

Department of Climate Change,
Energy, the Environment and Water

Low Emissions Industry Program



Funding guidelines

March 2026



Acknowledgment of Country



Department of Climate Change, Energy, the Environment and Water acknowledges the traditional custodians of the land and pays respect to Elders past, present and future.

We recognise Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to place and their rich contribution to society.

Artist and designer Nikita Ridgeway from Aboriginal design agency – Boss Lady Creative Designs, created the People and Community symbol.

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Low Emissions Industry Program

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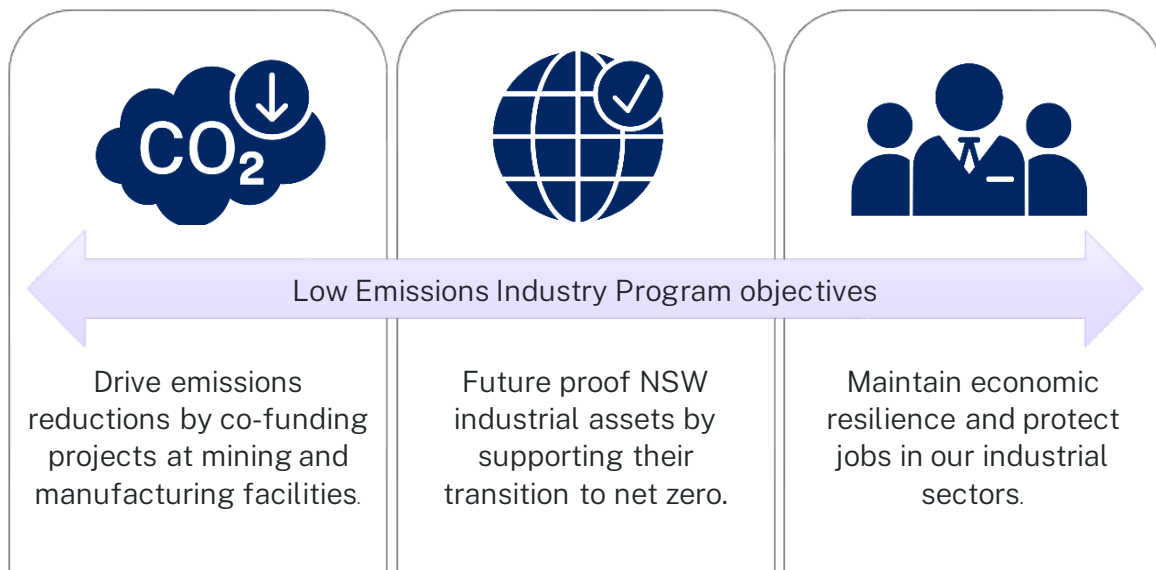
The Low Emissions Industry Program

Accelerating abatement by supporting the adoption of low emissions technology across NSW industry

Under the [Climate Change \(Net Zero Future\) Act 2023](#), NSW has legislated targets to achieve net zero by 2050 while ensuring a sustainable and fair future for NSW's people, economy and environment.

Manufacturing and mining facilities in NSW contribute approximately 30% of the state's emissions. Accelerating abatement at these facilities is key to meeting NSW legislated net-zero targets.

As part of the broader Industrial Decarbonisation Initiative, the NSW Government has committed \$40 million to the Low Emissions Industry Program. This program will offer grant funding to support mining and manufacturing facilities implement abatement projects.



A project must reduce the emissions of the facility by at least 1,000 tonnes of carbon dioxide per year. Funding is capped at \$10,000,000 per application to cover up to 50% of project costs. Projects must be operating by June 2030.

To be eligible, facilities must have reported emissions under the [National Greenhouse and Energy Reporting \(NGER\) Scheme](#) for the 2024–25 financial year. [Safeguard facilities](#) are not eligible to apply.

Purpose of these guidelines

These guidelines provide information to applicants seeking to apply for the Low Emissions Industry Program, including:

- the funding opportunity
- key dates for the grant
- eligibility and merit criteria
- how to apply and application requirements.

These guidelines should be read in conjunction with the website and the [frequently asked questions \(FAQs\)](#).

Definitions of key terms used in these guidelines are provided in [Appendix A](#).

Contact information

The Low Emissions Industry Program is administered by the Department of Climate Change, Energy, the Environment and Water (the Department, we, us) and is part of the [Industrial Decarbonisation Initiative](#).

The Department's staff are available to assist with queries during the application process. Please note that we cannot assist applicants in preparing their applications. Where relevant, questions answered by the Department will be added to the FAQs on the website.

Contact us by emailing emissionsreduction@environment.nsw.gov.au

The Department will endeavour to respond to all emailed questions within 3 business days.

About the program

Funding opportunity

The Low Emissions Industry Program is a competitive grant program. Applications open 9 March 2026 and close 9 June 2026.

The [eligibility criteria](#) and [merit criteria](#) sections of this funding guideline outline a full list of eligibility and merit assessment criteria.

Applications can be submitted at any time while the program is open. Once applications are closed they will be assessed comparatively using the merit criteria.

We prefer projects that:

- are proven at a commercial scale
- abate scope 1 emissions
- can achieve abatement results quickly to reduce emissions by 2030
- employ mature technologies that maintain or enhance the facility's productivity

Funding contributions

You must contribute at least 50% of the eligible costs of the project. Higher contributions may strengthen your application's value for money assessment and may improve competitiveness.

Your funding co-contribution could be from a parent organisation or through arrangements with other organisations (under contract). However, you cannot source more than 50% of funding for the project from the NSW Government.

If you intend to source funding from other grants (for example ARENA) you must tell us. We may not be able to co-fund your project with all other grant programs.

Please note: a single abatement project can have multiple components but must occur at one facility. Applications for abatement projects that span multiple facilities are not eligible. If an applicant has multiple projects at different facilities, separate applications must be submitted

Example projects

The Low Emissions Industry Program funding could support projects to reduce emissions at eligible facilities such as, but not limited to:

- fuel switching projects
- kiln and boiler upgrade projects
- waste heat recovery projects
- heat pump installation projects
- facility retrofits, including insulation, pipework rebuilds and process changes

Supported activities

The Low Emissions Industry Program can support all stages of a project from detailed design to procurement, construction and commissioning. Funding cannot be used to support the development of feasibility studies for your project.

Funding is contingent upon the abatement project being fully commissioned and operational by 30 June 2030 at the latest. Feasibility studies and pilots or other activities related to technology development and commercialisation are not eligible for funding.

[Appendix C](#) details all eligible expenditures and activities. Costs must be proven before milestone payments are made.



Image credit: DCCEEW

Key details

Table 1 below provides an overview of the key details of this program. Full eligibility requirements are outlined in the eligibility criteria section of this document.

Table 1: Low Emissions Industry Program key details

Key detail	Information
Total funding available	\$40 million
Maximum co-funding	50%
Minimum funding request	\$500,000
Maximum funding request	\$10 million*
Eligible facilities	<p>Mining and manufacturing facilities in NSW** that:</p> <ul style="list-style-type: none"> reported emissions under the NGER scheme in the reporting year 2024-25 are not a Safeguard Facility as defined in the National Greenhouse and Energy Reporting Act 2007 (NGER Act), clause 22XJ. are not oil and gas facilities
Project location	NSW
Project completion requirement	Projects that will be operational on or before 30 June 2030. Your project timeline should include application assessment period and time to execute the funding deed.
Project emission reduction threshold	At least 1,000 tCO ₂ -e per year of Scope 1 and/or Scope 2 emissions
Eligible expenditure	Final detailed design, procurement, implementation and commissioning.

***At our discretion we can consider applications for projects that exceed the maximum grant amount under exceptional circumstances**

**** Mining and manufacturing as designated by the ANZSIC code used to report under NGERs**

Key dates and timeframes

Table 2 lists the indicative timeframes for the Program. The Department may change these at its discretion.

Table 2: indicative timeframes

Stage	Description	Timeframe
Applications open	Applicants can start preparing and submitting applications.	9 March 2026
Applications close	No further applications will be accepted after this date.	11pm 9 June 2026
Assessment of applications	Once applications close the Department will review all merit.	Between July and November 2026
Notification of assessment outcome	The Department will notify all applicants of the outcome of their applications.	After November 2026 or as soon as possible once a decision has been made at the Department's discretion. Successful applicants will be sent a conditional letter of offer.
Project start	Successful applicants must sign a funding deed before the project begins.	We anticipate funding deeds to be executed within 2 to 6 months after your acceptance of the letter of offer. Projects start once the funding deed is signed.
Project announcement	Public announcement, led by the Department.	After the funding deed is signed, the Department will announce the project.
Project completion	The project is fully operational.	On or before 30 June 2030.*

***Project completion refers to the completion of the abatement project but reporting obligations may continue beyond this date**

Application and assessment

The Low Emissions Industry Program has a single-stage application process. Applications will be assessed comparatively against each other. The application and assessment steps are outlined below.

Please note: All applications must be submitted through the NSW Government’s grant management system.

Figure 1: application and assessment steps



Applications must be completed in full and must provide all specified information. If applicants do not provide the specified information (in the format required), the Department may seek supplementary information or clarification from applicants, or it may assess the application as unsuccessful.

Departures from funding deeds

A funding deed template representing terms the Department considers appropriate will be available on the grant management system. Applicants must acknowledge they have read the funding deed template as part of their application.

Applicants must confirm they accept the terms of the funding deed template or alternatively, provide any requested departures during application. A departures table will be provided to you, and departures requested must be submitted in this table with your application.

Any significant departures may be considered during assessment. The Department does not encourage departures and may or may not accept the requested departures at its discretion.

Due diligence

During the process, the Department may undertake due diligence on an application to confirm sound financial standing, which may include, but is not limited to:

- commissioning or completing research, analysis and modelling to support application assessments
- financial due diligence
- company due diligence
- contacting identified project participant organisations
- requesting any information or material reasonably required by the Department.

As part of these due diligence checks, the applicant must comply with any request for information. As a result of the due diligence process, the Department may, at its discretion, require the applicant to provide a form of guarantee for the performance of the funding deed, for example, a parent company guarantee.

Where an applicant has also applied for additional funding from another government source (e.g. ARENA), the Department will work with the applicant to share due diligence resources where possible, to minimise the burden on the applicant.

Final decision

The Department will advise applicants in writing about the assessment outcome of their application.

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

- approval of applications for funding
- amount of funding awarded
- terms and conditions of funding.

Without limitation, the submission of the application and the Department's assessment of the application are not, and do not represent, an agreement to negotiate an offer or guarantee of funding by the Department.

The applicant acknowledges that the Department is free to cease negotiations at any time before the finalisation of the funding deed without any liability or obligation to the applicant or any third party (including, without limitation, any consortium, related bodies corporate or group member). Any actions undertaken by the applicant or any third party arising out of or in connection with the application are at the applicant's or the third party's own risk and expense. There is no binding agreement until the funding deed has been duly executed.



Image credit: DCCEEW / Handsome Bob

Eligibility criteria

To be eligible for the Low Emissions Industry Program, an application must meet all eligibility criteria. Only applications that satisfy all the eligibility criteria will proceed to the merit assessment.

Eligible applicants

To be eligible an applicant must:

- hold an Australian Business Number (ABN)
- confirm that they are an Australian entity duly incorporated under the Corporations Act 2001 (Cth) and hold and comply with all necessary authorisations that are material to the conduct of the business of the applicant
- be classified under the Australian and New Zealand Standard Industrial Classification (ANZSIC) codes of manufacturing or mining, but not 070 Oil and Gas extraction
- hold all insurances required by law and those specified under the funding deed, including 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 the relations between the applicant and its employees
 - applicable Workplace Health and Safety legislation.
- not be subject to any insolvency event, including the subject of an order, resolution for winding up, dissolution (other than for the purposes of reconstruction or amalgamation) or the appointment of a receiver, liquidator, administrator or similar
- not be listed on the Australian Government Department of Foreign Affairs and Trade (DFAT) sanctions consolidated list
- disclose any legal proceedings or investigations that could adversely or materially impact the execution or outcomes of the abatement project and/or that may adversely impact the reputation of the NSW Government
- disclose all Australian state, territory and Commonwealth government grants applied for in relation to the abatement project, including applications made over the last 5 years (including both successful and unsuccessful applications)
- be the legal and beneficial owner of, or have all necessary rights to use, any intellectual property necessary to carry out the abatement project and have Operational Control over the facility at which the abatement project will be implemented.

Please note: the Department welcomes joint applications. However, the lead applicant must have Operational Control of the facility where the abatement project takes place and meets all the eligibility criteria. The lead applicant must complete the application form and should identify any joint applicants in the application. If successful, the lead applicant must enter into the funding deed and will bear full responsibility for the management and disbursement of grant funds, as well as compliance and deliverables of the funding deed.

Eligible projects

To be eligible, an abatement project must:

- occur at a facility in NSW that:
 - reported emissions under the NGER Scheme in the 2024-25 reporting period under the ANZSIC divisions of manufacturing or mining
 - is not a Safeguard Facility
 - is not an oil and gas extraction facility (ANZSIC group 070).
- reduce the facility's emissions by at least 1,000 tCO₂-e per year of scope 1 and/or scope 2 every year of operation.
- be fully operational on or before 30 June 2030.
- include continuous and proven co-investment by the applicant of at least 50% of the eligible costs (see [Appendix C](#)) of the abatement project.
- align with the facility's strategy for business operations at or above its current operating capacity beyond 2030
- deliver emissions reduction that does not result from a decrease in production or safety
- deliver emissions reduction that exceeds any applicable legislative requirements
- require NSW Government funding to proceed, significantly shorten the implementation timeframe or increase the scale of the abatement.

Ineligible applicants

Ineligible applicants include anyone who does not meet the eligibility criteria and:

- unincorporated associations and insolvent businesses
- an individual (including sole traders)
- joint applicants without a lead applicant
- NSW state-owned corporations or statutory authorities

Need for Government funding

Financial assistance will only be provided to support projects that produce abatement that is additional to abatement that would have occurred otherwise. The case for additionality can include shortening timeframes for the deployment of abatement technologies, increasing the scale of the project or abatement, creating new markets and contributing to lasting sectoral change.

Under Appendix B, applicants must demonstrate that funding is essential for their project to proceed.

The Department will assess the project's additionality. This assessment may include but is not limited to:

- the net present value and/or internal rate of return of the project, including increased operational costs or benefits from fuel savings, generation of certificates under government schemes such as the ESS or ACCU scheme, or avoided purchase of carbon offsets
- providing access to capital that would otherwise not be available
- timing or scheduling issues that would delay project completion without co-funding
- the risk profile associated with the project.



Image credit: DCCEEW / Zhaojiankang

Merit criteria

This section sets out the merit criteria that applications will be assessed against. To be competitive, the application must address all merit criteria.

[Appendix B](#) provides a complete overview of the evidence requirements for each merit criteria.

Merit criteria 1: emission reduction to be achieved

Please see [Appendix D](#) for recommended emission calculation standards.

Table 3: merit criteria 1

Criteria 1	Details
What is assessed?	The total emissions reduction the abatement project will achieve.
Scoring basis	<ul style="list-style-type: none"> The total scope 1 and scope 2 emissions reduction up to and including the 2029–30 financial year. The total scope 1 and scope 2 emissions reduction over the abatement project’s lifetime.
How to demonstrate?	<ul style="list-style-type: none"> Complete the <i>merit criteria template</i>, provided on the grant management system. Provide evidence to justify the forecast of annual facility emissions and projected emissions reduction attributable to the abatement project.
Extra information	<p>In the assessment of this criteria:</p> <ul style="list-style-type: none"> abatement projects with scope 1 emissions reductions will be weighted higher than projects with scope 2 emissions reductions. abatement projects with emissions reductions in and before the 2029–30 financial year will be weighted higher than those with emissions reductions after the 2029–30 financial year.

Merit criteria 2: technical feasibility of the project

Table 4: Merit criteria 2

Criteria 2	Details
What is assessed?	Technical feasibility of the abatement project and plans to meet compliance requirements.
Scoring basis	<ul style="list-style-type: none"> • The applicant's technical understanding of the abatement project. • The level of assurance provided that the technology is mature and has been successfully demonstrated at an operational facility by either the applicant, abatement project partners or third parties in an Australian and/or international context. • The progress of the abatement project in meeting planning and compliance requirements.
How to demonstrate?	<ul style="list-style-type: none"> • Provide technical details of the abatement project, such as commissioned technology, design, methodology and engineering documentation. • Supply evidence that the technology has been successfully deployed elsewhere and provide details on the effectiveness of the proposed technology. • Present information on project compliance with relevant local, state, and federal regulatory requirements.

Merit criteria 3: financial feasibility of the project and value for money

Table 5: merit criteria 3

Criteria 3	Details
What is assessed?	The financial feasibility of the project and the value-for-money outcomes to the NSW Government.
Scoring basis	<ul style="list-style-type: none"> The completeness and quality of the financial and emissions information and supporting evidence provided. Grant funding requested per tCO₂-e over the abatement project's or asset's lifetime. Confirmation of funding for the non-NSW Government grant-funded portion of the abatement project.
How to demonstrate?	<ul style="list-style-type: none"> Complete the <i>merit criteria template</i>, provided on the grant management system. This includes information on the financial model, cost of lifetime carbon abatement (\$/tCO₂-e), grant funding per tonne of lifetime CO₂-e reduction. Supply details of actual funding contributions from other sources, how they will be allocated and the timing of the funding. Supply details of revenue and/or cost savings from any certificates the project may generate, and the applicant intends to claim including but not limited to: <ul style="list-style-type: none"> Australian Carbon Credit Units (ACCUs) Energy Saving Certificates (ESCs) Peak Reduction Certificates (PRCs)
Other information	<ul style="list-style-type: none"> Projects that receive grant funding are not eligible to claim funding for ESCs and/or PRCs under the Safeguard Accelerator Program. Not all projects that are eligible to generate ESCs and/or PRCs, and intend to do so, can receive grant funding from the Program. We may inform you that you are only able to receive either grant funding or generate and sell ESCs and/or PRCs. This will be assessed on a case-by-case basis.

Merit criteria 4: project delivery

Table 6: merit criteria 4

Criteria 4	Details
What is assessed?	The capacity and capability of the applicant, proposed contractors and project partners to complete the abatement project on time and within budget, including a track record of projects of similar complexity.
Scoring basis	<ul style="list-style-type: none"> • The quality of the project plan. • Track record of implementing projects of similar complexity. • Understanding of key project risks and details of proposed risk mitigations.
How to demonstrate?	<ul style="list-style-type: none"> • Provide a project plan, and any other relevant documents that include the following information: <ul style="list-style-type: none"> - objectives of the abatement project - project activities and deliverables - timelines (e.g. Gantt chart) - procurement activities - stakeholder management. • Supply case studies of past projects of similar nature and complexity undertaken by the applicant or project partners. • Produce a project risk register and mitigation plan.

Merit criteria 5: strategic alignment

Table 7: merit criteria 5

Criteria 5	Details
What is assessed?	The project’s contribution to the NSW economy and its alignment with a credible decarbonisation pathway of the facility and/or the broader industry.
Scoring basis	<ul style="list-style-type: none"> • Contribution of the abatement project to NSW jobs and the economy, for example, through sourcing suppliers from NSW. • Alignment of the abatement project to a credible decarbonisation pathway.
How to demonstrate?	<ul style="list-style-type: none"> • Supply a financial model and/or analysis that supports the quantification of the impact on jobs and economic benefits. • Provide documentation describing how the technology fits within a credible decarbonisation pathway, for example: <ul style="list-style-type: none"> - a company or facility-specific scoping study - an industry-wide decarbonisation roadmap - publications from national or international research organisations such as the CSIRO.
Note:	<p>The application will be more competitive if:</p> <ul style="list-style-type: none"> • the technology is explicitly mentioned in the decarbonisation pathway • the pathway considers commercial and/or technical feasibility • the pathway’s author is highly credible (e.g. independent research organisation or consultant) • the pathway is facility-specific (e.g. a scoping study).

Merit criteria 6: knowledge sharing

Table 8: merit criteria 6

Criteria 6	Details
What is assessed?	The benefit that the knowledge from the abatement project brings to other projects and/or stakeholders.
Scoring basis	The benefits that any knowledge gained from implementing this project can bring to other facilities and industries looking to implement a similar project.
How to demonstrate?	Describe: <ul style="list-style-type: none"> • what knowledge from the project will be shared • who the knowledge will be shared with • how, when and for how long the knowledge will be shared • how the knowledge will benefit other decarbonisation projects undertaken by the applicant, project partners or third parties • how the knowledge will reduce barriers to wider commercial adoption of the technology in NSW.

Successful applicants

If your application is successful, we will send you a letter of offer and a draft funding deed.

You must keep the offer confidential until a funding deed is executed by both parties and we notify you that you can make a public announcement. Any public communication by the applicant regarding the project must only be done with the Department's prior consent.

The Department may withdraw the offer at any time, with or without reasons, including if the applicant does not comply with the public communication requirement.

Signing the funding deed

Successful applicants must enter a funding deed with the Department to receive funding from the Program. The funding deed will detail their obligations regarding the abatement project.

The successful applicant listed on the funding deed must be the applicant with Operational Control of the facility. The successful applicant must provide corporate/business structure details and information if requested by the Department including for the purposes of due diligence, if required. The Department may require, at its discretion, performance security as a condition of the grant funding (e.g. a parent company guarantee). The successful applicant must notify the Department in the application if it is part of a trust structure.

The Department may require additional terms because of the successful applicant's application and due diligence conducted by the Department, for example, additional trust terms if the applicant is a trust entity.

Credits and certificates

Projects that receive funding from the Low Emissions Industry Program may be eligible to generate certificates such as (but not limited to) Australian Carbon Credit Units, Safeguard Mechanism Credits, Energy Saving Certificates and/or Peak Reduction Certificates.

The Department reserves the right to recover revenue from the sale of credits and/or certificates generated by the abatement project and include the requirement in the funding deed as a condition of the funding, on terms acceptable to the Department. Grantees must also report any certificates generated by the abatement project.

Publishing and sharing project information

The Department may publicly announce and will publish information associated with successful applicants' abatement projects, including information noted in the [NSW Grants Administration Guide](#) and the:

- name of the recipient
- title of the project
- description of the project and its objectives
- amount of funding awarded.

Successful applicants who receive funding must not make any announcement about the success of their application without prior approval of the Department and not before the Department's announcement. If a successful applicant makes a public statement about a funded abatement project, after the Department's announcement, the applicant is required to seek the Department's approval and [acknowledge the support provided by the Department](#).

The Department will also share or publish information about any successful or unsuccessful applications when required under the law.



Image credit: DCCEEW / Imantsu

Grant milestones and payments

The Department intends to offer 4 milestone payments across the lifecycle of the abatement project, outlined in Table 9. The final funding percentages and the number of milestones for successful applications will be confirmed before the signing of a funding deed with the Department.

Please note: abatement projects that receive grant funding must be fully operational by 30 June 2030.

Table 9: indicative milestone schedule (may be updated by the Department)

Milestone	Example requirements	Funding	Timeline
1	<ul style="list-style-type: none"> Fully executed copy of the funding deed Procurement of detailed design A final budget Evidence of cost/quotes (if any) 	20%	Between January and June 2027
2	<ul style="list-style-type: none"> Completion of the project design Procurement of project equipment Submission of independently verified emissions baseline 	30%	Project specific
3	<ul style="list-style-type: none"> Complete commissioning of the project equipment Evidence that the project is operational 	30%	No later than 30 June 2030
4	<ul style="list-style-type: none"> Report demonstrating emission abatement Knowledge-sharing activities completed 	20%	12 months after commissioning

Successful applicants should be aware that the Department expects the terms of an executed funding deed to reflect the successful applicant's careful and thorough expectations for the project's development. For example, the successful applicant should ensure a rigorous and realistic basis for the project milestone timing, associated payment and outcomes as set out in the funding deed. Any payment of funds is subject to the execution of a funding deed.

Monitoring project progress

Successful applicants who enter a funding deed will be required to submit data reports in line with the requirements of the executed funding deed, which will be used by the Department to monitor the progress of the successful applicant's abatement project. To confirm the data reports the Department may:

- conduct site visits to confirm the details of the submitted reports
- re-examine claims
- seek further information
- request an independent audit of claims and payments.

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

- project 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.

Further information

Commencement and authority for funding guidelines

These funding guidelines have been approved by the Department.

Limitations

No representation, warranty or guarantee

The NSW Government, its Ministers, the Department and each of their officers, employees and agents (the Department Parties) 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 Parties associated with the funding under the Low Emissions Industry Program, including with respect to:

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

Nothing in these guidelines or any materials relating to the Low Emissions Industry Program is advice. The Department Parties do not and will not give opinions or advice regarding legal, accounting, regulatory, taxation or any other matters. Without limiting the foregoing:

- nothing in the funding materials (including without limitation, these guidelines, or the funding deed) is or should be regarded as advice; and
- the applicant must satisfy itself, at its own cost, by undertaking its own investigations or seeking advice.

No liability

The Department Parties expressly disclaim 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 funding materials (including without limitation, these guidelines, or the funding deed), except for any liability which cannot be excluded as a matter of law.

Other limitations

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

The applicant must rely entirely upon its own investigations, review and analysis in relation to their assessment of whether to apply to and participate in the Low Emissions Industry Program.

Confidentiality and disclosure of information

Unless otherwise stated, the Department will treat any commercial-in-confidence information provided by the applicant as part of, or in connection with, a registration, application or negotiation process as confidential in accordance with these Guidelines and, if a funding deed is signed, in accordance with the provisions of the funding deed.

The Department may disclose commercial-in-confidence information provided by the applicant to the following parties:

- a Minister or Minister's office (including any staff employed by the Minister or Minister's office)
- the NSW Ombudsman and Audit Office of NSW
- Department 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 the 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 the application or the abatement project
- 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 confidential.

The Department will otherwise only disclose commercial-in-confidence information provided by the applicant with their consent.

Complaints

Complaints concerning the Low Emissions Industry Program should be emailed to emissionsreduction@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, it will provide details of a nominated complaint and review officer from the Complaints Team who will advise the next steps.

If the complaint is still not resolved satisfactorily, the NSW Ombudsman can be contacted for an external review of the administrative actions of the Department.

Conflicts of interest

Applicants must disclose any actual, potential or perceived conflicts of interest as part of their application or, if successful, as they arise during project implementation.

Conflicts of interest are any factors that could (actually or by perception) compromise the judgement, decisions, or actions of a person or group of people. Such conflicts may relate to, without limitation:

- engaging consultants to assist the applicant with the application who have advised or are currently advising the Department
- procurement or employment
- direct negotiations
- sponsorships
- partnerships
- any other situations which could lead to unfavourable advantage.

The fact that the applicant wishes to engage, or has engaged, an existing Department consultant or service provider does not automatically preclude the applicant from engaging the same consultancy. However, the applicant must request from its consultants whether the consultants have advised the Department and notify the Department immediately.

The Department will consider whether there is a conflict of interest and notify the applicant of the outcome. The applicant must follow the Department's directions with respect to the conflict of interest, including procuring assurances from the consultant. Otherwise, the Department may elect not to proceed with the application.

The applicant should be cautious about any conflicts of interest. The Department recommends that applicants contact the Department if they are unsure whether something constitutes an actual, potential or perceived conflict of interest.

Evaluation

Without limiting any specific reporting or evaluation requirements set out in an executed funding deed, the Department will evaluate how effective the grant was in achieving its objectives. The Department may contact successful applicants up to 2 years after completion of the abatement project for more information to assist with this evaluation. Successful applicants consent to the use of information for this purpose by:

- the Department
- a Minister or Minister's office (including the employees of the Minister or the Minister's office)
- the NSW Ombudsman and Audit Office of NSW
- Department 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 and the abatement project more generally.

Grant acknowledgement

If a successful applicant makes a public statement about a funded project, they are required to [acknowledge](#) the support provided by the Department.

No contract or liability

Despite any part of these funding materials, or any other documentation that forms part of this process (in part or together), by applying, applicants:

- acknowledge that neither the applicant nor the Department intend to create any contract or other legal relationship until such point of an executed funding deed
- acknowledge that neither this document, nor any submission will create any legal or other obligation on the Department to conduct the process in any manner or at all
- release the Department from any claim it may otherwise have been able to make or bring against the Department, arising out of or in connection with the Department's conduct.

Potential applicants and interested parties should refer to the Department's website for up-to-date information.

Any questions or clarifications can be emailed to emissionsreduction@environment.nsw.gov.au.

Privacy

The Department is required to comply with the *Privacy and Personal Information Protection Act 1998 (NSW)* (the PPIP Act) and will handle any personal information collected in relation to the program in accordance with the PPIP Act and the Department's Privacy Policy. Provision of personal information is voluntary; however, the Department may not be able to assess your application if the information is not provided.

Information provided in relation to your application will be stored on a database and will be used by the Department (and its officers, agents and contractors) to:

- assess the merits of your application and to contact you about your application
- evaluate and/or audit the grant program, and
- if the application is made online and there are terms and conditions associated with the submission of the application online, in accordance with those terms and conditions.

The Department may disclose your application to other Government agencies to assess the merits of your application or as otherwise permitted by the PPIP Act. In particular but without limitation, the Department may disclose (at any time) your application and associated information to other Government agencies if you are seeking joint funding or funding from multiple government entities for your project.

You must take reasonable steps to ensure any person whose personal information is included in your application, has:

- been informed about the purposes for which their information has been collected and may be used, and
- consented to their information being supplied to the Department and other Government agencies.

While the Department does not publicly release the application as a matter of policy, the Department may be required to do so under the *Government Information (Public Access) Act 2009*, in response to an order for papers under Standing Order 52 from the NSW Parliament or as otherwise required or permitted by law.

If your application is successful, the details of the project will be published, including but not limited to the name of your organisation and any partnering organisations involved in the

project, project title, description, project location, anticipated time for completion and total grant amount awarded.

You have the right to access your personal information. You can contact emissionsreduction@environment.nsw.gov.au for access.

Appendix A: terms and definitions

The following terms are used throughout these funding guidelines.

Table 10: terms and definitions

Term	Definition
Abatement	Emission reduction.
Abatement project	A project that delivers emissions reduction at a facility.
ABN	Australian Business Number.
ANZSIC	Australian and New Zealand Standard Industrial Classification.
Applicant	An entity referred to in these guidelines that applies for funding from the Low Emissions Industry Program.
Application	Submission for Low Emissions Industry Program funding consisting of a completed application form including templates and any provided evidence or attachments.
Application form	Document or documents issued under the Low Emissions Industry Program for applicants applying for funding.
ARENA	Australian Renewable Energy Agency.
Business days	A day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, New South Wales.
Commercial-in-confidence information	Any information that discloses the applicant's financing arrangements, cost structure, profit margins or full base case financial model; intellectual property for which the applicant has an interest; any matter the disclosure of which would place the applicant at a substantial commercial disadvantage.
Commercial principles	A set of principles made available by the Department which broadly represent how the Department expects funding arrangements to be provided and the outcomes this will achieve.
Conflict of interest	A situation where a person decides or exercises power in a way that may be, or may be perceived to be, influenced by either material personal interests (financial or non-financial) or material personal associations.
Corporations Act	<u>Corporations Act 2001 (Cth)</u> .
Department Parties	The NSW Government, its Ministers, the Department and each of their officers, employees and agents
Eligible applications	An application for the Low Emissions Industry Program that the Department has determined is eligible for assessment in accordance with these guidelines.
Eligibility criteria	Criteria that applicants and projects should meet to be eligible for funding.
Eligible expenditure	Project expenditures that are eligible for funding under the Low Emissions Industry Program, see Appendix C.

Emissions	As defined by the Clean Energy Regulator
Funding deed	An agreement between the Department and a recipient under which Low Emissions Industry Program funding is provided to the recipient.
Guidelines	Approved framework for the operation and administration of Low Emissions Industry Program funding.
Industrial Decarbonisation Initiative	The Industrial Decarbonisation Initiative co-funds diverse emissions reduction projects to help NSW industrial sectors reduce their emissions and remain competitive in a transitioning net zero economy.
Joint applicant	Other project partners who do not have Operational Control of the eligible facility.
Joint funding	Financial support of a project by the Department and a non-private sector party such as ARENA.
Merit criteria	Criteria that applications are assessed against.
Minister	The Minister with responsibility for the Low Emissions Industry Program, which at the time of publishing for these guidelines is the Minister for Climate Change.
NGER Scheme	The National Greenhouse and Energy Reporting Scheme .
NSW	The state of New South Wales.
Operational Control	As defined in the National Greenhouse and Energy Reporting Act 2007 .
Department of Climate Change, Energy, the Environment and Water.	The NSW Government Department, which at the time of publication, is responsible for the administration of this program and guidelines.
tCO₂-e	Tonnes of carbon dioxide equivalent.
Opportunity costs	Any benefits or production lost due to the allocation of resources to the project ahead of any other possible activities by the recipient.
Partner organisation	A non-private sector party, such as ARENA, who provides financial support to a project that the Department also provides financial support to under the Low Emissions Industry Program.
Project	A project described in an application for funding under the Low Emissions Industry Program.
Project milestone	Represents the completion of a major step in the project that requires the commitment of a certain amount of time, resources and effort.
Recipient	An applicant that has been offered Low Emissions Industry Program funding and has entered into a funding deed with the Department.
Safeguard facility	As defined in the National Greenhouse and Energy Reporting Act 2007 (NGER Act), clause 22XJ: Designated Large Facility

Scope 1 emissions	Emissions as a direct result of an activity, or series of activities at a facility level.
Scope 2 emissions	Indirect greenhouse gas emissions associated with direct consumption of an energy commodity such as electricity, steam, heat, or cooling.

Appendix B: required evidence

Table 11 outlines the required and supporting evidence for each eligibility and merit criteria.

The listed supporting evidence is indicative only; applicants are free to provide other supporting evidence to demonstrate merit.

Table 11: eligibility criterion evidence required for applications

Eligibility criteria	Evidence
1: Eligible applicant	<p>Required evidence:</p> <ul style="list-style-type: none"> • Company ABN • Insurance certificates of currency, including but not limited to: <ul style="list-style-type: none"> - workers compensation insurance - public liability insurance - professional indemnity insurance • Signed statement of legality regarding compliance with NSW WHS requirements including: <ul style="list-style-type: none"> - act: Work Health and Safety Act 2011 (NSW) - Regulation: Work Health and Safety Regulation 2017 (NSW) - codes: NSW Codes of Practice - regulator: SafeWork NSW - workers' compensation regulator: State Insurance Regulatory Authority (NSW) • Unqualified audit report for company financial statements for the financial years 2022–23, 2023–24 and 2024-25 • Applicant confirmation it has Operational Control of the facility • Supporting evidence: <ul style="list-style-type: none"> - Confirmation letter stating relevant authority to use intellectual property (IP) - Licensing agreements with original equipment manufacturers (OEMs) or service providers - Applicant confirmation the facility is listed as “reporter” or “responsible emitter” in latest NGER data.

2: eligible project	<p>Required evidence:</p> <ul style="list-style-type: none"> • Project data in <i>merit criteria template</i> <p>Supporting evidence:</p> <ul style="list-style-type: none"> • Demonstrate why co-funding is required • Explain why the project delivery will change the production of your facility
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Table 12: merit criteria evidence required for applications

Merit criteria	Evidence
1: emissions reduction to be achieved	<p>Required evidence:</p> <ul style="list-style-type: none"> • Completed <i>merit criteria template</i> <p>Supporting evidence:</p> <ul style="list-style-type: none"> • All emission data inputs, sources, assumptions and calculations • Evidence to justify the estimated volume of abatement
2: technical feasibility of the project	<p>Supporting evidence:</p> <ul style="list-style-type: none"> • Detailed technical feasibility study • All supporting technical documentation including engineering designs, drawings and schematics, project methodology, due diligence and third-party reviews • Evidence that the technology is mature • Evidence that the technology has been successfully deployed in an Australian or international context by the applicant, direct project partners, or third parties • Details on the effectiveness of the proposed technology • Evidence of project compliance with relevant local, state, and federal regulatory requirements • Copies of relevant approvals
3: financial feasibility of the project & value for money	<p>Required evidence:</p> <ul style="list-style-type: none"> • Completed <i>merit criteria template</i> <p>Supporting evidence:</p> <ul style="list-style-type: none"> • Internal project cash flow model with assumptions

4: project delivery

Required evidence:

- A project plan or a description of the project that includes:
 - objectives
 - activities and deliverables
 - timelines (e.g. Gantt chart)
 - procurement activities
 - stakeholder management
 - resumes of key delivery personnel.

Supporting evidence:

- Supplier quotes and proposals
- Joint venture or partnership agreements, letters of intent or other documents providing evidence that all significant project partners are prepared and authorised to commence work
- Company authorisation for the project (board minutes or other)
- Studies and opportunity analyses undertaken to date
- Case studies of past projects of similar nature and complexity undertaken by the applicant and project partners
- Project risk register and mitigation plan

5: strategic alignment

Supporting evidence:

- Analysis that supports the quantification of the impact on jobs and economic benefits
- Documentation describing how the technology fits within a credible decarbonisation pathway. For example, a company or facility-specific scoping study, an industry-wide decarbonisation roadmap, or publications from national or international research organisations such as CSIRO.

6: knowledge sharing

Required evidence:

- A knowledge-sharing plan or description of what and how knowledge will be shared, including:
 - what will be shared
 - who it will be shared with
 - how it will be shared
 - when it will be shared
 - the value benefit of knowledge sharing
 - the barriers it will reduce.

Appendix C: eligible expenditure

Overview

This appendix specifies the types of project expenditures that are eligible for funding under the Low Emissions Industry Program funding guidelines. Project expenditures will be recognised in the funding deed. These specifications must be followed when preparing the budget submitted with an application. This information is part of the regular project milestone reporting required of Low Emissions Industry Program funding recipients.

Once a funding deed is executed for a project, the Department will make payments when the project makes satisfactory progress and meets agreed milestones. Payments must be spent on eligible expenditures in line with these guidelines and the funding deed. Where the applicant is in any doubt as to the eligibility of some of the expenditures on the project, the applicant should discuss the matter with the Department. The Department will consider the request and decide regarding the eligibility of the expenditure.

Project milestone payments

Financial reports and other verifying evidence

The proportion of eligible expenditure to be paid at each project milestone will be determined on a case-by-case basis. The funding deed will require the applicant to provide financial reports and other evidence verifying eligible expenditures on the project for each milestone period.

Accounting system requirements

Recipients are required to have in place suitable accounting systems. Recipients are to provide assurances to the Department that the accounting system used by its organisation and any consortium partners allows for the separate and accurate identification of contributions and eligible expenditures on the project.

A clear audit trail of all Low Emissions Industry Program funding contributions and eligible expenditures must also be available on request and as required to meet the requirements in the funding deed.

General principles

The following general principles apply when considering eligible expenditure:

- eligible expenditure is determined as expenditure related directly to the undertaking of the project
- eligible expenditure is calculated as the GST-inclusive amount less any GST credits the recipient or its representative member is entitled to claim
- non-cash (in-kind) contributions cannot be included in the budget as eligible expenditure*
- where resources are used on the project and unrelated activities elsewhere in the recipient's organisation, the cost of those resources will be apportioned to the project, based on the proportion of those resources that were used by the recipient in undertaking the project
- related party transactions must be treated on an 'at-cost' basis, without mark-up, unless the recipient can demonstrate to the satisfaction of the Department that the transaction has been calculated on an arm's-length basis
- eligible expenditure must be proven against generally accepted accounting principles and must allow the Department to track expenditures relating to the project through the recipient's accounting system to meet the financial reporting and audit requirements in the funding deed.

***Please note:** in-kind contributions are non-monetary resources used on the project where no cash has been transferred to the recipient's account(s) for the project.

Eligible and ineligible expenditures

Eligible and ineligible expenditures include the following:

Eligible expenditure

- Expenditure on the preparation of contracts entered for the purposes of undertaking the activities required for the conduct of the project but not the funding deed or any documentation related to the application process, subject to the ineligible expenditure constraints detailed in the ineligible expenditure section.
- Expenditure on engaging external consultant(s) to perform activities directly related to the project.
- Expenditure for plant equipment installed for the project at the full delivered cost of the plant (GST inclusive), less any GST credits the recipient is entitled to claim.
- Expenditure on plant equipment used for the construction of the project, calculated based on hire or lease costs and running costs directly related to the construction of the project, such as rent, power, fuel and repairs and maintenance.

- Labour expenditure, such as salaries and wages, including reasonable on-costs for personnel employed directly on the project. This includes existing staff working on the project and additional staff hired/contracted for the project.
- Administrative expenses, including those incurred on:
 - communications
 - accommodation
 - computing facilities
 - travel
 - recruitment
 - printing
 - stationery, where such expenses are related directly to the project.
- Expenditure on legal, audit and accounting costs related directly to the project.
- Expenditure on activities that directly contribute to, or enable knowledge sharing, including:
 - database development
 - websites
 - applications
 - reports.
- Expenditure such as relevant licence fees or intellectual property purchase costs, where the applicant needs to access specific technology to undertake the project.

The Department may consider supporting any other expenditures not listed above, on a case-by-case basis.

Ineligible expenditure

- Operating costs of the project post-commissioning.
- Projects that directly relate to NSW Government planning and assessment processes, such as:
 - biodiversity studies
 - heritage studies
 - noise, air quality and traffic studies
 - water, waste and hazardous material studies
 - council and/or government levies and/or fees.

- Expenditure on projects that a local, state, territory or Commonwealth government agency has the responsibility to undertake.
- Any opportunity costs.
- Expenditure related to the general operations and administration of the recipient's organisation that the recipient could reasonably be expected to undertake in the normal course of business.
- Expenditure if undertaken prior to the signing of the funding deed or after the completion date for the project specified in the funding deed.
- Sales or promotional activities that do not directly support the successful completion of the project.
- Expenditure on the acquisition of land for the project.
- Expenditure on lease cost for land for the operation of the project.
- Interest on loans for new and pre-existing capital items used for the project.
- Membership fees, donations, or any other expenditure that the Department determines does not directly support the successful completion of the project.
- Expenditure related directly to obtaining government approvals to undertake the project.
- Expenditures associated with preparing a funding application.

The Department is not liable for any costs, expenses, losses, claims or damages that may be incurred by applicants in connection with the application process, including in preparing or submitting an application, providing further information to the Department, participating in negotiations with the Department or signing of the funding deed.

Labour expenditure

Eligible labour expenditure is the gross amount paid or payable to an employee of the recipient entity. Eligible salary includes any components of the employee's total remuneration package that are itemised on their pay-as-you-go (PAYG) annual payment summaries submitted to the Australian Taxation Office (ATO).

Recipients must provide evidence to demonstrate the amount of time that an employee spent on the project. Evidence to support eligible labour expenditures could include timesheets, job cards or diaries. Labour expenditures cannot be claimed based on an estimation of the employee's worth to the company, where no cash has changed hands.

Contract expenditure

Eligible contract expenditure is the cost of any activities to support the project performed for the recipient by another organisation. Work to be performed on a project must be the subject

of a written contract, which is consistent with the terms of the funding deed, including a letter or purchase order specifying the nature of the work to be performed for the recipient and the applicable fees, charges and other costs payable.

The written contract must be executed before the commencement of the work undertaken under the contract.

Contracts need not be in place when an applicant submits an application to the Department. However, for major contract expenditures, such as purchases of major hardware to be incorporated in the project, applicants will be expected to have some form of documentary evidence, such as written quotes from suppliers, to verify the expenditure included in the financial estimates.

Where the contractor and the recipient are not at 'arm's length', the amount assessed for work performed will be an amount considered to be a reasonable charge for that work and contain no unacceptable overheads and no element of 'in-group profit'. Organisations considered not at 'arm's length' include, without limitations, related companies and companies with common directors or shareholders.

Appendix D: emissions calculations

Overview

This appendix recommends practices for calculating emissions and electricity consumption for the purpose of:

- projection
- monitoring and verification
- evaluation and reporting.

This is for projects submitted or supported by the Low Emissions Industry Program.

Project framework specifications and references

These projects are required to measure, verify and report emissions and emissions reductions within the project boundary using an internationally recognised framework such as the latest version of ISO 14064-2 or the [Greenhouse Gas Protocol](#) for project accounting. Applications must specify which framework or standard the project will follow.

Organisational and facility-based emissions inventories

For organisational and facility-based emissions inventories, where appropriate, reference should be made to:

- the latest version of ISO 14064-1, Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removal
- [The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard](#)
- [National Greenhouse and Energy Reporting Scheme reporting guides 2023-24](#) (current version)
- [National Greenhouse Accounts Factors: Australian National Greenhouse Accounts, August 2024](#) (current version).

Project-based emission inventories

For project-based emission inventories, where appropriate, reference should be made to:

- the latest version of ISO 14064-2, Greenhouse gases — Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements
- The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard
- National Greenhouse and Energy Reporting Scheme reporting guides 2023-24 (current version)
- National Greenhouse Accounts Factors: Australian National Greenhouse Accounts, August 2024 (current version).

Sector-specific guidance

Sector-specific guidance should be applied where appropriate. Such guidance can be found in:

- the latest version of ISO 19694-1: Stationary source emissions — Determination of greenhouse gas emissions in energy-intensive industries — Part 1: General aspects
- Greenhouse Gas Protocol which provides sector-specific calculation tools
- sector-specific National Greenhouse and Energy Reporting Scheme reporting guides, such as:
 - estimating emissions and energy from coal mining guideline (August 2024)
 - estimating emissions and energy from industrial processes guidance (August 2024).

Use of qualified professionals

Monitoring, verifying and reporting of emissions and emissions reductions must be undertaken by a qualified professional or reviewed by an independent qualified professional. A list of registered greenhouse and energy auditors can be found on the Clean Energy Regulator website. However, there may be other qualified professionals not listed.



For more information

For more information about the Low Emissions Industry Program grant, visit our website or contact us via email.

www.energy.nsw.gov.au |
emissionsreduction@environment.nsw.gov.au