

Business Grants Hub



Australian Government

Department of Industry, Science and Resources

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

Grant Opportunity Guidelines

Powering the Regions Fund - Safeguard Transformation Stream Round 2

Opening date:	5 February 2026
Closing date and time:	5.00pm Australian Eastern Standard Time on 6 May 2027 Please take account of time zone differences when submitting your application
Commonwealth policy entity:	Department of Climate Change, Energy, the Environment and Water (DCCEEW)
Administering entity:	Department of Industry, Science and Resources (DISR)
Enquiries:	If you have any questions, contact us on 13 28 46.
Date guidelines released:	5 February 2026
Type of grant opportunity:	Open competitive

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1. Powering the Regions Fund - Safeguard Transformation Stream Round 2 processes

The Powering the Regions Fund is designed to achieve Australian Government objectives

This grant opportunity is part of the above grant program which contributes to the Department of Climate Change, Energy, the Environment and Water's (DCCEEW)'s Outcome 1. Support the transition of Australia's economy to net-zero emissions by 2050; transition energy to support net zero by 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 publish the grant guidelines on 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 Powering the Regions Fund Expert Advisory Panel (PRF EAP) assess eligible applications against the assessment criteria including an overall consideration of value with money and compare it to other eligible applications.



The PRF EAP make grant recommendations

The PRF EAP provide 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 successful applicants have been notified.



If applicable, you submit your AIP plan for approval

You prepare and submit your AIP Plan for approval to the AIP team at CommonwealthAIP@industry.gov.au you can contact the team to discuss on +61 2 6213 6404



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 Powering the Regions Fund - Safeguard Transformation Stream Round 2

DCCEEW will evaluate the specific grant activity and grant opportunity as a whole. We base this on information you provide to us and that we collect from various sources.

1.1. Introduction

These guidelines contain information for the Powering the Regions Fund - Safeguard Transformation Stream Round 2 grant program.

This document sets out:

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

This grant opportunity and process will be administered by the Department of Industry, Science and Resources (the department/DISR) on behalf of 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 Powering the Regions Fund (the program) was announced as part of the Government's Powering Australia Plan to support the Government's ambition for Australia to become a renewable energy superpower. The program has 4 funding streams:

- Safeguard Transformation Stream (STS)
- Industrial Transformation Stream (ITS)
- Critical Inputs to Clean Energy Industries – Primary Steel Production Sector (CICEI - PSPS)
- Critical Inputs to Clean Energy Industries – Cement and Lime, and Alumina and Aluminium Sectors (CICEI - CLAAS).

Both Critical Inputs to Clean Energy Industries streams are now closed to new applications.

Further information on the ITS, administered by the Australian Renewable Energy Agency (ARENA), is available at [ARENA.gov.au](https://arena.gov.au).

The objectives of the program are to:

- support decarbonisation by industries
- support regional economies and workforces in the transformation towards net zero by 2050
- continue Commonwealth purchases of Australian Carbon Credit Units (ACCUs).

The intended outcomes of the program are:

- reduced industrial emissions in line with Australia's emission reduction targets, and prioritising contribution to 2030
- increased production of clean energy
- increased economic certainty and security for regions and workers
- reduced risk of the technology by enabling demonstration
- increased knowledge sharing

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- enhanced leveraging of private and state investment.

There may be further grant opportunities as part of this program and we will publish the opening and closing dates and any other relevant information on business.gov.au and [GrantConnect](#).

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

2.1. About the Powering the Regions Fund - Safeguard Transformation Stream Round 2 grant opportunity

This grant opportunity was announced in January 2023 as part of Government's Safeguard Mechanism Reforms to support the Government's ambition for Australia to become a renewable energy superpower.

The program will allocate \$600 million to the Safeguard Transformation Stream (STS) in recognition of the specific challenges faced by trade exposed facilities.

The objectives of the grant opportunity are:

- support trade-exposed facilities covered by the Safeguard Mechanism to reduce their emissions and contribute to meeting Australia's 2030, 2035 and 2050 emissions reduction targets
- reduce the risk of carbon leakage, which occurs when a business responds to emissions reduction policies by moving emissions-intensive production to a country with less stringent policies
- provide skills development to existing industrial workforce in new equipment or processes that contribute to the reduction of scope 1 emissions.

The intended outcome of this grant opportunity is a reduction of emissions at trade exposed Safeguard facilities consistent with their obligations under the [Safeguard Mechanism Reforms](#).

3. Grant amount and grant period

3.1. Grants available

The Australian Government has announced a total of \$600 million over the life of the program. For this second round of the Powering the Regions Fund - Safeguard Transformation Stream approximately \$321 million is available from 2025-26 to 2032-33.

- The minimum grant amount is \$500,000.
- The maximum grant amount is \$50,000,000.

The grant amount will be up to 50 per cent of eligible expenditure.

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

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

Co-contributions to your project must be in cash.

Co-contributions may be from any source including parent company transfers, private loans, direct funds provided by joint partners or consortia (where relevant) with a limit of 40% of your co-contribution being funded from government sources, including loans, concessional financing, and grants from state, territory and local government.

We cannot fund your project if it receives funding from another Commonwealth government grant program. 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 Powering the Regions Fund – Safeguard Transformation Stream grant or the other Commonwealth grant.

If you were successful in a previous round of the Powering the Regions Fund – Safeguard Transformation Stream, but your project was not completed and you are re-submitting the same or a significantly similar projects (e.g. where a project was terminated prior to completion but you wish to reapply for grant funding), you are ineligible to claim any expenses reimbursed under the earlier round.

3.2. Project period

The maximum project period is 60 months.

You must complete your project by 31 March 2033.

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:

- be an owner or operator of a trade-exposed safeguard mechanism facility that is not a new or expanded coal or gas production facility (eligible facility)
- have an Australian Business Number (ABN)

and be one of the following entities:

- an entity, incorporated in Australia
- a company limited by a guarantee
- an incorporated association.

Joint applications are welcome, provided the lead organisation, who is the main driver of the project, is a trade-exposed safeguard mechanism facility that is eligible to apply. For further information on joint applications, refer to section 7.2.

4.2. Additional eligibility requirements

We can only accept applications where you provide:

- your facility name as reported to the Clean Energy Regulator for the purposes of the Safeguard Mechanism
- the trade-exposed production variable you produce
- the estimated Scope 1 emissions reduction from your project, refer to section 6.1
- detailed information on the expected scope 1 and scope 2 emission reductions, where your project includes Power Purchase Agreements (PPA)
- evidence from your board (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding
- an independent accountant's declaration
- evidence to certify that the facility owner or their representative has provided consent to undertake the project, where your project involves shared infrastructure or a joint application
- commitment to providing a final project report for publication in the public domain on the outcomes of your project; to increase knowledge sharing across industry, regions and sector
- you provide all mandatory attachments.

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:

- the owner or operator of a trade-exposed safeguard mechanism facility that is also a new or expanded coal or gas production facility
- an organisation, or your project partner is 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'
- an employer of 100 or more employees that has [not complied](#) with the *Workplace Gender Equality Act (2012)*.

5. What the grant money can be used for

5.1. Eligible grant activities

To be eligible your project must be aimed at contributing to Australia's emissions reduction targets.

Eligible activities must directly relate to the project and must include at least one of the following:

- **Direct abatement:** on-site decarbonisation projects that reduce scope 1 emissions at a trade-exposed Safeguard facility, including, but not limited to, energy efficiency upgrades, fuel switching and equipment upgrades to enable usage of lower carbon fuels

or other inputs (e.g. green metals), reductions in fugitive emissions, and on-site carbon capture and use and storage; or

- Common user infrastructure: off-site shared user infrastructure that reduces scope 1 emissions at one or more trade-exposed Safeguard facilities including, but not limited to, hydrogen and bioenergy production and transport, off-grid electricity production, storage and transmission, and carbon capture, use and storage projects.

We may also approve other activities that contribute to the objectives of the program and are delivered at eligible facilities.

5.2. Eligible locations

Your project must be delivered in the following locations:

- on-site at any eligible facility, or
- shared infrastructure, with practical connection to an eligible facility and the grantee, located in Regional Australia (defined as any area outside a Greater Capital City but including Kwinana).

Geographic distribution will be a consideration in assessing applications.

5.3. Eligible expenditure

You, and your project partners (if applicable), can only spend the grant on eligible expenditure you, or your project partners, 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
- 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.

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

5.4. 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 PRF EAP will assess your application based on the weighting given to each criterion. For further information on how the PRF EAP assesses your application, refer to section 8.

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

We will only award funding to applications that score highly against each assessment criterion.

6.1. Assessment criterion 1

Describe how your project will contribute to Australia's emissions reduction target by 2030, 2035 and 2050 (50 points).

You must demonstrate this through identifying your:

- a. project's emissions abatement potential. This must detail:
 - the potential scope 1 emissions reductions from trade-exposed Safeguard facilities to be delivered by the project in tonnes of carbon dioxide equivalent per annum (tCO₂-e p.a.). You must include the basis for your calculations with sufficient detail for them to be replicated and validated
 - the expected timing for delivery of any emission reductions and the impact of grant funding in reducing this (if relevant)
 - how the project relates to any other projects or upgrades planned for the facility.
- b. corporate and/or facility emission reduction plans. This should include:
 - a summary of any existing corporate or facility emission reduction commitments
 - a summary of your obligations under the Safeguard Mechanism
 - an explanation of how this project supports or accelerates your plans to meet relevant corporate and regional commitments.

You may note any additional potential scope 2 or 3 emission increases or reductions obtained by this project as these may be taken into account as part of your overall corporate and/or facility emission reduction plans.

You should note that projects that have received a final investment decision (subject to being awarded grant funding) and are weighted towards capital works that directly result in emissions abatement would be expected (all things being equal) to score higher than those projects that are yet to complete preparatory and planning steps such as undertaking feasibility and FEED studies.

You may also attach your Corporate Transition Plan to support this assessment criterion.

6.2. Assessment criterion 2

Capacity, capability and resources to deliver the project (10 points).

You must demonstrate this through:

- a. describing your resources, including personnel, physical resources and facilities that you will use to deliver the project including your access, and future access to, any land, infrastructure, capital equipment, technology, intellectual property and required regulatory or other approvals required to deliver the project.
- b. submitting your project plan, including how you plan to:
 - manage the project including scope, funding, governance, implementation methodology and timeframes
 - reach Final Investment Decision, including when you completed, or how you plan to complete, steps such as pre-feasibility, feasibility and Front End Engineering and Design (FEED) studies
 - mitigate delivery risks (including national security, work, health and safety, financial, land access, technical and environmental risks)
 - secure required regulatory or other approvals.

You will be required to attach your project plan to your application and include a project budget, any planning, design or engineering reports, project risk assessments or reports and risk mitigation, and funding strategy.

6.3. Assessment criterion 3

Impact of the grant funding (40 points).

You must demonstrate this through identifying:

- a. any broader regional, social, economic and environmental benefits of your project. For example explaining how the project will support:
 - your existing workforce to develop, including any skills and training support
 - new and retraining workers to develop skills and experience in the sector, especially any measures to increase women's participation and/or First Nations participation and accommodate workers with a disability
 - and be informed by ongoing engagement or collaboration with local First Nations representatives.
- b. how your project will support regional and sectoral transformation, for example:
 - the project's contribution to Australia's sovereign capability, domestic clean energy supply chains and local manufacturing sector
 - the project's capacity to demonstrate new technology, processes and practices that could be replicated elsewhere in Australia and overseas
 - support your region to move towards net zero, such as increasing the local supply of clean fuels or contributing to regional development
 - the project's location in, or capacity to support investment in, a Net Zero Economy Authority priority focus area.
- c. how your project represents value for money, including increased leverage of private and state investment.

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 will need to set up an account to access our online [portal](#). You can only submit an application during a funding round.

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

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

If you need further guidance around the application process, or if you have any issues with the portal, [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
- a project risk assessment or report and risk mitigations
- a project budget
- detailed information on the expected scope 1 and scope 2 emission reductions, where your project includes PPA
- letter of support from project partners (where the application is a joint application)
- evidence to certify that the facility owner or their representative has provided consent to undertake the project, including relevant third parties for shared infrastructure (if applicable). This is particularly important where the applicant is a different corporate entity from the owner of relevant facility
- independent accountant declaration

- evidence from the board, CEO or equivalent, that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding (template provided on business.gov.au and GrantConnect)
 - where the CEO or equivalent submits the application, we will accept this as evidence of support.

To support your application, you may also provide:

- detailed evidence to support your responses to the assessment criteria, including any planning, design or engineering reports
- evidence of funding strategy, e.g. financial statements, loan agreements, cash flow documents
- your corporate transition plan
- any other supporting information for your application.

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. The total of all attachments cannot exceed 50MB. We will not consider information or attachments that we do not request.

7.2. Joint (consortia) applications

We recognise that some organisations, including multiple eligible applicants, may want to join together as a group to deliver a project. Such applications are welcomed.

To submit a joint (consortia) application, you must appoint a lead organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application must identify all other members of the proposed group and must include a letter of support from each of the project partners. Each letter of support should include:

- details of the project partner, including their cash contributions to the project
- an overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
- an outline of the relevant experience and/or expertise the project partner will bring to the group
- the roles/responsibilities the project partner will undertake, and the resources it will contribute (if any)
- estimates of the potential scope of emissions reductions that will be delivered by each facility must be detailed (where multiple Trade-exposed Safeguard facilities partner together to deliver a project)
- details of a nominated management level contact officer.

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

7.3. Timing of grant opportunity processes

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

If you are successful, we expect you will be able to commence your project within 3 months of execution of the grant agreement.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	Applications are batched and assessed
Approval and announcement of successful applicants	10 weeks from application assessment
Negotiations and award of grant agreements	1-4 weeks after announcement of successful applicants
Notification to unsuccessful applicants	After announcement of successful applicants
Earliest start date of project	The date the grant agreement is executed
Project completion date	60 months from the date the grant agreement is executed, or March 2033, whichever occurs first
End date of grant commitment	June 2033

7.4. Questions during the application process

If you have any questions during the application period, [contact us](#) at business.gov.au or by calling 13 28 46.

8. The grant selection process

8.1. Assessment of grant applications

We first review your application against the eligibility criteria.

If eligible, your application will be assessed against the assessment criteria. Only eligible applications will proceed to the assessment stage.

Applications will be batched for assessment. The first batch will have up to 50% of the available grant funding, subsequent batches will have up to 25% of the available grant funding. If funding is not fully allocated within a batch, funding will be made available in subsequent batches.

We refer eligible batched applications to the PRF EAP, a committee of experts. The PRF EAP considers your application on its merits, based on:

- how well it meets the criteria
- how it compares to other applications

- whether it provides value with relevant money.²

When assessing the extent to which the application represents value with relevant money, the PRF EAP 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 timing of emissions reductions
- extent to which the geographic location of the project matches identified priorities.

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

8.2. Who will assess applications?

The department will review your eligibility against the eligibility criteria.

We refer your application to the PRF EAP, a committee comprised of senior government officials and external experts. The PRF EAP will also seek additional advice from independent technical experts to inform the assessment process.

The PRF EAP will assess applications against the published assessment criteria, compare them to other eligible applications in the funding round, and recommend which projects to fund. All assessments will be conducted in accordance with the Commonwealth Grants Rules and Principles (CGRPs).

8.3. Who will approve grants?

The Minister decides which grants to approve taking into account the recommendations of the PRF EAP and the availability of grant funds.

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

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

We cannot review decisions about the merits of your application.

The Minister 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.

If you are unsuccessful, you can submit a new application for the same (or similar) project in any future funding batches for this round or any future funding rounds. You should include

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

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, you will receive written feedback outlining the reasons why your application was not successful. You may request the opportunity to discuss your outcome with relevant officials.

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 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 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 Minister. We will identify these in the offer of grant funding.

If you enter an agreement under the Powering the Regions Fund – Safeguard Transformation Stream Round 2, you cannot receive funding for the same project from other Commonwealth grant programs. This includes, but is not limited to, the Industrial Transformation Stream administered by ARENA and the Critical Inputs to Clean Energy Industries program administered by the Department. Grant funding provided by State and Territory Governments is not subject to this rule.

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

10.2. Standard grant agreement

We will use a standard grant agreement for medium or larger projects where we consider your project to be more complex.

You will have 90 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 Minister.

10.3. 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
- Australian Industry Participation policy.

10.3.1. Australian Industry Participation (AIP)

If your approved grant is equal to or over \$20 million, you may need to develop an Australian Industry Participation plan (AIP plan) in accordance with the AIP policy. The AIP policy area will consider whether you need to complete an AIP plan based on the nature of your project and opportunities for Australian suppliers to provide goods and services.

If it is determined that you require an AIP plan:

- the department must approve your AIP plan prior to entering into a grant agreement
- we will publish an executive summary of your approved AIP plan at www.industry.gov.au/aip once we execute the grant agreement
- you must submit Implementation Reports showing how you are implementing the AIP plan.

More information on AIP plan requirements can be found at www.industry.gov.au/aip.

10.3.2. Building and construction requirements

Wherever the government funds building and construction activities, the following special regulatory requirements apply:

- Australian Government Building and Construction WHS Accreditation Scheme ([WHS Scheme](#))³.

These regulations are subject to the level of funding you receive as outlined below.

10.3.3. WHS Scheme

The WHS Scheme is administered by the [Office of the Federal Safety Commissioner](#)⁴.

The Scheme applies to projects that are directly or indirectly funded by the Australian Government where:

³

<http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationScheme>

⁴ <http://www.fsc.gov.au/sites/FSC>

- the value of the Australian Government contribution to the project is at least \$6 million and represents at least 50 per cent of the total construction project value; or
- the Australian Government contribution to a project is \$10 million (GST inclusive) or more, irrespective of the proportion of Australian Government funding; and
- a head contract under the project includes building work of \$4 million or more (GST Inclusive).

10.4. 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.

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 5 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 5 per cent of grant funding for the final payment.

10.5. 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 entities⁵.

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

⁵ See Australian Taxation Office ruling GSTR 2012/2 available at [ato.gov.au](#)

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

The description of the project may be AI generated if your provided description exceeds the character limit or if we decide your project description is insufficiently descriptive. We will identify the use of AI with the project description if we use it.

12. How we monitor your grant activity

12.1. Keeping us informed

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

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

You must also inform us of any changes to your:

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

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

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

12.2. Reporting

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

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

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

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

12.2.1. Progress reports

Progress reports must:

- include details of your progress towards completion of agreed project activities
- include the total employment impact to-date, split between permanent, temporary and First Nations impacts
- 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 a declaration that the grant money was spent in accordance with the grant agreement and to report on any underspends of the grant money
- include a final project report for publication on the outcomes of your project, which includes:
 - the actual emission savings delivered by your project (Scope 1 and Scope 2)
 - comparison of projected (in your application) and actual emissions reductions (Scope 1, Scope 2)
 - the total employment impact delivered by your project, split between permanent, temporary (including construction) and First Nations employment impacts
 - a summary of any learnings from the project, including how lessons learned have been shared across your industry and others, and any examples of project and technology replication
- be submitted by the report due date.

12.3. Audited financial acquittal report

We will ask you to provide independent audit reports to verify that you spent the grant in accordance with the grant agreement. This includes:

- annual independent financial audit reports throughout the project period, and
- a final independent audit report at the conclusion of the project.

Each audit report requires you to prepare a statement of grant income and expenditure. The report template is available on business.gov.au and GrantConnect.

12.4. Grant agreement variations

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

- changing project milestones
- 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 grant agreement end date. You can submit a variation request via our online portal.

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

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

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

12.5. Compliance visits

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

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

12.8. Acknowledgement

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

‘This project received grant funding from the Australian Government.’

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

13. Probity

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

Head of Division

Business Grants Hub

Department of Industry, Science and Resources

GPO Box 2013

CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)⁶ with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

13.2. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity. There may be a conflict of interest, or perceived conflict of interest, if our staff, any member of the PRF EAP 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
- 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
- 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](#). PRF EAP members and other officials including the decision maker must also declare any conflicts of interest.

We publish our [conflict of interest policy](#)⁷ on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

13.3. Privacy

Unless the information you provide to us is:

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

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

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

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

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

⁷ https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect

We may give the personal information we collect from you to our employees and contractors, the PRF EAP, 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](#)⁸ 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 PRF EAP and our Commonwealth employees and contractors, to help us manage the program effectively
- the Auditor-General, Ombudsman or Privacy Commissioner
- the responsible Minister or Assistant Minister
- 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.

⁸ <https://www.industry.gov.au/data-and-publications/privacy-policy>

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
ACCUs	Australian Carbon Credit Units
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.
Commonwealth Grants Rules and Principles (CGRPs)	Establish the overarching Commonwealth grants policy framework and articulate the expectations for all non-corporate Commonwealth entities in relation to grants administration. Under this overarching framework, non-corporate Commonwealth entities undertake grants administration based on the mandatory requirements and key principles of grants administration.
completion date	The expected date that the grant activity must be completed and the grant spent by.
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.
DCCEEW	The Commonwealth Department of Climate Change, Energy, the Environment and Water
decision maker	The person who makes a decision to award a grant.
Powering the Regions Fund – Expert Advisory Panel (PRF - EAP)	The body established by the Minister to consider and assess eligible applications and make recommendations to the Minister for funding under the program.
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 facility	A trade-exposed Safeguard Mechanism facility that is not a new or expanded coal or gas production facility.
FEED	Front End Engineering and Design studies
grant	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: <ul style="list-style-type: none"> a. under which relevant money⁹ or other Consolidated Revenue Fund (CRF) money¹⁰ is to be paid to a grantee other than the Commonwealth; and

⁹ Relevant money is defined in the PGPA Act. See section 8, Dictionary.

¹⁰ Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

	b. which is intended to help address one or more of the Australian Government’s policy outcomes while assisting the grantee achieve its objectives.
grant activity/activities	Refers to the project/tasks/services that the grantee is required to undertake.
grant agreement	A legally binding contract that sets out the relationship between the Commonwealth and a grantee for the grant funding, and specifies the details of the grant.
grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
grant opportunity	Refers to the specific grant round or process where a Commonwealth grant is made available to potential grantees. Grant opportunities may be open or targeted, and will reflect the relevant grant selection process.
grant program	A ‘program’ carries its natural meaning and is intended to cover a potentially wide range of related activities aimed at achieving government policy outcomes. A grant program is a group of one or more grant opportunities under a single Portfolio Budget Statement Program.
GrantConnect	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 individual/organisation which has been selected to receive a grant.
guidelines	Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.
materially expanded production	A trade-exposed Safeguard Mechanism facility that produces coal or gas as a production variable is considered to have materially expanded production if it has done one or more of the following: <ul style="list-style-type: none"> a. Increased by 5% or more annual coal or gas production compared to pre-30 June 2023 annual production levels; b. If the facility produces coal as a production variable, commenced extracting coal from an

	<p>area that is not covered by an environmental approval provided before 30 June 2023;</p> <p>c. If the facility produces gas, commenced liquefaction of gas from a new gas field within the meaning of the Safeguard Rules (see section 35 and section 35A(4) of Schedule 1).</p>
Minister	The Commonwealth Minister for Climate Change and Energy.
new or expanded coal or gas facility	A trade-exposed Safeguard Mechanism facility that produces coal or gas as a production variable and either commenced operation, materially expanded production, or plans to materially expand production after 30 June 2023.
non-income-tax-exempt	Not exempt from income tax under Division 50 of the <i>Income Tax Assessment Act 1997</i> (Cth) or under Division 1AB of Part III of the <i>Income Tax Assessment Act 1936</i> (Cth).
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> <p>a. whether the information or opinion is true or not; and</p> <p>b. whether the information or opinion is recorded in a material form or not.</p>
plans to materially expand	<p>A trade-exposed Safeguard Mechanism facility that produces coal or gas as a production variable is considered to have plans to materially expand production if it plans to do one or more of the following:</p> <p>a. Increase annual coal or gas production by 5 per cent or more compared to pre-30 June 2023 annual production levels;</p> <p>b. If the facility produces coal as a production variable, extract coal from an area that is not covered by an environmental approval provided before 30 June 2023;</p> <p>c. If the facility produces gas, commence liquefaction of gas from a new gas field within</p>

	<p>the meaning of the Safeguard Rules (see section 35 and section 35A(4) of Schedule 1).</p> <p>For the purposes of (b) and (c) any application with a federal, state or territory environmental agency for expansion, including draft, pending and paused applications; will be considered evidence of plans to materially expand production.</p>
PRF EAP	Powering the Regions Fund Expert Advisory Panel (see section 8.2).
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.
selection criteria	Comprises of eligibility criteria and assessment criteria.
Safeguard Mechanism	The Safeguard Mechanism is enacted through the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) and other legislation. Much of the detail is set out in the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 (Safeguard Rules), alongside the Carbon Credits (Carbon Farming Initiative) Rule 2015 (CFI Rule) and the Australian National Registry of Emissions Units Regulations 2011 .
trade-exposed Safeguard Mechanism Facility	A facility that produces a trade-exposed production variable listed in section 1 or 2 of Schedule 2 of the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 .
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> <ol style="list-style-type: none"> a. the quality of the project proposal and activities b. fitness for purpose of the proposal in contributing to government objectives

	<ul style="list-style-type: none">c. that the absence of a grant is likely to prevent the grantee and government's outcomes being achieved; andd. the potential grantee's relevant experience and performance history.
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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://www.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, or your project partners (if applicable) within the project period
- be a direct cost of the project
- be incurred by you, or your project partners (if applicable) 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

We consider costs of acquiring, or construction of, plant and equipment, as well as any related commissioning costs as eligible expenditure. You must list commissioning costs as a separate item within the project budget in the application form, and on reports of expenditure during project milestones.

We cannot consider any expenditure paid before the project start date as eligible expenditure. Commissioning and installation costs of plant and equipment paid for before the start date is not eligible expenditure even if these costs are paid after the project start date.

You may purchase, lease (finance lease or operating lease under certain conditions) or build plant and equipment. In claiming the purchase price of capital items, you must take out any

costs related to financing, including interest. You can claim related freight and installation costs on capital expenditure.

Eligible costs for plant and equipment will normally need to be on your balance sheet.

We will only consider costs for plant and equipment not on your balance sheet under certain circumstances. We will only consider project costs with an operating lease to be eligible if you:

- integrate the plant or equipment into your manufacturing process; and
- cannot transfer the plant or equipment and the lease period is at least 4 years.

Where you need to pay in instalments to purchase capital items (for example deposits, payment on installation, or payment on commissioning), you can claim the grant amount for the items progressively across multiple progress reports up to the end of the project period. Alternatively, you can choose to claim the full amount in a single report, when you pay for the capital item.

For leased items, you will need to show an executed copy of the lease identifying the capital cost of the item and the lease period. We can pay you the full grant entitlement when you:

- have received the capital item
- have entered into a formal lease agreement, and
- make the initial payment.

You may show expenditure on plant and equipment by providing evidence of

- purchase price
- payments (e.g. tax invoices and receipts from suppliers confirming payment)
- commitment to pay for the capital item (e.g. supplier contract, purchase order or executed lease agreement)
- receipt of capital items (e.g. supplier or freight documents)
- associated costs such as freight and installation (e.g. supplier documents)
- the capital item on your premises (e.g. date stamped photographic evidence).

If you claim expenditure for the construction of plant and equipment, we limit this to

- the costs of materials
- direct construction labour salary costs
- contractor costs
- freight and establishment costs.

Evidence for construction expenditure may include purchase orders, invoices, payment documentation, photographic evidence (date stamped) of the capital item in your premises and details of labour costs.

Grant payments for capital items may affect your tax obligations. We recommend that you seek independent professional advice on tax related matters.

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,

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

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

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

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

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

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

A.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
- 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 Other eligible expenditure

Other eligible expenditures for the project may include:

- costs to decommission, remove and dispose of old equipment
- purchase of equipment or components to help an existing system run more efficiently
- design, and reasonable installation costs of eligible equipment
- commissioning or tuning of equipment installed or modified as part of the project, and any related equipment that is affected by the project
- building permits or approval costs to install equipment, where required
- up to two emission audits (one at the commencement of the project to set baseline and one at the end of the project to confirm outcomes).
- 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
- FEED studies, up to a maximum of 10 per cent of the total grant funding, where your annual turnover in the most recently completed financial year is up to and including \$3 billion
- contingency costs up to a maximum of 10 per cent of the eligible project costs. Note that we make payments based on actual costs incurred.

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

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

Appendix B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure. 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:

- activities that relate to new or expanding fossil fuel projects
- purchase of ACCUs or any credits in any other carbon crediting scheme
- research not directly supporting eligible activities, including pre-feasibility and feasibility studies
- costs associated with reaching or undertaking a Final Investment Decision (FID)
- FEED studies where your annual turnover in the most recently completed financial year is greater than \$3 billion
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to the execution of the grant agreement
- any in-kind contributions
- financing costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers
- costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project)
- costs such as rental, renovations and utilities
- non-project-related staff training and development costs
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- debt financing
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment beyond the life of the project
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- routine operating expenses not accounted as labour on-costs – including communications, accommodation, overheads and consumables, e.g. paper, printer cartridges, office supplies
- ongoing upgrades, updates and maintenance of existing ICT systems and computing facilities
- 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
- travel costs including both domestic and international travel.

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.