

Free Trade Agreement Market Entry Grant 2018-19 Guidelines



Australian Government
Australian Trade Commission



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About the Free Trade Agreement Market Entry Grant Guidelines

The Free Trade Agreement Market Entry (FTA-ME) Grant Guidelines (the Guidelines) are designed to provide potential applicants with the information they need in order to make an informed decision as to whether they should apply for funding under the FTA-ME Grant. The Guidelines also outline the information that potential applicants will need to include in an application.

Potential applicants should read these Guidelines in their entirety, as well as the prescribed Application form and draft Funding Agreement, prior to making a decision to submit an application. The full package of information applicable to this grant program is available at www.grants.gov.au/Assistance and can also be accessed through the website at www.austrade.gov.au/fta-me.

The package comprises:

- › the Guidelines
- › Online Application Form
- › Funding Agreement.

The FTA-ME Grant is a merit-based, competitive grants program to be run for two consecutive years. Funding commenced on 1 July 2018. The program enhances the work previously undertaken through the Free Trade Agreement Training Provider Grant and ensures the objectives remain aligned to FTA outreach and advocacy. Meeting the assessment criteria in these Guidelines does not guarantee funding. Total program funds available per annum are capped at \$750,000 in both year 1 and 2. Applicants should not commit to any expenditure relating to a proposed project prior to a Funding Agreement being signed by both parties.

These Guidelines are divided into five sections:

- Section 1** provides an overview of the FTA-ME Grant program
- Section 2** provides details on eligibility, merit criteria and the selection process
- Section 3** provides guidance on what constitutes eligible expenditure
- Section 4** outlines other requirements relating to grants
- Section 5** provides information on submitting grants applications

Key Dates

FTA-ME Grant Guidelines released	16 November 2018
FTA-ME Grant Information Sessions	19-27 November 2018
Applications for FTA-ME Grant open	19 November 2018
Applications for FTA-ME Grant close	16 January 2019
Successful applicants expected to be announced	19 March 2019

1 Program Overview

1.1 Introduction

The Australian Government is building a strong network of Free Trade Agreements delivering benefits to a wide range of Australian businesses. With 10 FTAs ratified, including three in North Asia, the Government has also signed agreements in new markets including Peru (PAFTA) and those covered by the Trans Pacific Partnership 11 (TPP-11). FTAs offer an unparalleled opportunity for Australian businesses, particularly small and medium-sized enterprises (SMEs) new to export, to leverage the benefits offered by these agreements to build stronger more prosperous business links.

Targeted advocacy and outreach covering recent agreements has been implemented to assist Australian businesses with strategies to maximize commercial benefits across this expanded range of markets. A range of tools and services also support outreach as follows:

- › enhanced help desk support
- › online FTA portal with tariff finder – includes goods and services
- › seminar series
- › presentation kit.

In addition, the Free Trade Agreement Training Provider (FTA-TP) Grant, which delivered grant rounds from 2015-16 to 2016-17 has been re-shaped to ensure the program's continued alignment with the Government's objectives:

- › the main focus of the program has shifted from training delivery to market entry strategies, business development and business partnerships (with training used as a support to these activities) particularly in FTA markets where small and medium-sized enterprises (SMEs) have had little business exposure.
- › accordingly, the FTA-TP Grant has been renamed the **Free Trade Agreement Market Entry (FTA-ME) Grant**.

Additional funding of \$1.5 million provided under the 2016 mid-year economic and fiscal outlook was re-phased to provide two grant rounds over 2018-19 and 2019-20 financial years.

The FTA-ME Grant assists eligible Australian member-based business organisations, deliver projects aimed at helping their members and stakeholders access and utilise Australia's FTAs in eligible markets such as TPP-11 markets, Peru, China, Japan and Korea¹. The grant will support organisations to undertake targeted business activities delivering strategies to SMEs with potential to lead to market entry.

The FTA-ME Grant is administered by a Secretariat (FTA-ME Secretariat) staffed by officers of the Australian Trade and Investment Commission – Austrade. Austrade is the Australian Government's international trade, investment and international education promotion agency and also acts to advance Australia's tourism interests.

The legislative authority for the FTA-ME Grant is found in Section 8 of the *Australian Trade Commission Act 1985* (Cth).

¹ See Section 1.2, footnote 2 for a list of eligible markets

1.2 Objective and goals of the FTA-ME Grant

The objective of the FTA-ME Grant is to generate market entry strategies for Australian SME businesses that lead to opportunities which increase utilisation of FTAs in eligible markets such as TPP-11 markets, Peru, China, Japan and Korea. The grants are designed to deliver business strategies which both educate and increase the potential for tangible outcomes by SMEs in FTA markets. Eligible Australian business organisations, based in Australia, will be supported to deliver:

- › Market entry strategies highlighting targeted business opportunities in conjunction with in-market activities to strengthen and increase FTA outcomes.

This Grant program forms the second phase of FTA grants work, aligning with the Government's existing FTA advocacy and outreach objectives. The first phase, which focused on SME technical training, was conducted under the Free Trade Agreement Training Provider Grant.

The key goals of the FTA-ME Grant are to leverage the capability of Australian member-based business organisations to:

- › Develop and deliver market entry strategies for SMEs, underpinned by expert advice that targets FTA market entry, fosters greater in-market business development and partnerships, and identifies opportunities in the target markets.
- › Ensure adequate information and knowledge-based training is available to support Australian businesses understand sound market entry strategies and opportunities in FTA target markets².

Building greater awareness of FTA benefits, particularly in the SME sector, increasing access and utilising opportunities is expected to have a positive impact on the broader economy and particularly on regional Australia. Where relevant, the knowledge gained from delivery of initiatives in this program will be shared by Austrade with Australian businesses and stakeholders to ensure maximum awareness and utilisation of FTA benefits.

FTA-ME Grants are intended to provide partial funding to eligible Australian member-based business organisations, universities and TAFE colleges with projects and business activities aimed at achieving the objective and goals of the FTA-ME Grant program.

1.3 How the Grant will be managed

The FTA-ME Grant is a merit-based, competitive grants program with defined funding limits. Only the strongest proposals that most successfully meet the nominated objective and goals will be funded.

Austrade will be responsible for assessment of applications against both eligibility and merit criteria.

Applications will be ranked to inform recommendations to the Delegate on projects that are suitable for funding. The Delegate will be responsible for making the final decision regarding which applications will receive financial assistance under the FTA-ME Grant.

1.4 Funding

The Australian Government has allocated total grant project funding of \$750,000 per year, over two consecutive years towards the FTA-ME program. Eligible organisations can apply in both grant years (there will be two grant rounds

² For the purpose of this grant, FTA target markets are Brunei, Malaysia, Vietnam, Singapore, Canada, Mexico, Chile, Peru, Japan, Korea and China. If other FTAs are signed during the life of this grant those markets related to the new FTAs may become eligible as target markets for projects. The FTA-ME Grant Secretariat will notify eligible bodies of any changes that impact the market selection.

over the life of the project) but may only submit one application per grant round. Applications must be focused on at least one of the FTA target markets (refer to Section 1.2 – footnote 2).

The FTA-ME Grant will fund up to a maximum of 50 per cent of the total cost of an eligible project with the remainder to be funded by the applicant. Projects must have a clearly defined budget for the life of the grant with co-contributions from any partners or other financial contributors specified.

The FTA-ME Grant is to be run in both the 2018-19 and 2019-20 financial years.

Applicants can apply for funding from:

Year 1: Grant funding of \$20,000 - \$80,000 (excluding GST) in the 2018-19 financial year.

Year 2: Grant funding of \$20,000 - \$80,000 (excluding GST) in the 2019-20 financial year.

The allocation of funding will be determined by the relative merit of applications received.

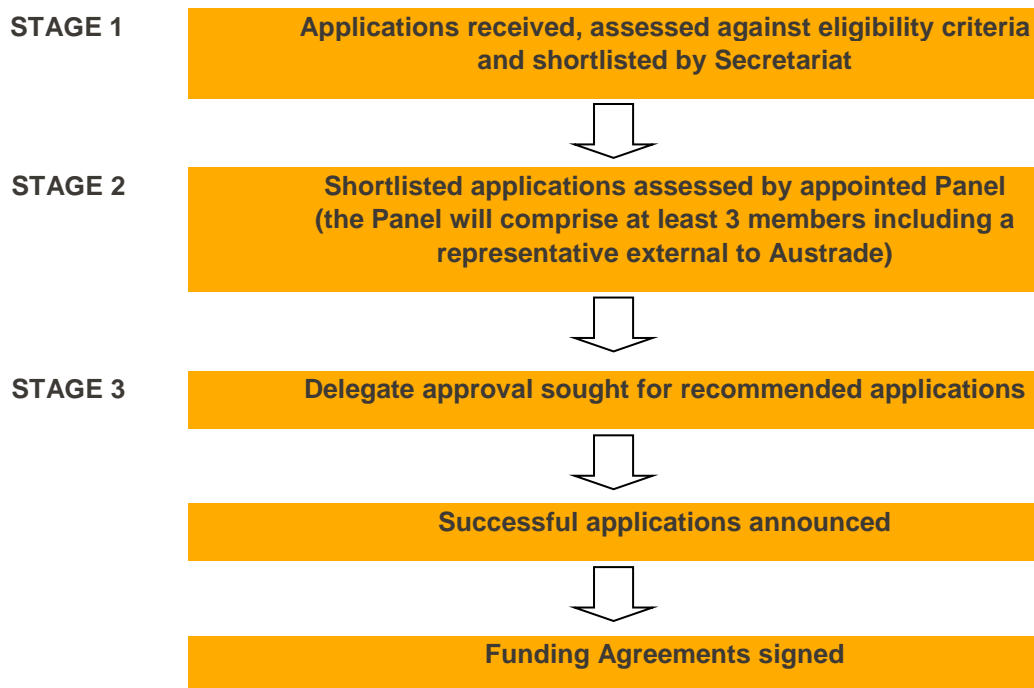
Refer to Section 3 for eligible project costs.

It is expected that larger applications (e.g. those from \$60,000—\$80,000) would be able to demonstrate exceptional value for money due to the scale and reach of the activities proposed, or through co-funding.

1.5 How applications will be assessed

Applications will be assessed by the FTA-ME Secretariat and the FTA-ME Panel through a three-stage assessment process (see Figure 1).

Figure 1 – Process for assessing applications



STAGE 1 – Applications received

At the close of applications, the FTA-ME Secretariat will verify the eligibility of all applications against the applicant and project eligibility criteria (outlined in Section 2.1). During this stage, the Secretariat may contact applicants to request verification of any information contained in their application, including evidence of their financial viability. The Secretariat will shortlist applications for further assessment by the Panel.

STAGE 2 – Merit assessment

Eligible shortlisted applications will be further assessed by the FTA-ME Panel against the merit criteria (outlined in Section 2.2); and a merit ranking allocated to applications. The submission of an eligible application for funding under the FTA-ME Grant program does not guarantee that funding will be provided. Applications need to demonstrate a high level of merit against the criteria and be competitive against other applications.

STAGE 3 – Delegate approval

Applications recommended by the Panel will be forwarded to the Delegate for final approval. The Delegate, having considered the recommendations from the FTA-ME Panel, will make the final decision on which applications will receive funding. An application recommended by the Panel does not guarantee that funding will be approved by the Delegate.

2 Assessment Criteria

The eligibility criteria and merit criteria are set out in this Section. The Delegate may, in their absolute discretion, waive or amend the eligibility criteria and / or the merit criteria if:

- › unforeseen circumstances arise, including but not limited to, a lack of applications for FTA-ME Grants or a lack of applicants who satisfy the eligibility or merit criteria.

Where there is a lack of applications, the Delegate may also call for further applications.

2.1 Eligibility Criteria

Applications under the FTA-ME Grant will be assessed against the eligibility criteria provided below (section 2.1.1). Subject to the exception noted above, an application will not be accepted for further assessment unless it satisfies all of the eligibility criteria.

2.1.1 Eligible Applicants

To be eligible for an FTA-ME Grant, applicants must meet the following requirements:

- › be registered as an Australian member-based business organisation or a registered Australian education institution³, be operating in Australia and have an Australian Business Number (ABN)⁴
- › have been constituted as a legal entity for at least 12 months prior to 1 October 2018
- › maintain to the Delegate's satisfaction, appropriate business ethics and demonstrate to the Delegate's satisfaction a commitment to legal obligations including anti-bribery laws, both in Australia and overseas markets.

Funding recipients are responsible for ensuring the accuracy of all FTA information delivered to members and stakeholders as part of their funded grant project. Recipients are also responsible for obtaining and maintaining any insurance necessary or prudent for undertaking the proposed activity, and to provide the FTA-ME Secretariat with evidence of these policies promptly on request as required by the Funding Agreement. Grants will not be provided to organisations that have failed to provide a proper acquittal of an earlier grant provided by Austrade. Applicants who fail Austrade's 'net benefits'⁵ and 'best interests of Australian trade'⁶ tests conducted as part of additional quality assurance processes (see Section 4.1) will not be eligible to participate.

³ Member-based business organisations include chambers of commerce and industry, bilateral business councils and chambers or peak industry / business associations. Peak education and tourism bodies that comply with the above criteria may also apply for funding under the FTA-ME Grant. Education institutions for the purpose of this grant are limited to Universities (including attached Institutes and/or study centres) and TAFE colleges. Individual Registered Training Organisations and secondary colleges are not eligible. Individual firms cannot apply.

⁴ The ABN provided in the application must be registered to the applying organisation. Providing an ABN not directly registered to the applicant organisation (including providing an ABN registered to a proposed project partner or project sponsor instead of the actual applying organisation) will render the application ineligible.

⁵ Net benefits - The activity the organisation proposes will deliver net foreign returns to the Australian economy through an inwards monetary flow or through other commercial or non-commercial advantages that deliver economic or social benefits to Australia

⁶ Best interests - Austrade's assistance of the organisation will not harm the international reputation of Austrade, the Australian government, or Australia as a whole.

2.1.2 Eligible Projects

Development and delivery of market entry strategies targeting business opportunities in conjunction with in-market activities to strengthen and increase FTA outcomes is the key aim of the FTA-ME Grant

With consideration for the key program aim detailed above, projects must have a clearly defined purpose that links to the objective and goals of the FTA-ME Grant as set out in Section 1.2.

- › Projects must deliver outcomes focused FTA market entry strategies with capacity to lead to business development, access to opportunities, benefits and utilisation in FTA markets (for Australian business and industry)
- › As strategies for market entry are developed, projects can include FTA market visits and activities to foster business development opportunities and build sustainable business links in target markets
- › Through sound training mechanisms, projects must demonstrate the provision of accurate information to SMEs to support market entry strategies including rules of origin, trade and investment regulations and tariff phase-outs in FTA target markets. Projects must also address any non-FTA barriers to ensure SMEs receive balanced information in relation to market entry
- › Projects must focus on at least one of the target markets where FTAs have either been ratified or signed. Preference will be given to strategies targeting markets where SME exporters and service providers currently have limited or no direct in-market experience
- › Projects must demonstrate the activity will add value and would not otherwise occur without support from grant funding
- › Existing or previously conducted FTA projects will not be funded for the purpose of continuing or extending an activity without demonstrating significant new value-add content⁷. However, organisations that completed technical training projects under the FTA-TP Grant may apply for funding to undertake new market entry strategy projects under the FTA-ME Grant.

Projects involving Australian member-based business organisations working together with partners and experts to deliver market entry strategies are encouraged. In particular, projects that engage qualified third party experts to build, shape and strengthen strategies for market entry will be highly regarded.

Only one organisation can be the applicant for the purposes of receiving funding. When projects are to be undertaken in conjunction with, or part funded by, a counterpart, the applying organisation will be the contracted entity for the purpose of receiving an FTA-ME Grant⁸. The appropriate applying organisation must also be able to demonstrate that the counterpart has confirmed their participation and/or involvement to ensure the success of the project.

2.1.3 Ineligible Projects

A project will be deemed ineligible if:

- › it is a devolved grant, that is, a grant requested by the applicant for the purpose of distributing funds to other parties who are not contractors to the project and who have not been clearly identified in the grant application

⁷ See further section 11.2 Achieving Value with Relevant Money, *Commonwealth Grant Rules and Guidelines*

⁸ Enquiries from organisations or persons which are not the direct applicant, about a submitted application, are not permitted during the assessment process (this includes enquiries from project partners and external representatives). Communication will only be entered into with the applicant organisation.

- › the applicant is receiving any other Commonwealth Government financial support for the proposed project.

Proposals from Commonwealth Government agencies, state and territory government agencies, local government bodies and regional development authorities will not be funded.

Grants are not normally awarded to projects where funding would generally fall under the responsibility of other government agencies. For example, the Australian Centre for International Agricultural Research (ACIAR) or the Australian Research Council.

2.2 Merit Criteria

Eligible applications will be assessed against the following merit criteria (*project relevance, project design and management, and value for money*) and a merit ranking allocated to each application. The bullet points listed under each criterion below are provided as a guide only and are not allocated a proportion of the overall score.

Project relevance 30%	+	Project design and management 30%	+	Value for money 40%
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2.2.1 Project Relevance (Criterion weighting = 30%)

Project relevance will be determined by the extent to which the aims of the project align to the objective and goals of the FTA-ME Grant, the quality of outcomes sought and the appropriateness of the proposed delivery approach.

Alignment with FTA-ME Grant objective and goals

In assessing this aspect of this criterion, the FTA-ME Secretariat and, for shortlisted applications, the FTA-ME Panel will consider the extent to which the proposal demonstrates consistency with the FTA-ME Grant objective and goals as set out in Section 1.2.

Quality of outcomes sought

In assessing this aspect of this criterion, the FTA-ME Secretariat and, for shortlisted applications, the FTA-ME Panel will consider:

- › whether the project outcomes sought are high quality
- › the adequacy of the processes that are proposed to ensure the quality of the outcomes to be achieved.

Applicants may indicate merit by demonstrating the extent to which the project:

- › addresses an area of relevant need for industry sectors particularly the ability, through market entry strategies, to match sector knowledge and capability to identified or expected FTA benefits enabling Australian SMEs to maximise opportunities
- › leverages the scale and resources of FTA expertise to deliver eligible project activities that lead to tangible benefits for Australian SME businesses
- › involves a sharing and transfer of knowledge related to FTA utilisation which benefits Australian SMEs.

Appropriateness of proposed delivery approach

In considering this aspect of this criterion, the FTA-ME Secretariat and, for shortlisted applications, the FTA-ME Panel will consider:

- › how likely it is that the proposed delivery will attract the attention of internationally ready Australian SMEs
- › whether the logic of the proposed delivery approach is clear
- › whether action will result.

Applicants may indicate merit by demonstrating:

- › the appropriateness of the delivery method(s) for the specific target audience and the potential for sustainable business outcomes from market entry strategies and market visits
- › the key decision makers within the target group are identified and targeted
- › an understanding and use of existing interactions/channels and previously successful delivery methods
- › inclusion of follow-up activities to reinforce action.

2.2.2 Project Design and Management (Criterion weighting = 30%)

In considering this criterion, the FTA-ME Secretariat and, for shortlisted applications, the FTA-ME Panel will consider whether the applicant can efficiently and effectively deliver the proposal.

Applicants may indicate merit by demonstrating:

- › their past record of successfully delivering similar projects, particularly with an international focus
- › ability to demonstrate capacity and direct business engagement experience with Australian Small to Medium Sized Enterprises (SMEs)⁹
- › their staff capacity (both existing and proposed) and governance structures
- › access to appropriate expertise, including through third party partnerships and contractors
- › the quality of the grant application and project budget presented including relevant attachments, such as project milestones, timeline and risk management plan
- › the application clearly defines responsibilities of participants including third parties.

2.2.3 Value for Money (Criterion weighting = 40%)

Achieving value with public money is a key principle underpinning Commonwealth Government grant administration, and is a prime consideration in administering this Grant program. Achieving value in grants administration involves the careful comparison of costs, benefits and options.

Applicants may indicate merit by demonstrating:

- › the number of Australian SMEs that will be reached directly by the proposal
- › the appropriateness of the proposed budget to support project activities and ensure project viability
- › identifying cost-effective communication and business engagement tools and methods of delivery
- › the level of any co-funding

⁹ SMEs - Small to medium enterprises with up to 200 full-time equivalent employees.

- › the need for grant funding in order for the project to proceed (this involves establishing that the project would not proceed without FTA-ME funding)
- › the scale of potential project content that can be shared with other sectors or locations (beyond that directly presented in the proposal) to build broader FTA experience.

2.3 Selection of Successful Applicants

The Delegate, having considered the recommendations from the FTA-ME Panel, will make the final decision on which applications will receive funding under the FTA-ME Grant. In addition, the amount of grant funding offered for any successful project may be less than the amount requested by the applicant. In such an event, funding will be provided for a re-scoped version of the proposed project or a revised project budget, and will have to be approved by the FTA-TP Secretariat prior to commencing the project.

Successful applicants will be informed in writing. Projects awarded funding will be publicly announced following the completion of the assessment period and published on www.grants.gov.au and www.austrade.gov.au/fta-me websites. Published details will include:

- › name of the successful applicant organisation
- › location of the successful applicant
- › project term
- › title and description of the project and its intended outcomes
- › amount of funding awarded.

Unsuccessful applicants will also be notified in writing at the time the successful projects are announced.

Potential applicants are advised that total funding available for the FTA-ME Grant program is capped at \$750,000 per year, for two years. Applicants can apply for a minimum of \$20,000 and maximum of \$80,000 (excluding GST) funding each grant year (there will be two grant rounds over the life of the project).

If there are more quality projects than funds available, projects will be ranked on the basis of the criteria outlined above.

3 Eligible Expenditure Guidance

3.1 Introduction

The following section provides guidance on the eligibility of activity expenditure in relation to the project.

Expenditure will need to be directly attributable to the project and only expenditure incurred on agreed project activities within the agreed project period (set out in the Funding Agreement) will be eligible expenditure.

3.2 Indicative Scope of Projects, Eligible Activities, Items and Conditions

Whilst not exhaustive, the list below provides examples of the types of activities that would be considered eligible for funding as part of a project proposal under the FTA-ME Grant:

- › development of market entry strategies (with assistance from third party experts) for export ready Australian SMEs to navigate and utilise FTA benefits in new target markets
- › identify and promote opportunities for Australian SMEs in target FTA markets to support market entry strategies and in-market business development

- › market visit activities that build on FTA market entry strategies developed for SMEs to maximise opportunity capture and strengthen business development and potential partnership links
- › sharing targeted FTA knowledge and information with Australian SMEs that assists their understanding of how to access and utilise FTA benefits. This knowledge transfer can be conducted through a broad range of training mechanisms (including leveraging FTA training undertaken by SMEs as part of the previous FTA-TP Grant program) but must lead to development of market entry strategies.

Applicants are expected to make themselves aware of the FTA information available through the Austrade and Department of Foreign Affairs and Trade websites¹⁰. Applicants should demonstrate their FTA project delivers market entry strategies and information and knowledge that adds further value.

Examples of the type of activities that would be considered eligible for funding as part of the project proposal under the FTA-ME Grant include (but are not restricted to):

- › research on FTA benefits and opportunities for industry sectors within target FTA markets which leads to dissemination of practical value-add FTA information and market entry strategies to SMEs
- › development of targeted information sharing packages to maximise FTA awareness and utilisation across industry sectors
- › FTA advisory and mentoring activities by experienced business practitioners (particularly third party experts)
- › production of materials such as fact sheets, capability documents and digital information for training activities that support business development strategies leading to FTA market entry
- › business missions, events and other promotional activities that assist SMEs to strengthen market entry and access and utilise the opportunities in FTA target markets.

The following would also be considered eligible items in the project budget:

- › administrative costs required to deliver the project
- › evaluation, financial audit and accounting costs.

Further information is provided in the next section about specific activities or items that cannot be included in the project budget.

Eligible FTA-ME Grant contract expenditure will be the cost of any agreed project activities performed by the applicant, or for the applicant by another organisation, or an individual engaged under a separate contract.

3.3 Ineligible Activities and Items

The list below is a non-exhaustive list that outlines the activities and items that may not be included within the project budget. These include:

- › activities which are commercially viable in their own right
- › activities that provide a significant commercial benefit to the recipient
- › capital expenditure on real estate property and purchase of equipment
- › development assistance activity

¹⁰ Information on FTAs is available through www.austrade.gov.au and www.dfat.gov.au

- › day-to-day operational costs of the organisations seeking funding, e.g. wages, salaries and management fees¹¹
- › funding of already committed or completed activities, or of recurrent activities.

This list is not exhaustive. Other activities or specific expenditure may be ineligible because Austrade determines it does not directly support the achievement of the planned outcomes of the project or in the Delegate's opinion they are contrary to the spirit and intention of the FTA-ME Grant.

3.4 What Will an Applicant Need to Contribute

Co-funding that at least matches the FTA-ME Grant amount is required. Supporting contributions may be cash contributions or other contributions as agreed.

Contributing organisations must confirm their contribution in writing. Supporting contributions can be from any appropriate source such as local businesses, a non-government organisation, state or territory governments, industry or a local government body but not from Commonwealth Government sources¹².

Applicants will need to provide documentary evidence of their ability to fund the remaining costs of the project not met by Commonwealth Government funding, and demonstrate certainty of such funding at the time of application (e.g. existing budgets/pre-approved loans).

Funding derived from loans from financial institutions will be admissible as co-funding. However, Commonwealth Government funding under the FTA-ME Grant cannot be used as equity or to improve equity of the organisation in relation to such loans.

4 Additional Information

This section provides additional information relating to the FTA-ME Grant that potential applicants will need to be aware of prior to submitting an application.

4.1 Duplication and Quality Assurance

Austrade wishes to avoid the submission of applications which seek grant funds to develop initiatives that have already been produced in other sectors or locations. Applicants will be required to verify they have undertaken a reasonable search to identify existing activities or materials that may be relevant to their application and ensure duplication is minimised.

Austrade will undertake a probity process on those applicants likely to be recommended to the Delegate for grant funding. Background checks of recommended applicants may be relevant to assessing an application. These may include financial viability, checks for qualifications and past professional conduct.

¹¹ Wages, salaries and management fees are eligible items if a dedicated project manager or team has all or a proportion of their time allocated to the grant project. The calculation of these wages, salaries or fees must be quarantined from any wages, salaries or fees associated with the day-to-day operational costs and related tasks and may be subject to audit. Applicants are expected to take a balanced approach to the inclusion of wages, salaries and management fees when applying for an FTA-ME Grant.

¹² Grant recipients are not entitled to additional Commonwealth contributions to deliver a grant project beyond what has been agreed in the Guidelines and Funding Agreement, whether contributions are cash or in-kind. For example, requesting Commonwealth officers to provide written presentations developed specifically for the purpose of a grant recipient's project delivery and / or requesting Commonwealth officers to speak at grant funded seminars, forums and workshops may constitute 'double dipping' in relation to Commonwealth funding and may be disallowed. Grant recipients are also not permitted to claim EMDG for activities undertaken while delivering the FTA-ME Grant.

4.2 Funding Agreement

Successful applicants will be required to enter into a Funding Agreement with the Commonwealth Government before they receive grant funding under the FTA-ME Grant program.

A draft copy of the Funding Agreement will be available at www.grants.gov.au and www.austrade.gov.au/fta-me when applications open. To ensure applicants are aware of the legal requirements contained in the Funding Agreement, applicants will be required to provide a statement of compliance when submitting their application.

FTA-ME Grant funding is valid for the financial year for which it is awarded. If the funding cannot be taken up within the specified period it may be withdrawn. Any delay in the proposed activity should be reported promptly to the FTA-ME Secretariat. If required, a request for extension should be provided to allow the Secretariat to consider the reasons for the delay and to take any appropriate action to approve or disapprove the request for extension.

All successful applicants will receive a written offer of grant funding and a Funding Agreement. Unless otherwise notified by the FTA-ME Secretariat, successful applicants will have sixty (60) days from the date the offer is made to execute the Funding Agreement with the Commonwealth Government, or show cause for the delay in execution. Failure to execute the Funding Agreement within this time may result in the funding offer being withdrawn.

The date of execution of the Funding Agreement will be the project commencement date. Successful applicants will have 12 months to complete their projects from the commencement date unless otherwise advised by the FTA-ME Secretariat.

Austrade reserves the right to terminate the Funding Agreement or adjust the scope of the project at its discretion. In the event of changes being proposed to the project by the grant recipient, Austrade may consider re-negotiating the Funding Agreement as long as the proposed changes are aligned to the objectives of the original proposed project.

4.3 Grant Recipient Roles and Responsibilities

The Funding Agreement will specify clearly the roles and responsibilities of the parties to the agreement. The grant recipient will be required to maintain public liability, professional indemnity and workers' compensation insurance, as required by law, at the levels specified in the Funding Agreement. The grant recipient will also be required to provide an indemnity to the Commonwealth against any claims arising out of the delivery of the project.

Funding recipients are normally responsible for all administrative costs and arrangements associated with their project, including visa and travel arrangements, visa charges, airport taxes, ground transport, travel and health insurance for project participants, medical and hospital insurance cover for visitors not covered by Medicare in Australia (including evacuation and death cover), any necessary insurance for equipment, and accommodation costs and arrangements. Funding recipients should note that health insurance is strongly recommended.

Austrade will not accept any liability for any medical, hospital or evacuation costs incurred by participants in projects funded by the FTA-ME Grant.

4.3.1 Project Evaluation

The prescribed application form will require applicants to show they have considered the measurement of project outputs and outcomes. An evaluation plan will then be agreed between the successful applicant and Austrade with key milestone/s set out in the project Funding Agreement.

Appropriate and proportional evaluation will vary from project to project. Austrade will consider such variability against the requirement to establish an overall set of results for the FTA-ME Grant.

It is a condition of FTA-ME Grant funding that recipients provide such written reports (including, but not limited to, progress reports, milestone reports and a final written report addressing set requirements) and financial statements of expenditure as are required by the Funding Agreement.

Recipients must demonstrate their project has led to the achievement of the stated objectives to receive grant payments. Final grant payments will not be issued until all obligations in the Funding Agreement have been met.

4.3.2 Payments and auditing

The Funding Agreement will also include a budget and a schedule of reporting and payments linked to agreed milestones, outcomes and timeframes. Payments against milestones will be made based on eligible expenditure incurred (refer to Section 3), with each payment subject to satisfactory completion of milestones and the provision of appropriate evidence as set out in the Funding Agreement.

An initial payment will be made following the execution of the Funding Agreement (the breakdown will depend on the particular circumstances of the project and proponent).

Austrade may request an independent audit report of project expenditure at any time during the life of the project. Auditing requirements may vary depending on the size and risk of the project, and will be set out in the Funding Agreement.

Goods and Services Tax (GST) may apply to grant payments, and certain grant payments may be subject to income tax in the hands of certain recipients. Grant recipients should seek independent legal, taxation or financial advice regarding tax implications.

Grant recipients registered for GST in Australia will receive the grant plus GST. If a grant recipient is not registered for GST in Australia nothing will be added to the grant.

Austrade requires the following information in writing from funding applicants:

- › the Australian Business Number (ABN) of the organisation applying for funds, or advice that the organisation does not have an ABN.
- › advice as to whether the organisation is registered for the Goods and Services Tax (GST) under the Pay As You Go tax obligations. Austrade is required to withhold tax (at the rate of 46.5%) and remit it to the Australian Tax Office, when the applicant does not have an ABN, or cannot provide written advice from the ATO of exemption from the withholding tax.

4.3.3 Intellectual property

In most cases, Austrade will seek a non-exclusive license and a permanent right to sub-license information and material produced with grant funds. This is to enable the reproduction or publishing of material where appropriate for distribution in other sectors or locations which may benefit from materials developed with public funds. Grant recipients may also be asked to provide written consent from the authors of material to be used in the delivery of grant projects, where intellectual property rights are involved, as outlined in the Funding Agreement.

4.3.4 Risk management

At the time of making an application, all applicants will be required to demonstrate they have considered the risks inherent in the proposed project and submit a draft risk management plan with their application. Successful applicants will be required to formalise and implement this risk plan as part of their obligations under the Funding Agreement. If successful in receiving funding, a final copy of the risk plan must be submitted to the FTA-ME Secretariat and approved before commencing the project.

4.3.5 Branding, Communication and Publicity

The grant recipient will be required to acknowledge the source of the funding for the project. Austrade administers the Australian Government's Building Brand Australia program and will require grant recipients to use the Australia Unlimited brand identity or Future Unlimited brand identity (if the grant recipient is an education institution) developed through the program. Guidelines and advice will be provided to all grant recipients for this purpose.

In addition, recipients must follow Austrade's requirements as they relate to any other government and/or Austrade branding and communications. Any proposed public activity or announcements are to be cleared with Austrade beforehand, as outlined in the Funding Agreement.

4.3.6 Document retention

A condition of being awarded funding under the FTA-ME Grant is that successful applicants retain all documents and records in relation to the application and the Funding Agreement for a period of seven years after the termination or expiry of the agreement.

While such records do not need to be submitted with reports, Austrade may require such records to verify any or all eligible expenditure. Failure to provide such records when required may result in an expenditure item being disallowed or, in certain circumstances, the repayment of grant funding.

4.4 Privacy and Confidentiality

The use and disclosure of information provided by applicants for the FTA-ME Grant is regulated by the relevant provisions and penalties of the *Public Service Act 1999*, the *Privacy Act 1988*, the *Freedom of Information Act 1982*, the *Crimes Act 1914* and the general laws of the Commonwealth of Australia.

The information contained in applications will be regarded as private and confidential and will be treated as such by Austrade. This is subject to the operational need to provide applications to assessors, and any statutory or legal requirements to provide information to the Parliament and other organisations, for audit, law enforcement, investigative or other purpose.

As part of the assessment of an application, Austrade may need to consult with, and provide material from the application to, other government agencies or bodies, other organisations and/or relevant individuals, in order to substantiate any claims or statements made in the application form, or to otherwise assist in the assessment of the application.

If this occurs, Austrade will endeavour to ensure the parties who are consulted observe appropriate confidentiality provisions. Following approval of an application, the broad details of an application (e.g. the identity of the successful applicant, the grant amount awarded, and a brief description of the project) may be disclosed by Austrade for purposes such as promoting the FTA-ME Grant and reporting on the operation and policy development of the FTA-ME Grant program.

This information may also be used in answering questions in Parliament and questions raised by parliamentary committees. In addition, selected project information may be made publicly available.

Notwithstanding the above, Austrade is required to report on, and publish the grants awarded under the FTA-ME Grant in accordance with the requirements set out in the *Commonwealth Grant Rules and Guidelines*. This means that for successful applicants, their name, total value of the grant awarded, grant funding location and postcode (where applicable) will be listed on GrantConnect and Austrade's website.

In submitting an application in response to these Guidelines, applicants will acknowledge these reporting requirements and agree to Austrade publishing these details.

Further information about these reporting requirements can be viewed at www.finance.gov.au.

4.5 Conflicts of interest

A conflict of interest arises where a person makes a decision or exercises a power in a way that may be, or may be perceived to be, influenced by either material personal interests or material personal associations. If a member of the FTA-ME Secretariat, including the Panel, has a potential conflict of interest in relation to a particular project proposal, he or she must declare the potential conflict to the other members of the FTA-ME Secretariat and not participate in the assessment of the relevant proposal.

Similarly, the Delegate will not decide a particular application if he or she has a potential conflict of interest. In such a situation, a new Delegate will be appointed.

Applicants will be asked to make a declaration in relation to any actual, perceived or potential conflicts of interest in submitting their application. Applicants should contact 1300 136 014 if they require further information.

The Funding Agreement will define what constitutes a conflict of interest for grant recipients. The Funding Agreement will require the grant recipient to warrant that no conflict exists or is likely to arise in the performance of the recipient's obligations. Furthermore, the grant recipient will be under an obligation, during the term of the Funding Agreement, to notify Austrade immediately if a conflict arises.

4.6 Anti-bribery

Australia's anti-bribery laws apply overseas. Credible evidence of any activity by a funding participant that may be in breach of these laws will be reported and may lead to withdrawal of Austrade support including termination of this agreement and reimbursement of funds.

5 How to Lodge your Application

5.1 Developing the Application

In developing an application for a grant, the applicant should take into consideration the guidance and rules provided in these Guidelines, the prescribed online Application Form and the Funding Agreement. Applicants may consult with the FTA-ME Secretariat while preparing applications to ensure their proposal meets basic requirements. FTA-ME Secretariat officials will not be able to provide feedback on draft applications. The final determination of the eligibility of an applicant or project is a formal stage in the assessment process, which occurs after all applications are received.

Applicants can contact Austrade by emailing fta-me@austrade.gov.au or by telephoning 1300 136 014.

Answers to common questions asked during the application period will be provided as 'Frequently Asked Questions' on Austrade's website for the benefit of all potential applicants.

5.2 Application Process

Applications open on 19 November 2018 and close on 16 January 2019.

All applications should:

- › be submitted using the prescribed online Application Form found at www.austrade.gov.au/fta-me
Hard copy applications will not be accepted.
- › be complete and contain all the information that is relevant to, and necessary for, assessment
- › have all mandatory documentation attached
- › provide current and accurate information
- › only contain attachments which are directly relevant to the project proposal, are concise and clearly labelled (directly relevant attachments include a risk management plan and letters of agreement from any partners to the project or co-funding bodies)
- › not contain information that is false or misleading (applications considered to contain false or misleading information may be excluded from further assessment).

Providing false or misleading information may also constitute an offence under the *Crimes Act 1914* (Cth).

Austrade may request verification of any information contained in the application form during the assessment process.

Unless requested by Austrade, no additional written or oral explanation, or further documentation, will be accepted after the closing date. Applications that are incomplete, do not include the requested documentation or do not address the merit criteria, may be deemed ineligible.

Austrade shall be the sole decision maker on any application and it is a condition of application that the applicant accepts Austrade's decision as final.

5.3 Closing Date and Lodgement

Applications close on 16 January 2019 at 6 PM AEDT (the Closing Date).

Subject to these Guidelines, all applications must be submitted and received by the above mentioned time and date. All applications must be completed using the online Application Form to meet eligibility requirements. Access to the prescribed online Application Form will be available on the opening date set out in section 5.2 of these Guidelines at www.austrade.gov.au/fta-me.

Austrade will acknowledge receipt of all applications.

Except in the case of unintentional errors and omissions, or verified online technical difficulties, applicants will not be permitted to amend their submitted applications if applications have closed. The submission of additional information relating to an application after the closing date can only be made if requested by Austrade. In the event of the applicant having made an unintentional error or omission, Austrade will decide whether to accept an amendment or additional information on a case-by-case basis.

5.4 Late Applications

Late applications may be accepted in the following circumstances:

- › if verified online technical difficulties impede the submission of a completed application by the specified closing date and time.

5.5 Queries or Complaints

Further information about preparing an application can be obtained by contacting Austrade by email at fta-me@austrade.gov.au or by phone on 1300 136 014. Any feedback, enquiries or complaints regarding the FTA-ME Grant should be lodged with:

FTA-ME Secretariat
Austrade
GPO Box 1061
Brisbane QLD 4001

Complaints will be handled in accordance with Austrade's complaints handling mechanisms.

Complaints can also be lodged with the Australian Government Ombudsman. There is no fee for making a complaint and the Ombudsman will conduct an independent investigation of the concerns. The Ombudsman usually prefers that internal processes are worked through before complaining about the assessment process.

The Ombudsman has offices in all states and territories. The Ombudsman can be contacted by telephoning 1300 362 072 or by writing to the relevant contact address specified on the website at <http://www.ombudsman.gov.au/>.

6. Glossary of Terms

FTA-ME Secretariat	The Austrade organisational unit responsible for administering the FTA-ME Grant.
Applicant	A business organisation submitting a project proposal for a grant. May be acting on behalf of a partnership.
Applicant Contribution	Cash and other agreed contributions made towards the project by the applicant, whether from their own resources or from a party other than the Commonwealth.
FTA Markets	Brunei, Malaysia, Vietnam, Singapore, Canada, Mexico, Chile, Peru, Japan, Korea and China
Austrade	The Australian Trade and Investment Commission (the Australian Government's international trade, investment and international education promotion agency also acting to advance tourism interests) responsible for the administration of the FTA-ME Grant.
Best Interests Test	Austrade's assistance of the organisation will not harm the international reputation of Austrade, the Australian Government, or Australia as a whole.
Commonwealth Funds	The funds provided for an approved project by the Commonwealth of Australia.
Contractor	An entity paid by a grant recipient to undertake part of the project.
Delegate	The person delegated by the Minister to make decisions pertaining to the FTA-ME Grant.
Eligible Expenditure	Eligible contract expenditure will be the cost of any agreed project activities performed by the grant recipient, by another organisation or an individual engaged under a separate contract. Eligible expenditure is listed at Section 3 of these Guidelines.
Financial Audit	An audit of financial statements by an approved auditor in accordance with Australian Accounting Standards.
Funding Agreement	The legally enforceable agreement under which funds are provided by the Commonwealth to the grant recipient for the purpose of the project.
Grant Recipient	The organisation(s) selected by the Commonwealth to conduct a project under the FTA-ME Grant.

Australian business organisation

A business organisation established for the purpose of delivering services to a range of Australian SMEs and stakeholders. Chambers of commerce and industry, bilateral business councils and chambers and peak industry associations, universities and TAFE Colleges are all examples of business organisations for the purpose of the FTA-ME Grant.

Minister

The Minister for Trade, Tourism and Investment

Net Benefits Test

The activity the organisation proposes will deliver net foreign returns to the Australian economy through an inwards monetary flow or through other commercial or non-commercial advantages that deliver economic or social benefits to Australia.

Guidelines

The Free Trade Agreement – Market Entry (FTA-ME) Grant.

Project

A project under the FTA-ME Grant to be conducted by a grant recipient.
