



Australian Government

Department of Industry, Science and Resources

Department of Climate Change, Energy,  
the Environment and Water

## Grant Opportunity Guidelines

# Regional Hydrogen Hubs Program – Townsville Region Grant opportunity

<b>Opening date EOI – Stage 1:</b>	Tuesday 14 March 2023
<b>Opening date Grant Application – Stage 2:</b>	Monday 17 July 2023
<b>Closing date and time EOI – Stage 1:</b>	5.00pm Australian Eastern Standard Time on Thursday 27 April 2023
<b>Closing date and time Grant Application – Stage 2:</b>	5.00pm Australian Eastern Standard Time on Thursday 31 August 2023  Please take account of time zone differences when submitting your application.
<b>Commonwealth policy entity:</b>	Department of Climate Change, Energy, the Environment and Water (DCCEEW)
<b>Administering entity:</b>	Department of Industry, Science and Resources (DISR)
<b>Enquiries:</b>	If you have any questions contact us on 13 28 46 or email <a href="mailto:hydrogengrants@industry.gov.au">hydrogengrants@industry.gov.au</a> .
<b>Date guidelines released:</b>	13 January 2023; Updated 24 February 2023; 6 March 2023
<b>Type of grant opportunity</b>	Stage 1 EOI: Open-competitive Stage 2 Application: Closed-competitive

# Contents

<b>1. Regional Hydrogen Hubs Program – Townsville Region Grant Opportunity processes....</b>	<b>5</b>
Stage 1	5
Stage 2	5
<b>2. About the grant program .....</b>	<b>7</b>
<b>3. Grant amount and grant period.....</b>	<b>8</b>
3.1. Grants available .....	8
3.2. Project period .....	9
<b>4. Eligibility criteria.....</b>	<b>9</b>
4.1. Who is eligible? .....	9
4.2. Additional eligibility requirements .....	9
4.3. Who is not eligible? .....	10
<b>5. What the grant money can be used for .....</b>	<b>10</b>
5.1. Eligible activities .....	10
5.2. Eligible locations.....	11
5.3. Eligible expenditure .....	11
5.4. What you cannot use the grant for .....	11
<b>6. Grant application process and assessment criteria.....</b>	<b>12</b>
6.1. Expression of Interest – Stage 1 .....	12
6.2. Grant application – Stage 2 .....	12
6.3. Assessment criterion 1 .....	12
6.4. Assessment criterion 2 .....	13
6.5. Assessment criterion 3 .....	13
6.6. Assessment criterion 4 .....	14
6.7. Detailed project plan.....	14
<b>7. How to apply .....</b>	<b>14</b>
7.1. Attachments to the EOI – Stage 1.....	15
7.2. Attachments to the grant application – Stage 2 .....	15
7.3. Joint applications.....	16
7.4. Timing of grant opportunity .....	16
<b>8. The grant selection process.....</b>	<b>17</b>
8.1. Expressions of Interest - Stage 1 .....	17
8.2. Grant application – Stage 2 .....	18
8.3. Who will approve grants? .....	18
<b>9. Notification of application outcomes .....</b>	<b>18</b>
<b>10. Successful grant applications – Stage 2 .....</b>	<b>18</b>
10.1. Grant agreement.....	18
10.2. Australian Industry Participation (AIP) plan .....	19
10.3. Project/Activity specific legislation, policies and industry standards .....	19

10.4.	Building and construction requirements .....	19
10.4.2.	WHS Scheme .....	20
10.5.	How we pay the grant.....	20
10.6.	Tax obligations .....	20
<b>11.</b>	<b>Announcement of grants.....</b>	<b>20</b>
<b>12.</b>	<b>How we monitor your grant activity .....</b>	<b>21</b>
12.1.	Keeping us informed.....	21
12.2.	Reporting .....	21
12.3.	Progress reports.....	21
12.4.	End of project report.....	22
12.5.	Ad-hoc reports.....	22
12.6.	Independent audits .....	22
12.7.	Compliance visits .....	22
12.8.	Grant agreement variations .....	22
12.9.	Evaluation .....	23
12.10.	Grant acknowledgement.....	23
<b>13.</b>	<b>Probity.....</b>	<b>23</b>
13.1.	Conflicts of interest.....	23
13.2.	How we use your information.....	24
13.3.	How we handle your confidential information .....	24
13.4.	When we may disclose confidential information .....	24
13.5.	How we use your personal information .....	24
13.6.	Freedom of information .....	25
13.7.	National security.....	25
13.8.	Enquiries and feedback.....	26
<b>14.</b>	<b>Glossary .....</b>	<b>26</b>
<b>Appendix A.</b>	<b>Eligible expenditure .....</b>	<b>29</b>
A.1	How we verify eligible expenditure .....	29
A.2	Plant and equipment expenditure .....	29
A.3	Labour expenditure .....	30
A.4	Labour on-costs and administrative overhead.....	31
A.5	Contract expenditure .....	31
A.6	Travel and overseas expenditure.....	32
A.7	Other eligible expenditure.....	32
<b>Appendix B.</b>	<b>Ineligible expenditure.....</b>	<b>33</b>
<b>Appendix C.</b>	<b>Supporting Evidence for Grant Applications – Stage 2.....</b>	<b>35</b>
	Description of expected level of detail .....	35
C.1	Project narrative (including scope definition) .....	35
C.2	Project governance .....	35
C.3	Project schedule- work breakdown structure (WBS).....	35

C.4	Schedule .....	36
C.5	Project funding arrangements including detailed financial modelling.....	36
C.6	Consortium arrangements .....	36
C.7	Project economic and financial models .....	36
C.8	Project engineering requirements .....	36
C.9	Environmental .....	36
C.10	Risk assessment and risk mitigation plan.....	37
C.11	Commercialisation and scale up pathway .....	37
C.12	Permitting and approvals planning .....	37
C.13	Workforce plan .....	37
C.14	Knowledge sharing plan .....	37
C.15	Engagement plan .....	37
C.16	Safety management strategy .....	37
C.17	Infrastructure access pricing plan .....	38

# 1. Regional Hydrogen Hubs Program – Townsville Region Grant Opportunity processes

## **The Regional Hydrogen Hubs Program – Townsville Region Grant Opportunity 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: Provide international and national leadership and coordination to: support the transition of Australia's economy to net-zero emissions by 2050; transition energy to net zero while maintaining security, reliability and affordability; support actions to promote adaptation and strengthen resilience of Australia's economy, society and environment; and re-establish Australia as a global leader in responding to climate change. DCCEEW works with stakeholders to plan and design the grant program according to the [Commonwealth Grants Rules and Guidelines](#).



### **The grant opportunity opens**

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



### Stage 1

#### **You complete and submit an EOI**

You complete an EOI, addressing all eligibility and assessment criteria in order for your EOI to be considered.



#### **We assess all EOIs**

We review EOIs against eligibility criteria and notify you if you are not eligible. The committee assesses eligible EOIs against the assessment criteria and compares it to other eligible EOIs.



#### **Stage 1 decisions are made**

The decision maker decides which EOIs will be invited to submit a grant application.



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

We advise you of the outcome of your EOI. If shortlisted, we invite you to apply for Stage 2 and provide feedback on any additional evidence required in Stage 2.



### Stage 2

#### **You complete and submit a grant application**

If invited to apply, you submit a grant application addressing all eligibility and assessment criteria in order for your application to be considered.



#### **We assess all Grant Applications – Stage 2**

We review your application against eligibility criteria and notify you if you are not eligible. The committee assesses eligible applications against the assessment criteria and compares it to other eligible applications.



**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 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 proportional to the risks involved.



**Delivery of grant**

You undertake 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 Regional Hydrogen Hubs Program – Townsville Region initiative**

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

## 2. About the grant program

The Regional Hydrogen Hubs Program – Townsville Region Grant Opportunity (the program) was announced on 25 October 2022 as part of the October 2022-23 Budget. The program will work towards achieving the Government’s Powering Australia Plan to support the adoption and production of hydrogen to help reduce Australia’s emissions by 43% by 2030.

Hydrogen hubs co-locate producers and users of hydrogen in metropolitan, regional and remote areas. The International Energy Agency and other analysts have identified the development of hydrogen hubs as a cost-effective route to achieving scale for an emerging industry.

The Australian Government has committed grant funding of \$70 million to build a Hydrogen Hub in the Townsville region of northern Queensland, to speed up the development of Australia’s green hydrogen industry. This takes the Australian Government’s planned investment in hydrogen hubs to over \$525 million, supported by investments through the Regional Hydrogen Hubs program in places including Gladstone, the Hunter, Bell Bay, Kwinana, Port Bonython and the Pilbara.

This investment will further support the development of Australia’s green hydrogen industry, assisting Australia to achieve its emission reduction goals while continuing to grow local industries and support the transition to low-cost green energy. The program will build Australia’s potential to supply international trading partners with clean energy. Delivery mechanisms and timeframes for the development of the Townsville Region Hydrogen Hub will be customised as part of a two-stage process. The Townsville Region Hydrogen Hub is likely to have:

- a pre-existing large industrial energy demand
- a skilled workforce, capable of delivering large projects
- existing infrastructure that can be utilised, like port facilities, gas pipelines or high voltage connections to the grid
- existing renewable energy infrastructure and capacity
- proximity to high capacity factor renewable energy resources as well as access to required water resources
- co-located sources of potential demand and hydrogen production.

The objectives of the program are to:

- support the growth and jobs of Australian industry in the production and application of green hydrogen
- reduce emissions
- support the growth and development of a globally competitive clean hydrogen industry
- leverage existing infrastructure, knowledge and workforce for a least cost pathway to a viable green hydrogen industry
- progress the establishment of a hub that stimulates demand and to facilitate the production of green hydrogen for domestic and export markets
- enable economic, environmental and social opportunities in regional communities by locating the hub in regional Queensland
- support innovation in processing, distribution and use of green hydrogen
- support complementary industries establishing and thriving around hydrogen supply chains by encouraging sector coupling
- build and strengthen international partnerships, build export pathways and encourage technological exchange and innovation.

The intended outcomes of the program are to:

- make green hydrogen available for domestic and export use
- establish domestic green hydrogen supply chains
- establish green hydrogen export pathways
- support existing industry to use green hydrogen
- establish a new industry built around the availability of green hydrogen in the Townsville region
- create new regional jobs and increased capability of local workforce
- build social acceptance of green hydrogen
- reduce the cost of green hydrogen production.

The grant opportunity will be assessed through a two-stage competitive selection process to test the business cases of proposals that seek funding under this program. You will first submit an Expressions of Interest (EOI) at Stage 1 and if shortlisted, you will be invited to submit a grant application at Stage 2. For further details see section 6.

This document sets out:

- the eligibility and assessment criteria
- how we consider and assess EOIs at Stage 1 and grant applications at Stage 2
- 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.

The Department of Industry, Science and Resources (the department/DISR) is responsible for administering this grant opportunity on behalf of the Department of Climate Change, Energy, the Environment and Water (DCCEEW).

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

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

You should read this document carefully before applying.

### **3. Grant amount and grant period**

The Australian Government has announced a total of \$70 million in grant funding for the program over four years from 2023-24 to 2026-27.

#### **3.1. Grants available**

The grant amount will be up to 50 per cent of eligible project expenditure (grant percentage).

- The minimum grant amount is \$30 million.
- The maximum grant amount is \$70 million.

You are responsible for the remaining 50 per cent of eligible project expenditure and any ineligible expenditure, which we consider your contribution.

Your contribution must be cash.

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



You may use funding from other Commonwealth, state, territory or local government grants to fund the project expenditure not covered by this program. However, no more than 50 per cent of your total eligible project expenditure can be funded from Commonwealth government grants.

The Minister may approve a reduced grant offer within the parameters above. In this circumstance, you may be required to develop and agree to reduce the project scope.

### 3.2. Project period

The maximum project period is 3.5 years.

You must complete your project by 31 March 2027.

We may extend this period under exceptional circumstances.

## 4. Eligibility criteria

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

### 4.1. Who is eligible?

To be eligible you must:

- have an Australian Business Number (ABN)

and be one of the following entities:

- an entity, incorporated in Australia
- an Australian state/territory government agency or body
- an Australian local government agency or body as defined in the glossary.

### 4.2. Additional eligibility requirements

We can only accept applications where:

- your application is a joint application with at least one and preferably multiple project partners to form a consortium. Joint applications must have a lead organisation who is the main driver of the project and is eligible to apply. If your application is successful, the lead applicant is responsible for managing the project on behalf of the consortium.
- you can provide 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
- you agree to publicly share knowledge and information about and resulting from your project (refer to section 13.2 regarding the management of confidential information)
- you provide all mandatory attachments
- for Stage 2, you are invited to apply.

We cannot waive the eligibility criteria under any circumstances.

For information on joint applications, see section 7.3.

### 4.3. Who is not eligible?

You are not eligible to apply if you are:

- 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)*
- an individual
- partnership
- unincorporated association
- any organisation not included in section 4.1
- a corporate or non-corporate Commonwealth entity.

## 5. What the grant money can be used for

### 5.1. Eligible activities

To be eligible your project must:

- be aimed at establishing a hydrogen hub consisting of co-located sources of hydrogen demand and production
- be aimed at stimulating demand and facilitating the production and use of green hydrogen for domestic and export markets, leveraging the existing industrial and/or energy resources in the region
- have at least \$60 million in eligible expenditure.

Eligible activities may include:

- establishing partnership/joint venture arrangements
- early stage feasibility and FEED (Front End Engineering Design) activities
- activities to firm up export markets, for example negotiating off-take agreements or investment from overseas
- utilising or modifying existing infrastructure to produce, transport, store and handle green hydrogen and associated processes
- utilising or modifying existing industrial processes or assets to integrate green hydrogen and associated processes
- establishing new industrial infrastructure directly related to the production or use of green hydrogen
- purchasing green hydrogen production and/or storage equipment
- developing green hydrogen production technology
- running trials or pilots relating to the objectives of the program
- establishing demonstration sites or projects related to the objectives of the program
- establishing initiatives that promote sector coupling and demand stimulation
- innovative use of technology or services in the commercial delivery of green hydrogen

- developing a workforce strategy (including planning and training)
- local employment and skill development schemes in the Townsville region
- engaging with the community, including on hydrogen safety
- adapting and demonstrating international hydrogen technology in an Australian context
- sharing knowledge that would assist other Australian or international hydrogen projects.

We may also approve other activities.

If you are successful, you must participate in Australian international engagement activities associated with achieving relevant goals included in the National Hydrogen Strategy.

## 5.2. Eligible locations

Your project must be delivered in the Townsville region in northern Queensland.

## 5.3. Eligible expenditure

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

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

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

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

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

To be eligible, expenditure must:

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

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

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

## 5.4. What you cannot use the grant for

Expenditure items that are not eligible are:

- research projects without a clear, short to medium term pathway to establishing a hub for the production and use of green hydrogen for domestic and export markets.

## 6. Grant application process and assessment criteria

The grant opportunity application and assessment processes are competitive and have two stages. We assess eligibility and merit criteria (see sections 4 and 7) at both stages. The amount of detail you provide in both stages should reflect the significant project size and complexity and grant value.

### 6.1. Expression of Interest – Stage 1

Your EOI application must address all the assessment criteria and provide evidence to support your application as set out in section 7.1. The application form displays character limits for each response. Your application will be assessed based on the weighting given to each assessment criterion. Only EOI applications that score at least 50 per cent against all assessment criteria will be considered for progressing to Stage 2.

If your EOI is shortlisted, you will be invited to submit a grant application (Stage 2) and, based on the information you submitted at Stage 1, we will provide feedback on any additional evidence required at Stage 2.

### 6.2. Grant application – Stage 2

If invited to submit a grant application, you must address all the assessment criteria at section 6. The application form displays character limits for each response. Your application will be assessed based on the weighting given to each assessment criterion. We will only consider funding applications that score at least 50 per cent against each assessment criterion, as these represent best value for money.

The evidence required for Stage 2 should be more comprehensive than that provided in your EOI. You should provide the documents, data, models or other resources listed below in section 7.2 as evidence along with any other documentation relevant to your project. More detail on the types of documentation that you may also wish to provide as evidence can be found at Appendix C.

You should also clearly address evidence requirements raised in the feedback provided following your EOI submission. You may also make cross-references to other attachments such as the project plan, budget or risk management plan to strengthen your application.

Stage 2 gives you the opportunity to refine your EOI application and provide stronger detail and evidence.

### 6.3. Assessment criterion 1

**Project alignment with policy intent - The extent that your proposed project will facilitate the development of a regional industrial hub and accelerate the creation of an export and/or domestic green hydrogen industry (25 Points)**

You should demonstrate this by describing:

- a. the commercial potential of your hydrogen hub including the potential volume of domestic and/or international hydrogen it will supply, the sectors impacted and/or demand your project may create
- b. how your project will create, leverage and advance domestic and/or export demand linkages, supply chains and international partnerships and/or offtake arrangements
- c. how well your project connects with and supports existing Australian industry both in the region and more broadly, while providing a clear pathway, in the short and medium term, to:
  - produce green hydrogen

- lower the production costs of hydrogen, and/or
- transform existing industrial processes to use green hydrogen in the Townsville region.

#### 6.4. Assessment criterion 2

##### **The extent that your project will utilise and support existing industrial capacity and infrastructure to build an ongoing Australian green hydrogen capability (25 points)**

You should demonstrate this by describing:

- a. how the consortia will support the development of a hydrogen hub through leveraging existing infrastructure and/or the development of common user infrastructure
- b. how your project will leverage and support co-located Australian industry in the Townsville region
- c. your proposed strategy to source water as an input, including the type of water
- d. your proposed strategy for knowledge sharing with the emerging Australian hydrogen industry including learnings and understanding of future export supply chains
- e. how your proposed project will address workforce capability gaps and contribute to sector-wide workforce development strategies and build on the existing Townsville region's workforce's capability
- f. the green hydrogen production method you will use
- g. how your proposed hub complements and builds on other activity intended to grow the Australian green hydrogen industry
- h. economic impacts of your hub, including the extent that your project will generate jobs and investment in regional Australia.

#### 6.5. Assessment criterion 3

##### **Your capacity, capability and resources to establish a hydrogen hub (25 points)**

You should demonstrate this by describing:

- a. how your consortium is suited to deliver this hub project
- b. the track record of your consortium, or individual organisations within the consortium, in developing major projects and leveraging additional investment (from both within Australia and overseas). Also, your access to personnel with relevant skills and experience, including project management and technical expertise
- c. your access to required finance, infrastructure, capital equipment, technology and intellectual property
- d. your project plan, including your plan to:
  - manage the project including scope, governance, implementation methodology and timeframes
  - mitigate delivery risks (including safety, commercial and environmental risks)
  - secure required regulatory or other approvals.
- e. how you will leverage existing capability, including the strength of your partnerships and engagement within the proposed hub

- f. your existing and proposed linkages with research organisations and other businesses, including current research or pilot activities
- g. the level of support your project has from the relevant state/territory government, and/or local level of government.

## 6.6. Assessment criterion 4

### The impact of grant funding (25 points)

- a. the need for grant funding and why grant funding is required to progress the project including how the funding will enhance the commercial viability of the existing and the future Australian green hydrogen industry and support Australian industry more broadly
- b. additional investment that will be leveraged by your consortium to establish your hub
- c. the broader social and environmental impacts of your hub including your strategy to manage waste by-product and consideration of water sustainability
- d. community support for your hub within local and regional communities, including First Nations communities.

## 6.7. Detailed project plan

Your responses to the assessment criteria for your EOI – Stage 1 and the application - Stage 2 must be supported by a project plan that includes:

- scope definition, governance, implementation methodology
- project governance
- project funding arrangements, including funding from the consortium
- financial model
- proposed locations and land access arrangements
- water access including consumption, quality and any required approvals
- appropriate risk management plan and strategies such as risks to the project's viability, national security risks, safety risks, environmental risks, water access, and your capacity to secure required regulatory or other approvals
- consortium arrangements relevant to the activity, including members of those consortia and their respective roles and contributions to the activity and funding commitment as relevant.
- offtake arrangements
- approach to the management of supply chain constraints and other impediments to project development.

## 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](#).

To apply, you must:

- complete the online EOI – Stage 1 form and if shortlisted the grant application – Stage 2 form on business.gov.au

- provide all the information requested
- address all eligibility and assessment criteria
- include all necessary attachments.

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

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* (Cth). 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.

If you need further guidance around the application process, or if you have any issues with the portal, [contact us](#) at [business.gov.au](http://business.gov.au) or by calling 13 28 46.

### 7.1. Attachments to the EOI – Stage 1

You must provide the following documents with your EOI:

- a letter of support from each project partner
- a detailed project plan
- project budget
- evidence that supports the assessment criteria responses (where applicable)
- evidence of support 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](http://business.gov.au) and [GrantConnect](#)). Where the CEO or equivalent submits the application, we will accept this as evidence of support.

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. The total of all attachments cannot exceed 20MB.

### 7.2. Attachments to the grant application – Stage 2

Provide the following documents with your grant application at Stage 2:

- Information submitted at EOI that has been revised and updated as necessary:
  - a detailed letter of support and commitment from each project partner
  - a detailed project plan
  - project budget
  - financial model
  - attach any further detailed evidence that supports the assessment criteria responses (where applicable)
  - knowledge sharing plan
- evidence of support 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](https://business.gov.au) and [GrantConnect](#)). Where the CEO or equivalent submits the application, we will accept this as evidence of support.

- additional evidence requested in your feedback from the EOI (Stage 1) assessment
- evidence of funding strategy to meet co-funding requirements and funding of non-eligible expenditure necessary for the whole project, e.g. financial statements, loan agreements, cash flow documents, letter from contributor/s or investor/s confirming funding amount
- trust deed (where applicable).
- any pre-feasibility or feasibility studies undertaken
- any additional information as suggested by the assessment committee following your EOI submission.

### 7.3. Joint applications

Your application must be a joint application with at least one, and preferably multiple project partners (a consortium). You must appoint a lead organisation who will be the main driver of the project. Only an eligible lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application should identify all 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
- 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.

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

### 7.4. Timing of grant opportunity

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 October 2023.



Table 1: EOI – Stage 1 expected timing

Activity	Timeframe
Assessment of EOIs	4 weeks
Committee	2 Weeks
Approval and announcement of applicants invited to commence to grant applications – Stage 2	3 weeks

Table 2: Grant application – Stage 2 Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	5 weeks
Approval and announcement of successful applicants	4 weeks
Negotiations of grant agreements	1-6 months
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	October 2023
Project completion date	30 March 2027
End date of grant commitment	30 June 2027

## 8. The grant selection process

### 8.1. Expressions of Interest - Stage 1

We will review your EOI against eligibility criteria. Only eligible EOIs will proceed to the assessment stage. If eligible, an assessment committee (the committee) will assess your EOI against the EOI assessment criteria outlined at section 6. The committee may also seek additional advice from independent technical or commercial experts. The committee will be required to perform their duties in accordance with the CGRGs.

We may seek additional information about you or your application. We may do this from within the Commonwealth (including the Clean Energy Finance Corporation and the Australian Renewable Energy Agency) and the relevant state government even if you do not nominate the sources as referees. We 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.

The committee reviews your application against the assessment criteria and compares it to other eligible EOIs before recommending which EOIs should be shortlisted and invited to submit a grant application (Stage 2). The Stage 1 decision maker (who is a delegate in DCCEEW with policy responsibility for the program) then makes decisions on which EOIs will be invited to submit a grant application (Stage 2). The decision maker's decision is final.

If your EOI is shortlisted, you will be invited to submit a grant application (Stage 2). We provide feedback on any additional evidence required for your Stage 2 application. The evidence required at Stage 2 should be more robust than what you provided in your EOI. You may wish to refine your project information following the feedback provided to strengthen your application.

## 8.2. Grant application – Stage 2

We will review your grant application at Stage 2 against eligibility criteria, if eligible the committee will assess your application against the grant application (Stage 2) assessment criteria outlined at section 6. The committee may also seek additional advice from technical or commercial experts. Only eligible applications will proceed to the assessment stage. The committee may ask you to present your application as part of the assessment process. The committee will be required to perform their duties in accordance with the CGRGs.

The Committee will consider your application on its merits, based on:

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

When assessing whether the application represents value with relevant money, the Committee will have regard to:

- the overall objectives of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the strength of your application against the relative value of the grant sought.

The committee will make recommendations to the Minister for Climate Change and Energy on which projects to fund and on how recommended applications address the objectives of the grant opportunity.

## 8.3. Who will approve grants?

The Minister for Climate Change and Energy decides which grants to approve taking into account the application assessment, the recommendations of the committee 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 is 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, we will give you an opportunity to discuss the outcome with us.

# 10. Successful grant applications – Stage 2

## 10.1. Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. We will base your grant agreement on a commonwealth standard grant agreement. A sample [grant agreement](#) is available on [business.gov.au](http://business.gov.au) and GrantConnect.

We must execute a grant agreement with you before we can make any payments. Execute means both you and the Commonwealth have signed the agreement. We are not responsible for any expenditure you incur 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 decision maker. We will identify these in the offer of grant funding.

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

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.

## 10.2. Australian Industry Participation (AIP) plan

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. We 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 we determine 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](http://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](http://www.industry.gov.au/aip).

## 10.3. Project/Activity 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.
- any relevant export control requirements
- Australian Industry Participation requirements in accordance with the AIP Plan User Guide, refer [www.industry.gov.au/aip](http://www.industry.gov.au/aip).

## 10.4. 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](http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme))<sup>2</sup>

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<sup>2</sup> <http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme>

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

#### 10.4.2. WHS Scheme

The WHS Scheme is administered by the [Office of the Federal Safety Commissioner](#)<sup>3</sup>.

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

#### 10.5. How we pay the grant

The grant agreement will state the:

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

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

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

#### 10.6. Tax obligations

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period. GST does not apply to grant payments to government related entities<sup>4</sup>.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office](#). We do not provide advice on tax.

## 11. Announcement of grants

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Guidelines](#) unless otherwise prohibited by law. 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

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<sup>3</sup> <http://www.fsc.gov.au>

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

- 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
- 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.

### 12.3. 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.

## 12.4. 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.

## 12.5. 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.

## 12.6. Independent audits

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](http://business.gov.au) and GrantConnect.

## 12.7. 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 may also inspect the records you are required to keep under 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.

## 12.8. 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
- 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.

## 12.9. Evaluation

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

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

## 12.10. Grant acknowledgement

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

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

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

## 13. Probity

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

### 13.1. Conflicts of interest

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

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

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

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

Conflicts of interest for Australian Government staff are handled as set out in the Australian [Public Service Code of Conduct \(Section 13\(7\)\)<sup>5</sup>](#) of the *Public Service Act 1999* (Cth). Committee members and other officials including the decision maker must also declare any conflicts of interest.

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<sup>5</sup> <https://www.legislation.gov.au/Details/C2019C00057>

We publish our [conflict of interest policy](#)<sup>6</sup> on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

### 13.2. How we use your information

Unless the information you provide to us is:

- confidential information as per 13.3, or
- personal information as per 13.5,

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.

### 13.3. How we handle your confidential information

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.

### 13.4. When we may disclose confidential information

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. How we use your personal information

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

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<sup>6</sup> [https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf\\_files\\_redirect](https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect)



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

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

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

We, or the Minister, may:

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

You may read our [Privacy Policy](#)<sup>7</sup> on the department's website for more information on:

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

### 13.6. 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.

### 13.7. National security

Collaboration with foreign entities must be transparent, undertaken with full knowledge and consent, and in a manner, that avoids harm to Australia's national interests. It is your responsibility to consider the national security implications of the proposed project and identify and manage any risks, including risks relating to the unwanted transfer of sensitive knowledge technology.

You should ensure that you are informed about who you are collaborating with by undertaking appropriate due diligence, proportionate to the risk and subject to available information, of your global partners and their 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 and any entities participating in the project must disclose all foreign ownership (including foreign government ownership), affiliations with foreign governments, organisations, institutions or companies, or membership of foreign government talent programs. You must report any material changes in the nature of the activity or key personnel involved, including affiliations/links with foreign governments or companies.

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<sup>7</sup> <https://www.industry.gov.au/data-and-publications/privacy-policy>

## 13.8. Enquiries and feedback

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

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

Our [Customer Service Charter](#) is available at business.gov.au. We use customer satisfaction surveys to improve our business operations and service.

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

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

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

You can also contact the [Commonwealth Ombudsman](#)<sup>8</sup> with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

## 14. Glossary

Term	Definition
Administering entity	The entity that is not responsible for the policy however 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.
Australian local government body or agency	A local governing body as defined under the Local Government (Financial Assistance) Act 1995 (Cth) as a local governing body established by or under a law of a State.
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.
Department	The Department of Industry, Science and Resources.

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<sup>8</sup> <http://www.ombudsman.gov.au/>

Term	Definition
Decision maker Stage 1 EOI	A delegate in DCCEEW with policy responsibility for the program.
Decision maker Stage 2 Application	Minister for Climate Change and Energy.
Assessment Committee	The Assessment Committee established by the Program Delegate to consider and assess eligible applications and make recommendations 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	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 0.
Eligible expenditure guidance	The guidance that is provided at Appendix A.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding.
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
<a href="#">GrantConnect</a>	The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs.
Grantee	The recipient of grant funding under a grant agreement.
Green hydrogen	Green hydrogen is produced using renewable energy such as wind and solar.

Term	Definition
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.
Minister	The Minister for Climate Change and Energy.
Personal information	<p>Has the same meaning as in the <a href="#">Privacy Act 1988</a> (Cth) <sup>9</sup> which is:</p> <p>Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ol style="list-style-type: none"> <li>a. whether the information or opinion is true or not; and</li> <li>b. whether the information or opinion is recorded in a material form or not.</li> </ol>
Program Delegate	A senior responsible officer or equivalent 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.

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<sup>9</sup> <https://www.legislation.gov.au/Details/C2020C00237>

## Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure.

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

To be eligible, expenditure must:

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

### A.1 How we verify eligible expenditure

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

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

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

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

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

### A.2 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
- you 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
- you have entered into a formal lease agreement, and
- you 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 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.4 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 provision of computers.

You should calculate eligible salary costs using the formula below:

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

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.5 Contract expenditure

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

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

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

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

Invoices from contractors must contain:

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

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

We will require evidence of contractor expenditure that may include:

- an exchange of letters (including email) setting out the terms and conditions of the proposed contract work
- purchase orders

- supply agreements
- invoices and payment documents.

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

## A.6 Travel and overseas expenditure

Eligible travel and overseas expenditure may include

- domestic travel limited to the reasonable cost of accommodation and transportation required to conduct agreed project and collaboration activities in Australia
- overseas travel limited to the reasonable cost of accommodation and transportation required in cases where the overseas travel is material to the conduct of the project in Australia.

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

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

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

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

Eligible overseas activities expenditure is generally limited to 10 per cent of total eligible expenditure.

## A.7 Other eligible expenditure

Other eligible expenditures for the project may include:

- building modifications where you own the modified asset and the modification is required to undertake the project, for example installing a clean room. Modifications to leased buildings may be eligible. You must use the leased building for activities directly related to your hydrogen hub.
- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure, the cost of an independent audit of project expenditure (where we request one) up to a maximum of 1 per cent of total eligible project expenditure
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
- contingency costs up to a maximum of 10 per cent of the eligible project costs. Note that we make payments based on actual costs incurred.

Other specific expenditures may be eligible as determined by the Program Delegate.

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



## Appendix B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure.

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

Examples of ineligible expenditure include:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources or as business as usual
- costs incurred prior to the date we notify you that your grant application is successful
- financing costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, office computers, printers or photocopiers
- capital expenditure for the purchase of assets such as motor vehicles unless they are hydrogen vehicles for proofing purposes directly related to the project
- 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 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
- demand side support, such as a contract for difference
- 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 land
- site preparation activities which are not directly related to, or for, the main purpose of transitioning to hydrogen production or use, or establishing a hydrogen hub
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of hydrogen or manufacturing production inputs, not directly related to your projects.
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, 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 or overseas costs that exceed 10 per cent of total project costs except where otherwise approved by the Program Delegate.

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

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

## Appendix C. Supporting Evidence for Grant Applications – Stage 2

The documents, data, models or other resources listed below could be provided as evidence along with any other documentation relevant to your project.

In particular, you will likely have your own (or in tandem with joint proponent) detailed project governance arrangements in place and the additional detail on the project execution is likely to be available in such supporting project documentation. The Department is aware of avoiding duplication and/or amendment of documentation for reporting purposes.

### Description of expected level of detail

These examples are provided as an indication of areas of information that the Assessment Committee may expect to see in support of your application, where applicable and appropriate to your project. This information is also likely to be required over the course of your project. Include additional information where relevant.

#### C.1 Project narrative (including scope definition)

- project introduction
- project technical description and detailed overview of activities for which grant funding is sought
- project proponents, sponsors, stakeholders and project participants
- location map showing the site parameters and concept layout of the facility.

#### C.2 Project governance

- consortium arrangements and appointments (ultimate decision makers and/or sponsors in primary and secondary consortium partners)
- consortium commercial arrangements
- project management roles and responsibilities (design and construction phases to be covered)
- organisation chart
- description of key roles (including CVs of key personnel where available, substitute and delegation personnel)
- communication structure (focus on grant activities)
- decision & budget delegation policies
- Quality Assurance / Quality Control (QA/QC) Plan
- Environmental Management Plan (if available).
- process & timelines to finalise the project
- progress reporting plan
- project management committee schedule and responsibilities.

#### C.3 Project schedule- work breakdown structure (WBS)

- The project development and decision gateways approach
- Pre-Feasibility or Feasibility Studies.

## C.4 Schedule

Schedule covering all major phases including:

- detailed design
- procurement
- construction
- commissioning and
- the initial operating period, on a monthly basis.

Additionally:

- level 3 Work Breakdown Structure (WBS) schedule for all activities with interdependencies to other non-grant funded activities for the duration of the grant funding agreement
- critical path items and major project and grant funding milestones to be provided.

## C.5 Project funding arrangements including detailed financial modelling

- project financial model
- funding plan and capital structure
- proposed high-level term sheet
- project finance risk analysis.

## C.6 Consortium arrangements

- agreements within the consortia members
- agreements with project or offtake partners
- any mitigation measures that a project may also need to be ring-fenced from the operations of the project participants in the consortium, particularly where international companies or regulated utilities are core project partners.

## C.7 Project economic and financial models

- estimated capital costs and operating costs, and key variables
- any financial modelling that has been developed
- procurement plan
- overview of procurement process and management approach including the following, if available:
  - First Nations Procurement Policy and
  - SME Procurement Plan.

## C.8 Project engineering requirements

- key aspects of the project Technical Specification (with a focus on the grant funded scope of work)
- details of engineering documentation to be develop for all applicable engineering disciplines (i.e. design criteria, design basis, specifications, diagrams, drawings, etc.)

## C.9 Environmental

- full scope for a detailed project Environmental Impact Assessment

- detail of all regulatory and environmental management documentation required by the Great Barrier Reef Marine Park Authority (GBRMPA)
- detail of water consumption, treatment and waste management regime
- detailed description of water category and grade for use in the project
- documented water access rights
- description of any desalination proposed as part of the project including details of waste (specifically to include brine) treatment.

#### C.10 Risk assessment and risk mitigation plan

- project risk assessment (total project focus)
- project technical risk assessment (design and construction focus)
- risk assessment to preferably include responsibilities, mitigation measures and post mitigation risk ratings.

#### C.11 Commercialisation and scale up pathway

- business case inputs including phasing, ramp up assumptions and sensitivity analysis
- marketing activities planned to develop the local and export partnerships which will form target clients for off-take agreements
- off-take agreements for future output from the project.

#### C.12 Permitting and approvals planning

- cultural heritage assessment and management approach and schedule of consultative activities
- development and construction approvals.

#### C.13 Workforce plan

- full time employee loading and insource / outsource arrangements
- approach to local contracting, business support and resource access
- labour sourcing plan
- approach to local skills upgrading and training.

#### C.14 Knowledge sharing plan

- definition of objectives, stakeholders and audience
- definition of deliverables.

#### C.15 Engagement plan

- community engagement plan
- stakeholder management plan (including state and local government)
- First Nations engagement strategy.

#### C.16 Safety management strategy

- overview and applicable standards / accreditations and committee structure.
- overview of training and required induction activities envisaged for construction and operational phases.

- inspection, reporting and auditing overview (including accident reporting approach).

#### C.17 Infrastructure access pricing plan

- identified infrastructure need
- industry assessment
- approach to standard access pricing to 'common carrier' infrastructure. As a minimum pricing principal guidelines should be described so that fair and reasonable access is available to the benefit of Australian businesses seeking to develop our local hydrogen competitive advantage.