and follow-on grant funding for recommended applicants.
- the Government's <u>Accelerating Commercialisation program</u> (part of the <u>Entrepreneurs' Program</u>) provides small and medium businesses, entrepreneurs and researchers with access to expert advice and funding to help get a novel product, process or service to market.
- the Government's Cooperative Research Centre (CRC) Program helps industry to partner with the research sector to solve industry-identified problems through 2 grants: CRC grants that support medium to long-term industry-led collaborative research for up to 10 years, and CRC Project grants of between \$100,000 and \$3 million for up to 3 years. The grants provide matched funding, and projects include industry partners, capacity building and must increase industry up take of research. The CRC-P funding can cover activities including proof of concept activities and pre-commercialisation activities of research outcomes.
- the CSIRO 'Main Sequence Fund' provides venture capital investments in companies, translating Australian research to solve the challenges in priority areas of health, food, space, transport, security and decarbonisation. While open to companies with linkages to all publicly funded research agencies, CSIRO provides connections and access to specialist resources.
- The CSIRO Kick-Start offers eligible businesses access to dollar-matched funding of \$10,000-\$50,000 to undertake the following research activities with CSIRO: research into a new idea with commercial potential; development of a novel or improved product or process; testing of a novel product, developed by the company, to inform research and development activities.
- State and territory governments also have programs. One example is the 'Advance Queensland Ignite Ideas Grant', which supports late stage commercialisation for projects 'that are at minimum viable product stage or beyond', and eligibility is for high growth potential SMEs.



#### Questions and Answers added on 8 September 2021

95. The innovative we are presenting will benefit all agriculture across Queensland initially with the aim of going national. A list of 84 SA3 areas are present for Queensland. Is there an alternative way to select just the state or nationally and then have to break down the budget for 84 SA3 areas, is there an alternative to this?

Unfortunately the application form does not allow you to indicate a service area as large as Queensland. It is not the intention of the program to exclude such proposals. Can you please highlight in your free text responses (e.g. your summary description and response to Criterion 1 and 2) that the proposal's service area covers the whole of Queensland.

Where the service area of a proposal covers multiple SA3 regions, we do not expect that applicants to detail the proposal budget for each SA3 region. Overall budget figure for proposal will be sufficient.

96. Is it possible to submit multiple applications for the same initiative/model, but in different states (i.e. one application per each state)? The consideration about submitting one national application is whether it will be enough to fund all of the states & territories across Australia, hence submitting them separately will allow greater financial sustainability for this initiative and inclusion of all locations.

In accordance with the Grant Opportunity Guidelines, you may submit more than one application for an Ideas Grant, a Proof-of-Concept Grant or an Innovation Grant. A separate application form must be submitted for each proposed project. If more than one application is submitted for the same project proposal, the latest accepted application form will progress. Projects from the same applicants that are essentially the same can only be funded once.

The Innovation Grants program is competitive and each application will be assessed on its merits and scored accordingly. Based on the question above it would appear that it is a single project with multiple delivery locations. If the project is for multiple sites then they can all be listed in the same application, and the funding requested should be in line with the relevant grant type and proposed activities. You could indicate scaled back options in the text of the expression of interest if you prefer.

97. Could you please advise how I can proceed this application without ABN number? The webinar states: But basically to be eligible, you have to have an Australian Business Number or an ABN, and be one of those entities listed on the screen. The application form states: Attach a completed Statement by a supplier form (reason for not quoting an ABN to an enterprise) here.

The Grant Opportunity Guidelines do not state that you must have an ABN. Applications are sought from eligible entities or consortia with a lead that is an eligible entity. The eligible and ineligible entity types are described in section 4.1 of the Guidelines. The Guidelines also specify that the applicant must be a legal entity and be able to enter into a legally binding and enforceable agreement with the Commonwealth.



- 98. In the online application the financials section and the guidance document it says that the request for each year should be entered GST exclusive. In the online application the Budget Table Section does not provide any guidance on whether it should be entered GST inclusive or exclusive. Please clarify what is required in the Budget Table? GST inclusive or exclusive
  - The Grant Opportunity Guidelines quote all monetary values as GST inclusive. To be consistent, we ask that applicants to quote GST inclusive budget figures.
- 99. On page 2 of the Q & A it states: 'Innovation grants will provide funding of between \$300k and \$1.1 million (GST inclusive) per year for a maximum of 3 years. But on page 10 of the Q & A and page 26 of the Grant Guidelines, it states: earliest start: 1 December 2021, end date 30 June 2024. This means a grant can only run for 2.5 years. Can we run field-based drought tolerance work for the full 3 years as stated for the life of the grant, or can we use partner funds to extend the project for a full three years if grant funding must end on 30 June 2024?

Innovation Grants can fund projects that continue beyond the life of the program. For the Innovation Grants, the activities funded by the grants must be completed by 30 June 2024 with a final report submitted by September 2024. Those projects that would run beyond the end of the program would need other funds to continue the project. The evaluation at the end of the project will indicate if your project was successful, and if so, an outline of your next steps.