



**Australian Government**

**Department of Industry, Science and Resources**

**Department of Climate Change, Energy,  
the Environment and Water**

## Grant Opportunity Guidelines

# Community Energy Upgrades Fund Round 2

<b>Opening date:</b>	4 March 2025
<b>Closing date and time:</b>	5:00pm Australian Eastern Standard Time on 13 June 2025 Please take account of time zone differences when submitting your application.
<b>Commonwealth policy entity:</b>	Department of Climate Change, Energy, the Environment and Water (DCCEEW)
<b>Administering entity:</b>	Department of Industry, Science and Resources (DISR)
<b>Enquiries:</b>	If you have any questions, contact us on 13 28 46.
<b>Date guidelines released:</b>	27 February 2025
<b>Type of grant opportunity:</b>	Targeted competitive

# Contents

<b>1. Community Energy Upgrades Fund Round 2 processes</b>	<b>4</b>
1.1. Introduction	5
<b>2. About the grant program</b>	<b>5</b>
2.1. About the Community Energy Upgrades Fund Round 2 grant opportunity	6
<b>3. Grant amount and grant period</b>	<b>6</b>
3.1. Grants available	6
3.2. Project period	6
<b>4. Eligibility criteria</b>	<b>6</b>
4.1. Who is eligible to apply for a grant?	6
4.2. Additional eligibility requirements	7
4.3. Who is not eligible to apply for a grant?	7
<b>5. What the grant money can be used for</b>	<b>7</b>
5.1. Eligible grant activities	7
5.2. Eligible expenditure	8
5.3. What the grant money cannot be used for	8
<b>6. The assessment criteria</b>	<b>8</b>
6.1. Assessment criterion 1	9
6.2. Assessment criterion 2	9
6.3. Assessment criterion 3	9
6.4. Assessment criterion 4	10
<b>7. How to apply</b>	<b>10</b>
7.1. Attachments to the application	11
7.2. Timing of grant opportunity processes	11
7.3. Questions during the application process	11
<b>8. The grant selection process</b>	<b>11</b>
8.1. Assessment of grant applications	11
8.2. Who will assess applications?	12
8.3. Who will approve grants?	12
<b>9. Notification of application outcomes</b>	<b>13</b>
9.1. Feedback on your application	13
<b>10. Successful grant applications</b>	<b>13</b>
10.1. The grant agreement	13
10.2. Specific legislation, policies and industry standards	13
10.3. How we pay the grant	14
10.4. Grant Payments and GST	14
<b>11. Announcement of grants</b>	<b>14</b>
<b>12. How we monitor your grant activity</b>	<b>15</b>
12.1. Keeping us informed	15

12.2.	Reporting .....	15
12.2.1.	Progress reports.....	15
12.2.2.	Ad-hoc reports.....	16
12.2.3.	End of project report .....	16
12.3.	Audited financial acquittal report.....	16
12.4.	Grant agreement variations .....	16
12.5.	Compliance visits .....	17
12.6.	Record keeping.....	17
12.7.	Evaluation .....	17
12.8.	Acknowledgement.....	17
<b>13.</b>	<b>Probity.....</b>	<b>17</b>
13.1.	Enquiries and feedback .....	17
13.2.	Conflicts of interest .....	18
13.3.	Privacy .....	18
13.4.	Confidential information .....	19
13.5.	Freedom of information.....	20
<b>14.</b>	<b>Glossary.....</b>	<b>21</b>
<b>Appendix A.</b>	<b>Eligible expenditure.....</b>	<b>28</b>
A.1	How we verify eligible expenditure .....	28
A.2	Plant and equipment expenditure .....	28
A.3	Newly purchased plant and pre-existing purchased plant.....	28
A.4	Hired/leased plant.....	29
A.5	Constructed plant.....	29
A.6	Labour expenditure .....	29
A.7	Labour on-costs and administrative overhead.....	30
A.8	Contract expenditure.....	30
A.9	Travel expenditure .....	31
A.10	Other eligible expenditure.....	31
<b>Appendix B.</b>	<b>Ineligible expenditure.....</b>	<b>32</b>

# 1. Community Energy Upgrades Fund Round 2 processes

## **The Community Energy Upgrades Fund Round 2 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 (DCCEEW)'s Outcome 1: Support the transition of Australia's economy to net-zero emissions by 2050; transition energy to support net zero while maintaining security, reliability and affordability; support actions to promote adaptation and strengthen resilience of Australia's economy, society and environment; and take a leadership role internationally in responding to climate change. DCCEEW works with stakeholders to plan and design the grant program according to the [Commonwealth Grants Rules and Principles \(CGRPs\)](#).



## **The grant opportunity opens**

We/DISR publish the grant guidelines on [business.gov.au](https://business.gov.au) and [GrantConnect](#).



## **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.



## **We assess all grant applications**

We assess the applications against eligibility criteria and notify you if you are not eligible. The committee assess eligible applications against the assessment criteria including an overall consideration of value with money and compare it to other eligible applications.



## **The committee makes grant recommendations**

The committee provides advice to the decision maker on the merits of each application.



## **Grant decisions are made**

The decision maker decides which applications are successful.



## **We notify you of the outcome**

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



## **We enter into a grant agreement**

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



## **Delivery of grant**

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



## **Evaluation of the Community Energy Upgrades Fund Round 2**

DCCEEW will evaluate the specific grant activity and Community Energy Upgrades Fund Round 2 as a whole. DCCEEW bases this on information you provide to us and that we collect from various sources.

## 1.1. Introduction

These guidelines contain information for the Community Energy Upgrades Fund Round 2.

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/we) 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 Community Energy Upgrades Fund (the program) will deliver \$100 million over 2 funding rounds and will run over 4 years from 2024-2025 to 2027-28. The program will provide matched funding of up to \$2.5 million of eligible expenditure for energy efficiency and electrification upgrades for local governments to deliver reduced energy bills and emissions from local government-owned and/or operated facilities. The program will also support the Commonwealth-led National Energy Performance Strategy (NEPS).

The objectives of the program are to support:

- the Government's broader efforts to reduce emissions and improve energy performance, and contribute to Australia meeting its emission reduction targets of 43 percent by 2030, Net-Zero emissions by 2050, and 82% renewable electricity generation by 2030
- local governments to decarbonise their operations and reduce energy bills through energy efficiency and load flexibility upgrades, and electrification of their existing facilities
- the improvement in energy performance necessary to more easily utilise renewable electricity and improve system reliability.

The intended outcomes of the program are:

- reduced energy bills and emissions from local government-owned and/or operated facilities
- installed energy efficiency, load flexibility and electrification technology that is commercially available
- improved capability of local governments and the wider community to implement energy upgrades and electrification projects in their existing facilities
- increased capacity of domestic supply chains and labour force to support significant future investment in energy efficiency upgrades
- improved workforce skills in delivering and operating energy transition projects.

We administer the program according to the [Commonwealth Grants Rules and Principles \(CGRPs\)<sup>1</sup>](#).

## 2.1. About the Community Energy Upgrades Fund Round 2 grant opportunity

The Community Energy Upgrades Fund Round 2 will run from 2025-26 to 2027-28.

## 3. Grant amount and grant period

### 3.1. Grants available

The Australian Government has announced a total of \$100 million over 2 funding rounds from 2024-25 to 2027-28. For Community Energy Upgrades Fund Round 2, up to \$50m is available.

- The minimum grant amount is \$25,000.
- The maximum grant amount is \$2,500,000.

You (the eligible Applicant – the local government body or joint local government body) are required to contribute towards the grant activities. The grant amount will be up to 50 per cent of eligible expenditure.

You are responsible for the remaining eligible and ineligible project costs.

Contributions to your project must be cash.

Other funding can come from other sources including state, territory, and local government grants.

We cannot fund your project if it receives funding from another Commonwealth government grant. You can apply for a grant for your project under more than one Commonwealth program, but if your application is successful, you must choose either the Community Energy Upgrades Fund Round 2 grant or the other Commonwealth grant.

### 3.2. Project period

You must complete your project by 31 March 2028.

The maximum project length is 24 months.

## 4. Eligibility criteria

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

### 4.1. Who is eligible to apply for a grant?

To be eligible you must:

- have an active Australian Business Number (ABN)

and be one of the following entities:

- a local government body
- a joint local government body (as defined in section 14).

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<sup>1</sup> <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-and-principles-2024>

## 4.2. Additional eligibility requirements

We can only accept applications where you:

- declare that your targeted facility/ies or building/s is/are owned, managed or leased by local government at the time of application. Existing facilities and buildings owned by local government, but tenanted by others, are eligible.
- declare that you will share your knowledge and learnings with other local governments and similar commercial facilities during and at the completion of your project, including the completion of a proforma case study
- provide all relevant mandatory attachments as outlined in section 7.1.

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 any organisation not included in section 4.1
- are an organisation included on the [National Redress Scheme's website](#) on the list of 'Institutions that have not joined or signified their intent to join the Scheme'
- are an organisation that is an employer of 100 or more employees that has [not complied](#) with the *Workplace Gender Equality Act (2012)*
- were a successful applicant in Community Energy Upgrades Fund Round 1
  - this includes joint local government bodies funded in Community Energy Upgrades Fund Round 1
- are a member of a separate joint local government body application in Round 2.

# 5. What the grant money can be used for

## 5.1. Eligible grant activities

To be eligible your project must:

- be aimed at meeting the objectives of the grant opportunity, as outlined in Section 2
- have at least \$50,000 in eligible expenditure
- be aimed at energy efficiency and/or electrification and/or load flexibility upgrades that reduce costs and emissions for local government's existing facilities or operations, using commercially available technologies.

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

- load flexibility / demand management systems (that balance the demand on power grids by helping to shape or shift electricity demand to times when electricity is more plentiful or other demand is lower), e.g. smart thermostats to manage heating or air conditioning units outside of peak times at a civic centre; or water heaters and pool pumps configured in a way to use excess solar power during the day at an aquatic centre
- electrification upgrades, e.g. the replacement of a gas boiler with a heat pump and heat recovery at an aquatic centre
- electric vehicle (EV) charging infrastructure, e.g. smart EV charging for multiple vehicles at a depot for local government vehicles
- energy efficiency upgrades, e.g. variable speed drives fitted to electric motors at a wastewater treatment plant

- behind the meter renewables generation and/or storage, e.g. a rooftop solar power system with a virtual power plant-enabled energy storage system at a childcare centre.

Integrated projects that bring together several activities and encompass multiple sites are encouraged, e.g. an energy upgrade at a community centre including energy efficient building envelope improvements, energy efficient equipment, a solar power and battery storage system, and disconnection of the gas supply. Integrated projects at more than one site must be combined in a single application.

We may also approve other activities, any additional activities must be in line with objectives and outcomes in section 2.

## 5.2. 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 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.

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

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.

You must not commence your project until you execute a grant agreement with the Commonwealth.

## 5.3. What the grant money cannot be used for

For guidance on ineligible expenditure, refer to appendix B.

# 6. The assessment criteria

You must address all assessment criteria in your application. The committee 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 –



for more detail, refer section 7.1 – Attachments to the application. The application form displays character limits for each response.

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

### 6.1. Assessment criterion 1

#### **Describe how your project will reduce local government greenhouse gas emissions and/or provide load flexibility (30 points).**

You must demonstrate this through:

- a. explaining how impactful your project will be in relation to energy efficiency, load flexibility, electrification and/or emission reductions
- b. explaining how your project will reduce your own operational costs, and costs of other local governments in the longer term
- c. providing calculated energy savings, emissions reductions and load flexibility capacity utilising the abatement calculator on [business.gov.au](https://business.gov.au).

To avoid penalising Councils already purchasing emissions-free electricity and to provide a level playing field the national full fuel cycle electricity emission factor in 2030 (0.19 tCO<sub>2</sub>e/MWh as per Australia's Emissions Projections 2024) is used in the calculator. Emission reduction will be assessed on a \$ grant funding requested per tonne abatement. Load flexibility will be assessed by taking into consideration the type of flexibility and benefits provided such as capacity, duration, control and compatibility with network orchestration.

### 6.2. Assessment criterion 2

#### **Wider impact of the grant funding (20 points).**

You must demonstrate this through identifying:

- a. how your project builds the capability and skills of local governments and the wider community to undertake energy upgrades. For example, implementing projects not typically undertaken by local governments in your region/situation due to unfamiliarity/perceived risk, and in so doing providing an example that can be followed by others
- b. explaining how you intend to share your knowledge from the project for local government and community benefit.

### 6.3. Assessment criterion 3

#### **Capacity, capability and resources to deliver the project (30 points).**

You must demonstrate this through:

- a. detailing the technical feasibility of your project
- b. submitting a project plan including:
  - describing your resources, including personnel, physical resources, and facilities that you will use to deliver the project
  - detailed project budget
  - your access, and future access to, any land, infrastructure, capital equipment, technology and intellectual property required to undertake eligible activities

- how you plan to manage the project, including scope, funding governance, implementation, methodology and timeframes
- project risk assessments and reports, and how you plan to identify and mitigate delivery risks, in particular technical risks such as technology selection, installation quality, electrical capacity and connection constraints (but also including national security, financial, land access and environmental risks)
- how you plan to identify and mitigate work, health and safety risks
- how you plan to secure required regulatory and other approvals.

#### 6.4. Assessment criterion 4

##### **Economic and social benefits (20 points).**

You must demonstrate this through identifying:

- a. the impact of grant funding on your project. You should include information relating to the impact on your local community, project site and your project's viability without grant funding, including specific reference to the location of your community (rural, regional, remote) and its financial resourcing
- b. any broader regional, social, economic and environmental benefits of your project.

## 7. How to apply

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

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

You can only submit one application per round. If you are a member of a joint local government body that is submitting an application, you cannot submit a separate application in Round 2.

You will need to set up an account to access our online [portal](#). You can only submit an application during a funding round. If your application was successful in Round 1 you will not be eligible for Round 2. If a joint application was successful in Round 1, all parties will be considered ineligible for Round 2.

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 [Criminal Code Act 1995](#). 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 will not contact you for clarification if we find an error or any missing information, including evidence that supports your eligibility/merit.

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, [contact us](#) 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:

- a project plan which addresses Section 6.3 Assessment Criterion 3.
- attach detailed evidence that supports assessment criteria responses (where applicable). This could include energy audits, feasibility studies or other technical documentation as relevant to the proposed activities
- completed abatement calculator (available on [business.gov.au](https://business.gov.au)).

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. Individual file sizes cannot be greater than 2MB, while the total of all attachments cannot exceed 20MB. We will not consider information in attachments that we do not request.

## 7.2. Timing of grant opportunity processes

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

If you are successful, we expect you will be able to commence your project around December 2025.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	6 weeks
Approval and announcement of successful applicants	6 weeks
Negotiations and award of grant agreements	1-4 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	The date your agreement is executed
Project completion date	31 March 2028
End date of grant commitment	30 June 2028

## 7.3. Questions during the application process

If you have any questions during the application period, [contact us](#) at [business.gov.au](https://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, your application will be assessed against the assessment criteria. Only eligible applications will proceed to the assessment stage. The Program Delegate determines which applications are eligible for assessment.

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.<sup>2</sup>

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

- 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
- the spread of projects across geographical areas and the extent to which the geographic location of the application matches identified government priorities.

If applications are scored the same, the committee will consider value with relevant money and geographical spread to recommend applications for funding.

We also consider any national interest, financial, legal/regulatory, governance or other issue or risk that we identify during any due diligence process that we conduct in respect of the applicant, and may include organisations making contributions to the project. This includes its directors, officers, senior managers, key personnel, its related bodies corporate (as defined in the *Corporations Act*) or its application that could bring the Australian Government into disrepute if it were to fund the applicant. Such issues and risks include where we consider that funding the application under this grant opportunity is likely to directly conflict with Australian Government policy. Where possible<sup>3</sup>, we will provide you with an opportunity to comment on any material risks identified during this due diligence process prior to our determining the extent (if any) to which those issues or risks affect our assessment of the application and, if so, whether they are sufficient to warrant the exclusion of your application from the assessment process.

## 8.2. Who will assess applications?

We will establish a committee composed of DCCEEW departmental officials and an independent member external to DCCEEW to assess applications. 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 in a funding round before recommending which projects to fund. The committee, and any expert or advisor, will be required to perform their duties in accordance with the CGRPs.

## 8.3. Who will approve grants?

The decision maker decides which grants to approve taking into account the recommendations of the committee and the availability of grant funds. The decision maker is a Senior Responsible Officer within DCCEEW.

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.

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<sup>2</sup> See glossary for an explanation of 'value with money'.

<sup>3</sup> Subject to national security and other considerations.

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.

You can submit a new application for the same (or similar) project if you were unsuccessful in Round 1. You should include new or more information to address the weaknesses that prevented your previous application from being successful. If a new application is substantially the same as a previous ineligible or unsuccessful application, we may refuse to consider it for assessment.

### 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 sample [grant agreement](#) is available on [business.gov.au](http://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. You must not start any Community Energy Upgrades Fund Round 2 activities until a grant agreement is executed. 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.

If you enter an agreement under the Community Energy Upgrades Fund Round 2, you cannot receive other grants for the same activities from other Commonwealth granting programs.

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

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 Program Delegate.

### 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
- local government planning requirements
- local government building approval requirements
- state/territory legislation relating to Workplace Health and Safety
- state/territory electrical safety regulations
- energy audits meeting AS/NZS 3598 2014.

### 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 financial contribution provided by you or a third party.

We will not exceed the maximum grant amount under any circumstances. If you incur extra costs, you must meet them yourself.

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

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

### 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 entities<sup>4</sup>.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office](#). 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.

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Principles \(CGRPs\)](#), Section 5.4. 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

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<sup>4</sup> See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au

- 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.

Unless advised otherwise, grantees will also be required to complete a proforma case study which is to be submitted with their end of project report (template is provided on [business.gov.au](http://business.gov.au)). This will assist the Commonwealth to evaluate energy upgrade outcomes at a project and program level.

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).

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

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 evidence of expenditure
- include recent electricity, gas and/or fuel bill/s relevant to the grant activities
- 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](http://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
- extending the timeframe for completing the project but within the maximum time period allowed in program guidelines
- 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 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 departments
- changes to the timing of grant payments
- availability of program funds.

### 12.5. Compliance visits

We may visit you during the project period, or at the completion of your project, to review your compliance with the grant agreement. For large or complex projects, we may visit you after you finish your project. 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 program 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.

Information we request may include a recent copy of a relevant electricity, gas and/or fuel bill/s relevant to the proposed activities and/or authorisation allowing the Commonwealth policy entity to access your meter data.

### 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 CGRPs.

These guidelines may be changed from time-to-time by DISR. When this happens, the revised guidelines will be published on GrantConnect.

### 13.1. Enquiries and feedback

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

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

Our [Customer Service Charter](#) 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  
Business Grants Hub  
Department of Industry, Science and Resources  
GPO Box 2013  
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#) 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 program. 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 or member of an external panel
- 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 [Public Service Code of Conduct \(Section 13\(7\)\)](#) of the [Public Service Act 1999](#). Committee members and other officials including the decision maker must also declare any conflicts of interest.

We publish our [conflict of interest policy](#)<sup>5</sup> 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

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<sup>5</sup> <https://www.industry.gov.au/publications/conflict-interest-policy>

- 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:

- 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 [Privacy Policy](#)<sup>6</sup> 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

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<sup>6</sup> <https://www.industry.gov.au/data-and-publications/privacy-policy>

- to the responsible Minister or Assistant Minister
- to a House or a Committee of the Australian Parliament.

We may also disclose confidential information if:

- we are required or authorised by law to disclose it
- you agree to the information being disclosed, or
- 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.
assessment criteria	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.
Assistant Minister	The Commonwealth Assistant Minister for Climate Change and Energy.
behind the meter	The energy system located on the customer's side of the utility meter.
<a href="#"><u>Commonwealth Grants Rules and Principles (CGRPs)</u></a>	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.
commencement date	The expected start date for the grant activity.
committee	The body established to consider and assess eligible applications and make recommendations to the decision maker for funding under the program. The Committee comprises departmental officials and an independent member external to DCCEEW.
completion date	The expected date that the grant activity must be completed and the grant spent by.

Term	Definition
date of effect	Can be the date on which a grant agreement is signed or a specified starting date. Where there is no grant agreement, entities must publish information on individual grants as soon as practicable.
Department	The Department of Industry, Science and Resources.
decision maker	A Senior Responsible Officer within DCCEEW.
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.
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.
eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in 5.3.
eligible expenditure guidance	The guidance that is provided at Appendix A.
front of meter	A front of meter project is located outside or in front of the utility meter. It is connected to the electricity transmission or distribution network. A front of meter project is considered a new energy generation and/or storage facility, and not an energy upgrade to an existing local government facility.

Term	Definition
grant	<p>For the purposes of the CGRPs, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:</p> <ul style="list-style-type: none"> <li>a. under which relevant money<sup>7</sup> or other <a href="#">Consolidated Revenue Fund</a> (CRF) money<sup>8</sup> is to be paid to a grantee other than the Commonwealth; and</li> <li>b. which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.</li> </ul>
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 Portfolio Budget Statement Program.

<sup>7</sup> Relevant money is defined in the PGPA Act. See section 8, Dictionary.

<sup>8</sup> Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

Term	Definition
<a href="#">GrantConnect</a>	The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRPs.
grantee	The organisation which has been selected to receive a grant.
joint local government body	A joint organisation or regional organisation with its own ABN, established for the purposes of enabling local governments to work together, and where Local Government Bodies are the only members of the organisation.
load flexibility	Managing electricity demand at a site in response to generation, network, or market signals.



Term	Definition
local government body	<p>A local governing body as defined under the <i>Local Government (Financial Assistance) Act 1995</i>.</p> <p>a. a local governing body established by or under a law of a State, other than a body whose sole or principal function is to provide a particular service, such as the supply of electricity or water;</p> <p>b. a body declared by the Minister, on the advice of the relevant State Minister, by notice published in the Gazette, to be a local governing body for the purposes of this Act; or</p> <p>c. any of the following:</p> <ul style="list-style-type: none"> <li>▪ the Australian Capital Territory</li> <li>▪ Anangu Pitjantjatjara Yankunytjatjara</li> <li>▪ Maralinga Tjarutja</li> <li>▪ Gerard Community Council Aboriginal Corporation</li> <li>▪ Nipapanha Community Aboriginal Corporation</li> <li>▪ Yalata Community Council Incorporated</li> <li>▪ Cocos (Keeling) Islands Shire Council</li> <li>▪ Lord Howe Island Board</li> <li>▪ Norfolk Island Regional Council</li> <li>▪ Outback Communities Authority</li> <li>▪ Shire of Christmas Island</li> <li>▪ Silverton Village Committee Incorporated</li> <li>▪ Tibooburra Village Committee Incorporated</li> </ul>
Minister	The Commonwealth Minister with responsibility for Energy.

Term	Definition
personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <p>Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ol style="list-style-type: none"> <li>a. whether the information or opinion is true or not; and</li> <li>b. whether the information or opinion is recorded in a material form or not.</li> </ol>
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.
remote area power supply	An off-the-grid electricity system for locations that are not fitted with an electricity distribution system.
value with money	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>▪ the quality of the project proposal and activities;</li> <li>▪ fitness for purpose of the proposal in contributing to government objectives;</li> <li>▪ that the absence of a grant is likely to prevent the grantee and government’s outcomes being achieved; and</li> <li>▪ the potential grantee’s relevant experience and performance history.</li> </ul>

Term	Definition
you	The eligible local government body or joint local government body applying for the grant.

## Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time; check you are referring to the most current version from the [business.gov.au](https://business.gov.au) website before preparing your application.

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

To be eligible, expenditure must:

- be incurred by 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 Plant and equipment expenditure

Plant is usually an input to the project or the tools or infrastructure used to undertake the project. Plant is likely to have a value or use outside of the project and you can build or obtain it with minimal technical risk or new learning.

### A.3 Newly purchased plant and pre-existing purchased plant

Only depreciation of newly purchased and pre-existing purchased plant is eligible expenditure. Depreciation is the decline in asset value of an item of plant allowed through the Commissioner of Taxation's effective life schedules. The depreciation must be proportional to the time you use it on the project. In extraordinary situations, for instance, where the plant is subject to heavy usage, and where this is in accordance with Commissioner of Taxation's rules, you may apply a higher rate of depreciation.

You can only claim depreciation of the plant for the time you use it on the project. However, you can claim all eligible depreciation charges in full for each item of purchased plant as you deploy it.

Running costs for purchased or pre-existing plant are eligible expenditure but must be readily verifiable and may include items such as rent, light and power, repairs and maintenance.

## A.4 Hired/leased plant

You must calculate eligible expenditure for hired, rented, or leased plant by the number of payment periods where you use the plant for the project multiplied by the period hiring fee. If you purchase plant under a hire purchase agreement, or you use a lease to finance the purchase of the plant, the cost of the item of plant, excluding interest, is capitalised, and then depreciated.

Running costs for hired or leased plant are eligible expenditure but you must be able to verify them. They may include items such as rent, light and power, and repairs and maintenance.

## A.5 Constructed plant

Only depreciation of constructed plant is eligible expenditure. Depreciation is the decline in asset value of an item of plant allowed through the Commissioner of Taxation's effective life schedules. The depreciation must be proportional to the time you use it on the project. In extraordinary situations, for instance, where the plant is subject to heavy usage, and where this is in accordance with Commissioner of Taxation's rules, you may apply a higher rate of depreciation.

Where you lease a project facility you may claim leasehold improvements where they are for your specific needs. The improvement cost is eligible expenditure if it is capitalised in your financial statements (balance sheet) and depreciated as above.

The starting value for constructed plant depreciation calculations is the capitalised construction cost or capitalised leasehold improvement cost for the plant item according to ATO requirements. You can only claim depreciation of the plant for the time you use it on the project. However, you can claim all eligible depreciation charges in full for each item of purchased plant as you deploy it.

Once fully completed, running costs for constructed plant are eligible expenditure but you must be able to verify them. They may include items such as rent, light and power, repairs and maintenance.

## A.6 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 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.7 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:

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

You cannot 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.8 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.9 Travel expenditure

Eligible travel expenditure may include domestic travel, including flights and ground transportation, limited to the reasonable cost of accommodation and transportation required to conduct agreed project and collaboration activities in Australia.

Eligible air transportation is limited to the economy class fare for each sector travelled; where non-economy 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.

## A.10 Other eligible expenditure

Other eligible expenditures for the project may include:

- building modifications where you own the modified asset and the modification is required to undertake the project
- enabling works, provided they are directly related to the energy upgrade being undertaken, for example, upgrading a switchboard to allow for connection of solar power
- purchase, hire or lease of equipment required to undertake eligible project activities
- knowledge sharing sessions and production of educational materials that directly relate to eligible project activities
- 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
- new equipment that meets the objectives and outcomes of the program, including variable frequency drives fitted to pumps, behind the meter solar power systems, battery storage systems and EV charging infrastructure.

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. We may update this guidance from time to time; check you are referring to the most current version from the [business.gov.au](https://www.business.gov.au) website before preparing your application.

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

Examples of ineligible expenditure include:

- energy upgrades using fuels other than electricity and solar thermal. However, a project can still be considered eligible if using fuel sources used for backup capacity (e.g. a diesel backup generator)
- gas and other fossil fuel efficiency projects
- front of meter project. A front of meter project is considered a new energy generation and/or storage facility, and not an energy upgrade to an existing local government facility (see Section 14)
- the purchase of electric vehicles (EV charging infrastructure is eligible)
- remote area power supplies
- costs associated with compliance with white certificates (Victorian Energy Efficiency Certificates (VEECs) and NSW Energy Savings Certificates (ESCs))
- costs associated with compliance with small scale technology certificates (STCs)
- administration costs
- expenditure that does not relate to the upgrade of existing energy infrastructure, e.g. installing a heating system at an unheated aquatic centre, or installing a solar power system on a new-build childcare centre on an existing local government site. An exception to this clause is new EV charging infrastructure which is considered eligible expenditure (see Section 5.1 Eligible grant activities)
- research, including feasibility studies and energy audits
- activities, equipment, or supplies that are already being supported through other sources
- costs incurred prior to execution of the grant agreement
- any in-kind contributions
- financing costs, including interest
- capital expenditure for the purchase of assets not directly related to the project 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 unless specified at Appendix A
- 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, unless specified at Appendix A, sections A4, A5 and A10
- 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
- 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
- overseas costs except where otherwise approved by the Program Delegate
- overseas travel costs.

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.