

Department of Climate Change,
Energy, the Environment and Water

Low Carbon Product Manufacturing



Construction ready stream
supplementary guidance

February 2024





Acknowledgement of Country

The Department of Climate Change, Energy, the Environment and Water acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

Published by NSW Department of Climate Change, Energy, the Environment and Water
dceew.nsw.gov.au

Low Carbon Product Manufacturing, construction ready stream supplementary guidance

First published: February 2024

ISBN: 978-1-923132-53-5

Copyright and disclaimer

© State of New South Wales through the Department of Climate Change, Energy, the Environment and Water 2024. Information contained in this publication is based on knowledge and understanding at the time of writing, February 2024, and is subject to change. For more information, please visit energy.nsw.gov.au/copyright

Contents

1.	<u>Introduction</u>	4
1.1	Purpose of this guidance	4
1.2	Further guidance	4
2.	<u>Commercial readiness index guidance</u>	5
3.	<u>Eligibility and merit criteria guidance</u>	9
4.	<u>Assessment process</u>	24
4.1	Stage 1 – Expression of interest	24
4.2	Stage 2 – Detailed application	24
5.	<u>Funding agreement</u>	25
5.1	Overview	25
5.2	Funding offer	25
5.3	Monitoring project progress	25
5.4	Publishing and sharing project information	26
6.	<u>Terms and conditions</u>	27
6.1	Commencement and authority for the guidelines and supplementary guidance	27
6.2	Limitations	27
6.3	Confidentiality and disclosure of information	28
6.4	Complaints	29
6.5	Conflicts of interest	29
6.6	Evaluation	30
6.7	Grant acknowledgement	30
6.8	Discretion of the Department	30
6.9	Privacy	31

1. Introduction

1.1 Purpose of this guidance

This guidance document is supplementary to the [Low Carbon Product Manufacturing \(LCPM\) construction ready stream funding guidelines](#).

Information provided in this document will help applicants respond to the expression of interest (EOI) and detailed application for the construction ready stream. The supplementary guidance supports applicants to:

- determine the commercial readiness of the low carbon product they want to manufacture
- understand what information they are required to provide in their application to meet the eligibility and merit criteria outlined in the [LCPM construction ready stream funding guidelines](#)
- understand the assessment process
- understand the general terms and conditions.

This guidance must be read in conjunction with the [LCPM project development stream funding guidelines](#) and information published on our [website](#).

1.2 Further guidance

Frequently asked questions (FAQs) will be published on our [website](#) for all applicants to view. Specific questions related to an individual applicant's proposal will not be published.

A question and answer (Q&A) session will be held to provide an overview of each grant. A recording of the session, questions and answers will be published on our website.



2. Commercial readiness index guidance

The commercial readiness index (CRI) is a tool to assess the commercial readiness of a technology project. The construction ready stream requires projects to have a commercial readiness index (CRI) of 3 to 6.

Figure 1 identifies the required CRI range for the low carbon product technologies that will be funded by the construction ready stream.

Figure 1 CRI requirements for the construction ready stream

CRI	
6	Bankable Asset Class
5	Market competition Driving widespread development
4	Multiple Commercial Applications
3	Commercial Scale Up
2	Commercial Trial, small scale
1	Hypothetical Commercial Proposition

Scope of Low Carbon Product Manufacturing construction ready stream technologies is CRI 3-6

© Commonwealth of Australia (Australian Renewable Energy Agency) 2014

The CRI measures the commercial readiness of projects. It extends from the stage where there is research to prove that the technology is feasible (CRI 1) in the field to when the technology or application is being commercially deployed and has become a bankable asset class (CRI 6).

There are 2 components to the CRI: the status summary and the detailed indicators. The status summary correlates to the current status in the market and does not require each of the individual indicators to be at the same level as the status summary. The indicators are used to reflect the commercialisation process along key dimensions.

Table 1 identifies the status summary (blue component of the CRI) and detailed indicators (purple component of the CRI). See [ARENA's Commercial Readiness Index](#) for further information.

Table 1 CRI – status summary and indicators

		Status summary level				
Indicators	Bankable Asset Class	Market competition Driving widespread development	Multiple Commercial Applications	Commercial Scale Up	Commercial Trial, small scale	Hypothetical Commercial Proposition
Regulatory environment						
Stakeholder acceptance						
Technical performance						
Financial performance – costs						
Financial proposition – revenue						
Industry supply chain & skills						
Market opportunities						
Company maturity						
	6	5	4	3	2	1

© Commonwealth of Australia (Australian Renewable Energy Agency) 2014

Table 2 describes the status summary at each level.

Table 2 CRI descriptions

Level	Summary
1	Hypothetical commercial proposition: technically ready – commercially untested and unproven. Commercial proposition driven by technology advocates with little or no evidence of verifiable technical or financial data to substantiate claims.
2	Commercial Trial, small scale: small-scale, first-of-a-kind project funded by equity and government support. Commercial proposition backed by evidence of verifiable data typically not in the public domain.
3	Commercial scale up occurring driven by specific policy and emerging debt finance. Commercial proposition driven by technology proponents and market segment participants. Publicly discoverable data driving emerging interest from finance and regulatory sectors.
4	Multiple commercial applications are becoming evident locally, although still subsidised. Verifiable data on technical and financial performance in the public domain driving interest from a variety of debt and equity sources, however still requiring government support. Regulatory challenges are being addressed in multiple jurisdictions.
5	Market competition driving widespread deployment in the context of long-term policy settings. Competition emerging across all areas of the supply chain with commoditisation of key components and financial products occurring.
6	‘Bankable’ grade asset class driven by same criteria as other mature energy technologies. Considered as a ‘Bankable’ grade asset class with known standards and performance expectations. Market and technology risks not driving investment decisions. Proponent capability, pricing and other typical market forces driving uptake.

© Commonwealth of Australia (Australian Renewable Energy Agency) 2014

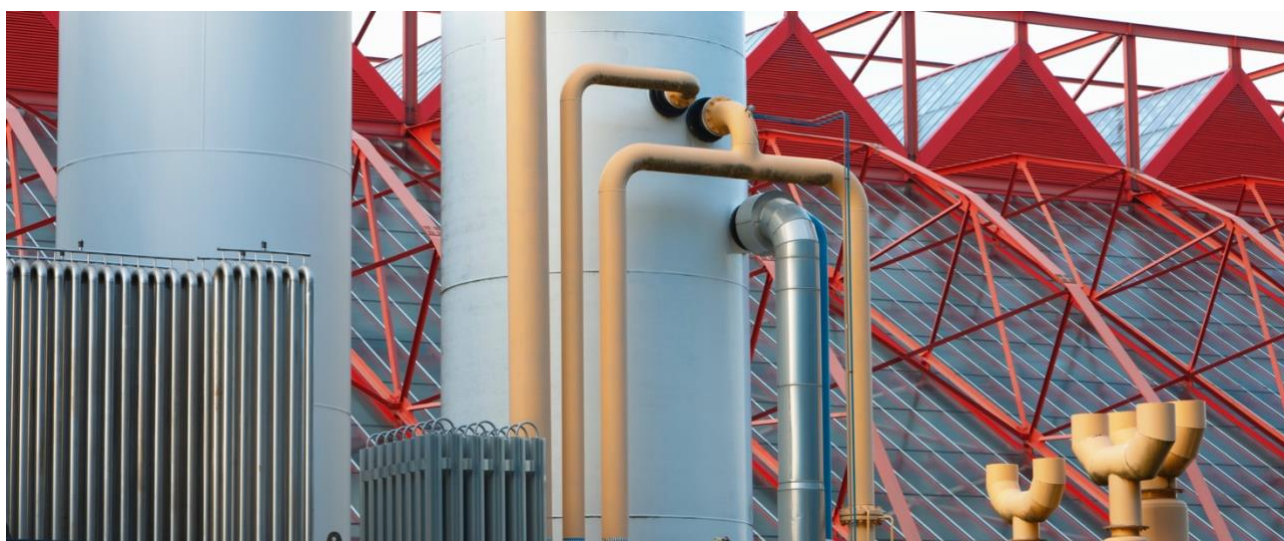


Table 3 provides a description for each indicator.

Table 3 Indicator descriptions

Indicators	Summary of indicators
Regulatory environment	The maturity of the planning, permitting and standards relating to the technology.
Stakeholder acceptance	The maturity of the process for evidence-based stakeholder consultation linked to renewable energy integration into the energy markets.
Technical performance	The availability of discoverable technical performance information.
Financial proposition – costs Financial proposition – revenue	The availability of robust, competitive financial information linked to capital and operating costs and forecast revenues allowing investors to take increasing levels of future market and project risk.
Industry supply chain and skills	The development of a competitive and efficient industry product and skills supply chain required to support a commercially viable sector.
Market opportunities	The development from a hypothetical commercial plan to the demonstration of a viable market (local and/or overseas) via competitive channels to market and sustainable business models.
Company maturity	The development of the sector to include established companies with strong credit ratings and established performance records.

© Commonwealth of Australia (Australian Renewable Energy Agency) 2014



3. Eligibility and merit criteria guidance

Applicants will be required to provide information to demonstrate how they meet eligibility and merit criteria for the fund. Table 4 provides guidance to assist applicants respond to the eligibility and merit criteria. Generally, the EOI will require less evidence with the understanding that all evidence requirements are to be met if the project progresses to the detailed application stage.

Table 4 Eligibility and merit criteria guidance

Eligibility criteria 1: Applicant			
	Descriptions	EOI	Full application
1.1	The lead applicant must hold or be willing to obtain an Australian Business Number (ABN) prior to entering into a funding agreement.	<ul style="list-style-type: none"> • ABN, or • indication of willingness to obtain an ABN. 	<ul style="list-style-type: none"> • ABN, or • indication of willingness to obtain an ABN prior to entering into a funding agreement.
1.2	The lead applicant must be or will become an entity prior to entering into a funding agreement as below: <ul style="list-style-type: none"> • a company incorporated in Australia • a company limited by guarantee • an incorporated trustee on behalf of a trust • an incorporated association or a co-operative. 	N/A	<ul style="list-style-type: none"> • Entity type of your organisation, or • willingness to become one of the listed entity types prior to entering into a funding agreement.
1.3	The lead applicant must hold or will attain all insurances required by law including \$20 million public liability insurance and workers compensation prior to entering into a funding agreement.	N/A	<ul style="list-style-type: none"> • Certificates of currency for each insurance policy, or • commitment to obtain prior to entering into a funding agreement.

Eligibility criteria 1: Applicant			
	Descriptions	EOI	Full application
1.4	The lead applicant must not be subject to any insolvency event including the subject of an order or resolution for winding up or dissolution (other than for the purposes of reconstruction or amalgamation) or the appointment of a receiver, liquidator, administrator or similar.	Self-declaration by the lead applicant confirming solvency.	Unqualified audit report for company's financial statements (trading, profit & loss statements, and balance sheets) for 2 continuous years.
1.5	The lead applicant must not be listed on the Australian Department of Foreign Affairs and Trade (DFAT) sanctions list.	Check carried out by the department.	Check carried out by the department.
1.6	The lead applicant must disclose any legal proceedings or investigations including litigation, arbitration, mediation or conciliation that are taking place, pending or (to the best of the applicant's knowledge, after having made proper enquiry) threatened against the applicant or a related body corporate (as defined in the <i>Corporations Act</i>).	N/A	Declaration of any proceedings that could affect the project or the reputation of the NSW Government.
1.7	The lead applicant must disclose all Australian Government and/or Australian state, territory grants applied for in relation to the project including history of grant funding over the last 5 years (including both successful and unsuccessful applications).	N/A	Details of grant funding the applicant has received over the last 5 years.

Eligibility criteria 1: Applicant			
	Descriptions	EOI	Full application
1.8	The lead applicant must identify joint applicants if it applies.	Joint applicant details and role in the project.	<ul style="list-style-type: none"> • Joint applicant details and role in the project. • A letter signed by each organisation involved in the grant to show their support. Each letter of support should include: <ul style="list-style-type: none"> — details of the joint applicant — an overview of how the joint applicant will work with the lead applicant and any other joint applicants (if applicable) to successfully complete the project — an outline of the relevant experience and/or expertise the partner organisation will bring to the project — the roles and responsibilities of the joint applicant and the resources they will contribute (if applicable) — the amount and source of any financial contribution to the project (if applicable) — endorsement by an executive of each joint applicant committing to participation in the proposed project — details of a nominated contact (management level).

Eligibility criteria 1: Applicant			
	Descriptions	EOI	Full application
1.9	<p>The lead applicant materially complies with all:</p> <ul style="list-style-type: none"> • obligations under employment contracts, industrial agreements and awards • codes of conduct and practice relevant to conditions of service and to the relations between the applicants and the employees employed by the applicant • applicable Workplace Health and Safety legislation. 	Declaration of compliance.	Declaration of compliance.
1.10	The lead applicant must achieve Foreign Investment Review Board (FIRB) approval before commencement of the project should it be required.	N/A	When applicable, obtaining FIRB approval will be a requirement of the funding agreement.

Eligibility criteria 2: Project			
	Descriptions	EOI	Full application
2.1	<p>The project will deliver new or expanded industrial facilities in NSW that will manufacture low carbon products and materials at commercial scale. This includes:</p> <ul style="list-style-type: none"> • low emissions building materials produced with low embodied carbon including cement, steel, aluminium, and cross laminated timber (structural) • green chemicals ammonia and methanol • biofuels derived from biomass (plant or algae material or animal waste) including sustainable aviation fuel • power fuels produced with renewable energy including hydrogen and hydrogen derivatives • agricultural products and feed including fertilisers. 	<ul style="list-style-type: none"> • Brief project description. • Product to be manufactured. • Project deliverables. • Technological and commercial readiness of your project. 	<ul style="list-style-type: none"> • Brief project description. • Product to be manufactured. • Project deliverables. • Technological and commercial readiness of your project.
2.2	<p>The lead applicant is able to demonstrate the lifetime emissions (CO₂-e) of their product versus equivalent conventional incumbent products. The applicant is able to demonstrate the emissions reduction potential of their product in a thorough manner consistent with established emissions assessment methodologies.</p>	Declaration.	Required to provide and upload the necessary evidence in the designated section (merit criteria 3.1) of the detailed application form.
2.3	The project is located in NSW.	Project site address.	Project site address.

Eligibility criteria 2: Project			
	Descriptions	EOI	Full application
2.4	The project is expected to be fully delivered within 4 years of execution of the funding agreement no later than 30 June 2032.	Project start and end date.	Project start and end date.
2.5	The project is sustainable without continued government investment.	Declaration.	Declaration.
2.6	The project would not occur in NSW at all, or in the same timeframe without government support.	Declaration.	Letter from CEO/project sponsor confirming government support is required to proceed.
2.7	The project has a viable commercial strategy.	Declaration.	<ul style="list-style-type: none"> Upload the commercial strategy for the project.
2.8	The project has a minimum cash contribution of at least 50% of the total project cost from non-NSW Government sources.	<ul style="list-style-type: none"> Declaration of cash contribution. Total project costs. Grant funding amount sought. Basic budget breakdown (merit criterion 1.2). 	<ul style="list-style-type: none"> Declaration of cash contribution. Total project costs. Grant funding amount sought. Costs which will be funded by the Office (merit criterion 2.1). Evidence for cash contributions (merit criterion 4.2).
2.9	The lead applicant has not received NSW Government or other funding for the same project (outputs and outcomes).	Declaration.	<ul style="list-style-type: none"> Declaration. Details of any grants received in the last 5 years (eligibility criterion 1.7).

Merit criteria

1. Deliverability and technical feasibility

	Descriptions	EOI	Full application
1.1	<p>Technical capability, capacity and resources to deliver and operate the manufacturing facility.</p>	<ul style="list-style-type: none"> • Details demonstrating organisation's experience in delivering projects similar in scope and scale to the proposed project. • Experience, expertise, and proposed role of key members as well as any joint applicants that will be collaborating on the project for both delivery and/or operations (if applicable). 	<ul style="list-style-type: none"> • Relevant experience delivering and operating manufacturing facilities of similar scope, outcomes, and similarities to the proposed project. • Organisational structure identifying key project team members and key external consultants, contractors and supply chain partners, and their role in project delivery and operations. • CVs for key project team members outlining their relevant experience, expertise and proposed role for both delivery and/or operations. • Capability statements for key external consultants, contractors and supply chain partners relevant to delivering the project. • Experience, expertise and proposed role of any joint applicants that will be collaborating on the project for both delivery and/or operations (if applicable). • Independent cost estimates and/or quotes from suppliers and contractors (dated in the previous 6 months) to support cost estimates. • Contingency allowances supported by a register of assumptions for project contingencies and assumptions and their impact on delivery cost and time.

Merit criteria

1. Deliverability and technical feasibility

	Descriptions	EOI	Full application
1.2	<p>Readiness to commence delivery of the low carbon product manufacturing facility to begin commercial-scale production within 4 years of execution of the funding agreement and no later than 30 June 2032.</p>	<ul style="list-style-type: none"> • Overview of key project activities and timeframes. • Organisational chart visualising project governance and resourcing. • Risk table with all identified risks and proposed mitigation measures for the delivery of the proposed project. • Status of required development applications and approvals from relevant government bodies. • Overview and status report of project requirements such as infrastructure, equipment, technology, commercial agreements, IP, specialised skills, expertise, and approvals. • Budget breakdown for the project. 	<ul style="list-style-type: none"> • Project plan with objectives, tasks, timelines, Gantt charts, organisational structure, procurement plan and supplier dependencies. • Key management and technical resources for the project including key consultants, contractors and suppliers. • Stakeholder engagement plan for managing the project's internal and external stakeholders. • Register of significant risks and a plan to mitigate and manage risks. • Overview of planning and preparation for relevant development planning approvals and other permits. • Supporting documentation such as supplier quotes, proposals and plans.

Merit criteria

1. Deliverability and technical feasibility

	Descriptions	EOI	Full application
1.3	<p>The technology proposed to manufacture the low carbon product or material is proven through successful operations.</p>	<ul style="list-style-type: none"> • Overview of any prototype testing, pilots and demonstrations undertaken. • Examples of where the product has been successfully deployed in the Australian and/or international markets. • Overview of relevant approvals and compliance with relevant local, state and federal regulatory requirements. • Indication of being able to provide documents such as: <ul style="list-style-type: none"> — technical feasibility studies — engineering design, drawings, and schematics • technical due diligence and third-party reviews (requirement of detailed application). 	<ul style="list-style-type: none"> • Detailed outcome reports for any prototype testing, pilots and demonstrations. • Contingency allowances supported by a register of assumptions for project contingencies assumptions and their impact on delivery cost and time. • Evidence of where the solution has been successfully deployed locally or internationally at commercial scale. • Evidence of where the solution has been shown to be feasible locally or internationally. • Relevant approvals and compliance documentation with relevant local, state and federal regulatory requirements including relevant environmental regulations. • Detailed technical feasibility studies; engineering design, drawings and schematics; technical due diligence and third-party reviews. • Documentation to demonstrate the technology/product has a Commercial readiness Index (CRI) minimum of 3.

Merit criteria

2. Financial and commercial feasibility

	Descriptions	EOI	Full application
2.1	Financially viable and profitability of the proposed manufacturing of the product/material.	N/A	<p>Completed financial and economic data template (provided) that includes:</p> <ul style="list-style-type: none"> • total capital and operating costs for the project's lifespan, broken down by plant and equipment, labour, materials and contractors/subcontractors • operational costs for input goods, materials and utilities • depreciation and amortization costs • forecasted sales revenues for the low carbon product • finance costs and interest charges • eligible costs funded by the NSW Government • taxes • projections for gross profit, EBIT, EBITDA and net profit • contributions from various parties/financiers • drawdown schedule for all project funds • repayment schedule for any project debt financing • key commercial and financial risk management assumptions, along with sensitivity and scenario testing for revenue, demand, and cost assumptions • timing and cash flow details for costs and revenues.

Merit criteria

2. Financial and commercial feasibility

	Descriptions	EOI	Full application
2.2	Financial viability of existing business entity, a parent company or participant in a joint venture.	N/A	<ul style="list-style-type: none"> • Audited financial statements including profit and loss statements and balance sheets for the previous 3 years. • Information on any director infringements or insolvency proceedings. • Evidence from investors and joint applicants including term sheets for debt and equity as well as letters of support for the proposed project.
2.3	Market viability for the low carbon product or material.	<ul style="list-style-type: none"> • Provision of a weighted sales pipeline table (WSPT) that should include the following information (wherever available): <ul style="list-style-type: none"> — name of the prospective purchaser entity — destination country — description of the product — volume — amount (\$) — probability of successful sale — probability weighted volume — probability weighted amount (\$) — probability weighted volume as a % of proposed manufacturing capacity — anticipated sale close date. 	<ul style="list-style-type: none"> • Provision of a commercial strategy and business plan which includes: <ul style="list-style-type: none"> — commercial strategy detailing market demand (local and/or overseas) — target market segments and locations — initial market entry approach — type, numbers, and buying patterns of potential customers — letters of support or off-take commitments from potential customers, specifying pricing and volume — scaling and expansion strategy based on target markets — evaluation of domestic versus export sales including risks associated with international expansion — comprehensive organisational SWOT analysis — marketing plan for product launch and promotion.

Merit criteria

2. Financial and commercial feasibility

Descriptions	EOI	Full application
	<ul style="list-style-type: none"> • Explanation of basis for each sales volume and probability figure listed in the WSPT. Provision of supporting evidence such as offtake agreements and letters of support, is optional at the EOI stage. Note that the provision of supporting evidence will be required at the detailed application stage. • Specification of the total addressable market (TAM) for the low carbon product including customer types, numbers and buying habits. • Summary of the market entry strategy and sales channels for both domestic and international sales. • Product margin analysis for the low carbon product versus competitors. • Overview of market entry barriers and how these will be overcome (regulatory, stakeholder, technical, financial, supply chain, labour/skills, environmental, etc.). • Analysis of competitors' products, noting strengths and weaknesses compared to the applicant's proposed low carbon product. 	<ul style="list-style-type: none"> • Total addressable market (TAM) analysis backed by credible data sources, a revenue model identifying specific customers or customer types, and a market share analysis combining TAM and revenue model data • IP strategy and protection mechanisms (e.g. patents, trademarks) • Evidence of commitment from lead applicant's board and executive management • Where multiple entities or organisations are collaborating to own and deliver the project, evidence of this collaboration such as heads of agreement, consortium agreements, joint venture agreements, letters of intent etc. • When applicable, letters of support or intent from other parties such as government entities and customers.

Merit Criteria		
3. Strategic significance		
Descriptions	EOI	Full application
<p>3.1 Potential of the low carbon product to reduce greenhouse gas emissions compared to a reference product/material of similar function</p>	<p>Outline of how the proposed low carbon product will reduce greenhouse gas emission.</p>	<ul style="list-style-type: none"> • Evidence that the proposed low carbon product reduces carbon emissions using accepted standards, like Greenhouse Gas Protocol or PAS 2050:2008. • Estimate emissions intensity of the proposed low carbon product/material (CO₂e). • Credible, publicly verifiable reference data to demonstrate the emission intensity of products/materials that the low-carbon product will replace or substitute. • Production forecast, each year, for the next 10 years, for proposed low carbon product based on the business plan. • Annual estimated CO₂e reduction potential compared to the current reference product/material for the next 10 years.
<p>3.2 Contribution to the objectives of the construction ready stream by providing flow-on economic benefits for other NSW businesses, industries or regions.</p>	<p>N/A</p>	<ul style="list-style-type: none"> • Location of the project and contribution to areas of economic development such as clean manufacturing precincts, special activation precincts, hydrogen hubs or renewable energy zones. • Evidence of how the project supports the growth of other businesses in the NSW product supply chain such as agreements or contracts. • Proof of solid collaborations with local partners such as product designers, recyclers, waste collectors, end-users and research organisations.

Merit Criteria			
3. Strategic significance			
	Descriptions	EOI	Full application
3.3	The extent to which the project will contribute to high quality employment opportunities.	N/A	<ul style="list-style-type: none"> • Number of new direct jobs the project will create. • Details on the quality of the employment created including competitive pay and benefits, opportunities for skill development and future career prospects. • Employment opportunities for identified priority groups including Aboriginal and Torres Strait Islanders, young people and people with disabilities.
3.4	The extent to which the project incorporates circular economy principles and maximises process efficiency.	N/A	<p>Overview of how the project achieves resource efficiency and embeds circularity principles such as:</p> <ul style="list-style-type: none"> • process optimisation measures resulting in resources efficiency and waste minimisation • use of recycled materials to replace virgin materials • minimisation of process waste • strategies for reusability or recycling of the manufactured product or any by-products • business strategies for sharing of assets and resources with other businesses.

Merit Criteria

4. Value for Money & Affordability to Government

	Descriptions	EOI	Full application
4.1	The value of the contribution of the project to the NSW economy as determined by a cost benefit analysis (CBA) undertaken by the Office.	N/A	<ul style="list-style-type: none"> Completed financial and economic data template (provided).
4.2	<p>The value of the funding contribution in the form of committed finance from the applicant, partners, and other non-NSW Government sources as a percentage of the total project cost.</p> <p>Contributions from non-NSW Government sources must at least 50% of the total project cost. In-kind (non-financial) contributions are not eligible.</p>	N/A	<ul style="list-style-type: none"> Breakdown of the project activities funded by the NSW Government and your respective funding sources including cash, debt, investor equity etc. Evidence supporting your funding contribution in the form of committed finance from your organisation, partners, and other non-NSW Government sources as a percentage of the total project cost.



4. Assessment process

The assessment process will be coordinated by the Department and undertaken in 2 stages:

4.1 Stage 1 – Expression of interest

- **Eligibility assessment:** compliance check of EOIs against eligibility criteria (pass/fail). Ineligible applications will not be considered for further assessment.
- **Merit criteria assessment:** assessment of eligible EOIs against the EOI merit criteria. Applicants must satisfy EOI merit criteria to be considered suitable for progression to the detailed application stage.
- **Review and recommendation:** panel review of the outcomes of the merit assessment and recommendations of proposed projects suitable for progression to the detailed application stage. An executive will make final approval to progress to the detailed application stage from the Department. During the assessment process, the Department may ask applicants to provide additional information to assist in the assessment process. Confidentiality will be maintained throughout the assessment process. The Department may request a meeting with an applicant to assist the assessment process or as part of due diligence.

4.2 Stage 2 – Detailed application

- **Eligibility assessment:** compliance check of detailed applications against eligibility criteria (pass/fail). Ineligible applications will not be considered for further assessment.
- **Merit criteria assessment:** assessment of eligible applications against the detailed application merit criteria. Applications will be scored in a competitive, merit-based process.
- **Portfolio assessment:** following completion of the merit criteria assessment, the Department will undertake a portfolio assessment. This assessment will analyse the aggregated outcomes of the proposed projects to ensure they align with the policy objectives of the NSW Government.
- **Review and recommendation:** panel review of the outcomes of the merit and portfolio assessments and recommending projects suitable for funding.
- **Decision making:** the appropriate delegate of the Department will make the final determination on the outcome of the applications and approve the projects suitable for funding.
- **Due diligence:** the Department will undertake due diligence on applications recommended for funding. Due diligence will involve a comprehensive check of any risks (project, legal, financial, reputational, etc) identified during the eligibility and merit assessments.

During the assessment process, the Department may ask applicants to provide additional information to assist in the assessment process. Confidentiality will be maintained throughout the assessment process. The Department might also request a meeting with an applicant to assist the assessment process or as part of due diligence.

5. Funding agreement

5.1 Overview

Successful applicants from the detailed application process must enter into a funding agreement with the Department to receive grant funding. This agreement will detail the applicants' and any other relevant parties' obligations in relation to the project.

A template funding agreement, representing the terms the Department considers appropriate, will be made available via [SmartyGrants](#).

The Department does not encourage departures (changes) from the funding agreement template. However, where you cannot accept the terms of the funding agreement template in its current form, you may use the provided departures table in the template to clearly set out and qualify the reasons for your requested departure. For the construction ready stream, any departures need to be addressed as part of the application process. The Department may or may not accept these departures at our discretion.

Where an applicant does not submit a departures table, it will be deemed for the applicant to have accepted the terms of the funding agreement template. Where an applicant does submit a departures table, the departures table will be taken as an exhaustive list of the applicant's comments on the template funding agreement.

Applicants should be aware that the Department expect the terms of an executed funding agreement to reflect the applicant's careful and diligent expectations for the project's development. For example, the applicant should ensure that there is a rigorous and realistic basis for the milestone timing, associated payment and outcomes for the project as set out in the funding agreement.

5.2 Funding offer

Any payment of funds is subject to the execution of a funding agreement.

Applicants who receive an offer to negotiate must keep the offer confidential until the execution of a funding agreement. Any public communication by the applicant regarding the project between the time of application submission and execution of the funding agreement can only be done with the Department's prior consent. The Department may withdraw the negotiation offer if the applicant does not comply with this requirement.

5.3 Monitoring project progress

Successful applicants that enter into a funding agreement with the Department will be required to provide reporting in-line with the requirements of the executed funding agreement. The Department will monitor the progress of the applicant's project by requesting and assessing reports and presentations and may conduct site visits to confirm details of the reports. Occasionally the Department may need to re-examine claims, seek further information or request an independent audit of claims and payments.

Types of reports and plans required under a funding agreement may include:

- milestone report
- annual operating parameters report
- annual project report
- annual emissions abatement report
- financial reports
- final report
- risk management plan
- licensing and approvals plan
- emissions monitoring plan
- knowledge sharing plan
- other reports and plans.

5.4 Publishing and sharing project information

The Department may publicly announce and/or publish the following information associated with successful projects:

- name of the recipient
- title of the project
- description of the project and its aims
- amount of grant funding awarded.
- The Department will also share or publish information about any project when required under law.



6. Terms and conditions

6.1 Commencement and authority for the guidelines and supplementary guidance

The [LCPM construction ready stream funding guidelines](#) and *LCPM construction ready stream supplementary guidance* have been approved by the Department. The guidance may be varied from time to time or revoked.

The Department has the authority to award funding and execute and vary the agreements that allow the NSW Government to provide this funding.

6.2 Limitations

6.2.1 No representation, warranty or guarantee

The Department and its employees, agents and officers do not give any representation, warranty or guarantee, whether express or implied, in relation to the information contained in any materials released by the Department associated with the grant funding including their:

- completeness
- accuracy
- currency
- reliability
- the process by which they were prepared.

The Department and its employees, agents and officers do not provide any opinions regarding, legal, accounting, regulatory, taxation or any other matters. Without limiting the foregoing, nothing in the funding materials is or should be regarded as advice in relation to these matters.

Nothing in the funding materials (including without limitation, the guidelines, the supplementary guidance or the funding agreement) is or should be regarded as advice. You must satisfy yourself by undertaking your own investigations or seeking advice at your own cost.

6.2.2 No obligation to update

The funding materials, the information contained herein and the matters to which it relates may be amended, updated or withdrawn at any time, at the Department's discretion. However, the Department does not accept any responsibility to update, supplement or correct the materials nor to inform applicants about any matter that may affect the materials.

6.2.3 No liability

The Department and its employees, agents and officers expressly disclaims all liability for any loss or damage incurred by any person arising from or because of, any person's use of or reliance on any information, statement, opinion or matter (express or implied) contained in, derived from, or omitted from the materials, except for any liability which cannot be excluded as a matter of law.

6.2.4 Other limitations

The funding materials are not an offer, recommendation or invitation by the Department in respect of any contract or commitment and (subject to a funding agreement being fully executed) nothing in the materials will form the basis of any contract or commitment.

You must rely entirely upon your own investigations, review and analysis in relation to your assessment of whether to apply to and participate in the funding.

6.3 Confidentiality and disclosure of information

Unless otherwise stated, any commercial-in-confidence information provided by you as part of, or in connection with, a registration, application or negotiation process will be treated confidentially by the Department.

We may disclose commercial-in-confidence information provided by you to the following parties:

- the Minister or Minister's Department
- the NSW Ombudsman and Audit Department of NSW
- Department of Climate Change, Energy, the Environment and Water's staff, consultants and advisers
- any agency or body of the NSW Government, or any other organisation or individual considered by the Department to have a need or an entitlement to know that information (including any federal, state or territory agency or body), where that need or entitlement to know that information arises out of or in connection with the Department's assessment, verification or due diligence of any aspect of your application
- where authorised or required by law to be disclosed to those parties.

If the Department discloses commercial-in-confidence information to any of the above parties, the Department will inform the party that the information is strictly confidential.

Otherwise, the Department will only disclose commercial-in-confidence information provided by you with your consent.

6.5 Complaints

Complaints concerning the grant funding should be emailed to netzeromanufacturing@environment.nsw.gov.au

Complaints will, in the first instance, be reviewed by the Department.

If the Department cannot resolve the complaint within 30 business days of receipt, the Department will escalate your complaint and provide details of the escalated officer who will advise you regarding the next steps.

If the complaint is still not resolved satisfactorily, the NSW Ombudsman can be reached for external review of the complaint.

6.6 Conflicts of interest

You, including advisors and consultants engaged on this project, must declare:

- any perceived or existing conflicts of interest
- or that, to the best of your knowledge, there is no conflict of interest as part of your application.

You and your advisors may have a conflict of interest or perceived conflict of interest, if you or any of your board, management or staff:

- have a professional, commercial or personal relationship with a party who can influence the application assessment process
- have a relationship with, or interest in, an organisation which is likely to interfere with or restrict you from conducting the proposed activities fairly and independently
- has a relationship with, or interest in, an organisation from which they will receive personal gain because your organisation receives funding under these grants.

All applicants have obligations to report any conflict (identify an actual, apparent or perceived conflict of interest) that may arise (including during the application or assessment phase) of the project. For example, an applicant may want to engage an NSW government advisor to help it prepare its grant application.

A consultant or service provider that is currently working the Department is not automatically precluded from being engaged by a grant recipient. Factors which will be considered when determining whether you can engage a consultant or service provider include:

- the size of the organisation i.e. a large consultancy is more likely to be able to use separate teams on a project
- the nature of the work being undertaken by the consultancy i.e. similar work increases the potential for probity risks to arise
- the extent to which individuals involved had access to confidential information about the project and whether this information is to be released to the market as part of the Net Zero Manufacturing Initiative.

Decisions will be made in accordance with the Department delegations for expenditure.

If the engagement with the grant recipient is permitted, the Department project team will consider seeking assurance from the consultant or service provider that it will put appropriate processes in place to manage probity risks.

As part of ongoing reporting requirements, you are required to update any conflicts of interests, where applicable. You will be asked whether any conflicts of interest have arisen during the reporting period or if any are likely to arise. Updated declarations and confirmations are required from you when new personnel join the project or at the commencement of a new project or phase within a project.

NOTE: You are advised to contact us if you are unsure whether something constitutes an actual, potential or perceived conflict of interest.

6.7 Evaluation

The Department will evaluate the grant initiatives to measure how well the outcomes and objectives have been achieved.

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 funding was in achieving its objectives.

Without limiting any specific reporting or evaluation requirements set out in any funding agreement you execute with the Department. The Department may contact you up to 2 years after you finish your project for more information to assist with this evaluation. You consent to the use of your information for this purpose by:

- the Department
- NSW Treasury
- the Minister or Minister's Department
- the NSW Ombudsman and Audit Department of NSW
- Department of Climate Change, Energy, The Environment and Water's staff, consultants and advisers
- any agency or body of the NSW Government, or any other organisation or individual considered by the Department to have a need or an entitlement to know that information (including any federal, state or territory agency or body), where that need or entitlement to know that information arises out of or in connection with the purpose above.

6.8 Grant acknowledgement

If a successful applicant/grant recipient makes a public statement about a project funded, it is required to acknowledge the support provided by the Department.

6.9 Discretion of the Department

Notwithstanding anything else in the guidelines and supplementary guidance, applicants acknowledge and agree that the Department has the right (in its absolute discretion) to reject, refuse to consider or cease to assess an application, at any time, if it is of the view (in its absolute discretion) that an application is unlikely to be successful.

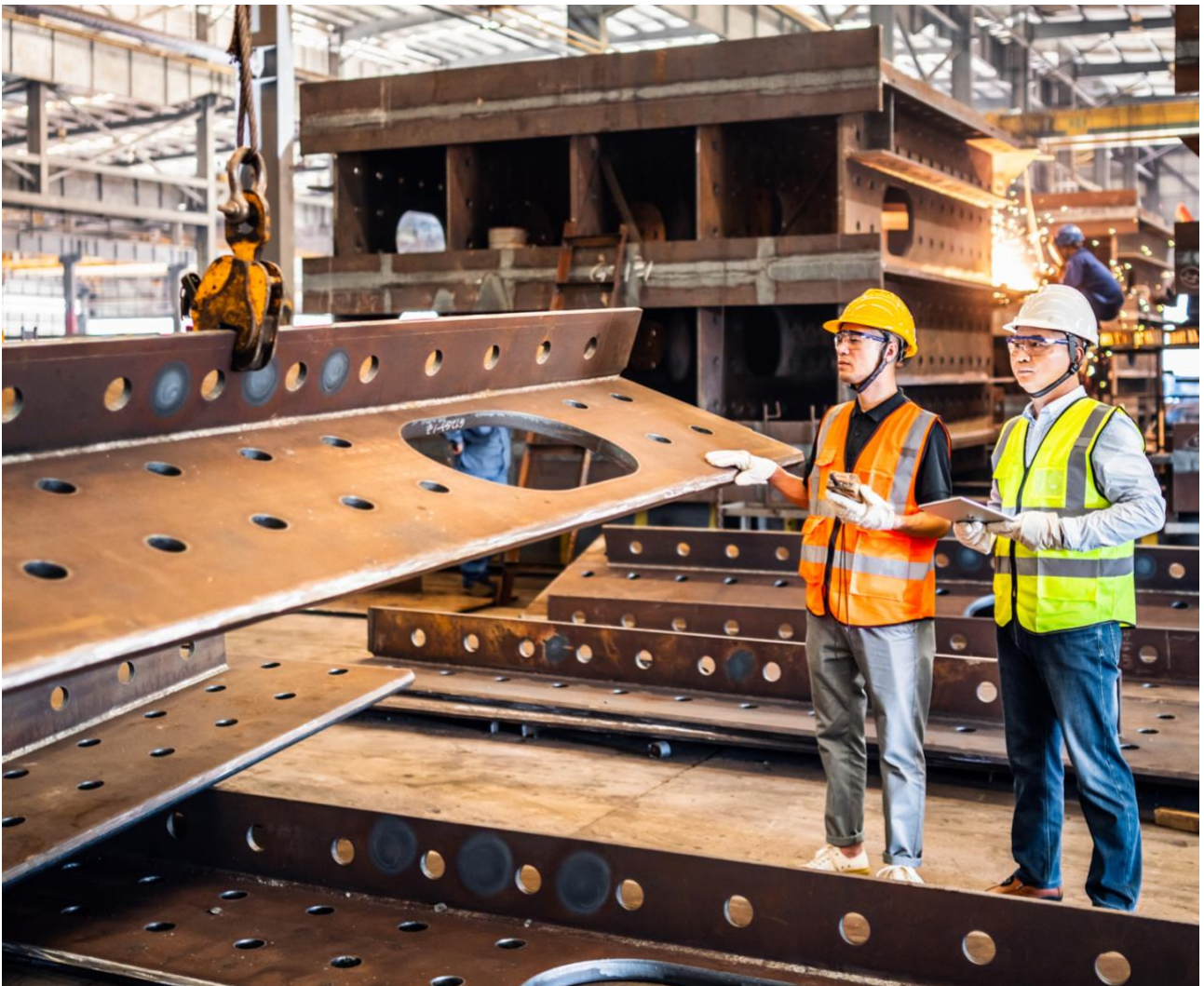
Applicants acknowledge and agree that the Department has the right to amend the process or reallocate funding to other applicants or projects, where it is of the view that it is needed to do so.

6.10 Privacy

The Department uses the information you supply to us for processing and assessing your application. While the Department do not publicly release your application as a matter of policy, the Department may be required to do so under the *Government Information (Public Access) Act 2009* or another lawful requirement.

The Department may also disclose information you supply to us for the purpose of milestone reporting, evaluating and/or auditing this grants program. If you require strict commercial and/or personal confidentiality, you should address this in your application.

More information on the [Government Information \(Public Access\) Act 2009](#) is available on the website.





For more information

For more information about the net zero manufacturing initiative grants please visit our website or contact us via the email below.

www.energy.nsw.gov.au/net-zero-manufacturing-initiative |
netzeromanufacturing@environment.nsw.gov.au