Clean Technology Research and Development Grants

Round 2 Guidelines

Department of Planning and Environment

NSW GOVERNMENT

Cover photo: Solar panel manufacturing stock photo/iStock 489735770

Find out more about your environment at:

www.environment.nsw.gov.au

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How to use this guide

This guide provides an overview of the NSW Environmental Trust's 2022–23 Clean Technology Research and Development Grants Program (the program), including organisations that are eligible to apply, the types of research that may be funded and the program priorities. It also outlines how your expression of interest and invited applications will be assessed and what to expect if you are awarded a grant.

The Environmental Trust may publish questions and answers about this grant program on the Clean Technology Research and Development Grants Program web page as they arise. The questions and answers should be read in conjunction with these guidelines.

Important dates

Opening date for expressions of interest	Closing date for expressions of interest
Monday 31 October 2022	5 pm, Friday 9 December 2022

Funding available

The total grant pool available for Round 2 is up to $14 million, depending on the availability of funds.

The minimum grant amount is $400,000, and the maximum grant amount is $3 million.

The maximum project duration is 3 years.

Grants will only be awarded to projects that can demonstrate a minimum of 1:1 matched funding from other sources (see Key information for 2022–23).

Thinking of applying?

Please follow the three simple steps below if you are considering applying for funding under this program.

Step 1

Download and read the program guidelines (this document).

Step 2

Check the eligibility conditions in **Part 2: Eligibility** of this document. Consider:

1. Is your organisation eligible?
2. Is your proposal aligned with the objectives of this program?
3. Are the proposed activities eligible for funding?

If you answered yes to these questions, you are ready to develop your expression of interest (EOI).

Step 3

Develop your EOI according to the instructions in **Part 3: Application and assessment** and submit it via the Trust's EOI submissions web page by **5 pm, Friday 9 December 2022**.

> The link to the Trust's EOI submission webpage is provided on the **Clean Technology Research and Development Grants Program webpage**.
>
> Links to additional resources are provided in **Part 6: More information**

Enquiries

NSW Environmental Trust

Telephone: 02 8837 6093

Email: info@environmentaltrust.nsw.gov.au

> **Expressions of interest close at 5 pm (AEDT), Friday 9 December 2022. Late submissions will not be accepted.**

Part 1: About the program

Clean Technology Research and Development Grants

The NSW Government has committed to supporting the development and continued innovation of emerging clean technologies and services in New South Wales. As part of this commitment, the Government has established the Clean Technology Research and Development Grants Program for the early-stage development of low emissions technologies and services. Funded by the Environmental Trust, this competitive grant program will be a flagship for clean technology research and development in New South Wales. It will prioritise investment in sectors and technologies where the potential for emissions reduction is high in the medium to long term.

Relationship to other Net Zero initiatives

Net Zero Industry and Innovation Program

The NSW Government's Net Zero Plan Stage 1: 2020–2030[1] (Net Zero Plan) sets out the State's ambitious agenda to reduce emissions by 50% by 2030 and achieve net zero emissions by 2050. The $1 billion Net Zero Industry and Innovation Program[2] 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. The program has 3 areas of focus:

1. Clean Technology Innovation – supporting the development and continued innovation of emerging clean technologies.
2. New Low Carbon Industry Foundations – laying the foundations for low emissions industries by building enabling infrastructure and increasing the capability of our supply chains.
3. 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. Over the course of the decade, these delivery streams will evolve to meet changing market conditions.

Clean Technology Innovation

As global demand for low emissions technologies and modernised industrial processes grows, New South Wales 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. New South Wales is ideally positioned to create an ecosystem where clean technologies are rapidly developed, repeatedly innovated and scaled up to meet our emissions targets. This area of focus will enable knowledge sharing, capacity building and collaboration between researchers, industry and government.

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[1] https://www.environment.nsw.gov.au/topics/climate-change/net-zero-plan

[2] https://www.energysaver.nsw.gov.au/business/reducing-emissions-nsw/net-zero-industry-and-innovation

This focus area will provide support for clean technology innovation through the stages of development, with 4 different grants:

1. Research and Development Grants (this program)
2. Clean Technology Ecosystems Grants
3. Clean Technology Commercialisation Grants
4. Clean Technology Research, Development and Commercialisation Infrastructure Grants.

See **Part 6: More information** for links to these programs.

Role of the NSW Environmental Trust

The program is administered by the NSW Environmental Trust (the Trust). The Trust is an independent statutory body that supports a broad range of organisations to undertake projects that enhance the State's environment. The Trust was established under the *Environmental Trust Act 1998* and administers grants across a diverse range of programs, including contestable grants, major projects and various NSW Government initiatives.

Program objective

The purpose of the program is to invest in research and development of commercially viable technologies, services or intellectual properties that have the potential to significantly reduce emissions of high emitting or hard-to-abate sectors within the NSW economy up to, and beyond, 2030.

The overarching objective of this program is to support early-stage clean technology research and development projects that help to foster a healthy research and development ecosystem within New South Wales. In practical terms, this means supporting projects that:

- are in the range of Technology Readiness Level (TRL) 2 to 6 (see **Appendix 1: Technology readiness levels**)
- seek to develop innovative solutions to decarbonising high emitting or hard-to-abate[3] industries within the program priority areas
- have the potential to make a substantial contribution to the NSW Government goal of reducing emissions by 50% by 2030 and achieving net zero by 2050
- are likely to have net positive environmental impacts (e.g., when considering other factors like embodied carbon and supply chain impacts)
- promote and actively engage in cross-sectoral and cross-disciplinary partnerships and knowledge sharing.

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[3] These are industries with higher abatement costs relative to rest of the economy.

Priority areas

The program priority areas are guided by the NSW Office of the Chief Scientist and Engineer's Decarbonisation Innovation Study (2020)[4]. We encourage you to review the Decarbonisation Innovation Study to ensure your project aligns with the identified decarbonisation priority areas. The priority areas for 2022–23 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 proportion 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.

Key information for 2022–23

- The application and assessment process consists of 2 stages: Stage 1 – Expressions of interest (EOI) and Stage 2 – Full Applications. Only shortlisted EOIs will be invited to submit a Full Application.
- Applications are required to have a minimum of 1:1 matched funding from other sources (i.e., one dollar from another source for every dollar of grant funds requested from this program). Matched funding must include a cash component and may include an in-kind component. Higher cash contributions will be viewed favourably during assessment.
- An organisation may submit a maximum of 3 EOIs.
- Successful projects are expected to commence within 3 months of signing a funding agreement.
- Intellectual property developed by funded projects will be retained by the grant recipient, or relevant third parties, where relevant. The Trust reserves the right to communicate to the public the general outcomes or progress of funded projects (e.g., as case studies in the Trust's annual reports).
- Successful projects will be required to share outcomes or learnings from their project with relevant stakeholders in a minimum of 2 forums. A grant payment equal to 20% of the total grant amount will be linked to fulfillment of this requirement.

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[4] https://www.chiefscientist.nsw.gov.au/independent-reports/decarbonisation

Important timeframes for this round

The application and assessment process will occur in 2 stages as outlined in Figure 1 below. For further information about the application and assessment processes, see **Part 3: Application and assessment**.

Stage 1
Expression of Interest Open
31 October to 9 December 2022

Stage 2
Full Application Submissions due (by invitation only)
April/May 2023

Funding
Successful projects announced July 2023
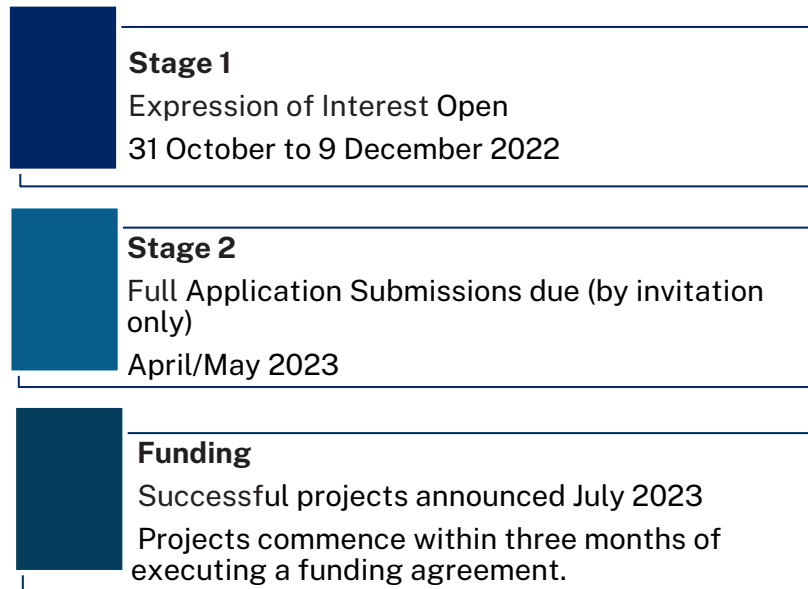Projects commence within three months of executing a funding agreement.

Figure 1   **Anticipated timeframes for the 2022–23 round.**

Part 2: Eligibility

To be eligible for this grant, you must meet all of the following eligibility criteria.

Eligibility criterion 1: Eligible applicants

To be an eligible applicant, you must:

- hold a current Australian Business Number (ABN)
- be an organisation that fits into one of the categories outlined in **Appendix 2: Eligible organisations**
- hold, at the time of executing a funding agreement, public liability insurance (minimum $10 million) and workers compensation insurance
- warrant that you are the legal and beneficial owner of (or have all necessary rights to use) any intellectual property necessary to carry out the project
- disclose any relevant[5] 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 2001*)
- not be subject to any insolvency event, including being the subject of an order or resolution for winding up or dissolution (other than for the purpose 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]

Eligibility criterion 2: Eligible projects

To be an eligible project, your proposal must:

- seek to innovate a new technology, services or process (or extend a technology, service or process) that supports or enables decarbonisation of a high emitting or hard-to-abate industry (or industries)
- be for early-stage research and development in the range of TRL 2-6 (see **Appendix 1: Technology readiness levels**)
- align with the program's priority areas (see **Part 1: About the program – Priority areas**)
- be applying for funding in the range of $400,000 and $3 million
- have clear economic benefits in New South Wales[7]
- use funding for eligible activities as outlined in Tables 1 and 2 over page
- meet the matched funding requirements specified at Key information for 2022–23.

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[5] Relevant proceedings or investigations are those that may impact the suitability of an applicant (including partner applicant) or organisation (including partner organisation) as a grant recipient. This includes proceedings or investigations that call into question matters of integrity or financial capabilities.

[6] https://www.dfat.gov.au/international-relations/security/sanctions

[7] This may include expending grant funds within NSW and identifying a clear market and intent to commercialise the product in NSW.

Eligible and ineligible activities

In addition to the eligibility requirements set out above, Table 1 and Table 2 list examples of activities that are eligible and ineligible for funding under this program, respectively. These lists are not exhaustive, and you should contact the Trust if you are unsure about the eligibility of your proposed activities.

Table 1   **Examples of activities that are eligible for grant funding.**

Activity	Description
Early-stage research and development	Research and development activities that fit within TRL range of 2 to 6 that support reductions to industry emissions.
Administration and accounting	Capped at 10% of the total grant. Administration expenses may include office-related overheads associated with project delivery (e.g., office supplies, accounting fees, including final audit costs).
Employment of project staff	Project staff may be employed using project funds. See **Part 5: Program Governance** for recruitment requirements.
Consultancies/contractors	Appointment of external specialists to manage or deliver specific project components. Engagement of contractors and consultants is expected to align with NSW Government Procurement Standards (see **Part 5: Program Governance**).
Knowledge sharing activities	Costs associated with fulfilling the program's knowledge sharing requirement, including promotional activities, publications, facilities hire (e.g., for workshops). **Note:** general organisational website development costs, including ongoing maintenance, cannot be funded using grant money, however, these activities may count towards fulfilling the knowledge sharing requirement.
Transport and accommodation	Travel logistics necessary for successful project delivery (excluding international travel).
Capital expenses below 50% of total grant funds	Capital expenses are eligible, though allocation of grant funds to capital expenses should not exceed 50%.

Table 2   **Examples of activities that are not eligible for grant funding.**

Activity	Description
Commercialisation activities	Activities beyond Commercial Readiness Index 1 are not eligible for funding. Activities that fall within Commercial Readiness Index 1 may be eligible for funding if the Technical Review Committee considers them essential to success of the project. (See link to ARENA's Technology Readiness Levels for Renewable Energy Sectors under **Part 6: More information**).
Organisational administration	Organisational administrative and operational costs that are not directly related to the funded project.
Cost recoupment	Funding cannot be used on any activities that commence before the grant is offered and accepted, including for application development.
Devolved grants	Projects that fund devolved grants (i.e., project offering grants to other organisations) are not eligible. Trust funds must be managed directly by the lead organisation, and all financial transactions must align with the approved budget and prescribed policies.
Existing commitments	Ongoing research that an organisation has committed to as part of a previous grant or core business operations. This does not include building on existing research, where there is a clear delineation between previous commitments and the Trust-funded project.
Cost shifting	Reimbursement of salaries of existing staff who will be supervising or working on the project unless it can be demonstrated that salaries have not already been budgeted for.
Capital expenditure exceeding 50% of total grant funds	Projects cannot allocate more than 50% of grant funds to capital expenses.

Part 3: Application and assessment

Stage 1 – Expression of Interest

How to submit your EOI

1. Prepare your responses to the questions in Table 3.
2. Visit the program web page and click the link to the online submission page.
3. Complete all fields of the online submission, including uploading insurance certificates and responding to questions regarding eligibility.
4. Upload a Word or PDF document that provides your organisation's financial information as set out in Table 4.
5. Upload a Word or PDF document with your responses to the five questions at Table 3. Your responses must stay within the specified word limits. When developing your responses, please consider the assessment criteria for the EOI stage. Your EOI will be scored against these criteria.

Table 3   **Questions that must be addressed in the EOI submission.**

Question	Word limit
1. What is the problem you are trying to solve and how will your technology, service or process solve it?	300 words
2. How will this project progress your technology, service or process to the desired state?	300 words
3. How do you intend to commercialise your technology, service or process? What are the key risks or barriers?	300 words
4. Who are the key project partners and what specific experience and expertise do they bring to the project?	250 words
5. How will you engage your target market and other key stakeholders on the progress and outcomes of the project?	250 words

Financial information required with EOI submission

Your EOI submission must include an attachment that sets out the following financial information set out in Table 4 as it relates to your organisation. This information will be considered as part of the assessment of the Feasibility criterion (Table 5).

The Trust understands that not all fields will be relevant to all applicant organisations. Please complete the table to the extent possible for your organisation.

The information you provide will be shared with a third party for verification as part of due diligence checks. The third party is subject to a confidentiality agreement and may contact you for further information as required.

Applicants who progress to the Full Application stage may be required to provide additional financial information with their Full Application submission.

Table 4   Financial information that must be submitted with your EOI

	2021/22 (actual $)	2022/23 (forecast $)
Grant/Funding revenue		
Other revenue (e.g., Research and Development Tax Incentive, sales, private investment, etc.)		
Gross profit		
Expenses		
Net profit		
Total assets (as of 30 June)		
Total current assets including cash (as of 30 June)		
Cash (as of 30 June)		
Total liabilities (as of 30 June)		
Current liabilities (as of 30 June)		

Assessment criteria for EOI stage

Reponses to the questions in Table 3 will be assessed against the criteria outlined in Table 5.

Table 5   Assessment Criteria for the EOI stage

Criterion 1: Significance of the research and development (scored out of 10 points)

- The problem that the proposal aims to address is clearly articulated, well-founded and relevant to the NSW context, and the proposed technology, service or process represents an appropriate solution.
- The current state of the technology, service or process is clearly explained and placed at a suitable Technology Readiness Level (see **Appendix 1**: **Technology readiness levels**).
- The desired state of the technology, service or process at the completion of the project (i.e., the overall project outcome) is clearly articulated and realistic.

Criterion 2: Feasibility (scored out of 10 points)

- The general approach toward reaching the overall project outcome is clear and appropriate and the key risks/barriers to development and commercialisation are identified.
- There is clear pathway for commercialisation of the technology, service or process.
- The project team has the requisite skills, experience and networks, as well as the financial capabilities, to deliver the project outcomes and drive the technology, service or process towards commercialisation.

Criterion 3: Collaboration and knowledge sharing (scored out of 10 points)

- The project brings together relevant stakeholders from across various sectors.
- The project demonstrates a clear plan to share knowledge with relevant audiences and understands the extent of the benefits their knowledge sharing activities may impart.

Criterion 4: Alignment with program objective (scored out of 10 points)

- The proposal demonstrably aligns with, and represents a material contribution to, the program objectives (see **Part :1 About the program** in these guidelines).
- The proposal aligns with at least one of the 3 program 2022–23 priority areas (see **Part :1 About the program** in these guidelines).

Timeline for EOI stage

Step	Timeframe (approximate)	Process summary
1	6 weeks	Expression of interest period open. All EOIs must be submitted via the website. No late submissions will be accepted.
2	8 weeks	The Technical Review Committee reviews each EOI using the assessment criteria and recommends a shortlist of proposals that best meet the assessment criteria to proceed to Full Application.
3	Not applicable	All applicants will be notified of the outcome of their EOI. Successful EOIs are invited to submit a Full Application. Unsuccessful applicants will be able to request feedback to improve future submissions.

Stage 2 – Full Application (by invitation only)

How to submit a Full Application

Only shortlisted EOIs will be invited to submit a Full Application. If your EOI is shortlisted, your EOI outcome notification email will include a Full Application form.

The Full Application form will detail all the questions that need to be addressed, including templates for relevant attachments (e.g., budget) and submission guidance. You should read this guidance before preparing your Full Application. Please note that **Appendix 3: Budget considerations** includes important considerations for developing your project budget.

Assessment criteria for Full Application stage

Criterion 1: Significance of the research and development (scored out of 10 points)

- The proposal clearly addresses a clearly defined problem, and the proposed technology, service or process represents one of the (if not the) most promising solutions to the problem.
- The technology, service or process will make a substantial contribution to helping achieve the NSW Government's goal of net zero emissions by 2050, either by directly reducing emissions, enabling emissions reductions or by supporting emissions reductions initiatives.
- The technology, service or process is critical to the decarbonisation of the target industry (or industries).
- The technology, service or process is likely to provide long-term economic benefits to the target industry (or industries) as well as related sectors.

Criterion 2: Approach and methodology (scored out of 10 points)

- The detailed methodology is appropriate and sound.
- The project is broken down into discrete and logical outcomes, and the suite of activities to achieve each outcome is appropriate and comprehensive.
- The proposed budget adequately supports the achievement of the project outcomes.
- All key risks have been identified and appropriate mitigation actions to minimise risks are detailed.
- The approach to monitoring and evaluating progress/success are appropriate.
- The applicant has developed a sound communication strategy that identifies the key stakeholders and outlines appropriate methods for engaging them in the project.

Criterion 3: Capability and collaboration (scored out of 10 points)

- The project team is appropriately qualified and experienced to deliver the project, and all relevant CVs have been included with the application.
- The project team has formed links with relevant collaborators across the research and development and commercialisation pathways, and those collaborators have confirmed their involvement in the project.
- There are no gaps in relevant expertise among the project team or collaborators.
- The project team can effectively manage all aspects of the project.
- The lead organisation and/or partner organisations are well-placed to drive the technology, service or process to commercialisation beyond the life of this project (including being financially viable).

Criterion 4: Potential for success (scored out of 10 points)

- Based on assessment of criteria 1–3 above, there is a high likelihood that the project will achieve successful outcomes.
- The application strongly aligns with the program objectives and is likely to make a substantial contribution towards reaching net zero in New South Wales.

Timeline for Full Application stage

Step	Timeframe (approximate)	Process
1	Not applicable	Invited applicants are notified of the outcome of their EOI. The Trust will provide all Full Application materials and instructions by email.
2	7 weeks	Full Application period. Late submissions will not be accepted.
3	4-5 weeks	The Technical Review Committee assesses applications and provides funding recommendations to the NSW Environmental Trust Board. The Board, having considered the committee's recommendations, determines which applicants will receive grants. Decisions by the Trust Board are final. There is no appeal process. During the assessment process, applicants may be invited for a short interview with the committee. This will include time for a brief presentation by the applicant, followed by questions from the committee.
4	July – August 2023[8]	Successful applicants will be notified by the Trust. Successful applicants may not receive the full amount of funding they requested, and the funding may be subject to special conditions. Successful applicants work with Trust staff to finalise their project Work Plan and execute their funding agreement (ideally within one month of being notified of success). See **Part 4: Managing a grant – Work Plan** for further information about the Work Plan. Unsuccessful applicants are notified of the outcome and may request feedback on their application.
5	4 weeks	Project planning, including a review and refinement of the project Work Plan (to support delivery, communication and reporting for the project), issuing of funding agreements and first payments.
6	3 months	Projects must commence within 3 months of executing the funding agreement.

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[8] Timing of outcomes for the Full Application stage is dependent on the timing of NSW Environmental Trust Board meetings.

Part 4: Managing a grant

Getting started

The program aims to notify successful grant recipients (grantees) by **August 2023**. Grantees will then be required to undertake a project planning process for approximately 4 weeks. This process will include the formalisation of the grant via a funding agreement. Trust staff will also work with grantees to further develop their project Work Plan to guide delivery of the project. Project activities should aim to commence within three months of executing the funding agreement.

Work Plan

As part of the Full Application process, shortlisted applicants are required to submit a draft Work Plan (or project plan) that defines the project outcomes, activities, success measures, and budget. The Work Plan aims to:

- provide a tool to assist grantees plan and manage their projects for the duration of the grant
- provide a basis for annual reporting
- improve grantee and Trust mutual understanding of project success.

If your Full Application is successful, Trust staff will work with you to refine your draft Work Plan, so it is useful for guiding project implementation.

Funding agreement

Before project activities commence, the lead organisation must sign a funding agreement that sets out the terms and conditions of the grant and outlines a schedule of milestones, including reporting and funding instalments. A draft copy of a standard funding agreement will be provided when project planning commences. Note that the standard conditions of this agreement will not be changed.

The Trust may also place additional conditions that are specific to the project. Trust staff will discuss these conditions with the grantee. The final version of the funding agreement will be issued on completion of the project planning process once the Work Plan has been reviewed and approved.

During a project

Grantees are required to prepare and submit milestone reports after each stage of work (typically every 12 months). The timeframe for reporting and payments will be finalised in consultation with Trust staff when the grant is awarded and included in the funding agreement. Milestone reports provide the grantee with the opportunity to review their own progress and provide the Trust with updates and supporting evidence on delivery of activities, achievements and expenditure. They also provide an opportunity to reflect on the implementation of the Work Plan and identify opportunities for adaptive management as required.

The Trust may engage a peer reviewer with appropriate technical expertise to review milestone reports. If a report demonstrates satisfactory progress, the next grant instalment will be authorised, and feedback from the peer reviewer will be provided to the grantee. If the project is underperforming, funding instalments may be withheld while the grantee works with Trust staff to identify and implement the appropriate interventions.

Part 5: Program governance

Probity

The Trust places high importance on the integrity and transparency of program and project governance. All funded projects must be delivered in accordance with legal and regulatory requirements as specified in a funding agreement, as well as other accepted governance and project management standards. Project performance reviews are conducted annually by the Trust, which includes an assessment of grantee compliance with their funding agreement.

Procurement (including contractors)

Value for money in project delivery is a priority for the Trust. To conform with relevant governance and probity standards, the Trust requires all grantees to adhere to the NSW Government Procurement Policy. This relates to all major budget items, such as purchase of materials or engagement of contractors. It also includes ensuring goods and services are only paid for once they have been satisfactorily delivered.

All contractors (including consultants) must be chosen using a competitive process, where possible, based on merit and ability to deliver the work effectively. The Grantee Guide to Procurement for Environmental Trust Projects provides a summary of the NSW Government requirements.

Links to the NSW Government Procurement Policy and the Grantee Guide to Procurement for Environmental Trust Projects are provided in **Part 6: More information**.

Staff recruitment and employment

The Trust supports the employment of new or existing staff to manage and implement projects and will pay for their salaries where:

- a range of applicants can compete for Trust funded employment opportunities
- recruitment using Trust funds is transparent and accountable
- the Trust is not effectively reimbursing an organisation for salaries it has already budgeted for (e.g., existing ongoing employees), or for work that is part of its core business.

Staff may be recruited using one of the two processes outlined below:

1. merit based, advertised recruitment process (for new staff)
2. direct appointment of an existing staff member who has:
   a. previously been appointed through a competitive and transparent process (i.e., merit based and advertised) when first engaged with the organisation
   b. completed a prior contract or is currently under contract (i.e., employed part-time) and now has capacity to be redeployed to the project under a new contract.

The Australian Taxation Office (ATO)[9] has an employee or contractor decision tool available on their website to assist you in deciding whether you are engaging an employee or a contractor.

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[9] https://www.ato.gov.au/business/employee-or-contractor/

Recruitment requirements and reporting

To demonstrate transparency of the recruitment process, grantees may be asked to provide supporting information to demonstrate how the selection was made. This information (if requested) will include:

- evidence of advertisement (either external or internal)
- number of applicants interviewed, and date/s of when the interviews were held
- copy of the internal document used for recording and approving employment of the staff member at the conclusion of the recruitment process.

If, at time of submitting a Full Application, you have a specific person in mind for a position being funded by the Trust, you must include their curriculum vitae in your application, in accordance with any guidance contained in the application form.

If you propose to use grant funds to pay salaries of existing staff, you will need to provide clear justification for how the Trust funded work is additional to any work they have already been engaged to undertake. For example, a part time staff member (who has been recruited through a merit selection process) who usually works 2 days a week could work an extra day each week on the project, and that day could be attributed to the Trust. You must be able to demonstrate how you will separately track their project related work from their regular duties.

Statement of business ethics

All providers of goods and services, including project managers and project partners, are required to exemplify the following principles when carrying out work on the funded project:

- always seek to prevent unethical practices in business relationships
- declare actual or perceived conflicts of interest.

All contracted and sub-contracted staff, or associated staff, are expected to comply with the Environment and Heritage Statement of Business Ethics. If sub-contractors are employed as part of a project, they must be made aware of this statement and the Trust's expectation that they will abide by it. A link to the Statement of Business Ethics is provided at **Part 6: More information**.

Conflicts of interest

All project staff and contractors are required to disclose any actual, potential, or perceived conflicts of interest to the Trust relating to the project. This may be at the time of developing your application or as they arise during the implementation of a project, if funded.

Conflicts of interest are any factors that could compromise the judgement, decisions or actions of a person or group of people. They may relate to procurement, grants, direct negotiations, sponsorships, partnerships, third party service provisions, and other project related interactions.

Examples of conflict of interest include:

- project manager employing themselves or their own business to carry out project-related work and using Trust funds to pay for it
- contracting a family member or a family member's business to deliver a component of the project without a transparent and merit-based selection or procurement process
- using project activities to promote products or businesses that are beyond the scope of the project and in which members of the applicant's organisation have an interest.

Please contact the Trust to disclose any conflicts of interest, or if you would like advice on a potential conflict related to your project.

Privacy

The Trust uses the information supplied by applicants for processing and assessing applications. While we do not publicly release applications as a matter of policy, we may be required to do so under the *Government Information (Public Access) Act 2009* or other lawful requirement. A link to the Act is available in **Part 6: More information**.

The Trust may also disclose information supplied to us for the purpose of evaluating and/or auditing its grant programs. If strict commercial confidence and/or personal confidentiality is required, it should be noted in the application.

General obligations

Signing the funding agreement commits the grantee to the following general obligations:

- comply with all conditions contained in the funding agreement
- provide evidence of appropriate insurance coverage on request
- start the project within three months of signing the funding agreement
- seek prior approval from the Trust for budget changes greater than 10% (while being aware that project administration costs should never be more than 10% of the project costs)
- seek prior approval from the Trust to alter proposed outputs, outcomes or timeframes via a variation
- provide milestone reports in accordance with the Trust's reporting requirements and schedule in the funding agreement
- acknowledge the Trust's support in any promotional materials or public statements about a project, including use of the NSW Government logo in published materials. A link to the logo is available at **Part 6: More information**
- be prepared for all knowledge gained as part of the grant to be made publicly available, whether that be publishing of the final report or promoting the project via other avenues available to the Trust
- the standard conditions of the funding agreement will not be changed at the request of grantees.

Technical Review Committee

This program is a contestable grants program that awards funding using a merit-based process. The Trust establishes an independent committee for each grant program to assess EOIs and full applications against relevant assessment criteria. These committees are comprised of people with knowledge and experience relevant to each grant program and, in accordance with the requirements of the *Environmental Trust Act 1998*, include at least one representative of a community group and one representative of industry.

Peer reviewers

The Trust may engage peer reviewers to provide advice on applications and to review progress of funded projects. Peer reviewers are experts within their field of research, or across a broader disciplinary area, and provide specific feedback on an EOI and/or Full Application to the Technical Review Committee to help with their assessments. The Trust takes care to identify and manage conflicts of interest that might arise through the peer review process.

Part 6: More information

About the Trust

- NSW Environmental Trust web page
- NSW Environmental Trust Strategic Plan 2020–24
- Environmental Trust Act 1998

Other Net Zero initiatives

- Clean Technology Ecosystem Grants
- Clean Technology Commercialisation Grants
- Clean Technology Research, Development and Commercialisation Infrastructure Grants

Governance links

- NSW Government Procurement Policy
- Grantee Guide to Procurement for Environmental Trust Projects
- Environment and Heritage Statement of Business Ethics
- Government Information (Public Access) Act 2009

Other resources

- ARENA's Technology Readiness Levels for Renewable Energy Sectors
- Australian Taxation Office – Employee or contractor decision tool
- NSW Government logo
- Corporations Act 2001 (Cth)
- Tertiary Education Quality and Standards Agency
- Public Governance, Performance and Accountability Act 2013 (Cth)

Appendix 1: Technology readiness levels

Only projects within TRL 2-6 are eligible for funding under this program.

See ARENA's Technology Readiness Levels for Renewable Energy Sectors for further information. A link to this information is available at **Part 6: More information**

Table 6 **Technology Readiness Level (TRL) descriptions**

Level	Summary
1	**Basic principles observed and reported**: 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.
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.

Level	Summary
8	**Actual system completed and qualified through test and demonstration in an operational environme**nt: 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 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.

Appendix 2: Eligible organisations

As a part of the application, the lead applicant must indicate 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 public or private university duly established or recognised by or under the law of the Australian Government, an Australian state or territory government and/or registered with the Tertiary Education Quality and Standards Agency

- an Australian Government entity under section 10 of the *Public Governance, Performance and Accountability Act 2013* (Cth)

- an Australian state, territory or local government agency, or a subsidiary of an Australian state or territory.

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 Trust prior to the lodgement of applications.

Appendix 3: Budget considerations

This section sets out some considerations for developing a detailed budget if you are invited to submit a Full Application.

GST

Government organisations, including universities and councils, **must not** include goods and services tax (GST) in their budget requests. These organisations are not paid GST on grant funding transactions in line with Australian tax laws.

If you are a non-government organisation that is registered for GST, the dollar amounts included in your application budget **must not** include GST. GST will be paid in addition to your grant instalments.

If you are not registered for GST and are administering your own grant, the amount requested from the Trust **must** include GST on relevant items.

Salary and contractor rates

Salaries and contractor rates are expected to be in line with industry standards and you need to show that you have calculated amounts based on reasonable pay rates. Your budget should include hourly rates rather than lump sums to demonstrate that costs are in line with industry standards. It is also expected that staff working conditions will be in accordance with all applicable laws. This includes meeting standard Work, Health and Safety requirements.

You may include up to 26.5% for salary on-costs (this covers leave loading, workers compensation, payroll tax, superannuation etc.) in your application. These costs should be factored into the budget for contractors (i.e., not as separate line items in the budget).

Administration and accounting costs

The Trust recognises that there is a cost for managing and administering projects. In most cases, grant recipients absorb these costs as an in-kind contribution to the project, however, Trust funds may be used to pay these costs when detailed and justified.

Administration and accounting costs must be project specific and cannot exceed 10% of the grant. Examples of administration costs you may include in your budget are itemised phone call charges, recruitment and contractor advertising costs, office supplies purchased specifically for the project, etc. You must quantify these costs in your budget, and not include any ongoing or regular administration costs of your organisation (e.g., office lease).

The cost of compiling Trust reports or conducting monitoring and evaluation activities is **not** considered an administration cost and may be claimed as salaries/contractor expenses.

The Trust periodically audits projects. You must be able to demonstrate that all administration costs directly relate to the project.

Financial reporting

The Trust requires certification of financial reports on completion of a grant. The requirements for certification depend on the organisation type.

Non-government organisations (excluding universities) will need to have their final financial report independently certified by a suitably qualified accountant (as outlined in your funding agreement). Government agencies (including local councils) and universities will need to have their final financial report certified by the Chief Financial Officer (or equivalent) of their organisation.

Grant payment profile

As part of the Full Application, applicants are required to outline a proposed grant payment profile that aligns with the needs of their project. The payment profile is flexible and subject to negotiation; however, applicants should be aware that payments will be linked to the satisfactory receipt of progress reports and that a 20% grant payment (i.e., 20% of the total value of the Trust grant) will be retained by the Trust until fulfilment of (or material commitment to) the knowledge sharing requirement of the program.