

## **Australia – Austria Industrial Decarbonisation Demonstration Partnerships Program Information Session.**

April 24, 2024

### **Olesen, Peta - Title Slide and Acknowledgement of Country**

Hi everyone. I'm Peta Olesen and I'm the Director of the Net Zero Innovation team here in the Department of Climate Change and Energy. We sit within the International Climate and Energy Division and joined from my team here today I have Renee Robinson and Harriet Gibson as well. So, before I commence, I just want to do an Acknowledgement of Country. I'm coming to you from the lands of the Ngunnawal people, and I pay my respects to Elders past and present and the care that they have given to this place that I've grown up in and called home for my whole life as well.

Just some housekeeping for the session, if you can please make sure you stay muted and for this first portion of it to keep your cameras off, there's time at the end to ask questions. To let you know that this will be recorded, so if you don't want to be kind of captured, then you can just use the chat function to ask questions. We will be putting the recording up on the Business Grants Hub website shortly, after this session, so it's accessible to all those who are able to make it today.

Also, please feel free to ask questions in the chat throughout the presentation and I'll come to them at the end or just put your hand up and jump in and ask questions once we get to the end of the session as well. So, I'm going to run through a bit of context of our policy environment and then we'll jump into the specifics around this particular grant and its criteria.

### **Olesen, Peta - Slide 3 – Australia's climate ambitions – slide change**

So, to start with context, in Australia's climate ambitions, I'm sure as many of you aware so we have a new legislative 2030 target of 43% below 2005 levels and a net zero emissions target by 2050, and this is underpinned by our 82% renewable energy target as well.

The key thing that you've probably also been hearing out of Government lately is this plan to be renewable energy superpower and positioning Australia to the net zero economies of the future. So, building up new industries, new jobs as the economy and the globe transforms to a net zero world.

### **Olesen, Peta - Slide 4 – Australia's Industrial decarbonisation pathway – slide change**

More specifically on Australia's industrial decarbonisation policies and funding. So, the other year there was the Powering the Regions Fund and the National Reconstruction Fund grants that have been launched and announced that each have stream specific for industrial decarbonisation. And they're both there to underpin and support the regulatory and legislative changes that were made to the safeguard mechanism as well. So, we note that those funds have been designed to help more on the commercial side of projects and some specific more kind of manufacturing, and pre-commercial elements.

This grant has been designed with support and in complementarity to those existing Programs, but with more of a focus on some of that innovation element and obviously an international bench, which I'll get to.

The other key thing for context as well is that the Government is developing a new Net Zero Plan, and this will be underpinned by 6 sectoral decarbonisation plans. And currently these are being developed in the electricity and energy sector, transport, industry, agricultural land, resources and built environment.

So we do have one open for consultation that closes on Friday (24 April 2024), if you haven't had a look and are interested in the electricity energy sector one, which is online on our website. But I do expect the industry sector one to be coming out later this year.

#### **Olesen, Peta - Slide 5 – International collaboration on industrial decarbonisation – slide change**

So, the international context, an element of this grant. We definitely see international collaboration as a chance to create greater opportunities, with more investment and more knowledge sharing across countries. And it's that ability to really understand and work together on shared opportunities between those of us that are really trying to hit these hard to abate sectors.

Australia's got a really active international engagement in the more collaborative and cooperative international forums. So this includes Mission Innovation, which I'll talk about in a little bit but also the Clean Energy Ministerial, the broader Breakthrough Agenda and then more in the really technical R&D space, the IEA technical collaboration programs.

So this Program in particular supports the goals of the Net Zero Industries Mission, that sits under Mission Innovation. Mission Innovation was a program launched alongside the Paris Agreement in 2015 and has evolved over the last 10 years into a really cooperative missions-based R&D landscape primarily for G20 countries.

So we co-lead the Net Zero Industries Mission with Austria, and have some core members who work within that and there's some really clear and set goals of that mission in terms of making sure that we're working now to do the development and demonstration of decarbonisation technologies for hard to abate energy intensive industries. So if you do want to find a bit more about the Net Zero Industries Mission in particular, we've got the website there available for you.

#### **Olesen, Peta - Slide 6 – Aus- Aut Industrial Decarbonisation Demonstration Partnerships Program – slide change**

So this particular Program, which is the Australia Austria Industrial Decarbonization Demonstration Partnership Program. We just referred to it as the Australia-Austria joint call.

So it's a joint funding call between our two countries where we are looking to support the development of those innovative technologies, processes or solutions that will help us decarbonise those hard to abate industries. So, as we said, this directly links to our net zero targets and renewable energy superpower ambitions, but it also directly links to those aims that we have in the Net Zero Industries Mission that we're running cooperatively.

So the Program will run over four years with up to \$12 million available for Australian applicants. We have a grant range between 150,000 up to 3.5 million per grant. So, 1 grant per project, 1 grant per lead applicant.

#### **Olesen, Peta - Slide 7 – Applying for grants – slide change**

So now I'll step through a bit more on the how to apply and some of the [just the] key points to be mindful of around eligibility and assessment criteria and the thing is to really read in the grant guidelines closely. So, if you haven't already sussed them out, so the grant guidelines are available at our Business Grants Hub website which the link will be on the screen, and we also have an additional FAQ document. Any questions that come through, we also publish our answers on that to everyone so that everybody's across all of the information that's being provided to any potential applicants.

## **Olesen, Peta - Slide 8 – how to apply – slide change**

So how to apply?

A little complicated because it's a joint call and there's three elements to this. So, applications under the joint call must be submitted into those three application parts. So, there's the Australian, the Austrian, and the transnational.

The transnational application is a requirement within the European Union, and we have designed it in a way that you can mostly just copy paste information through. So all applications are now open. [and they have] The Australian and Austrian national grants close on that 18th. The transnational applications close on the 16th, so be sure to get that transnational application in by the 16th, noting the other two have a two-day lag and that's just bureaucracy at play for you.

The Australian application must be entered and submitted by the lead Australian partner through the Business Grants Hub portal. And as we said, the applicants can apply for funding anywhere from 150,000 up to 3.5 million, or up to 25% of the total combined Australian-Austrian eligible project costs. So, this assumes if you have a 50-50 split between Australia and Austria, it's half of your Australian plus the other half will be match for your in kind or other contributions.

We have examples as well on the website as to what these splits can look like. Before applying you should read and understand the guidelines, sample application form and sample grant agreement which is all published on the website. And please feel free to ask any questions at any point in time on this process. We're really here to help support you and understand what is required to be successful in this grant process.

So, there are a couple of musts that I will run through. So, to apply you must complete and submit the application through the online portal. Provide all the information that is requested. Make sure you address all the eligibility and assessment criteria and include all the necessary attachments. So, it is your responsibility for making sure that your application is complete and accurate.

The transnational application can be submitted by either your Austrian partner or the Australian lead partner. But both country lead partners will need to enter in some of the cost and financial details into that portal. This is detailed in the transnational guidelines and there's templates as well available for that. All the information for the transnational portal for Australian partners can be taken directly from your Australian application, so you don't need to write anything new, you can just drop it across.

But please ensure again that you read all these documents in full, including the definitions as they provide key information, including any differences that we might have in terminology.

All applicants must read and follow the guidelines that are available across the joint call website.

## **Olesen, Peta - Slide 9 – Eligibility – slide change**

So, eligibility. This is the critical part. We won't see any projects come through for assessment if they don't meet all of the eligibility criteria.

So again, there are a few musts here so to be eligible your projects must include at least one Austrian project partner. And your Austrian project partner must apply for a grant under the Austrian program, which is the Austrians contribution to the call.

We have seen a joint call recently with another country, and a couple of really great Australian projects didn't get up because it turned out their counterparts didn't end up completing or submitting a full application to their counter institution, which I'm sure is going to be very disappointing for the Australian industries when they find that out. So do make sure that you're very aligned, that you're both needing to submit into your respective domestic grant guidelines as a joint project and seeking your independent kind of expenditures to be captured in this joint call.

Your project must have at least \$600,000 in eligible project expenditure and as we said, the grant amount for your side is up to 25% of the total eligible project expenditure. Total eligible project expenditure includes allowable in kind contributions and the remaining eligible and ineligible project costs not covered by the grant must be covered by you and your partner's contributions. And these can be in cash or in kind contributions, and there's lots of details around that in the grant guidelines.

The key thing to note is that your cash contributions can't come from any other Commonwealth Government grants. So if you do have a project that you have also applied for under one of the other programs and get awarded funding for that, you can't claim that funding as part of your contribution to this project. So you must choose one of the grants that you will go with. You can of course get that, get another grant and write down that process, but you have to be able to prove and provide evidence of additional contributions to be able to access this grant.

The total Australian or Austrian project cost may not exceed 60% of the total project cost. So what I mean there is that we're aiming for your partner and you to share 50%, like 50-50, on your total project. But we understand there'll be some variations in how much costs are in different countries or where you might want to run certain activities as the project and so you could ask for 60% of the project costs or your Austrian partner could ask for up to 60% of the project costs. But what we're trying to get here is that ideally that between you and your partner, you're sharing pretty balanced in a 50-50 way for the total projects.

Additional eligibility requirements are that your project activities are undertaken in both Australia and Austria. You must provide all the mandatory attachments and you must identify an Austrian project partner that will or has applied for funding, as I said earlier. But if your project partner is found ineligible on the Austrian side, then your application then is deemed ineligible as well. So needing to be working together to really make sure that you both understand the criteria on both sides.

And we cannot waive eligibility criteria under any circumstances. So, if you get to the point of submitting and then the Business Grants Hub team find that you've missed something, there isn't the opportunity - generally, they will get in touch with you and they will throw you a bit of a bone to see if you have a chance to fix something up. Otherwise, from that point, when the applications have closed, there is no way that we can have any leeway on the eligibility criteria. And as I said, if it doesn't pass to eligibility assessment, we don't see them for assessment at all. We just get a list of the ones that haven't made it through.

#### **Olesen, Peta - Slide 10 – Eligibility – slide change**

OK, so a little bit more then on the actual projects that we're looking for and the type of activities we would expect you to be seeking funding for. So for a project to be eligible to receive grant funding, it must advance the development and deployment of innovative technologies, processes or solutions required to support net zero emissions in energy intensive or hard to abate industrial sectors. So in the context of this grant program, these sectors are specific., so we're specifically looking at iron making and steel making, 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 or heavy road transport, or other energy intensive industries like paper, plastics, refinery, wood, rubber, glass or ceramics.

Your Austrian partner does not need to be in the same sector. We do encourage cross sectoral projects if possible and if interested, so I guess for example, Austria has included ceramics in there as an eligible sector, so there might be opportunities for a cement or lime company maybe to be working on technologies and trials of things that are relevant to our ceramics company in Austria.

And I guess there's potentially other electrification or digitalisation or fuel switching options that might be similar between aluminium, alumina and some elements of iron or steel making that could be a collaborative partnership between countries. A number of eligible project activities are listed down on the on the screen, and more specific examples are provided in the guidelines as well.

So your project must be or be directly linked to a physical demonstration or pilot test plant with a Technology Readiness Level (TLR) between 5 to 8, with activities both in Australia and Austria. So this isn't an R&D innovation, early TRL program and it's not a pre-commercialisation program. We're very much in that 5 to 8 TRL range where we're hoping to support some smaller scale, maybe some larger scale demonstration or pilot test plans.

It must be delivered both in Australia and Austria and build expertise and share knowledge or learnings that are of mutual benefit to both countries. So the projects as well, they must be industry led and should be undertaken in collaboration with a research organisation or university if desired or where possible.

So the lead partner, who needs to be an industry organisation, will be the main driver of the project. And only eligible entities may lead the organisation for a project and there's a list in the guidelines as to what counts as an eligible entity. So it's a lead organisation who will apply for the grant and submit the application and then it's the lead entity is responsible for managing the project and administering funds to other consortia partners.

#### **Olesen, Peta - Slide 11 – Joint Applications – slide change**

So joint applications. A bit more on what this could look like in a few different ways.

So a joint or a consortia application are accepted and welcomed. So, we recognise that within Australia, some organisations may want to join together as a group to deliver a project. We very much support this. So in these circumstances you must have your lead organisation who is an industry organisation to run the form and enter into the formal grant agreement with the Commonwealth.

The joint applications can include partnerships with other Australian research organisations, universities or companies with operations within Australia. Partnerships with international research organisations are also welcome, given that 50% of project activities are still undertaken in Australia. Your Australian application will need a letter of support from all project partners and identify all members of the proposed grouping.

For successful projects, so, once you've like been notified that you're successful of the grant, then you need to process a formal arrangement between all parties prior to the execution of the grant agreement or the contract. So you don't need that at the point of application, but if you are successful, you will need to provide evidence of an MOU or some other formal commitment to say that you are definitely all in and working together on this.

You can also have other project partners from other countries, however, funding provided by project partners that do not have a presence in Australia or Austria does not contribute to total eligible project expenditure. And just when you're doing your application, please identify all the members of your proposed group and don't forget to include that letter of support.

So a little more on the transnational application, just for clarity as well.

So eligibility for Australian applications are aligned with the transnational consortium with your minimum of two eligible lead applicants, one based in Austria and one based in Australia. All partner organisations must be eligible for funding on their respective national level. You will just need to appoint a main applicant to do your transnational application. They will be the contact point with the joint call management on behalf of the whole consortium and responsible for the administrative management of the complete project. So a project kind of coordinator role.

The main applicant must ensure that a legally valid international consortium agreement is in place before the start of the project, so between you and your Austrian partner, we'll also need to have some kind of legal arrangement that confirms that you are working together in this process. And I think I've already mentioned the other elements of the transnational guidelines earlier, so I won't repeat those, but I'll move forward on to assessment criteria.

### **Olesen, Peta - Slide 12 – Assessment Criteria – slide change**

So three key assessment criterias that we are working through which are pretty straightforward and pretty regular if you are familiar to Australian grant processes.

So alignment with the grant objectives. So read our objectives closely, make sure that what you're proposing aligns with what we're asking for, that you have the capacity and capability to deliver this program and the other core one is impact of funding. So if, how does this funding enable you to do this project, enable you to accelerate the process of doing this project? Or if you didn't get this funding, what would that mean for this particular research or development item? So detail for the assessment criteria is provided in the guidelines, and this criterion is also aligned with this criteria in the transnational guidelines. Eligible projects will be assessed against their ability to meet the assessment criteria. So please again, read these really carefully. We're looking for projects that align with program objectives, so how this joint call will advance the development and deployment of innovative technologies that help decarbonise industry sectors and those have to be the industry sectors that we outlined earlier. And how it will foster Australian and Austrian collaborations and grow business or economic opportunities.

So you could demonstrate this by describing how your program will advance a certain technology or solution, including different technology pathways for your industry and maybe identify or describe how it is that this also aligns with the type of priorities set out in the Net Zero Industries Mission.

You will need to outline how your project fosters greater collaboration between industry in Australia and Australia, and how you plan to build expertise and share knowledge and information from your project. And this is a key aim in line with our international cooperation under Mission Innovation - it is first and foremost a knowledge sharing platform and so this grant will have a key element in it around how you're making sure that you're adding to that knowledge landscape.

We also will need to know your team's capacity and capability to deliver. This is this is equal weighting to the other criteria, so you will very much need to be able to fit out budget, project team, how are you going to be developing this and how all your other costs are being met?

The more details are generally the better, especially for the assessors to be able to determine whether you've met this criteria or not.

So this will include how you manage and monitor your project, your project partners, you and your project partners track record in doing similar type of projects, or the type of skills and expertise that you'll be bringing in to help you execute this . And if your project will include a support First Nations involvement or benefits.

And then in terms of the impact, meaning to understand 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. And we're also keen to understand the deployment potential of your project. So yes, it's a demonstration of pilot project, but what are the expected outputs or outcomes from the project, new products, processes, services, how this might lead into pre commercial opportunities? Any expected spillover benefits or plans. All of that information is really useful for us to really assess the impact of the funding that you'll be given.

The process from here is so once you've applied, the Business Grants Hub team do the eligibility checks and then eligible applications will be reviewed by our assessment committee. And this is an independent committee that comprises of experts across the Australian and European, well Austrian, representatives and the committee may also seek additional advice from independent technical experts or advisors to inform the assessment processes. So we'll compare, we'll assess against the assessment criteria and then we'll compare it against other eligible applications and create a shortlist for which projects we will be able to fund.

The final decision maker within this process is a senior representative within the department. And so, once we've agreed between Austria those that we will fund, the department will make the final sign up and decisions and be able to announce and notify grantees from there. We are aiming for an October announcement date, hopefully early October, but we will wait and see how the joint deliberation process plays out as well.

#### **Olesen, Peta - Slide 13 – Snapshot slide then to QnAs – slide change**

So just to summarise, all the bits and pieces that we've spoken about and again, these slides will be available online, all the information and links are available on the website. The key thing is if you have questions at any point in time of the process please do e-mail that industry e-mail address. They will pass your questions on to the team and they'll be able to provide you advice on how to go forward.

I think that's the key things to kind of cover for now. So I'm going pause there and open for any questions that people might have and you can use the chat function or just, you know, pop the mics on jump in. There's not that many of us on the call. If you feel comfortable, pop your video on so it's always just nice to see a face to the voice. Otherwise, if you just need time to digest and think about things, then please reach out via e-mail after you've had a chance to read everything in detail.

#### **Short pause before attendees start to ask questions.**

#### **Sophia Hamblin Wang**

Hi, Peta. Just wanted to say thanks that sounds great from MCI Carbon's perspective, I think this is an excellent grant that is something that might help to catalyse some work that we're doing. I note the ceramics addition by the Austrian side, and I take that to obviously cover refractories as well, but I just wanted to double check the nomenclature there.

#### **Olesen, Peta**

Not something I know off the top of my head on that one unfortunately, but we will confirm that with Austria.

#### **Sophia Hamblin Wang**

If you could check that, that would be great. I'm pretty I'm sure that that it is, but there's just that you know you have to. I just want to. Just wanna double check that and yeah, I just wanted to commend you that it's an amazing program and look forward to interacting more.

**Olesen, Peta**

Thanks, Sophia. I can see Russell typing in the chat as well. So give Russell a minute to get his question out too.

**Olesen, Peta**

Thanks, Russell. Yes, we have really specific priority areas that we've focused on and so unfortunately pulp and paper as outlined at the start are not part of the sectors that we are focusing on for this particular grant and partly that's because of its alignment with the Net Zero Industries Mission and that was defined with some certain [high] high heat and high emissions sectors steel making, in particular in mind. And so we haven't included in this particular grant a focus on that pulp and paper industry. So I understand that that's obviously an area of high energy usage, but it's not within the scope and focus of this particular grant, sorry.

**Olesen, Peta**

Go ahead.

**Behzad Rismanchi**

Hello, how are you? Thank you very much for the great summary. It seems to be a very interesting opportunity for a collaboration between Austria and Australia. Yeah, but the industry that we are focusing is more on the cement industry. And I think this is also aligned with the objective. So what type of demonstration projects actually you're looking because I mean, do you, for example, foresee a new product to be developed or a new method to be developed? I'm just not 100% sure about what exactly you mean by the demonstration projects.

**Olesen, Peta**

We don't have any preconceived notions on what the project is. It could be a method of doing things that enhances an existing or accelerates an existing process, or it could, it could be a whole new product. The key thing is that you're able to articulate and demonstrate why it fits within the TRL 5 to 8 landscape. So I know there's a couple of already existing technologies and methods for making green cement and some of those are being commercialised.

So that's not what we're here to fund. We're here to fund things that are more still piloting, have potential, haven't made it to market yet,. But noting that there's a list of activities there as well that does also talk about elements of efficiencies and digitalisation and things. So there's a bit of scope into what particular element of innovation we're looking at in this call. So we're definitely guided by you on that. But the crux of it will be that TRL 5 to 8 and if you're not able to demonstrate why you're doing fits within that landscape then yeah, then we like, we'll have to consider that as part of that assessment process.

**Behzad Rismanchi**

Thank you. Thank you very much. I have more questions, but I'll wait if others have.

**Olesen, Peta**

I think feel free to jump in with another question.



**Behzad Rismanchi**

No more questions coming yet, so, I'll ask my last question and then I'll leave the floor for the others. In term of the transnational application where so but basically you're foreseeing a single project that both industry from Austria and Australia would contribute. So where that location is going to be? is that location is going to be in Australia or the location is going to be in Austria?

**Olesen, Peta**

It's both. So, yeah. So the idea is that that you find a joint partner and it could be that they're testing or trialling things simultaneously or slightly differently. And they're gonna do some things at their industry site in Austria. You will do things at your industry site, but you will be coming together to, I guess, learn and enhance each other's things from that. It could be that you do some of your testing and things at the Austrian site and then bring that back to then pilot or trial that in Australia. But the core thing is for both of us is that the Australian funding is going towards the Australian side of the project and we're primarily looking at activities that occur in Australia and same for the Austrians. So they're going to fund the Austrian side of the project and they're primarily looking to fund the activities that happen in Austria.

**Behzad Rismanchi**

OK, so logistically, both countries need to be engaged and involved in the actual project.

**Olesen, Peta**

Yes. Yep.

**Behzad Rismanchi**

OK. OK. Thank you.

**Olesen, Peta**

Very good questions and always good things to clarify. I think between, like if you have a good read of the Australian guidelines and the transnational guidelines and some of the examples that we set out, hopefully that then really kind of clarifies what this looks like collectively. And then as I said, if at any point you have questions or need to clarify, just keep emailing us and the team will respond to all of those and we'll put all of that information up online as we go as well.

We've got a little bit of time for this project until things are due, so there's a bit of time to digest.

**Behzad Rismanchi**

Well, actually, not much time. The whole paperwork will take a lot of time.

**Olesen, Peta**

Alright, if there's no other questions, then we will leave it there for today. But thank you very much for coming along and we look forward to hearing from you and we look forward to seeing your applications.

**Behzad Rismanchi**

Thank you very much for the session.

**Olesen, Peta**

Thank you, bye.