

Australian Government

Department of Industry, Science and Resources

Department of Climate Change, Energy, the Environment and Water

Grant Opportunity Guidelines

Australia – Austria Industrial Decarbonisation Demonstration Partnerships Program

Opening date:	22 April 2024			
Closing date and time:	5.00pm Australian Eastern Daylight Time on 18 July 2024			
-	Please take account of time zone differences when submitting your application.			
Commonwealth policy entity:	Department of Climate Change, Energy, the Environment and Water (DCCEEW)			
Administering entity:	Department of Industry, Science and Resources (DISR)			
Enquiries:	If you have any questions, contact us on 13 28 46.			
Date guidelines released:	5 April 2024			
Type of grant opportunity:	Open competitive			

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1. Australia-Austria Industrial Decarbonisation Demonstration Program processes

The Australia – Austria Industrial Decarbonisation Demonstration Partnerships program is designed to achieve Australian Government objectives

This grant opportunity is part of the above grant program which contributes to the Department of Climate Change, Energy, the Environment and Water's (DCCEEW) Outcome 1: Provide international and national leadership and coordination to: support the transition of Australia's economy to net zero emissions by 2050; transition energy to net zero while maintaining security, reliability and affordability; support actions to promote adaptation and strengthen resilience of Australia's economy, society and environment; and re-establish Australia as a global leader in responding to climate change. DCCEEW works with stakeholders to plan and design the grant program according to the <u>Commonwealth Grants</u> Rules and Guidelines (CGRGs).

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The grant opportunity opens

DISR publish the grant guidelines on <u>business.gov.au</u> and <u>GrantConnect</u>.

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You complete and submit a grant application

You complete the application form, addressing all the eligibility and assessment criteria in order for your application to be considered. Your application must be a joint application with an Austrian project partner that has applied for a grant under the Australia-Austria Call 2024: Industrial Decarbonisation (Austrian applicants only).

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DISR assess all grant applications

DISR assess the applications against eligibility criteria and notify you if you are not eligible. The Committee comprising Australian and European experts will assess eligible applications against the assessment criteria including an overall consideration of value with money.

The Committee make grant recommendations

The Committee will assess applications against the assessment criteria before recommending to the decision maker which projects to fund.

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Grant decisions are made

The decision maker decides which applications are successful.

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DISR notify you of the outcome

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

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We enter into a grant agreement

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

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Delivery of grant

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

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Evaluation of the Australia – Austria Industrial Decarbonisation Demonstration Partnerships program

DCCEEW will evaluate the specific grant activity and Australia – Austria Industrial Decarbonisation Demonstration Partnerships program as a whole. We base this on information you provide to us and that we collect from various sources.

1.1. Introduction

These guidelines contain information for the Australia – Austria Industrial Decarbonisation Demonstration Partnerships Program.

This document sets out:

- the purpose of the grant program/grant opportunity
- the eligibility and assessment criteria
- how we consider and assess grant applications
- how we notify applicants and enter into grant agreements with grantees
- how we monitor and evaluate grantees' performance
- responsibilities and expectations in relation to the opportunity.

This grant opportunity and process will be administered by the Department of Industry, Science and Resources (the department/DISR) on behalf of the Department of Climate Change, Energy, the Environment and Water (DCCEEW).

We have defined key terms used in these guidelines in the glossary at section 14.

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

2. About the grant program

The Australia – Austria Industrial Decarbonisation Demonstration Partnerships Program (the program) will run over 4 years from 2024-25 to 2027-28. The program was announced as part of the Australian Government's investment in international collaboration and delivers on Australia's obligations under the United Nations Framework Convention on Climate Change and the Paris Agreement. It supports Australia's ambitions to become a renewable energy superpower and build new renewable industries to support domestic and global decarbonisation efforts.

Co-led by Australia and Austria, the Net Zero Industries Mission aims by 2030 to foster worldwide development and demonstration of cost competitive solutions for the efficient decarbonisation of hard-to-abate energy-intensive industries. The program will support progress toward the goals of the Net Zero Industries Mission.

The program supports collaborative demonstration or pilot/test projects between Australia and Austria, that strengthen connections between Australian and Austrian industry and support the development of decarbonisation technologies for hard-to-abate energy-intensive industries. At present, there are few commercially viable routes to the full industrial decarbonisation of hard-to-abate energy-intensive industries. The program will help demonstrate the commercial viability of industrial decarbonisation solutions and promote their wider acceptance in industry.

The objectives of the program are to:

- advance the development and deployment of innovative technologies, processes or solutions to decarbonise hard-to-abate energy-intensive industries including ironmaking and steelmaking, chemicals manufacturing, the production of lime and cement, or alumina and aluminium production
- incentivise action by industry by reducing the financial and technical risks of industrial decarbonisation demonstration projects
- foster greater collaboration between industry in Australia and Austria
- leverage private and non-Commonwealth funding towards clean energy technologies and projects in Australia

 build industry expertise and share knowledge and information from the program, in line with the aims of the Net Zero Industries Mission.

The intended outcomes of the program are to:

- support the development of clean energy technologies that will advance decarbonisation efforts domestically and globally to support the transition to net zero emissions, in line with the Paris Agreement
- improve the commercial viability of technologies that support the decarbonisation of hard to abate energy intensive industries in Australia and Austria, particularly those that are key enablers of export and economic opportunities
- strengthen connections between Australian and Austrian innovators, researchers and businesses with international partners and opportunities
- attract greater investment in the development of clean energy technologies in Australia and Austria by key trading partners and the private sector and support the creation of new economic opportunities in Australia and Austria
- increase in employment, skills, and capabilities of domestic and international emerging decarbonised industries.

Consistent with these intended outcomes the program will encourage priority technologies as identified through the Mission Innovation Net Zero Industries Mission (see section 6). Only projects with technologies, processes, or solutions with Technology Readiness Levels (TRLs) of between five and eight will be considered eligible for funding (see section 5 and Appendix C).

We administer the program according to the <u>Commonwealth Grants Rules and Guidelines</u> (CGRGs)¹.

3. Grant amount and grant period

3.1. Grants available

The Australian Government has announced a total of \$12 million over 4 years for the program. The grant opportunity will run from 2024-25 to2027-28.

- The minimum grant amount is \$150,000
- The maximum grant amount is \$3.5 million.

The grant amount will be up to 25 per cent of the total eligible project expenditure (grant percentage). Total eligible project expenditure includes allowable in-kind contributions. The remaining eligible and ineligible project costs not covered by the grant amount must be covered by you and your partners' contributions.

Any other funding for the project must not duplicate eligible expenditure covered by this grant.

We can only accept your application if your Austrian project partner will apply for funding from the Austrian Government under Australia-Austria Call 2024: Industrial Decarbonisation (Austrian applicants only). The funding amount must be expressed in Australian dollars (based on the exchange rate with the Euro, or other currency if applicable, at the time you apply).

You can submit more than one application however if you are successful, we will only fund one project per lead applicant.

Contributions to your project must be in cash or in-kind contributions and can come from the applicant or project partners. In-kind contributions are non-cash contributions to the project. For in-kind

¹ <u>https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines</u>

contributions to count towards your total eligible project expenditure, they must directly deliver eligible activities. Where you provide in-kind contributions, you must calculate the equivalent dollar value. Other Commonwealth government grants may not be used as contributions to the project. The contribution cannot come from your Austrian project partner's Australia-Austria Call 2024: Industrial Decarbonisation grant.

3.2. Project period

You must complete your project 31 March 2028.

4. Eligibility criteria

We cannot consider your application if you do not satisfy all eligibility criteria. Specific definitions relating to partner eligibility requirements are included in the glossary. The Program Delegate in DISR makes the final decision about whether an application meets the eligibility criteria and decisions will not be reviewed.

4.1. Who is eligible to apply for a grant?

Projects must be industry-led and should be undertaken in collaboration with a research organisation or university where possible. The lead organisation from industry is the main driver of the project. Only an eligible entity may be the lead organisation for a project. The lead organisation applies for the grant, submitting the application on behalf of project partners. If your application is successful, the lead organisation is responsible for managing the project on behalf of the collaboration.

To be eligible you must:

- have an Australian Business Number (ABN)
- be registered for the Goods and Services Tax (GST)

and be one of the following entities:

- an entity, incorporated in Australia
- an incorporated trustee on behalf of a trust.

Joint applications with a partner organisation in Austria are mandatory. The partnering applicant in Austria must provide evidence they are eligible and will apply for a grant under the Australia-Austria Call 2024: Industrial Decarbonisation (Austrian applicants only). Refer to the <u>Australia-Austria Call</u> 2024: Industrial Decarbonisation (Austrian applicants only) for the specific Austrian requirements. For further information on joint applications see section 7.2.

4.2. Additional eligibility requirements

We can only accept applications:

- where project activities are undertaken in both Australia and Austria
- where you provide all mandatory attachments (see section 7.1)
- where you identify an Austrian project partner that will or has applied for funding under the Australia-Austria Call 2024: Industrial Decarbonisation (Austrian applicants only). If your project partner is found ineligible under the Australia-Austria Call 2024: Industrial Decarbonisation your application will be deemed ineligible under this program.

We cannot waive the eligibility criteria under any circumstances.

4.3. Who is not eligible to apply for a grant?

You are not eligible to apply if you are:

- an organisation, or your project partner is an organisation, included on the <u>National Redress</u> <u>Scheme's website</u> on the list of 'Institutions that have not joined or signified their intent to join the Scheme'
- an employer of 100 or more employees that has <u>not complied</u> with the Workplace Gender Equality Act (2012).

You are not eligible to apply as lead applicant if you are:

- an individual
- a sole trader
- a partnership
- an overseas resident/organisation
- a university or research organisation or an entity whose primary purpose is to undertake research (however, they can be a partner in a joint application)
- an unincorporated association
- a trust (however, an incorporated trustee may apply on behalf of a trust)
- a Commonwealth, state, territory or local government body (including government business enterprises)
- a non-corporate Commonwealth entity
- any other organisation not included in section 4.1.

5. What the grant money can be used for

5.1. Eligible grant activities

To be eligible your project must:

- have at least \$600,000 in eligible expenditure
- advance the development and deployment of innovative technologies, processes or solutions required to support net-zero emissions in energy-intensive hard-to-abate sectors
- be, or be directly linked to, a physical demonstration or pilot/test plant and have a Technology Readiness Level of 5 to 8 (see Appendix C).

Eligible activities must relate directly to the project and may include:

- research and development of innovative technologies, processes or solutions such as:
 - fuel switching through alternative fuels and feedstocks (i.e., use of biomass, bioenergy)
 - fuel switching through use of clean hydrogen (i.e., direct reduction of iron using hydrogen)
 - electrification of production and processes (i.e., direct reduction of iron using electricity, adaptation of electric arc furnaces, electrification of sintering and calcination processes)
 - digitalisation & flexibilisation (i.e., process control and automation, digital twins and simulation, temperature upgrade of excess heat, smart management of variable energy resources such as PV and wind power, hybridisation of different sources, excess heat to power or cold, flexibility in power generation/utilisation including bottleneck management and redispatch)
 - carbon capture & utilisation or storage (i.e., direct capture and separation, adsorption/absorption of CO2 process and combustion emissions and its storage, capture,

purification, and valorisation of CO2 into chemicals, polymers synthetic/alternative fuels and raw materials, use of CO2 exhaust gases in other processes)

- alternative materials and more efficient processes (i.e., improved thermal efficiency, waste heat recovery, regenerative burners, process efficiency, alternative binding materials in cements and alternatives to carbon-based feedstocks.
- materials and equipment development
- trialling, feasibility testing, demonstration, construction or installation of equipment, technology and or new processes
- prototype development or field testing of new equipment
- process design and engineering
- project planning
- knowledge sharing activities, including workshops and the exchange of personnel to foster collaboration between industry in Australia and Austria
- training and development activities to build expertise and share knowledge and information from your project.

We may also approve other activities if evidence of merit to the grant program objectives is provided.

5.2. Eligible locations

Your project activities must be delivered in both Australia and Austria. Project expenditure must occur only in Australia and Austria.

5.3. Eligible expenditure

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

- For guidance on eligible expenditure, refer to appendix A
- For guidance on ineligible expenditure, refer to appendix B.

We may update the guidance on eligible and ineligible expenditure and in-kind contributions from time to time. If your application is successful, the version in place when you submitted your application applies to your project.

If your application is successful, we may ask you to verify project costs that you provided in your application. You may need to provide evidence such as quotes for major costs.

Not all expenditure on your project may be eligible for grant funding. The program delegate (who is a manager within the department with responsibility for administering the program) makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be a direct cost of the project
- be incurred by you for required project audit activities.

Funding provided by project partners that do not have a presence in Australia or Austria does not contribute to the total eligible project expenditure.

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

You may elect to commence your project from the date we notify you that your application is successful. We are not responsible for any expenditure you incur until a grant agreement is executed. The Commonwealth will not be liable, and should not be held out as being liable, for any activities undertaken before the grant agreement is executed.

6. The assessment criteria

You must address all assessment criteria in your application. We will assess your application based on the weighting given to each criterion.

The application form asks questions that relate to the assessment criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. You should provide evidence to support your answers. The application form displays character limits for each response.

We will only award funding applications that score at least 50 per cent against each assessment criterion.

6.1. Assessment criterion 1

Project alignment with the program objectives (50 points)

You should demonstrate this by describing:

- a. how your project will advance the development and deployment of innovative technologies, processes or solutions to decarbonise energy-intensive hard-to-abate industries, including technology pathways identified as priorities by the Net Zero Industries Mission, specifically:
 - i. fuel switching through alternative fuels and feedstocks
 - ii. fuel switching through use of clean hydrogen
 - iii. electrification of production and processes
 - iv. digitalisation & flexibilisation
 - v. carbon capture & utilisation/storage
 - vi. alternative materials and more efficient processes
- b. how your project fosters greater collaboration between industry in Australia and Austria; including the tangible business or economic benefits your project will deliver in both countries
- c. how you plan to build expertise and share knowledge and information from your project, in line with the aims of the Net Zero Industries Mission.

6.2. Assessment criterion 2

Capacity, capability and resources to deliver the project (25 points)

You should demonstrate this by describing:

- a. how you will manage and monitor your project, explaining the governance and planning arrangements and how you will manage risks
- b. you and your project partners' track record managing similar or existing projects and your plan specific to this project to utilise and manage personnel with the right skills and experience, including strong governance, management, and technical expertise
- c. your access to required resources including personnel with the right skills and experience, infrastructure, finance, capital equipment, technology, intellectual property and regulatory or other approvals required to deliver the project

d. if your project will include or support First Nations involvement or benefits.

You must provide a detailed project plan to support your response, including governance, division of project activities between project partners and risk management frameworks that address ethical technology use, foreign interference, technology transfer and other environmental, social, economic, or political risks.

6.3. Assessment criterion 3

Impact of the grant funding on your project (25 points)

You should demonstrate this by explaining:

- a. how the grant will impact the project in terms of scale and timing. This should include justification for the funding amount requested and whether the project could proceed without Australian Government funding
- b. the total investment the grant will leverage and why the Australian Government should invest in your project, including how the grant will benefit the Australian community, economy, and environment
- c. the deployment potential of your project, including the expected outputs such as new products, processes or services, and any expected spill over benefits and plans at the end of the project.

7. How to apply

Before applying you should read and understand these guidelines, the <u>sample application form</u> and the sample <u>grant agreement</u> published on business.gov.au and GrantConnect.

Applicants should read all eligibility and assessment criteria closely and attach detailed evidence that supports the assessment criteria.

You will need to set up an account to access our online portal.

To apply, you must:

- complete and submit the application through the online portal.
- provide all the information requested.
- address all eligibility and assessment criteria.
- include all necessary attachments.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the <u>Criminal Code Act 1995</u> If we consider that you have provided false or misleading information we may not progress your application. If you find an error in your application after submitting it, you should call us immediately on 13 28 46.

After submitting your application, we can contact you for clarification if we find an error or any missing information, including evidence that supports your eligibility/merit. The acceptance of any additional information provided after the submission of your application is at the discretion of the decision maker. Additional information should not materially change your application at the time it was submitted and therefore may be refused if deemed to be purely supplementary.

You can view and print a copy of your submitted application on the portal for your own records.

If you need further guidance around the application process, or if you have any issues with the portal, <u>contact us</u> at business.gov.au or by calling 13 28 46.

7.1. Attachments to the application

You must provide the following documents with your application:

- project plan, including all items listed at section 6.2, a list of all key management and technical staff, including their relevant experience, and details of any contractors that you have or intend to engage as part of the project.
- project budget, which:
 - provides a financial year split, accounting for contributions, which identifies sources of funding (private sector, State, etc.) and provides an explanation of the basis upon which the cost assumptions were made across the project
 - includes a breakdown of the costs that sit under each head of expenditure and how these have been determined, such as providing quotes. Costs should be clearly separated between Australian contributions and Austrian contributions.
- evidence that supports Assessment Criteria responses (where applicable)
- evidence of funding strategy, e.g., financial statements, loan agreements, cash flow documents
- letters of support from project partners, which must include confirmation of their contribution, the amount and date their contribution will be provided. Refer to section 7.2 for more information
- document/letter demonstrating that your Austrian project partner will or has applied for a grant funding (using the set exchange rate used), under the Australia-Austria Call 2024: Industrial Decarbonisation (the Austrian grant amount, when expressed in AUD)
- trust deed (where applicable).

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. The total of all attachments cannot exceed 20MB. We will not consider information in attachments that we do not request.

7.2. Joint (consortia) applications

We recognise that within Australia some organisations may want to join together as a group to deliver a project. In these circumstances, you must appoint a lead organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth.

Joint applications can include partnerships with other Australian research organisations, universities or companies with operations in Australia. The lead organisation and any project partners are responsible for any eligible project expenditure not covered by the grant amount (up to 25 per cent of total eligible project expenditure - see section 3.1).

Partnerships with international research organisations are also encouraged provided at least 50 per cent of your project activities are undertaken in Australia and the research is applicable to an Australian context.

The application must identify all other members of the proposed group and include a letter of support from each of the project partners. Each letter of support should include:

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

Information regarding the requirements of the Australia-Austria Call 2024: Industrial Decarbonisation – (Austrian applicants only) can be found here. All applicants should refer to the <u>Australia-Austria Call</u> 2024: Industrial Decarbonisation – <u>Transnational Submission</u> for additional steps for joint applications.

You must have a formal arrangement in place with all parties prior to execution of the grant agreement.

7.3. Timing of grant opportunity processes

You can only submit an application between the published opening and closing dates. We cannot accept late applications.

If you are successful, we expect you will be able to commence your project around November 2024.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe			
Assessment of applications	8 weeks			
Approval and announcement of successful applicants	4 weeks			
Negotiations and award of grant agreements	4 weeks			
Notification to unsuccessful applicants	2 weeks			
Earliest start date of project	Date you are notified your application is successful			
Project completion date	31 March 2028			
End date of grant commitment	30 June 2028			

7.4. Questions during the application process

If you have any questions during the application period, <u>contact us</u> at business.gov.au or by calling 13 28 46.

8. The grant selection process

8.1. Assessment of grant applications

We first review your application against the eligibility criteria.

If eligible, the Committee will then assess it against the assessment criteria. Only eligible applications will proceed to the assessment stage.

We consider your application on its merits, based on:

- how well it meets the criteria
- how it compares to other applications
- whether it provides value with relevant money.²

When assessing the extent to which the application represents value with relevant money, we will have regard to:

² See glossary for an explanation of 'value with money'.

- the overall objective/s of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant sought.

If applications are scored the same, the committee will consider value for money and alignment to the program objectives to recommend applications for funding.

8.2. Who will assess applications?

We refer your application to the Committee, an independent committee of experts comprising Australian and European representatives. The committee may also seek additional advice from independent technical experts or advisors to inform the assessment process.

The committee will assess your application against the assessment criteria and compare it to other eligible applications before recommending which projects to fund. The committee, and any expert or advisor, will be required to perform their duties in accordance with the CGRGs.

8.3. Who will approve grants?

The decision maker (who is a Senior Executive Officer in DCCEEW with policy responsibility for the program) decides which grants to approve taking into account advice from the Committee and the availability of grant funds.

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

- the grant approval
- the grant funding to be awarded
- any conditions attached to the offer of grant funding.

We cannot review decisions about the merits of your application.

The decision maker will not approve funding if there are insufficient program funds available across relevant financial years for the program.

9. Notification of application outcomes

We will advise you of the outcome of your application in writing. If you are successful, we advise you of any specific conditions attached to the grant.

9.1. Feedback on your application

If you are unsuccessful, we will give you an opportunity to discuss the outcome with us.

10. Successful grant applications

10.1. The grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. The grant agreement has general terms and conditions that cannot be changed. A <u>sample grant agreement</u> is available on business.gov.au and GrantConnect.

We will manage the grant agreement through the online portal. This includes issuing and executing the grant agreement. Execute means both you and the Commonwealth have accepted the agreement. We are not responsible for any expenditure you incur and cannot make any payments until a grant agreement is executed.

The approval of your grant may have specific conditions determined by the assessment process or other considerations made by the program delegate. We will identify these in the offer of grant funding.

The approval of your grant may have specific conditions determined by the assessment process or other considerations made by the decision maker. We will identify these in the offer of grant funding.

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

We will use a standard grant agreement.

You will have 30 days from the date of a written offer to execute this grant agreement with the Commonwealth. During this time, we will work with you to finalise details.

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

10.2. Specific legislation, policies and industry standards

You must comply with all relevant laws, regulations and Australian Government sanctions in undertaking your project. You must also comply with the specific legislation/policies/industry standards that follow. It is a condition of the grant funding that you meet these requirements. We will include these requirements in your grant agreement.

In particular, you will be required to comply with state/territory legislation in relation to working with children.

10.3. How we pay the grant

The grant agreement will state the

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (grant percentage)
- any in-kind contributions you will make
- any financial contribution provided by you [or a third party.

We will make payments according to an agreed schedule set out in the grant agreement. Payments are subject to satisfactory progress on the project.

10.4. Grant Payments and GST

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period. GST does not apply to grant payments to government related entities³.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the <u>Australian Taxation Office</u>. We do not provide advice on tax.

11. Announcement of grants

If successful, your grant will be listed on the GrantConnect website 21 calendar days after the date of execution.

³ See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the <u>Commonwealth Grants Rules and Guidelines</u>, Section 5.3. We may also publish this information on business.gov.au. This information may include:

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

12. How we monitor your grant activity

12.1. Keeping us informed

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

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

You must also inform us of any changes to your:

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

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

You must notify us of events relating to your project and provide an opportunity for the Minister or their representative to attend.

12.2. Reporting

You must submit reports in line with the grant agreement. We will provide the requirements for these reports as appendices in the grant agreement. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

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

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

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

12.2.1. Progress reports

Progress reports must:

include details of your progress towards completion of agreed project activities.

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

Your Austrian project partner/s must meet any reporting requirements prescribed by the Austrian grant authority.

We will only make grant payments when we receive satisfactory progress reports. Representatives from both governments may seek advice relating to progress on projects. Australian and Austrian lead partners will submit reports on each country's progress.

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

12.2.2. Ad-hoc reports

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

12.2.3. End of project report

When you complete the project, you must submit an end of project report.

End of project reports must:

- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project
- include a declaration that the grant money was spent in accordance with the grant agreement and to report on any underspends of the grant money
- be submitted by the report due date.

12.3. Audited financial acquittal report

We may ask you to provide an independent audit report. An audit report will verify that you spent the grant in accordance with the grant agreement. The audit report requires you to prepare a statement of grant income and expenditure. The report template is available on business.gov.au and GrantConnect.

12.4. Grant agreement variations

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

- changing project milestones
- changing project activities.

The program does not allow for:

an increase of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the project grant agreement end date. You can submit a variation request via our online portal.

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

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

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

12.5. Compliance visits

We may visit you during the project period to review your compliance with the grant agreement. We will provide you with reasonable notice of any compliance visit.

12.6. Record keeping

We may also inspect the records you are required to keep under the grant agreement.

12.7. Evaluation

DCCEEW will evaluate the grant opportunity to measure how well the outcomes and objectives have been achieved. We may use information from your application and project reports for this purpose. We may also interview you or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes.

We may contact you up to two years after you finish your project for more information to assist with this evaluation.

12.8. Acknowledgement

If you make a public statement about a project funded under the program, including in a brochure or publication, you must acknowledge the grant by using the following:

'This project received grant funding from the Australian Government.'

If you erect signage in relation to the project, the signage must contain an acknowledgement of the grant.

13. Probity

We will make sure that the grant opportunity process is fair, according to the published guidelines, incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct and is consistent with the CGRGs.

13.1. Enquiries and feedback

For further information or clarification, you can contact us on 13 28 46 or by <u>web chat</u> or through our <u>online enquiry form</u> on business.gov.au.

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

Our <u>Customer Service Charter</u> is available at business.gov.au. We use customer satisfaction surveys to improve our business operations and service.

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

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

General Manager Internal Programs Branch Business Grants Hub and Integrity Division Department of Industry, Science and Resources GPO Box 2013 CANBERRA ACT 2601

You can also contact the <u>Commonwealth Ombudsman</u> with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

13.2. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity. There may be a conflict of interest, or perceived conflict of interest, if our staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial, or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives a grant under the grant program/grant opportunity.

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

If you later identify an actual, apparent, or perceived conflict of interest, you must inform us in writing immediately.

Conflicts of interest for Australian Government staff are handled as set out in the Australian <u>Public</u> <u>Service Code of Conduct (Section 13(7))</u> of the <u>Public Service Act 1999</u>. Committee members and other officials including the decision maker must also declare any conflicts of interest.

We publish our <u>conflict of interest policy</u>⁴ on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

13.3. Privacy

Unless the information you provide to us is:

- confidential information as per below, or
- personal information as per below

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

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

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

⁴ <u>https://www.industry.gov.au/publications/conflict-interest-policy</u>

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

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

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

We, or the Minister, may:

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

You may read our <u>Privacy Policy</u>⁵ on the department's website for more information on:

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

13.4. Confidential information

Other than information available in the public domain, you agree not to disclose to any person, other than us, any confidential information relating to the grant application and/or agreement, without our prior written approval. The obligation will not be breached where you are required by law, Parliament, or a stock exchange to disclose the relevant information or where the relevant information is publicly available (other than through breach of a confidentiality or non-disclosure obligation).

We may at any time, require you to arrange for you; or your employees, agents, or subcontractors to give a written undertaking relating to nondisclosure of our confidential information in a form we consider acceptable.

We will treat the information you give us as sensitive and therefore confidential if it meets all of the following conditions:

- you clearly identify the information as confidential and explain why we should treat it as confidential
- the information is commercially sensitive
- disclosing the information would cause unreasonable harm to you or someone else
- you provide the information with an understanding that it will stay confidential.

We may disclose confidential information:

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

We may also disclose confidential information if

• we are required or authorised by law to disclose it

⁵ https://www.industry.gov.au/data-and-publications/privacy-policy

- you agree to the information being disclosed, or
- someone other than us has made the confidential information public.

13.5. Freedom of information

All documents in the possession of the Australian Government, including those about the program, are subject to the *Freedom of Information Act 1982* (Cth) (FOI Act).

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

If someone requests a document under the FOI Act, we will release it (though we may need to consult with you and/or other parties first) unless it meets one of the exemptions set out in the FOI Act.

14. Glossary

Term	Definition				
administering entity	When an entity that is not responsible for the policy, is responsible for the administration of part or all of the grant administration processes.				
application form	The document issued by the program delegate that applicants use to apply for funding under the program. The specified principles or standards, against which applications will be judged. These criteria are also used to assess the merits of proposals and, in the case of a competitive grant opportunity, to determine application ranking.				
assessment criteria					
Committee	The committee will comprise of Australian and European representatives.				
<u>Commonwealth Grants Rules and</u> <u>Guidelines (CGRGs)</u>	Establish the overarching Commonwealth grants policy framework and articulate the expectations for all non- corporate Commonwealth entities in relation to grants administration. Under this overarching framework, non- corporate Commonwealth entities undertake grants administration based on the mandatory requirements and key principles of grants administration.				
completion date	The expected date that the grant activity must be completed, and the grant spent by.				
DCCEEW	Department of Climate Change, Energy, the Environment and Water.				
Department	Department of Industry, Science and Resources.				
decision maker	 The person who makes the decision to award a grant. For the Australian grant program, this is a Senior Executive Officer in DCCEEW with policy responsibility for the Australia-Austria Industrial Decarbonisation Demonstration Partnerships Program. For the Austrian grant program, please refer to the Austrian grant guidelines. 				
DISR	Department of Industry, Science and Resources.				
eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.1.				
eligible application	An application or proposal for grant funding under the program that the program delegate has determined is eligible for assessment in accordance with these guidelines.				

Term	Definition				
eligibility criteria	Refer to the mandatory criteria which must be met to qualify for a grant. Assessment criteria may apply in addition to eligibility criteria. The expenditure incurred by a grantee on a project, and which is eligible for funding support as set out in 5.3.				
eligible expenditure					
eligible expenditure guidance	The guidance that is provided at Appendix A.				
grant	For the purposes of the CGRGs, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:				
	 a. under which relevant money⁶ or other <u>Consolidated</u> <u>Revenue Fund</u> (CRF) money⁷ is to be paid to a grantee other than the Commonwealth; and 				
	 which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives. 				
grant activity/activities	Refers to the project/tasks/services that the grantee is required to undertake.				
grant agreement	A legally binding contract that sets out the relationship between the Commonwealth and a grantee for the grant funding and specifies the details of the grant.				
grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.				
grant opportunity	Refers to the specific grant round or process where a Commonwealth grant is made available to potential grantees. Grant opportunities may be open or targeted and will reflect the relevant grant selection process.				
grant program	A 'program' carries its natural meaning and is intended to cover a potentially wide range of related activities aimed at achieving government policy outcomes. A grant program is a group of one or more grant opportunities under a single entity Portfolio Budget Statement Program.				
<u>GrantConnect</u>	The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs.				
grantee	The individual/organisation which has been selected to receive a grant.				

⁶ Relevant money is defined in the PGPA Act. See section 8, Dictionary.

⁷ Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

Term	Definition				
Hard-to-abate energy-intensive industries	In the context of this grant opportunity, these are ironmaking and steelmaking, chemicals manufacturing, the production of lime and cement or alumina and aluminium.				
	The grant opportunity does not cover other hard-to-abate industries like aviation, shipping and heavy road transport, or energy-intensive industries like paper, plastics, refineries, wood, rubber, glass and ceramics.				
In-kind	In-kind contributions are non-cash contributions to the project For in-kind contributions to count towards your total eligible project expenditure, they must directly deliver eligible activities. Where you provide in-kind contributions, you must calculate the equivalent dollar value.				
Minister	The Australian Commonwealth Minister for Climate Change and Energy.				
personal information	Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:				
	Information or an opinion about an identified individual, or an individual who is reasonably identifiable:				
	a. whether the information or opinion is true or not; andb. whether the information or opinion is recorded in a material form or not.				
program delegate	A manager within the department with responsibility for administering the program.				
program funding or program funds	The funding made available by the Commonwealth for the program.				
project	A project described in an application for grant funding under the program. The project includes activities from both Australian and Austrian partners.				
TRL	Technology Readiness Level				
value with money	Value with money in this document refers to 'value with relevant money' which is a judgement based on the grant proposal representing an efficient, effective, economical, and ethical use of public resources and determined from a variety of considerations.				
	When administering a grant opportunity, an official should consider the relevant financial and non-financial costs and benefits of each proposal including, but not limited to:				
	 the quality of the project proposal and activities 				
	 fitness for purpose of the proposal in contributing to government objectives 				
	 that the absence of a grant is likely to prevent the grantee and government's outcomes being achieved 				

Term	Definition
	 the potential grantee's relevant experience and performance history.

Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure.

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

To be eligible, expenditure must:

- be incurred by you within the project period.
- be a direct cost of the project.
- be incurred by you to undertake required project audit activities (where applicable).
- meet the eligible expenditure guidelines.

A.1 How we verify eligible expenditure

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

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

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

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

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

A.2 Labour expenditure

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

We consider costs for technical, but not administrative, project management activities eligible labour expenditure. However, we limit these costs to 10 per cent of the total amount of eligible labour expenditure claimed.

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

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

The maximum salary for an employee, director, or shareholder, including packaged components that you can claim through the grant is \$175,000 per financial year.

For periods of the project that do not make a full financial year, you must reduce the maximum salary amount you claim proportionally.

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

A.3 Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30 per cent allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the purchase or provision of computing equipment directly required or related to the delivery of the project.

You should calculate eligible salary costs using the formula below:



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

Evidence you will need to provide can include:

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

A.4 Contract expenditure

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

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

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

- the nature of the work they perform
- the applicable fees, charges, and other costs payable.

Invoices from contractors must contain:

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

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense. The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

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

You must ensure all project contractors keep a record of the costs of their work on the project. We may require you to provide a contractor's records of their costs of doing project work. If you cannot provide these records, the relevant contract expense may not qualify as eligible expenditure.

A.5 Travel and overseas expenditure

Eligible travel and overseas expenditure may include

- domestic travel limited to the reasonable cost (no more than 10 per cent of total project costs) of accommodation and transportation required to conduct agreed project and collaboration activities in Australia
- overseas travel limited to the reasonable cost (no more than 10 per cent of total project costs) of accommodation and transportation required in cases where the overseas travel is material to the conduct of the project in Australia.

Eligible air transportation is limited to the economy class fare for each sector travelled; where noneconomy class air transport is used only the equivalent of an economy fare for that sector is eligible expenditure. Where non-economy class air transport is used, the grantee will require evidence showing what an economy airfare costs at the time of travel.

We will consider value for money when determining whether the cost of overseas expenditure is eligible. This may depend on

- the proportion of total grant funding that you will spend on overseas expenditure
- the proportion of the service providers total fee that will be spent on overseas expenditure
- how the overseas expenditure is likely to aid the project in meeting the program objectives

Overseas travel must be at an economy rate and you must demonstrate you cannot access the service, or an equivalent service in Australia.

A.6 Other eligible expenditure

Other eligible expenditures for the project may include:

- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure, the cost of an independent audit of project expenditure (where we request one) up to a maximum of 1 per cent of total eligible project expenditure
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory, and local governments are not eligible
- contingency costs up to a maximum of 10 per cent of the eligible project costs. Note that we
 make payments based on actual costs incurred.

Other specific expenditures may be eligible as determined by the program delegate.

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

Appendix B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure.

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

Examples of ineligible expenditure include:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to us notifying you that the application is eligible and complete
- financing costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation, or extension of facilities such as buildings and laboratories
- costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project)
- costs such as rental, renovations and utilities
- non-project-related staff training and development costs
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- debt financing
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment beyond the life of the project
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- routine operating expenses not accounted as labour on-costs including communications, accommodation, overheads and consumables, e.g., paper, printer cartridges, office supplies
- ongoing upgrades, updates and maintenance of existing ICT systems and computing facilities, including websites, customer relationship management systems, databases, the cost of ongoing subscription-based software and IT support memberships, and warranties for purchases that are not directly related to the project
- recurring or ongoing operational expenditure (including annual maintenance, rent, water and rates, postage, legal and accounting fees, and bank charges)
- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests.
- domestic travel costs that exceed 10 per cent of total project costs, except where otherwise approved by the program delegate
- overseas travel and expenditure costs that exceed 10 per cent of total project costs except where otherwise approved by the program delegate.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.

Appendix C. Technology Readiness Levels (5 to 8)

The program is designed to assist the development of commercially viable routes to full industrial decarbonisation of energy intensive or hard-to-abate industries, and does not support incremental, business as usual efficiencies with limited abatement potential. Consistent with this approach the program will only support eligible project activities with technologies, processes, or solutions with Technology Readiness Levels (TRLs)⁸ of 5, 6, 7, and 8:

				Eligible TRL levels				
1	2	3	4	5	6	7	8	9
Basic principles observed	Technology concept formulated	Experimental proof of concept	Technology valid in lab	Lab-scale valid in relevant environment	Engineering-scale or pilot-scale valid in relevant environment	Full-scale or similar demonstration in operational environment	System complete and qualified by test or demonstration	Successful mission operations

Technology Demonstration – TRL 5 to 8 projects:

- To qualify for a TRL of 5 to 8, the technology employed by the project must, at a minimum, have a prototype developed and be focused on demonstrating the technology through large-scale trials in relevant operational environments. This includes demonstrating the technology's effectiveness at delivering emission reductions, identifying any safety concerns, measuring, and validating the effectiveness and productivity impacts under conditions representative of commercial production systems. This includes:
 - TRL 5: Laboratory-scale (or similar) system validation in relevant environment. The basic technological components are integrated so that the system configuration is similar to (matches) the final application in almost all respects
 - TRL 6: testing of engineering-scale models or prototypes in a relevant environment. This stage begins true engineering development of the technology as an operational system. The prototype should be capable of performing all the functions that will be required of the operational system
 - TRL 7: demonstration and testing of a full-scale prototype in the field with a range of simulants, with final design virtually complete
 - TRL 8: technology development complete; technology proven in operational environment under expected conditions and qualified through commercial demonstration.

⁸ Technical Readiness Levels <u>https://arena.gov.au/assets/2019/01/trl-guide.pdf</u>