

Grant Opportunity Guidelines

Clean Energy Supply Chain Diversification Program – Round 1

5:00pm Australian Eastern Daylight Time on 10 February 2025 Please take account of time zone differences when submitting your application.
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Department of Climate Change, Energy, the Environment and Water (DCCEEW)
Department of Industry, Science and Resources (DISR)
If you have any questions, contact us on 13 28 46.
15 November 2025
Targeted competitive

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1. Clean Energy Supply Chain Diversification Program – Round 1 processes

The Clean Energy Supply Chain Diversification Program – Round 1 is designed to achieve Australian Government objectives

This grant opportunity is part of the above grant program which contributes to 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 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 Committee assesses eligible applications against the assessment criteria including an overall consideration of value with money and compare it to other eligible applications.



We make grant recommendations

We 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 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 Clean Energy Supply Chain Diversification Program - Round 1

DCCEEW will evaluate each specific grant activity and Clean Energy Supply Chain Diversification Program – Round 1 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 Clean Energy Supply Chain Diversification Program – Round 1 grants.

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 (we/the department/DISR) on behalf of the Department of Climate Change, Energy, the Environment and Water (DCCEEW).

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

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

2. About the grant program

The Quad – Australia, India, Japan and the United States – established the Clean Energy Supply Chain Diversification Program (the program) in 2023. The program will support the implementation of the Quad Statement of Principles on Clean Energy Supply Chains in the Indo-Pacific, and will contribute to achieving the Indo-Pacific's collective energy security and, emissions reduction goals, and support the transition to a net zero future.

Global clean energy supply chains are currently concentrated in a few countries. This increases the risk of supply chain shocks, including vulnerability to disruption, which would slow the region's clean energy transition and drive-up costs. The program aims to address these risks and enhance clean energy supply chain resilience.

The Australian Government is contributing \$50 million in grants to deliver the program over financial years 2024-25 to 2027-28. These grants will fund research and development, and feasibility study projects delivered as a joint project between Australian organisations and eligible Indo-Pacific organisations.

Research and development projects will help drive innovation across the solar photovoltaic (PV), hydrogen electrolyser and battery supply chains to drive down costs, address vulnerabilities and improve efficiencies.

Feasibility study projects will support business case development for prospective clean energy-related processing, manufacturing, and recycling facilities in the Indo-Pacific, across the solar photovoltaic (PV), hydrogen electrolyser and battery supply chains.

The objectives of the program are to:

- help develop and diversify solar PV, hydrogen electrolyser and battery supply chains in the Indo-Pacific
- address vulnerabilities in solar PV, hydrogen electrolyser and battery supply chains in the Indo-Pacific to help them become more resilient (refer to Appendix B.1)
- accelerate the development of investment-ready solar PV, hydrogen electrolyser and battery supply chain projects in the Indo-Pacific.

The intended outcomes of the program are:

- supported development and diversification clean energy supply chain processing and manufacturing activities in the Indo-Pacific are more numerous, are located in a wide range of economies, are owned by a wide range of companies, and are more cost-competitive
- reduced vulnerabilities there is increased choice in materials, technologies, and suppliers for elements of the supply chains that are most at risk of disruption.

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

3. Grant amount and grant period

3.1. Grants available

The Australian Government has announced a total of \$50 million for the program over financial years 2024-25 to 2027-28. For Round 1, up to \$25 million is available.

- The minimum grant amount is \$100,000.
- The maximum grant amount is \$2,500,000.

You are required to contribute towards the project. The grant amount will be up to 95 per cent of total eligible expenditure.

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

Contributions to your project may be cash or in-kind contributions. While the minimum contribution is 5 per cent of total eligible expenditure, greater contributions will be well-regarded. For further information on in-kind contributions, refer to Appendix C.

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 grant program, but if your application is successful, you must choose either the Clean Energy Supply Chain Diversification Program – Round 1 grant or the other grant.

3.2. Project period

The minimum project period is 6 months.

You must complete your project by 31 March 2028.

4. Eligibility criteria

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

Joint applications are mandatory. An Australian organisation must apply on behalf of the group (consortium) and must be eligible to apply. Each consortium must also include at least one organisation from an Indo-Pacific economy listed in Appendix A. For further information on joint applications, refer to section 7.2.

4.1. Who is eligible to apply for a grant?

An Australian organisation must apply on behalf of the consortium.

To be eligible you must:

have an Australian Business Number (ABN) and

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

have an account with an Australian financial institution

and be one of the following entities:

- an entity incorporated in Australia
- an Aboriginal and Torres Strait Islander Corporation registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth)
- a company limited by guarantee
- an incorporated trustee on behalf of a trust
- an incorporated Regional Development Australia Committee
- an incorporated association
- a co-operative
- an incorporated not for profit organisation or registered charity
- a Commonwealth, state, territory or local government body (including government business enterprises)
- a cooperative research centre (CRC)
- a publicly funded research organisation (PFRO) as defined in section 14.

4.2. Additional eligibility requirements

We can only accept applications:

- where you identify at least one project partner that is an entity domiciled in one of the eligible Indo-Pacific economies listed in Appendix A
- where you declare that project activities will be undertaken in Australia and/or at least one of the Indo-Pacific economies in Appendix A
- where you provide all mandatory attachments (see 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 as the lead organisation if you are:

- any organisation not included in section 4.1
- an organisation, or any of your project partners is an organisation included on the <u>National</u>
 <u>Redress Scheme's website</u> on the list of 'Institutions that have not joined or signified their intent
 to join the Scheme'
- an employer of 100 or more employees that has <u>not complied</u> with the Workplace Gender Equality Act 2012 (Cth)
- an individual
- a sole trader
- a partnership
- an overseas resident/organisation
- a Regional Development Australia Committee
- an unincorporated association
- a trust (however, an incorporated trustee may apply on behalf of a trust)
- a non-corporate Commonwealth entity.

5. What the grant money can be used for

5.1. Eligible grant activities

To be eligible your project must be aimed at developing, diversifying and/or reducing vulnerabilities in solar PV, hydrogen electrolyser and/or battery supply chains in the Indo-Pacific.

Your project must focus on one or more of the following stages of solar PV, hydrogen electrolyser and/or battery supply chains:

- raw material processing
- manufacturing of components
- assembly
- recycling (refer to Glossary for details).

Eligible projects may be one of the below:

- research and development projects that target innovative technologies, processes or solutions that look to, but are not limited to:
 - help improve efficiencies and lower manufacturing costs, e.g. technologies that use less or cheaper materials, advanced digital technologies that help companies to improve their responsiveness, transparency and efficiency
 - help reduce material dependencies, e.g. technologies that use less materials, use different materials that are less concentrated or subject to global shocks, use components that are easier to recycle, or recycling technologies
- feasibility study projects that support business case development for prospective clean energyrelated processing, manufacturing and recycling facilities in the Indo-Pacific. Feasibility studies must:
 - provide an independent assessment that examines all aspects of the proposed project, including technical, economic, financial, legal, social and environmental considerations
 - establish whether or not the potential facility is viable at the proposed site.

Eligible activities must directly relate to the project, and may include any of the below:

- materials and equipment
- trialling, feasibility testing, demonstration of equipment, technology and or new processes
- process design and engineering
- project planning
- knowledge sharing activities, including workshops, meetings and the exchange of personnel to foster collaboration between industry in Australia and eligible Indo-Pacific project partners
- training and development activities to build expertise.

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

5.2. Eligible locations

Your project can include activities at different locations, as long as they are undertaken in Australia and/or in one or more Indo-Pacific economies listed in Appendix A. Project expenditure must occur only in Australia or an Indo-Pacific economy listed in Appendix A. Feasibility studies must be for facilities that would be constructed in an Indo-Pacific economy listed in Appendix A.

5.3. Eligible expenditure

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

Eligible expenditure items are:

- direct labour costs of employees you directly employ on the core elements of the project. We consider a person an employee when you pay a regular salary or wage, out of which you make regular tax instalment deductions
- labour on costs up to 30 per cent of eligible labour costs to cover employer paid superannuation, payroll tax, workers compensation insurance, and reasonable overheads such as office rent and the provision of computers for staff directly working on the project
- contractor costs for the delivery of eligible project activities covering the reasonable cost of eligible project activities that are contracted to others. All contractors must have a written contract prior to starting any project work. Invoices from contractors must contain a detailed description and breakdown of the work including hours and hourly rates
- costs associated with purchase, lease or hire of materials and equipment where needed to undertake eligible activities
- staff training that directly supports the achievement of project outcomes
- domestic travel including flights (economy class only) limited to the reasonable cost of accommodation (3- or 4-star equivalent) and transportation required to conduct agreed project activities in Australia
- overseas travel including flights (economy class only) limited to the reasonable cost of accommodation (3- or 4-star equivalent) and transportation required to conduct agreed project activities in the Indo-Pacific region your project partner or project is located
- training, capacity building and knowledge sharing activities that directly support the achievement of project outcomes
- training and capacity building that increase staff expertise in identifying, addressing and/or managing modern slavery risk linked to the project's operations and/or the procurement of the goods and/or services required to support the achievement of project outcomes
- 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, or to foreign governments, are not eligible
- the cost of an independent audit of project expenditure up to a maximum of 1 per cent of total eligible project expenditure.

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 (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 or incurred by you for required project audit activities
- be a legitimate commercial expense.

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. 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.

5.4. What the grant money cannot be used for

Expenditure items that are not eligible are:

- costs related to the following supply chain stages resource extraction, plant engineering and construction, electric vehicle production and site and facility decommissioning
- fees paid to Australian (Commonwealth, state, territory and local) and/or foreign governments to obtain planning, environmental or other regulatory approvals
- research activities not directly supporting eligible activities
- costs incurred outside the agreed project period
- financing costs, including interest, foreign exchange, and transfer fees
- non-project-related staff training and development costs
- depreciation of plant and equipment
- recurring or ongoing operational expenditure (including insurance, maintenance, rent, water and rates, postage, legal and accounting fees and bank charges) not directly related to your project
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees that are not directly related to your project
- costs related to preparing the grant application for Commonwealth funding, preparing any
 project reports (except costs of independent audit reports we require) and preparing any
 project variation requests.

6. The assessment criteria

You must address all four 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. The application form displays character limits for each response.

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

6.1. Assessment criterion 1

Alignment with the objectives and intended outcomes of the Program (30 points).

You should demonstrate this by describing:

 a. how your project will meet the program objectives and outcomes, addressing at least one of the below, with regards to solar PV, hydrogen electrolyser and/or battery supply chains in the Indo-Pacific:

- how your project will help develop and diversify one or more of the following supply chain stages: raw material processing, manufacturing of components, assembly and recycling. If applicable this should include a description of the commercialisation pathway and potential market for your project's product
- how your project will improve supply chain resilience by addressing key vulnerabilities such as listed in Appendix B.1
- how your project will accelerate the development of investment-ready projects in the Indo-Pacific
- b. how your project will contribute to the implementation of any other elements of the Quad Statement of Principles on Clean Energy Supply Chains in the Indo-Pacific, which are:
- supporting future clean energy workforce needs
- exploring inter-operability in our technical standards, policies and measures
- promoting enhanced cooperation to drive towards Environmental, Social and Governance (ESG) practices (refer to Appendix B.2)
- encouraging greater public and private investment and collaboration in clean energy research, development & demonstration (RD&D) and innovation
- encouraging and incentivising companies to proliferate decarbonisation solutions.

6.2. Assessment criterion 2

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

You should demonstrate this by describing:

- a. you and your project partners' capacity to deliver the project, including a track record of managing similar projects individually or jointly, and access to key personnel with the right skills and experience including project management, research and technical expertise
- b. your access to any infrastructure, capital equipment, technology and intellectual property, and any regulatory or other approvals required to deliver the project outcomes
- c. how you will manage and monitor the project, explaining the governance and planning arrangements and how you will manage risks. You must provide a detailed project plan and risk management plan to support your response (refer to Section 7.1)
- d. how funds will be used over the project period and any assumptions used in estimating eligible expenditure. You must submit a detailed project budget to support your response (refer to Section 7.1).

6.3. Assessment criterion 3

Impact of grant funding on your project and broader benefits (20 points).

You should demonstrate this by describing:

- a. the likelihood the project would proceed without the grant. You must explain how the grant will impact the project in terms of size and timing
- b. the amount of co-investment (cash and/or in-kind contributions) from you or project partners and any additional investment the grant will leverage including how this will benefit your project
- c. how you will measure the success of your project
- d. the wider impacts this project might have outside your organisation, e.g. economic, social, gender, climate or environmental impacts on supply chains, industry, regions, or communities.

This could include how your project will contribute to achieving the Indo-Pacific's collective energy security, emissions reduction goals and a just transition to a net zero future.

6.4. Assessment criterion 4

Ability to manage national security risks (20 points).

You should demonstrate this by describing:

a. how you plan to monitor, manage and report on national security risks to Australia, giving specific consideration to risks outlined in Section 13.6 of the grant opportunity guidelines.

You must submit a risk management plan to support your response (refer to Section 7.1).

For information on the assessment of grant applications, refer to section 8.1.

7. How to apply

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

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

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

To apply, you must:

- complete and submit the application through the online portal
- provide all the information requested
- address all eligibility and assessment criteria
- include all necessary attachments (refer to section 7.1).

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

After submitting your application, we may contact you for clarification or additional information from you that will not change the nature of your application. However, we can refuse to accept any additional information from you that would change your submissions after the application closing time.

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 detailed project plan (up to a maximum of 10 pages) including key timeframes and milestones, governance, and division of project activities between project partners
- a detailed project budget split over financial years (as per the template provided on business.gov.au) including a description of any other funding your project is receiving, from both public and private sources. This should include who is providing the funding, the quantum of this funding, and what project activities it is funding. If funding is being received under

- another grants program whether it be from the Australian Government, a foreign government, or an international organisation please include the name of the program.
- a risk management plan and any supporting documentation, describing how you propose to monitor, manage and report identified risks. This must include your approach to:
 - managing environmental, social and governance (ESG) risks (refer to Appendix B.2 for background information). This should include an assessment of the project's modern slavery risk profile and proposed processes to identify, address and manage modern slavery risks related to the project
 - managing ethical technology use and transfer and intellectual property rights
 - managing national security risks to Australia as outlined in section 13.6, including cyber security attacks, foreign interference, intellectual property protection, export controls, unwanted transfer of technology, data or other knowledge
 - conducting due diligence on potential consortia partners, considering the Australian Government's international collaboration advice.
- accountant declaration that confirms you can fund any project costs not covered by this grant, including ineligible expenditure. An accountant declaration template is available on business.gov.au and GrantConnect. If you do not use this template, you must include equivalent information and the declaration in your own document
- evidence of financial viability including your funding strategy, e.g. financial statements, loan agreements, cash flow documents
- trust deed (where applicable)
- a letter of support from each project partner (refer section 7.2).

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. Joint (consortia) applications

This grant opportunity requires organisations to join together as a group (consortium) to deliver a project. You must appoint a lead Australian organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth.

All applications must include at least one eligible Australian organisation and at least one organisation domiciled in an eligible Indo-Pacific economy listed in Appendix A.

As an additional project partner (or partners), organisations domiciled in India, Japan and United States of America can also be included as part of a consortium.

It is expected that organisations from Indo-Pacific and Quad countries could include research organisations, private corporations, government organisations and state-owned enterprises.

There is no limit to the number of projects partners in a consortium.

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

- details of the project partner including the following information:
 - project partner entity type
 - proof of where they are domiciled
 - an overview of the organisational structure, including locations of any parent companies or other offices

- 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 consortium
- the roles/responsibilities the project partner will undertake
- details of any contractors or sub-contractors the project partner plans to engage to undertake project activities (if applicable)
- the resources (cash or in-kind) that the project partner will bring to the project, if any
- details of a nominated management level contact officer and a secondary 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 around June 2025.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	3 months
Approval and announcement of successful applicants	4 weeks
Negotiations and award of grant agreements	4 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	Date of execution of your grant agreement
Project completion date	31 March 2028
End date of grant commitment	30 June 2028

7.4. Questions during the application process

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

8. The grant selection process

8.1. Assessment of grant applications

We first review your application against the eligibility criteria.

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

We consider your application on its merits, based on:

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

whether it provides value with relevant money.²

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

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

If applications are scored the same, the Committee will consider value with relevant money and alignment to the program objectives 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. 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, Australian national interest, or materially disadvantage the commercial interests of Australian companies. Where possible³, 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 refer your application to the Committee, a committee of subject matter experts comprising of independent experts and representatives from Australian Government agencies. The Committee may also seek additional advice from other independent technical experts or advisors to inform the assessment process.

The Committee will assess your application against the assessment criteria and compare it to other eligible applications before recommending which projects to fund. The Committee will take a portfolio approach to recommending projects for funding, giving consideration to how the suite of funded projects will contribute to achieving the Program's outcomes. The Committee, and any expert or advisor, will be required to perform their duties in accordance with the CGRPs.

The Committee may seek additional information about you or your application. They may do this from within the Commonwealth, even if you do not nominate the sources as referees. The Committee may also consider information about you or your application that is available as a result of the due diligence process or through the normal course of business.

8.3. Who will approve grants?

The Senior Executive Officer in DCCEEW with policy responsibility for the program decides which grants to approve, taking into account advice from the Committee and the availability of grant funds.

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

the grant approval

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

³ Subject to national security and other considerations.

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

We cannot review decisions about the merits of your application.

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

9. Notification of application outcomes

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

9.1. Feedback on your application

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

10. Successful grant applications

10.1. The grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. The grant agreement has general terms and conditions that cannot be changed. A 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 Clean Energy Supply Chain Diversification Program – Round 1 activity 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 Clean Energy Supply Chain Diversification Program – Round 1, 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 decision maker.

10.2. Specific legislation, policies and industry standards

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

In particular, you will be required to comply with:

- state/territory legislation in relation to working with children
- ethics and research practices.

You will also be required to consider national security risks (refer to section 13.6).

10.2.1. Ethics and research practices

The Australian Research Council provides a series of publications that outline the principles of ethical conduct in research. All proposals and funded research projects must conform to the principles and requirements of these publications (and their successor documents), including but not limited to:

- Australian Code for the Responsible Conduct of Research 2018
- National Statement of Ethical Conduct in Human Research (2007) Updated 2018
- Australian Code for the Care and Use of Animals for Scientific Purposes (2013).

If there is any conflict or inconsistency between a successor document and its predecessor, then the successor document prevails.

10.3. How we pay the grant

The grant agreement will state:

- the maximum grant amount we will pay
- the proportion of eligible expenditure covered by the grant (grant percentage)
- any in-kind contributions you will make
- any financial contribution provided by you or your project partner/s.

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.⁴

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.

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

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 <u>Commonwealth Grants Rules and Principles</u>, 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
- 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 partners directly related to the project
- any unusual or unexpected activity by the Australian or partner organisation members.

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

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

12.2.1. Progress reports

Progress reports must:

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

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
- be submitted by the report due date.

12.3. Audited financial acquittal report

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

12.4. Grant agreement variations

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

- changing project milestones
- 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 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. 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, publication or on social media, you must include the <u>Australian Government logo</u> and acknowledge the grant by using the following:

'This project received grant funding from the Australian Government as part of the Quad Clean Energy Supply Chain Diversification Program.' You must also acknowledge the Quad Clean Energy Supply Chain Principles in any of your public communication about grant activities.

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

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.

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

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

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

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

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

13.2. Conflicts of interest

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

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer 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 <u>Public Service Code of Conduct (Section 13(7))</u> of the <u>Public Service Act 1999</u>. Committee members and other officials including the decision maker must also declare any conflicts of interest.

We publish our <u>conflict of interest policy</u>⁵ 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.

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

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.

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, the Minister, or the Prime Minister may:

- announce the names of successful applicants to the public
- publish personal information on Australian Government websites.

You may read our Privacy Policy⁶ 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.

If awarded grant funding, recipients must accept that their projects may be used in public strategic communications material by the Australian Government and its diplomatic network, by Indo-Pacific economy governments, as well as by Quad partner governments (Japan, India, the United States).

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

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

you provide the information with an understanding that it will stay confidential.

We may disclose confidential information:

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

We may also disclose confidential information if:

- we are required or authorised by law to disclose it
- 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.

13.6. National security

Eligible activities under this grant may have national security implications for Australia. It is your responsibility to consider any such implications of the proposed project and identify and manage any risks, particularly relating to export controls, intellectual property protection, espionage and foreign interference, foreign affiliations of project partners and unwanted transfer of technology, data or other knowledge.

It is paramount you understand your due diligence, risk management obligations, and include these in your risk assessment and management plans. The Australian Security Intelligence Organisation (ASIO) Due Diligence Integrity Tool was developed as guidance for Australian institutions which are considering engaging with foreign entities. The tool provides a framework to consider some of the security risks associated with foreign collaboration. It is in your and the national interest to protect your intellectual property, data and commercial information, and you should certify there are appropriate controls to enable this. You must inform the department if you identify any risks relating to national security, and show you are able to manage them appropriately. Please ensure you speak to the relevant risk managers in your organisation if you require further assistance.

To assist in identifying and managing security risks, you are strongly encouraged to review the department's *Guide to Undertaking International Collaboration*⁷, the *Australian Government Information Security Manual*, the Australian Intelligence Security Organisation's (ASIO) booklets

⁷ https://www.industry.gov.au/strategies-for-the-future/increasing-international-collaboration/a-guide-to-undertaking-international-collaboration

<u>Secure Your Success</u> and <u>Protect Your Research</u>, and Home Affairs' <u>Countering foreign interference</u> website. For best practice tools, you are recommended to review ASIO's Due Diligence Integrity Tool (contact the ASIO Outreach Team at <u>outreach@asio.gov.au</u> for a copy) and the University Foreign Interference Taskforce's the <u>Guidelines to counter foreign interference in the Australian university sector</u>. Although the latter is focused on the university sector, many objectives and best practice considerations in the UFIT guidelines are applicable to other research institutions and businesses that may be Australian partners in projects funded by this program.

13.6.1. Know Your Partner

You should ensure that you know who you are collaborating with by undertaking appropriate due diligence, proportionate to the risk and subject to available information, on all partners and personnel participating in the project. This should take into account any potential security, ethical, legal and reputational risks, and, where necessary, you should be prepared to demonstrate how you will manage and mitigate any identified risks. You should also be aware of partner affiliations that may influence, interfere or otherwise benefit from the proposed activities in unintended ways and report any unusual activity. For other best practice considerations, refer to Appendix B.3.

13.6.2. Intellectual property rights

Applicants must provide details of Intellectual Property (IP) arrangements in their applications. This includes both the use of IP in the project and the proposed ownership rights to IP generated by the project as well as strategies for protecting Australia's interests. You and your project partners must negotiate arrangements and procedures for using and handling all IP created through the project, in a manner that is fair to all partners and beneficial to Australia. This may include the allocation of IP rights, or of income from IP, between you and your partners. The agreements should be in accordance with laws and regulations in Australia and provide for:

- adequate and effective protection and equitable distribution of any benefits from IP rights created in or resulting directly from cooperative activities (foreground IP rights)
- ownership of foreground IP rights to be allocated on the basis of respective contribution and equitable interests
- terms and conditions for the commercialisation and other forms of dissemination of the foreground IP rights
- adequate and effective protection of IP rights provided by the organisations, enterprises and institutions prior to or in the course of such cooperative activities, for example, the licensing or utilisation of such IP rights on equitable terms (background IP rights).

Australian participants should approach IP negotiations in line with the principles outlined on <u>business.gov.au</u> and the National Principles of Intellectual Property Management for Publicly Funded Research (2017).

13.6.3. Export Controls

Australia's export control regime limits the overseas transfer of goods and technologes listed on the <u>Defence and Strategic Goods List</u> (DSGL). The regime may apply to the export of products, and to any situation involving the overseas transfer, sharing, publication or brokering of controlled goods, technology, software or related knowledge.

As this program involves collaboration with foreign entities, some provisions of Australia's export controls regime may apply to your project. It is your responsibility to consider the implications, if any, of the relevant legislation on the proposed project before submitting your application, and to comply with any applicable requirements if it is successful. If you are unsure whether your activity

may require an export license, you should review the <u>self-assessment guide for 'controlled items'</u> and/or contact <u>Defence Export Controls</u> (DEC).

13.6.4. Foreign Affiliations

Eligible activities under this grant may involve partners or personnel with foreign affiliations. You must inform us of any relationships between project partners and foreign parties that could influence or benefit from the proposed activity. Such relationships may include foreign ownership (including project partners voting powers) where an investor acquires 20% or more of an entity post-granting or sponsorship, connections to foreign governments, militaries, political parties, or other organisations, and membership of foreign talent programs. You must also inform us of the establishment of any such relationships throughout the life of the grant. You must inform us of any change in control or relationship that could influence or benefit from the proposed project within 20 business days. You must inform us of any material changes to the foreign affiliations of project partners, as outlined at section H of the grant agreement.

This grant will not fund any procurement, commercial, business development or supply chain activity by a lead, partner or subcontractor from any countries listed on the Autonomous Sanctions Regulations 2011. This includes any goods or services originating from a sanctioned source.

13.6.5. Foreign Government Affiliations

Eligible activities under this grant may involve partners or personnel with connections to foreign governments. You must inform us if you, your project partners or any project personnel are receiving funding or benefits from, or otherwise affiliated with, a foreign government, including:

- a foreign state or local government
- a foreign military, intelligence organisation or police force
- an organisation owned or sponsored by a foreign government (such as a state-owned corporation or state-sponsored university)
- a foreign government talent program.

You must also inform us of the establishment of any such relationships throughout the life of the grant.

13.7. Disclosure of Commonwealth, State or Territory Financial Penalties

You must disclose whether any of your board members, management or persons of authority have been subject to any pecuniary penalty, whether civil, criminal or administrative, imposed by a Commonwealth, state, or territory Court or a Commonwealth, state, or territory Entity. If this is the case, you must provide advice to the Department regarding the matter for consideration.

13.8. Disclosure of International Financial Penalties

You must disclose whether any of your or your partners' board members, management or persons of authority have been subject to any pecuniary penalty, whether civil, criminal or administrative, imposed by a foreign government or international regulation entity (e.g. WTO). If this is the case, you must provide advice to the Department regarding the matter for consideration.

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.
assembly	For solar PVs, this means assembly of cells to produce PV modules.
	For batteries, this means battery cell production, battery pack assembly, including electronics, sensors and battery management system. This covers both electric vehicle and stationary storage application.
	For hydrogen electrolysers, this means fabrication of electrolysers.
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.
decision maker	The person who makes a decision to award a grant.
domiciled	Domicile is the place or country in which a business is registered or has been incorporated.
Committee	The body established by DCCEEW to consider and assess eligible applications and make recommendations to the decision maker for funding under the program.

Term	Definition
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 will 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.
General Manager	Position title for Senior Executive Service level staff within DISR.
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:
	a. under which relevant money ⁸ or other <u>Consolidated</u> <u>Revenue Fund</u> (CRF) money ⁹ is to be paid to a grantee other than the Commonwealth, and
	 which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.
grant activity/activities	Refers to the project/tasks/services that the grantee is required to undertake
grant agreement	A legally binding contract that sets out the relationship between the Commonwealth and a grantee for the grant funding, and specifies the details of the grant.
grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
grant opportunity	Refers to the specific grant round or process where a Commonwealth grant is made available to potential grantees. Grant opportunities may be open or targeted, and will reflect the relevant grant selection process.
grant program	A 'program' carries its natural meaning and is intended to cover a potentially wide range of related activities aimed at achieving government policy outcomes. A grant program is a group of one or more grant opportunities under a single Portfolio Budget Statement Program.

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 $^{^{\}rm 8}$ Relevant money is defined in the PGPA Act. See section 8, Dictionary.

⁹ Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

Term	Definition
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.
in-kind contributions	In-kind contributions are non-cash contributions to the project.
manufacturing of components	For solar PV, this includes polysilicon production, ingot/wafer production, cell manufacturing, balance of plant such as framing, solar glass, racking, mounting structure cables and inverters.
	For batteries, this includes manufacturing specialised battery components: cathode and anode materials, electrolytes, separators, and casings.
	For electrolysers, this includes manufacturing specialised electrolyser components: cathode and anode materials, electrolytes, separators, membranes, and casings.
Minister	The Commonwealth Minister for Climate Change and Energy.
modern slavery	Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom.
	Practices that constitute modern slavery can include:
	 human trafficking
	slavery
	servitude
	forced labour
	debt bondage
	 deceptive recruiting
	forced marriage
	the worst forms of child labour.
non-income-tax-exempt	Not exempt from income tax under Division 50 of the Income Tax Assessment Act 1997 (Cth) or under Division 1AB of Part III of the Income Tax Assessment Act 1936 (Cth).

Term	Definition
personal information	Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:
	Information or an opinion about an identified individual, or an individual who is reasonably identifiable:
	a. whether the information or opinion is true or not, andb. whether the information or opinion is recorded in a material form or not.
personnel	means any person who is an officer, employee, contractor (including subcontractor) or agent of the supplier involved in providing goods and/or services.
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.
Publicly funded research organisation (PFRO)	All higher education providers listed at Table A and Table B of the <i>Higher Education Support Act 2003</i> (Cth) and corporate Commonwealth entities, and state and territory business enterprises which undertake publicly funded research.
project	A project described in an application for grant funding under the program.
raw material processing	For solar PV, this means processing and refining raw materials into precursors for PV modules and balance of plant components.
	For batteries, this means processing and refining raw material into precursors for battery materials.
	For hydrogen electrolysers, this means processing and refining raw materials into precursors for electrolysers.
recycling	For solar PV, this is the recovery of materials, metals, and critical minerals in cathode/anode.
	For batteries, this is the recovery of critical materials, cathodes, anodes.
	For hydrogen electrolysers, this is the recovery of materials/metals, and critical minerals in cathode/anode.
selection criteria	Comprises of eligibility criteria and assessment criteria.

Term	Definition
value with money	Value with money in this document refers to 'value with relevant money' which is a judgement based on the grant proposal representing an efficient, effective, economical and ethical use of public resources and determined from a variety of considerations.
	When administering a grant opportunity, an official should consider the relevant financial and non-financial costs and benefits of each proposal including, but not limited to:
	the quality of the project proposal and activities
	 fitness for purpose of the proposal in contributing to government objectives
	 that the absence of a grant is likely to prevent the grantee and government's outcomes being achieved and
	 the potential grantee's relevant experience and performance history.

Appendix A. Eligible Indo-Pacific Economies

Consortia applying for grants must include at least one organisation from at least one of the following economies.

This is a list of eligible economies for the purposes of this program and does not constitute a definitive list of Indo-Pacific economies.

People's Republic of Bangladesh	Niue
Bhutan	Republic of Palau
Brunei Darussalam	Republic of the Philippines
Kingdom of Cambodia	Independent State of Papua New Guinea
Cook Islands	Republic of Korea
Republic of Fiji	Republic of Marshall Islands
French Polynesia	Independent State of Samoa
Federated States of Micronesia	Republic of Seychelles
Republic of Indonesia	Republic of Singapore
Republic of Kiribati	Solomon Islands
Lao People's Democratic Republic	Democratic Socialist Republic of Sri Lanka
Malaysia	Taiwan
Republic of Maldives	Kingdom of Thailand
Republic of Mauritius	Democratic Republic of Timor-Leste
Mongolia	Kingdom of Tonga
Republic of Nauru	Tuvalu
Federal Democratic Republic of Nepal	Republic of Vanuatu
New Caledonia	Socialist Republic of Vietnam
New Zealand	

As an additional project partner, organisations domiciled in India, Japan and United States of America can also be included as part of a consortium.

Appendix B. Key Considerations for Applicants

This section provides guidance and additional considerations for Australian lead organisations when preparing a grant application.

B.1 Key Vulnerabilities

One of the objectives of the program is to address vulnerabilities in solar PV, hydrogen electrolyser and battery supply chains in the Indo-Pacific. In its 2022 report <u>Securing Clean Energy Technology Supply Chains</u>, The International Energy Agency (IEA) identified the most vulnerable parts of solar PV, hydrogen electrolyser and battery supply chains to be the following:

- mineral and metal supplies and processing:
 - solar: copper; aluminium; polysilicon
 - batteries: graphite; cobalt; nickel; manganese; lithium
 - electrolysers: platinum/palladium; iridium; nickel.
- manufacturing and construction:
 - solar: PV modules; PV cells; ingots/wafers
 - batteries: battery active materials; cathode and anode production; cell manufacturing
 - electrolysers: alkaline electrolysers; PEM electrolysers.

This assessment was made using a framework that considered supply chain concentration (either geographically or by firm); pace and scale of growth; exposure to trade, natural, technical, or geopolitical risks; ability to pivot to other materials or technologies; and scale-up or conversion lead times.

The above list does not represent an exhaustive list of possible supply chain vulnerabilities. Applications may identify how projects will improve supply chain resilience by addressing other key vulnerabilities within solar PV, hydrogen electrolyser and battery storage supply chains.

B.2 Environmental, Social and Governance Considerations

Environmental, Social and Governance (ESG) practices for clean energy supply chains can improve market transparency and promote sustainable development. ESG risk refers to risks to people, the environment and society that enterprises cause, contribute to, or to which they are directly linked.

A risk-based due diligence approach is critical when addressing ESG risks and adverse impacts in business operations and global supply chains. To assess the severity of ESG impacts, organisations should consider the scale, scope and irremediable character of the impact.

When considering ESG risks for clean energy supply chains, you should consider elements such as:

- traceability and international standards
- forced labour and other forms of modern slavery
- social licence
- environmental laws and regulations
- improper use or disposal of hazardous materials
- pollution
- waste management.

You may consider drawing on international sources including <u>The Ten Principles of the UN Global Compact</u>, the <u>Global Reporting Initiative</u>, the <u>UN Guiding Principles on Business and Human Rights</u>, the <u>OECD Due Diligence Guidance for Responsible Business Conduct</u> and the <u>OECD Handbook on Environmental Due Diligence in Mineral Supply Chains</u>.

You may also consider referring to the <u>Modern Slavery Act 2018</u> (Cth) (Modern Slavery Act), which sets out legislative modern slavery reporting requirements for Australian and other entities. Under the Modern Slavery Act, businesses with an annual consolidated revenue of at least AU\$100 million and operating in the Australian market are required to submit an annual modern slavery statement detailing the actions taken to identify, assess and address risks of modern slavery in its operations and supply chains.

However, note that – as set out in section 7.1 – all applicants to the Quad Clean Energy Supply Chain Diversification Program, regardless of revenue, are required to provide an assessment of the project's modern slavery risk profile and proposed processes to identify, address and manage modern slavery risks related to the project.

B.3 Best Practice Considerations for Australian Institutions

The following is a non-exhaustive list of questions and issues that the Australian lead organisation should consider when preparing an application (responses don't need to be submitted):

- Have all members of the Australian team completed cyber hygiene and data management training?
- Are researchers familiar with the term "dual use" (beyond military uses- i.e. facial recognition technology can be used to abuse human rights around the world, DNA research might be used in human rights abuses, agricultural security can be used in times of hostilities, health research can advance adversary military capabilities or be used in biological/chemical attacks, data building capabilities can be used to advance AI capabilities more broadly)?
- Does the Australian institution have good cyber management practices including the UFIT guidelines?
- What is the institution's protocol for electronic device management in event of travel?
- Are you comfortable with your partner's approach to IP?
- Might there be pressure from your partner to influence your academic outcomes or commercial interests? What are your partner's affiliations?
- Are your standards of IP protection in line with Australian Regulatory standards?
- What compliance measures are in place for monitoring, reporting and remedying any breaches?

Appendix C. In-kind contributions

We treat cash and in-kind contributions equally for determining your 5 per cent share of total eligible grant project value.

In-kind contributions are the non-cash contributions. These can include labour contributions and facilities, equipment and services provided by project partners to the project. For in-kind contributions to count towards your total eligible grant project value, they must directly relate to eligible activities or eligible special purpose activities.

You need to determine the value of these contributions. They must be realistic, justifiable, and valued proportionally to their use on the project. For example, you should calculate the in-kind contribution of a capital item by the running costs and the depreciation of the item.