Department of Planning
and Environment

Clean Technology Commercialisation Grants

Grant guidelines

March 2022

NSW GOVERNMENT

Acknowledgment of Country: The Department of Planning and Environment acknowledges the Traditional Owners and Custodians of the land on which we live and work and pays respect to Elders past, present and future.

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Cover image: Farm worker and scientist at greenhouse control panel. Source: iStock-637062290

Contents

How to use these guidelines

This guide provides an overview of the Department of Planning and Environment's Clean Technology Commercialisation Grants (the grants), including organisations that are eligible to apply and the types of projects that will be funded. It also outlines how your Expression of Interest (EOI) and if invited, your full application will be assessed and what to expect if you are awarded a grant.

The department may publish frequently asked questions (FAQs) about the grants on our website as they arise. The FAQs should be read in conjunction with these guidelines.

Enquiries or questions

For enquiries or questions related to these guidelines, the grants, or the Net Zero Industry and Innovation Program, please contact the department at: netzeroindustry@environment.nsw.gov.au.

Glossary

Applicant – includes the lead applicant and all organisations in any collaboration and/or consortium applying for the grant. All questions and information relating to the applicant in the EOI or full application refers to all members of consortiums or groups.

Application – either an EOI or full application to the grant, via the relevant form.

Clean technology – technologies that substantially reduce greenhouse gas emissions including low emission technologies. 'Technologies' refers to processes, products and services including hardware, software and business model innovations.

Department – the NSW Department of Planning and Environment.

Grant – the Clean Technology Commercialisation Grant.

Lead applicant – the organisation submitting the EOI and full application, on behalf of themselves or a consortium or group. The department will only enter into a funding agreement with the lead applicant.

Project – the commercialisation project applying for grant funding.

Publicly funded research organisation – All higher education providers listed at Table A and Table B of the *Higher Education Support Act 2003 (Cth)* and corporate Commonwealth entities, and State and Territory business enterprises which undertake publicly funded research.

1. About these grants

The Net Zero Industry and Innovation Program

The NSW Government's *Net Zero Plan Stage 1: 2020-2030* (Net Zero Plan) sets out the state's ambitious agenda to reduce emissions by 50% by 2030 and achieve net zero emissions by 2050.[1]

The *Net Zero Industry and Innovation Program* forms part of the Net Zero Plan and focuses on major opportunities to partner with industry to reduce emissions and help NSW businesses prosper in a low carbon future.[2] The program has 3 areas of focus:

- **Clean Technology Innovation** – supporting the development and continued innovation of emerging clean technologies
- **New Low Carbon Industry Foundations** – laying the foundations for low emissions industries by building enabling infrastructure and increasing the capability of our supply chains
- **High Emitting Industries** – deploying low emissions technologies and infrastructure to reduce the emissions associated with existing, high emitting industrial facilities.

Together, these 3 focus areas and their delivery streams cover the technology development lifecycle from research through to deployment.

Clean Technology Innovation

As global demand for low emissions technologies and modernised industrial processes grows, NSW has an opportunity to position itself as a world leader in the manufacture and export of low emissions products and services.

Focusing on clean technology innovation will create an environment where innovation is supported so new technologies are domestically developed, tested and used in the market. NSW is ideally positioned to create an ecosystem where clean technologies are rapidly developed, repeatedly innovated and scaled-up to meet our emissions targets. This will enable knowledge sharing, capacity building and collaboration between researchers, industry and government.

The Clean Technology Innovation focus area will provide support for new technologies at different stages of development, from research through to commercialisation and distribution, via 5 streams:

1. Establishment of a NSW Decarbonisation Innovation Hub ($15 million)
2. Research, Development and Commercialisation Infrastructure Funding ($45 million)
3. Research and Development Grants ($40 million)
4. **Grants for Commercialisation and Pilots ($75 million)** – includes these grants

[1] NSW Government, March 2020, Net Zero Plan 1: 2020 – 2030

[2] NSW Government, November 2021, Net Zero Industry and Innovation Program

5. Low Emissions Specifications and Unlocking Sustainable Finance (up to $20 million).

Grants for Commercialisation and Pilots

The NSW Government has committed to supporting the development and continued innovation of emerging clean technologies in NSW. As part of this commitment, the government will invest up to $75 million to help bring proven low emission technologies and services to market in Australia and internationally.

Grants for Commercialisation and Pilots will offer a blend of support opportunities including:

- **Clean Technology Commercialisation Grants ($40 million - these guidelines)**: to encourage and accelerate the commercialisation and scaling up of proven clean technology innovations for trade in Australian and international markets
- **Clean Technology Ecosystem Grants ($10 million)**: to support incubators, pre-accelerators, accelerators, and other similar initiatives to equip clean technology start-ups with the skills and resources they need to succeed
- **Other clean technology commercialisation initiatives ($25 million)**: the remaining funding will be used to support future NSW Government initiatives to accelerate commercialisation of clean technology innovations.

Clean Technology Commercialisation Grants

The NSW Government has established the Clean Technology Commercialisation Grants (these grants) to accelerate the commercialisation and scaling up of proven clean technology innovations for trade in Australian and international markets. Funded by the Climate Change Fund, these competitive grants will help unlock the next wave of low emissions technologies needed for NSW to reach net zero emissions by 2050.

The grants are designed to support low emission technologies, services and processes that have a Technology Readiness Level (TRL) 6 to 9 and a Commercial Readiness Index (CRI) less than 5 in NSW (appendix 1). The types of activities funded by these grants include:

- full-scale pilots and demonstration projects in operational environments to prove commercial and technical viability to customers, investors or strategic partners
- engaging external professionals to provide commercialisation guidance such as identifying market opportunities, or developing business models, cost-down strategies, market entry and regulatory approval pathways or intellectual property (IP) management plans
- scaling production, marketing or other activities to support customer sales in Australian and international markets
- engaging a senior experienced executive to fill a key gap in the management team, which is essential to achieving commercialisation outcomes (see experienced executives).

Priority areas

The technology innovations supported through the Clean Technology Innovation focus area will be guided by the NSW Office of the Chief Scientist and Engineer's Decarbonisation Innovation Study.[3]. The decarbonisation priority areas outlined in this study are:

- **electrification and energy systems** – accelerating renewable energy solutions and supporting the uptake of electrification in other sectors
- **land and primary industries** – coordinating and aligning efforts in the next wave of sustainable primary industry practices as the sector contributes a significant proportions of NSW emissions
- **power fuels including hydrogen** – growing an environmentally sustainable NSW power fuels industry and unlocking decarbonisation opportunities for many hard to abate sectors beyond 2030.

This grant program will prioritise investments in these 3 areas. The Decarbonisation Innovation Study will be updated on a biennial basis. Applicants are strongly encouraged to review the current Decarbonisation Innovation Study to ensure your project aligns with the decarbonisation priority

[3] The Office of the NSW Chief Scientist and Engineer (OCSE), August 2020, Opportunities for Prosperity in a Decarbonised and Resilient NSW: Decarbonisation Innovation Study

2. Important information about the grants

Grant objectives

The purpose of these grants is to accelerate the commercialisation of proven clean technologies[4] that have potential to significantly reduce emissions in NSW and are aligned to the priority areas identified above. The objectives of these grants are to:

- accelerate the deployment and scale-up of clean technologies for trade in Australian and international markets
- support establishment and growth of innovative clean technology businesses and low emission industries that future-proof jobs
- stimulate economic growth and unlock export opportunities.

Funding availability

This is a $40 million grants program. Table 1 provides the funding available in 2022.

Total funding available this round	Minimum grant amount	Maximum grant amount	Maximum duration of projects[5]
$6 million	$250,000	$5 million	3 years

Table 1: Funding available in 2022

Grants will only be awarded to projects that can demonstrate a minimum of 1:1 co-contributions from other sources. Projects that have a cash contribution from at least one potential customer or an institutional investor will be viewed favourably during assessment. Higher cash contributions will also be viewed favourably. In-kind (non-financial) contributions are not eligible.

[4] 'Proven clean technologies' include low emission technologies, services or processes that are at least at the minimum viable product stage and ready for a full-scale pilot or demonstration project. This also includes low emission technologies, services or processes not yet used in NSW but used elsewhere in Australian and international markets.

[5] The department may consider longer project durations under limited circumstances for proposals of exceptional merit. Applicants with a project duration exceeding 3 years should contact the department prior to preparing an application to confirm their eligibility.

How to apply

The grants application and assessment process will consist of 2 stages:

Stage 1: Expression of Interest (EOI)

Stage 2: Full application

Successful EOIs will be invited to submit a full application.

The application and assessment process for Stages 1 and 2 is outlined in Figure 1. Up-to-date information, including key dates, is available on our website.

For further information about the application and assessment processes, see the application process.

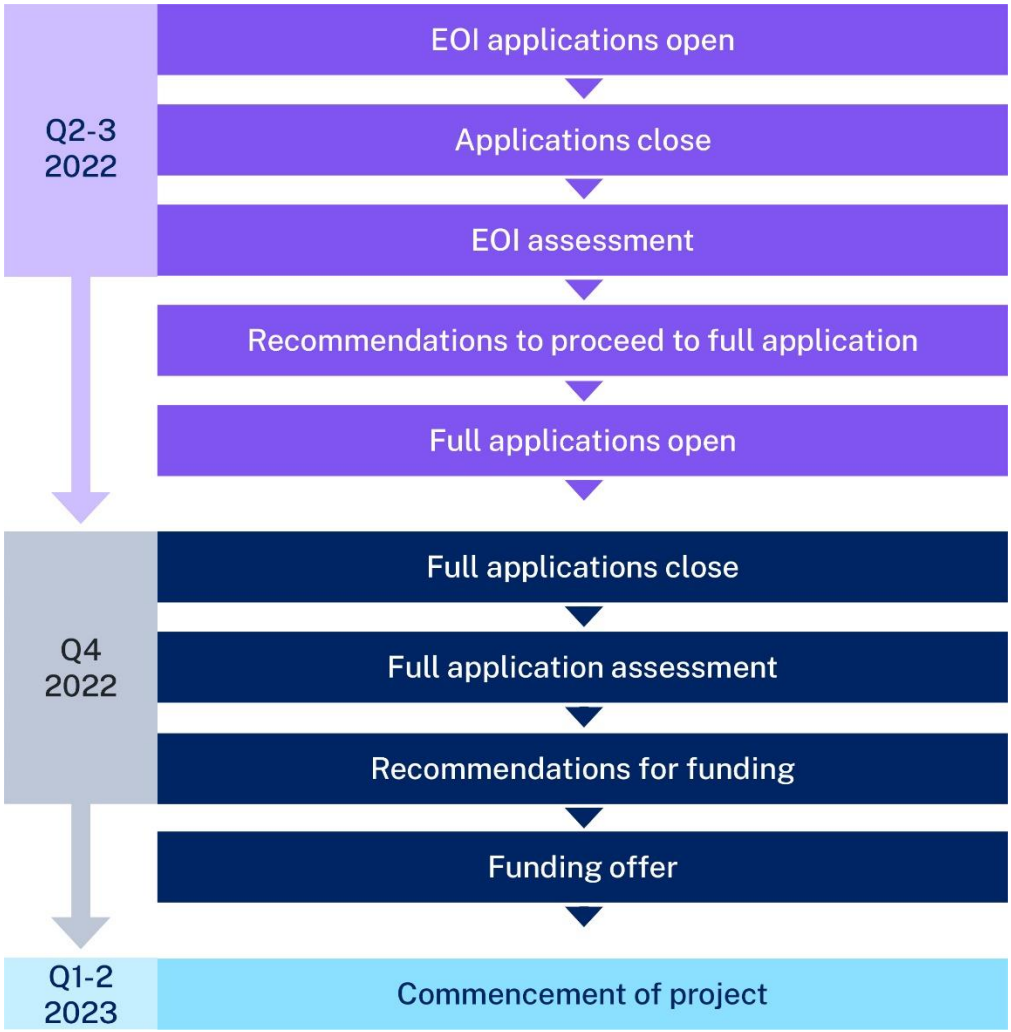

Figure 1: Application and assessment process timeframes

3. Eligibility criteria

To be eligible for grant funding, an application must meet all eligibility criteria outlined below. Each application must have a lead applicant. The department will only enter into a funding agreement with the lead applicant assessed by the department during the application process.

If, at any stage of the application process, the funding recipient is expected to be a different legal entity to the lead applicant, the lead applicant must clearly specify this in its application and provide all necessary information requested to evidence this.

The department reserves the right to not fund an application if the lead applicant is unable to support these claims with sufficient evidence.

Eligibility criterion 1: Eligible applicants

To be eligible for funding, the lead applicant must:

- hold an Australian Business Number (ABN)
- be an eligible organisation as outlined in Appendix 2
- be the legal and beneficial owner of, or has all necessary rights to use, any IP necessary to carry out the project
- hold all insurances required by law, including $20 million public liability insurance and workers compensation
- materially comply with all:
  - obligations under employment contracts, industrial agreements and awards
  - codes of conduct and practice relevant to conditions of service and to the relations between the applicant and the employees employed by the applicant
  - applicable workplace health and safety legislation.
- 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, administer or similar
- not be listed on the Australian Department of Foreign Affairs and Trade sanctions list[6]
- 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 Corporations Act)
- disclose all Australian Government and/or Australian state, territory grants applied for in relation to the project including history of grant funding (including both successful and unsuccessful applications).

[6]Australia and sanctions, October 2021, Department of Foreign Affairs and Trade

Eligibility criterion 2: Eligible project

To be eligible for funding the lead applicant must confirm the project:

- is based in NSW
- is applying for funding between $250,000 and $5,000,000
- is expected to be complete within 3 years of commencement[7]
- is aimed at accelerating commercialisation or scaling-up a clean technology at TRL 6-9 and has a CRI less than 5 in NSW (see appendix 1)
- directly contributes toward the commercialisation of a clean technology including, but not limited to, the following activities:
  - full-scale pilots and/or demonstration projects in operational environments to prove commercial and/or technical viability to customers, investors or strategic partners
  - engaging external professionals to provide commercialisation guidance such as identifying market opportunities, or developing business models, cost-down strategies, market entry and regulatory approval pathways or IP management plans
  - scaling production, marketing or other activities to support customer sales in Australian and/or international markets
  - engaging one or more experienced executive(s) to fill an identified gap in the management team, for the purposes of achieving commercialisation outcomes.

If the applicant is an international organisation interested in commercialising a clean technology not yet used in NSW, they must also confirm:

- the international organisation is willing to establish a Australian based entity duly incorporated under the *Corporations Act 2001 (Cth)* (Corporations Act) and hold and comply with all necessary authorisations that are material to the conduct of the business of the applicant
- at the full application stage, the project has a NSW-based project sponsor that demonstrates commitment to endorse the clean technology (see Interstate and international applicants)

[7] The department may consider longer project durations under limited circumstances for high-calibre proposals. Applicants with a project duration exceeding 3 years should contact the department prior to preparing an application to confirm their eligibility.

Eligibility criterion 3: Criticality of grant funding

To be eligible for funding, the lead applicant must confirm:

- it has an aggregated annual turnover of less than $20 million for each of the 3 financial years prior to the lodgement of the application (unless the organisation is controlled by a publicly funded research organisation, such as a university spin-out, in which case, the lead applicant must have an individual annual turnover of less than $20 million for each of the 3 financial years prior to lodgement of the application)
- the project would not proceed without NSW Government funding (in the near term or at all) and outline why you are unable to access sufficient funding for the entire project from alternative sources (eg. directors, shareholders, loans or equity investments)[8]
- the project has co-contribution funding arrangements of at least 1:1 between grant funding (from this grant) and other sources (eg. applicant, collaborators, private or other public organisations). Projects that have a cash contribution from a potential customer or an institutional investor will be viewed favourably during assessment. Higher cash contributions will also be viewed favourably. In-kind (non-financial) contributions are not eligible

[8] Applicants have the option to provide evidence, such as a signed letter with supporting documentation from a chief executive, financial officer or another relevant financial representative.

4. Merit criteria

This section sets out the merit criteria that applications will be scored against including the weighting of each criterion and how applicants will be expected to respond to them at each stage of the application process (ie. EOI and full application).

The information set out in Part 5 will help applicants develop their responses to some of the merit criteria. Applicants are strongly advised to read that section prior to preparing their submission.

Merit criterion 1: Technical and commercial feasibility

This criterion is worth 25% of the assessment score. The table below sets out the responses required at each stage of the application process.

EOI stage

1. Provide an outline of the commercialisation project. This should include high-level technical design information and an indication of the TRL and CRI of the clean technology at the start and end of the project.
2. Briefly outline the functional, technical and financial feasibility of the clean technology.
3. Briefly outline your proposed business model and why customers will want to buy your clean technology.
4. Briefly describe the market opportunity.
5. If you are an international applicant briefly outline:
    a. why your clean technology is significantly more innovative and commercially viable than alternative solutions currently available in NSW or Australia
    b. the main barriers preventing your clean technology from being adopted in NSW or Australia

Full application stage

1. Provide a detailed outline of the commercialisation project. This should include the detailed technical design information and the TRL and CRI of the clean technology at the start and end of the project.
2. Provide a detailed outline of the functional, technical and financial feasibility of the clean technology. Include evidence of the outcomes of any prototype testing, pilots, demonstrations, or sales completed to date.
3. Outline your business model including the proposed revenue model and provide evidence of why customers will want to buy your clean technology such as the results of any market research or economic analysis that validates your value proposition.
4. Provide details of your target market including intended customers, market size, market structure, and your current position in the market. Include details of your most likely competitors and your competitive advantage.

EOI stage

Full application stage

5. If you are an international applicant, provide a detailed outline on:
    a. why your clean technology is significantly more innovative and commercially viable than alternative solutions currently available in NSW or Australia
    b. the main barriers preventing your clean technology from being adopted in NSW or Australia and how the grant will you help overcome these barriers.
6. Provide any letters of support from industry partners or private investors that endorse bringing the clean technology to market. For international applicants, this includes a letter of endorsement from your project sponsor supporting your response to question 5 and outlining their interest in purchasing the clean technology, should it be successfully commercialised

Merit criterion 2: Greenhouse gas emissions reduction potential

This criterion is worth 25% of the assessment score. The table below sets out the responses required at each stage of the application process.

EOI stage

1. Provide a forecast emissions abatement within the project's target sector if successfully commercialised and deployed.
2. Provide a reasonable estimation of the accuracy of forecasting methodology used. This includes clearly stated assumptions and calculations and should include an estimation of the uptake potential of the target sector.
3. Provide a brief statement on why the proposed clean technology is critical to the decarbonisation of the target sector and why it is more promising than other emerging clean technologies which may be able to serve the same decarbonisation objectives.

Full application stage

1. Provide a detailed forecast emissions abatement within the project's target sector if successfully commercialised and deployed in NSW.
2. Provide a reasonable estimation of the accuracy of forecasting methodology used. This includes clearly stated assumptions and calculations and should include details on the estimated uptake potential of the target sector. Where relevant, include letters from relevant industry stakeholders supporting your forecasts.
3. Provide a detailed statement on why the proposed clean technology is critical to the decarbonisation of the target sector and why it is more promising than other emerging clean technologies which may be able to serve the same decarbonisation objectives.

Merit criterion 3: Management capability

This criterion is worth 20% of the assessment score. The table below sets out the responses required at each stage of the application process.

EOI stage

1. Outline your relevant prior experience and demonstrated capability to deliver the project.
2. Provide high-level details of any partner organisations that will be collaborating on this project and the proposed governance arrangements. Attach a letter of support from each partner organisation.
3. List key personnel on the delivery team who will be involved in the design, delivery and ongoing management of the project. Attach a short CV for all key personnel outlining their relevant expertise and role in the project delivery.
4. If your project includes recruiting an experienced executive, briefly outline the role they will fill within your organisation and how they will help you realise the full commercialisation potential of your clean technology.

Full application stage

1. Provide a detailed overview of your prior experience and demonstrated capability to deliver the project and/or your access to appropriate personnel with the relevant business, commercialisation and technology expertise. This should include information on the technical, financial and administrative experiences of the applicant and any collaborators. Attach a short CV for all key personnel critical for project delivery.
2. Provide details of the project's governance arrangements in relation to this project (eg. project oversight, or advisory boards).
3. If your project includes recruiting an experienced executive, explain:
    a. their role and responsibilities within the organisation
    b. how they will help you realise the full commercialisation potential of your clean technology
    c. how they will be appointed or recruited (if you have already identified an individual to fill this role, please attach a CV outlining their relevant experience).

Merit criterion 4: Project delivery plan

This criterion is worth 20% of the assessment score. The table below sets out the responses required at each stage of the application process.

EOI stage

1. Outline the high-level project plan including key objectives, milestones and approximate timeline of deliverables.
2. Provide a high-level outline of the commercialisation plan to generate sales or scale-up within the target market.
3. List the main technical and delivery risks including proposed mitigation measures.
4. Provide a high-level outline of the funding required to deliver the project (from this grant and all other sources), including an initial estimate of the capital and operating components of the budget.
5. Briefly outline your IP strategy.

Full application stage

1. Provide a detailed project plan including key activities required to meet the objectives, measures of success, timelines and how the project will be evaluated. A template will be provided for your project plan.
2. Provide a detailed budget including a proposed grant payment profile, justification for the proposed payment profile and details of co-contribution. Applicants must also provide evidence to support the commitment of matched funds.
3. Provide a risk management plan outlining technical, delivery and market challenges (eg. government regulation, market inertia, timing imperatives, manufacturing capability or capacity) and your proposed mitigation strategies.
4. Provide a commercialisation plan to generate sales or scale-up within the target market, including expected timeframes.
5. Provide details of your IP strategy including any management and protection mechanisms that may be employed (eg. future protection strategies, patent insurance, trademarks, etc.).
6. If applicable, provide details of your manufacturing strategy if the clean technology is successfully commercialised and deployed.

Merit criterion 5: Alignment with NSW Government strategic objectives

This criterion is worth 10% of the assessment score. The table below sets out the responses required at each stage of the application process.

EOI stage

1. Outline how the project aligns with the grant objectives and the priority areas identified in the NSW Decarbonisation Innovation Study.
2. Outline the preliminary forecast social and economic benefits to NSW if the clean technology is successfully commercialised and deployed including potential savings for households and businesses, job creation, export opportunities, productivity improvements and national or international competitiveness.
3. Provide brief details of the proposed commitment and approach to sharing learnings from the project with the NSW Government and broader community.

Full application stage

1. Provide details of the finalised forecast of social and economic benefits to NSW if the technology is successfully commercialised and deployed including potential investment attracted into NSW, job creation, productivity improvements, savings for households and businesses, export opportunities and project's contribution to creating resilient low carbon industries.
2. Outline your commitment and approach to sharing learnings from the project with the NSW Government and broader community. Include detail on the extent to which the knowledge generated from your project will support the enhancement of decarbonisation opportunities and/or the development of new markets and supply chains.

5. Guidance on developing your application

All applicants should consider the following information when preparing an application.

Interstate and international applicants (Merit criterion 1)

There may be special circumstances which justify consideration of an applicant based outside of NSW. For example, where a project will result in job creation within NSW and, if successfully commercialised and deployed, the clean technology will significantly reduce the state's emissions. However, the department will impose contractual obligations on successful interstate and international applicants to relocate and maintain their relevant operations (in whole or part) in NSW.

Interstate and international applicants will be required to establish a NSW-based office with local staff capable of delivering the project and managing communications with the department within 3 months of executing the funding agreement, subject to negotiation.

During the EOI stage, international applicants must outline how their clean technology is significantly more innovative and commercially feasible than alternative solutions currently available in NSW or Australia. International applicants also need to explain why their clean technology hasn't been able to enter the NSW or Australian market and how the grant will help overcome those barriers.

International applicants must have a NSW-based project sponsor. The project sponsor must be a potential customer from an emissions intensive business or industry in NSW. At the full application stage, international applicants will need to provide a letter of endorsement from a NSW-based project sponsor endorsing the technical and commercial feasibility of the clean technology and outlining their interest in purchasing the clean technology, should it be successfully commercialised in NSW.

Collaborative applications (Merit criterion 3)

Collaboration between research institutions, industry and innovators is critical to accelerating the decarbonisation of high-emitting and hard to abate sectors in NSW. The NSW Government encourages collaborative applications that demonstrate multi-disciplinary expertise and financial co-contributions.

At the EOI stage, applicants are required to provide details of any collaboration involved in the delivery of the project. A letter of support is required from each member of the group. The letter of support or agreement should include:

- details of the partner organisation
- an overview of how the partner organisation will work with the lead applicant and any other partner organisations in the group to successfully complete the project

- details of any funding contributions the partner organisation will provide
- an outline of the partner organisation's relevant experience and/or expertise
- the roles/responsibilities of the partner organisation and the funding and/or resources they will contribute
- details of key contacts for that organisation and any staff that will be involved in the project.

At the full application stage, the applicant must provide full details of the project's governance arrangements. Signed formal agreements between all parties involved in the project will be required prior to executing the funding agreement.

Funding and budgets (Merit criterion 4)

Applicants are required to provide a preliminary budget in their EOI and, if invited, a detailed financial proposal and budget in their full application. When assessing applications, the department may engage external independent advisors to provide advice on whether the financial proposal and budget is deemed sufficient given the specific context of each application (see application process).

As part of the full application, invited applicants are required to outline a proposed grant payment profile that aligns with the needs of the project. The payment profile is flexible and subject to negotiation for successful applicants; however applicants should be aware grant funding will not be provided in full upon executing the funding agreement. The department will make an initial payment on execution of the funding agreement. Subsequent payments will be provided based on the project's forecast eligible expenditure. The timing of subsequent payments will be negotiated with successful applicants.

Successful applicants will have 30 days from the date of written offer to negotiate and execute the funding agreement with the department. The offer may lapse if both parties do not sign the funding agreement within this time. Under certain circumstances the department may extend this period.

Payments are subject to satisfactory progress on the project and will be adjusted for unspent amounts from previous payments. Successful applicants will be required to provide financial reports detailing project expenditure prior to each payment (see reporting requirements).

The department will set aside 5% of the total grant funding for the final payment. This will be paid following submission of a satisfactory final project report demonstrating you have completed outstanding obligations for the project.

A 'value-for-money' assessment will be made as part of the assessment process for both EOI and full application. This assessment will be based on the proposed activities, expected outcomes, project feasibility and amount of funding requested.

Co-contributions

Grants will only be awarded to projects that can demonstrate a minimum 1:1 matched funding co-contributions from other sources. Projects that have a cash contribution from a potential customer or an institutional investor will be viewed favourably during assessment. Higher cash

contributions will also be viewed favourably. In-kind (non-financial) contributions are not eligible.

Only projects that can confirm co-contribution funding at the time of submitting the full application will be considered[9] and applicants must ensure any contractual milestones or obligations tied to those funds are aligned with their funding proposal.

Eligible expenditure

To be eligible, expenditure must:

- be expenditure directly related to undertaking the project
- be incurred by the applicant within the project duration, with the exception of audit costs
- be a direct cost of the project and not be provided for the benefit or profit of related bodies
- meet the conditions set out in these guidelines and the funding agreement.

Eligible expenditure is calculated as the GST inclusive amount less any GST credits the recipient, or its representative member is entitled to claim.

Where equipment and resources purchased to undertake the project are also used for activities unrelated to the project, the total cost of those resources considered eligible expenditure may be adjusted proportionally.

Successful applicants must keep payment records of all eligible expenditure and be able to explain how the costs relate to the agreed project activities. The department may ask successful applicants to provide records of the expenditure they have paid. If successful applicants do not provide these records when requested, their expense may not qualify as eligible expenditure.

Capital expenditure

Capital expenditure including the purchase, installation and operation of clean technology infrastructure or equipment is funded by these grants. All applicants are required to provide an initial estimate of the project's capital expenditure at the EOI stage. Applicants will be expected to provide a detailed breakdown of the capital expenditure with evidence, such as quotes from suppliers and contractors at the full application stage.

Employees and contractors

Grant funds can be used to employ project staff critical to the delivery of the project. Grant funds cannot be used to cover the labour costs of existing positions undertaking other work within the applicant's organisation. The department does not consider labour expenditure for leadership staff (eg. CEOs and CFOs) as eligible expenditure (unless this is employment of a new experienced executive as outlined below).

Grant funds may be used to engage contractors or consultants to manage the project or deliver specific components of the project. All contractors and consultants must be chosen on their merits and ability to effectively deliver the work.

[9] This may include confirmation letters from funding bodies or private investors.

For periods of the project that do not make a full financial year, the claimable salary amount must be adjusted proportionally.

The Australian Taxation Office has a useful tool to help you determine if your project is hiring an employee or a contractor.[10]

Experienced executives

The employment of a new senior experienced executive is supported under these grants. Such an appointment is referred to as an experienced executive. The executive is expected to bring complementary skills and experience to the applicant's organisation and help drive commercialisation of a clean technology.

Expenditure in relation to an experienced executive may be claimed as either labour or contract expenditure depending on their employment status. Significant shareholders (controlling 20% or more of the applicant's company shares at the time of the grant application is lodged) and founders are not eligible experienced executives.

The maximum salary claim for an experienced executive is $250,000 per financial year. For periods of the project that do not make a full financial year, the maximum salary amount claimable must be adjusted proportionally. The executive must work at least 3 days per week (or equivalent) on the project.

The application must clearly outline the key performance indicators for the experienced executive and how they correlate with the project delivery plan and objectives. The application must demonstrate the experienced executive:

- has the required skills critical to the success of the project and the company and would be the most appropriate person for the position
- brings complementary skills and experience that assist existing management to drive the business towards a successful launch of its clean technology
- did not receive and will not receive any favourable treatment by virtue of their association with the company and any of its directors or major shareholders. This includes the selection process, the remuneration and terms of employment and the management of potential underperformance once employed (or contracted).

In circumstances where the experienced executive to be employed by the applicant is not known at the time of the full application, the applicant must select a person and seek consent from the department within 3 months of notification that the full application was successful. Similarly, consent from the department is required if the applicant wishes to appoint a different experienced executive during the project. A replacement experienced executive must be in place within 3 months of the departure of the existing experienced executive.

The role and cost of an experienced executive must be identified in the project delivery plan and budget.

[10] Australian Taxation Office, September 2021, Employee or contractor

Travel and overseas expenditure

Travel costs must be included in the project budget at the full application stage. If travel costs are not included in the project budget at the full application stage, the department may subsequently approve requests from successful applicants.

Eligible travel and overseas expenditure include domestic and overseas travel limited to the reasonable cost of accommodation and transportation required to undertake and deliver the project-by-project staff, contractors or subcontractors.

Accommodation costs refer to the room expenses only and does not include long-term rental accommodation. Associated costs such as meals, internet, entertainment and other incidentals are not eligible travel expenditure and cannot be claimed as travel expenditure.

Eligible air transport is limited to the economy class fare. Where non-economy class air transport is used only the equivalent of an economy fare is eligible expenditure and the successful applicant must provide evidence showing what an economy air fare costs at the time of travel.

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

IP protection expenditure

Reasonable costs to protect IP related to the project, which the successful applicant owns or will own, are considered eligible expenditure. These costs can include fees to a patent office for the cost of filing a patent application, patent search and examination fees, freedom to operate review costs, and annual patent maintenance fees. The cost of defending IP rights is not eligible expenditure, with the exception of legal expenses insurance as it relates to IP.

Administration

Grant funds may be spent on administrative costs directly related to the project. Administration costs may include office related overheads associated directly with the delivery of the project (eg. stationery, internet costs, and accounting fees such as independent certification of project finances) where those costs are not currently being supplied or funded by the applicant.

Generally, no more than 10% of the total grant may be spent on administrative costs. At the full application stage, applicants may request a larger proportion of the budget be allocated to administrative costs. However, applicants must submit a breakdown of those costs and evidence to support the request. It is the discretion of the department whether to accept such requests.

Ineligible expenditure

Grant funding does not cover:

- research and development projects (ie. projects that fall within the TRL 2 – 5)
- scaling production, marketing or other activities to support customers sales if the clean technology is at the CRI 5 or 6 in NSW

- projects aimed at developing a new technology for internal use only (ie. technologies that won't be for sale or made available to other potential end-users)
- commercialising the new version or iteration of an existing technology where the updates and changes are minor and therefore do not qualify as being a new innovation
- expenditure on the acquisition of land for a project
- expenditure that does not directly support the successful completion of the project
- items that can reasonably be considered as business-as-usual operational costs
- salaries for positions that have already been accounted for in organisational budgets
- business-as-usual staff costs unrelated to the project such as redundancy or retirement benefits, workers compensation payments, professional fees or memberships
- activities carried out or committed to before a grant is offered and accepted
- legal costs associated with a consortium, disputes or funding arrangements not agreed to as part of the funding agreement
- infrastructure and equipment that can reasonably be assumed to be integral for the core business of successful applicants such as laptops.

Conflicts of interest

Conflicts of interest can affect the performance of these grants and public confidence in the use of public money by the department. Applicants or their 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 is able to influence the application assessment process
- 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
- a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives funding under these grants.

You, including advisors and consultants engaged on this project, must declare, as part of your application, any perceived or existing conflicts of interests or 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 the department in writing immediately.

6. Application process

The application and assessment process consists of two stages: an initial EOI, followed by full application. Shortlisted EOIs will be invited to submit a full application.

Stage 1: Expression of Interest

The steps of the EOI process are outlined in Figure 2.

Figure 2: Expression of Interest process

A maximum of 3 EOIs may be submitted by each applicant.

Following completion of your EOI you will receive an automated email to confirm your submission has been received. If you do not receive an email within 2 working days, please contact the department by email or phone to confirm receipt.

EOIs will be assessed by an evaluation committee based on your responses to the merit criteria. EOIs will be assessed on a competitive basis. If your EOI is not successful, department staff can provide feedback on your EOI upon request. EOI outcomes cannot be appealed.

Stage 2: Full application

If your EOI is successful, you will be invited to submit a full application.

The department will provide the necessary application form and templates to support applicants prepare the requested information. Ensure you address all questions in the application form.

You will be given 8 weeks to complete the full application form. The department will advise you of the due date for your full application.

Late submissions and incomplete applications will not be accepted.

If you are a successful applicant, a funding agreement will be prepared based on the information provided in the full application. The department may publish non-sensitive details of successful projects on our website. This information may include:

- name of your organisation
- title of the project
- description of the project and its objectives
- amount of grant funding awarded
- Australian Business Number.

If you are unsuccessful, the department will advise you in writing and provide an opportunity to receive feedback on your application. Full application outcomes cannot be appealed.

Timing of grants

Table 2 provides detail of the approximate timing allocated to each stage in the grant application and assessment process. The time allocated to each activity is subject to change.

Activity	Approximate timing
EOI submission period open	8 weeks
Assessment of EOI submissions and notification of outcomes	9 weeks
Invited applicants prepare and submit full applications	8 weeks
Assessment of full applications and notification of outcomes	9 weeks
Negotiations and execution of funding agreements	30 days

Table 2: Timeframes for the Clean Technology Commercialisation Grants

Who will assess applications?

An evaluation committee will be established to assess applications at the EOI and full application stage. The department may ask external technical experts or advisors to help inform the assessment process. Any experts or advisors will be independent of the department and will be required to meet all governance requirements of the NSW Government and the application process.

The evaluation committee will make recommendations to the department on which applications best meet the required criteria and objectives of these grants. These recommendations will inform the decision to award funding.

The department may seek advice from the Net Zero Emissions and Clean Economy Board.

7. Managing your grant

General obligations

Signing a funding agreement commits the applicant to fulfilling the obligations and requirements the agreement outlines. The standard conditions of a funding agreement will not be changed at the request of an applicant. Some key requirements relating to funding agreements are outlined below (this list is not exhaustive):

- comply with all terms and conditions contained in the funding agreement
- notify the department immediately if they become aware of a breach in the terms and conditions contained in the funding agreement
- provide evidence of appropriate insurance coverage
- commencement of your project within three months of receiving funding
- notify the department of any key changes to the organisation or governance arrangements that may impact their ability to deliver the project
- seek prior approval from the department to alter proposed outputs, objectives or timeframes
- provide progress and final reports in accordance with the department's reporting requirements
- include the relevant financial reporting with all progress and/or final reports
- acknowledge the department's support in all promotional material or any public statements about your project in accordance with the department's requirements.

Reporting requirements

Successful applicants are required to prepare and submit milestone reports periodically throughout the project. The timeframe for reporting and payments will be agreed with department staff when the grant is awarded. These will be outlined in a funding agreement. Generally, milestone reports are required every 6 months, however this will be considered on a case-by-case basis.

Each milestone report requires the successful applicant to provide details on any activities, achievements and expenditure. The amount of detail required in each milestone report will be relative to the project size, complexity and grant amount. This report will be reviewed by a representative of the department with relevant technical expertise.

Depending on the nature and scale of the project, the department may require ongoing reporting from successful applicants beyond the duration of the project. Reporting arrangements will be agreed with applicants prior to executing the funding agreement.

Site visits

The department may conduct site visits during the project and at project completion to review compliance with the grant agreement and verify information provided in the milestone reports. The department will provide successful applicants with reasonable notice of any site visits.

Completing your project

When a project is complete, a final report is required to be submitted that outlines the funding provided, the project outcomes and achievements. Final reports may need to have financial statements independently certified. department staff will provide further information as part of the funding agreement.

A representative of the department will review the final report and provide feedback. The final grant payment will be paid following submission of a satisfactory final report demonstrating you have completed outstanding obligations for the project.

Evaluation

The department will evaluate the grant program and measure how well the outcomes and objectives have been achieved. To guide evaluation the department may use information from the EOI and full application submissions, project milestone and final reports, site visits and interviews with successful applicants and other key stakeholders.

The department may contact successful applicants up to 5 years after project completion for more information to assist with this evaluation.

Privacy

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

The department may also disclose information you supply to us for the purpose of evaluating and/or auditing its grant programs. 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.

Appendix 1: Technology Readiness Level and Commercial Readiness Index Descriptions

Technology readiness levels

Only projects in supporting technologies within the TRL 6-9 are eligible for funding under this grant.

Level	Summary
1	**Basic principles observed and report**: Transition from scientific research to applied research. Essential characteristics and behaviours of systems and architectures. Descriptive tools are mathematical formulations or algorithms.
2	**Technology concept and/or application formulated**: Applied research. Theory and scientific principles are focused on a specific application area to define the concept. Characteristics of the application are described. Analytical tools are developed for simulation or analysis of the application.
3	**Analytical and experimental critical function and/or characteristic proof of concept**: Proof of concept validation. Active research and development is initiated with analytical and laboratory studies. Demonstration of technical feasibility using breadboard or brassboard implementations that are exercised with representative data.
4	**Component/subsystem validation in laboratory environment**: Standalone prototyping implementation and test. Integration of technology elements. Experiments with full-scale problems or data sets.
5	**System/subsystem/component validation in relevant environment**: Thorough testing of prototyping in representative environment. Basic technology elements integrated with reasonably realistic supporting elements. Prototyping implementations conform to target environment and interfaces.
6	**System/subsystem model or prototyping demonstration in a relevant end-to-end environment**: Prototyping implementations on full-scale realistic problems. Partially integrated with existing systems. Limited documentation available. Engineering feasibility fully demonstrated in actual system application.

Level	Summary
7	**System prototyping demonstration in an operational environment**: System prototyping demonstration in operational environment. System is at or near scale of the operational system with most functions available for demonstration and test. Well integrated with collateral and ancillary systems. Limited documentation available.
8	**Actual system completed and qualified through test and demonstration in an operational environment**: End of system development. Fully integrated with operational hardware and software systems. Most user documentation, training documentation, and maintenance documentation completed. All functionality tested in simulated and operational scenarios. Verification and Validation (V&V) completed.
9	**Actual system proven through successful operations**: Fully integrated with operational hardware/software systems. Actual system has been thoroughly demonstrated and tested in its operational environment. All documentation completed. Successful operational experience. Sustaining engineering support in place.

Table 3: Technology Readiness Level descriptions.

See ARENA's Technology Readiness Levels for Renewable Energy Sectors, table 1, for further information.

Commercial readiness index

Only projects in supporting technologies within the CRI less than 5 are eligible for funding under this grant.

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, first of a kind project funded by equity and government project 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 being driven by technology proponents and market segment participants – publicly discoverable data driving emerging interest from finance and regulatory sectors.
4	**Multiple commercial applications** becoming evident locally although still subsidised. Verifiable data on technical and financial performance in the public domain driving interest from variety of debt and equity sources however still requiring government support. Regulatory challenges being addressed in multiple jurisdictions.

Level	Summary
5	**Market competition driving widespread deployment** in context of long-term policy settings. Competition emerging across all areas of 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.

Table 4: Commercial Readiness Index descriptions.

See ARENA's Commercial Readiness Index for Renewable Energy Sectors, table 1, for further information.

Appendix 2: Eligible organisations

As a part of the application, the lead applicant must demonstrate they are one of the following organisation types:

- an Australian entity duly incorporated under the *Corporations Act 2001 (Cth)* (Corporations Act) and hold and comply with all necessary authorisations that are material to the conduct of the business of the applicant(s)
- a private or publicly funded research organisation applying through its appropriate commercialisation or technology transfer office, which will establish a separate entity to commercialise the clean technology (such as a university spin-out) prior to submitting a full application.
- an Australian Government entity under section 10 of the *Public Governance, Performance and Accountability Act 2013 (Cth)*
- an Australian state- or territory-owned body corporate, or a subsidiary of an Australian state- or territory-owned body corporate
- an Australian state, territory or local government or council.

Note: In some limited circumstances, a legal entity other than that listed above may be accepted as an eligible applicant. Any other entity that wants to apply for these grants should contact the department prior to lodgement of an application.

Net Zero Plan

For more information

For more information about Net Zero Industry and Innovation and the Clean Technology Innovation grants visit our website or email us at netzeroindustry@environment.nsw.gov.au.