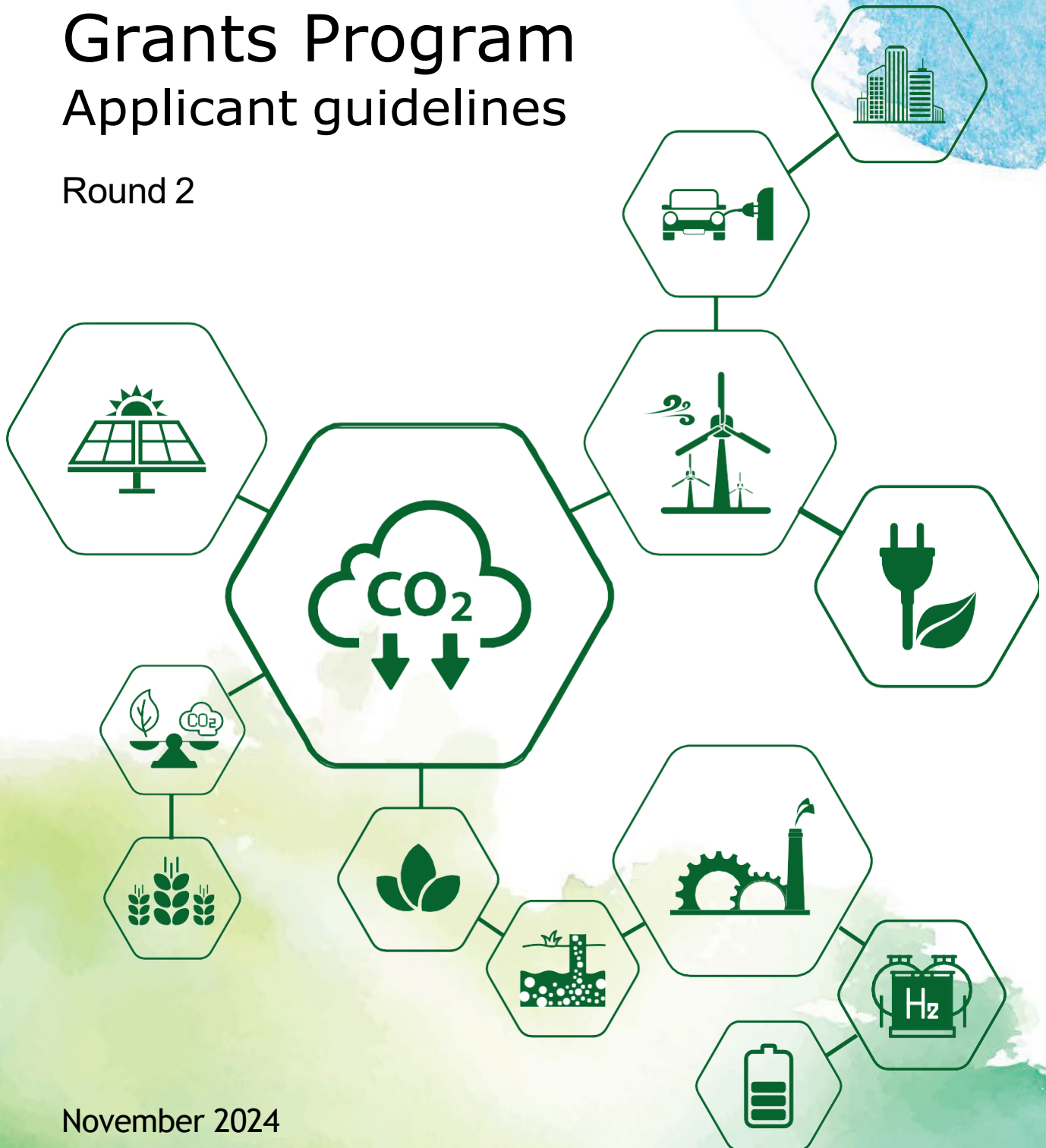




Carbon Innovation Grants Program Applicant guidelines

Round 2



November 2024

Department of Water and Environmental Regulation
Prime House, 8 Davidson Terrace
Joondalup Western Australia 6027
Locked Bag 10 Joondalup DC WA 6919

Phone: 08 6364 7000

Fax: 08 6364 7001

National Relay Service 13 36 77

www.wa.gov.au/dwer

© Government of Western Australia

November 2024 (updated February 2025)

This work is copyright. You may download, display, print and reproduce this material in unaltered form only (retaining this notice) for your personal, non-commercial use or use within your organisation. Apart from any use as permitted under the *Copyright Act 1968*, all other rights are reserved. Requests and inquiries concerning reproduction and rights should be addressed to the Department of Water and Environmental Regulation.

FIRST 116034

Disclaimer

This document has been published by the Department of Water and Environmental Regulation. Any representation, statement, opinion or advice expressed or implied in this publication is made in good faith and on the basis that the Department of Water and Environmental Regulation and its employees are not liable for any damage or loss whatsoever which may occur as a result of action taken or not taken, as the case may be in respect of any representation, statement, opinion or advice referred to herein. Professional advice should be obtained before applying the information contained in this document to particular circumstances.

This publication is [available online](#) or for those with special needs it can be made available in alternative formats such as audio, large print, or Braille.

Contents

1. Overview	1
1.1 Purpose.....	1
1.2 Funding objectives	1
2. Application information	2
2.1 How to apply	2
2.2 Key dates	3
2.3 Funding streams	3
2.4 Application forms and templates	3
2.5 Multiple applications.....	4
2.6 Personal information and disclosure of information	5
2.7 Confidentiality	5
2.8 Complaints	6
3. Eligibility, merit criterion and assessment.....	7
3.1 Eligibility criterion	7
3.2 Ineligible entities, project types and costs	10
3.3 Merit criteria	11
3.4 Assessment procedure	16
3.5 Conflicts of interest.....	16
4. Award and payment of funding	17
4.1 Funding offer and recognition	17
4.2 Funding agreements	17
4.3 Variations to funding agreements	17
4.4 Funding payment and disbursement.....	18
4.5 Tax information	18
5. Project monitoring and reporting	19
5.1 Recognition requirements	19
Glossary	20

1. Overview

These guidelines outline the operational and administrative arrangements for the Carbon Innovation Grants Program (the Program or CIGP). This document provides applicants with information about eligibility and merit criteria for the program, and the application and assessment process.

The Program is currently planned for three rounds, with Round 1 recipients announced in October 2023.

1.1 Purpose

The purpose of the program is to build the capacity of heavy industry sectors to transition to net zero emissions by 2050, in line with government targets.

The CIGP was established with \$15 million in funding to be expended on carbon abatement projects and administered by the Department of Water and Environmental Regulation (the department).

1.2 Funding objectives

The aim of the program is to support WA heavy industry to transition to net zero emissions, in accordance with the WA Climate Policy.

Specifically, the program has the following objectives:

- **Reduce** carbon emissions from heavy industry processes in WA.
- **Support** the development of innovative technologies for carbon abatement and sequestration.
- **Maximise** co-benefits for the environment and the WA economy.
- **Increase** the supply of carbon credits, to enable heavy industry to offset residual emissions (optional).

Note that projects do not need to involve the creation of carbon credit units to be eligible for funding. Applications for funding will be assessed against the program eligibility criteria and merit criteria outlined in this document.

2. Application information

2.1 How to apply

Applications for funding Round 2 are invited via a competitive application process as outlined below.



2.2 Key dates

Item	Key dates
Program opens for applications	21 November 2024
Application closing date	5pm AWST Wednesday 12 March 2025
Applicants notified of outcome and successful projects announced	Anticipated August 2025
Carbon Innovation Grant Program – Grant Information Webinar	<p>Tuesday 3 December 2024 at 2pm AWST</p> <p>Details regarding the application, including merit criterion will be discussed.</p> <p>Register for the webinar</p>
Carbon Innovation Grant Program – Financial Model Overview Webinar	<p>Thursday 5 December at 2pm, AWST</p> <p>Explanation of the financial model for pilot projects and expected response information will be discussed.</p> <p>Register for the webinar</p>

2.3 Funding streams

The program features two grant funding streams to reflect different stages of technology development that may require government support. These streams are:

- **Feasibility studies** – supporting technologies and methods to progress from concept to real-world trials.
- **Pilot projects and capital works** – supporting real-world testing of innovative technologies and methods from pilot stage through to full-scale deployment.

2.4 Application forms and templates

Applicants must submit their applications via the department's grants portal ([SmartyGrants](#)) for the Program.

There are also two Microsoft Excel templates that must be completed and uploaded with the application:

- Financial Model template
- Risk Register template.

Both templates can be downloaded from the [Carbon Innovation Grants Program](#) webpage, you will be directed in the application form to where these documents must be attached.

Information included in the templates will be used to assess the grant merit criteria.

You can view the [help guide for applicants](#) and [frequently asked questions \(FAQ's\)](#) on the SmartyGrants website should you encounter any problems.

If submitting applications for multiple grants or projects, you must do so using a separate application for each grant/project.

SmartyGrants allows users to save progress and return to the applications before submitting. Once you have submitted your application, you cannot make changes. This includes adding attachments or additional information.

Applicants are to be aware that the Smarty Grant Portal times out every 20 minutes so applicants must save their work regularly.

Information contained within the application must be clear, concise, relevant, and free of irrelevant marketing or any other unrelated material.

Applicants are to check [frequently asked questions](#) on the Program website regularly to keep abreast of the most up-to-date information allied with the open grant funding round.

Applicants should ensure that they allow enough time to submit applications, noting that large attachments may take time to upload into the SmartyGrants portal. Applications must be signed by the Chief Executive Officer or an authorised officer of the applicant's entity.

Applications provided through the department's [SmartyGrants portal](#) must be submitted before the closing date and time. The department's portal will close on the specified date and time and submissions cannot be made after this.

All submitted applications will receive on-screen and email confirmation of submission.

Any applications received by the department via any other method, will not be accepted for assessment either before or after the cutoff date and time.¹

2.5 Multiple applications

Applicants can submit multiple applications; however, they must provide evidence of sufficient resources and capacity to complete multiple projects. Successful applicants are to maintain separate recordkeeping accounts for each grant including in-kind and cash contributions for each project.

¹ The Department may consider alternatives in exceptional circumstances such as an extend portal outage.

Multiple applications for one site, concept designs, layouts, plans and designs must clearly delineate each project.

The Assessment Panel may seek further information regarding an applicant or application, if required. At any time during the assessment process, the Assessment Panel may undertake due diligence activities considering the value, size, partners, and complexity of the application. This could include financial due diligence.

2.6 Personal information and disclosure of information

State Government agencies are subject to the *Freedom of Information Act 1992 (WA)*, which provides a general right of access to records held by State Government agencies and local governments.

Applications will be treated as commercial-in-confidence; however, applicants should be aware that their applications may potentially be subject to Freedom of Information and other government disclosure requirements.

Information pertaining to the receipt of State Government financial assistance will be tabled in the Western Australian Parliament.

This information could include the name of the recipient, the amount of the assistance, the name of the project and a brief description thereof. This could result in requests for more details to be released publicly and any commercial-in-confidence information should be clearly marked as such to assist in any assessments of confidentiality.

Successful applicants should be aware that their entity or organisation's name, project name and amount of funding approved may appear on State Government websites.

2.7 Confidentiality

Information that is provided by an applicant as part of, or in connection with, an application for funding and that is identified by the applicant as being commercially sensitive will be treated as commercial-in-confidence and will only be disclosed with the consent of the applicant or in accordance with section 2.7.

The department may disclose any information, including commercial-in-confidence information:

- to the Minister for Climate Action and their ministerial office
- to members of the Assessment Panel
- to independent technical experts where required
- to departmental staff, consultants, advisers and auditors
- as required by law.

These parties will be required to observe appropriate confidentiality in accordance with the State Government's general confidentiality requirements for its employees and contractors.

Applicants must keep funding offers confidential until:

- the Minister announces the funding offer
- the Minister consents to release of the information.

2.8 Complaints

Any complaints received about the Program will be registered with the department and reviewed. If the department cannot resolve the complaint within 30 business days of receiving it, the complaint will be escalated to the Program Executive Group.

Independent technical advice may be sought by the department or the Executive Group to assist in the resolution of complaints or disputes.

3. Eligibility, merit criterion and assessment

3.1 Eligibility criterion

3.1.1 Applicant eligibility

The two funding streams have the same applicant eligibility criteria. To be eligible for funding, an applicant must meet the following criteria:

Applicant eligibility criteria	Requirements (Feasibility and Pilot projects and capital works funding streams)
AE1. Business registration	The applicant must hold a current Australian Business Number (ABN) and be registered for GST.
AE2. Eligible entities	An Australian corporation, local government authority, not-for-profit organisation, incorporated association, university, Aboriginal and/or Torres Strait Islander corporation, company limited by guarantee, and a partnership or consortium of any of the eligible entities as listed above.
AE3. Fit and proper persons	<p>Members of the applicant’s management team must be fit and proper persons to engage in the applicant’s authorised activities by reference to:</p> <ul style="list-style-type: none"> • no disqualification by law from performing their role • no conflict of interest or any conflict that may create a material risk that they will fail to properly perform in their management role • their legal right to carry out and control the project under consideration.
AE4. Carbon credit projects	Applicants proposing to either assess the feasibility of, or to generate carbon credit units, must demonstrate that they can meet all applicant eligibility criteria relevant to the carbon crediting method. An example is the Fit and Proper Person posture set by the Clean Energy Regulator in the context of the issue of Australian Carbon Credit Units (ACCUs).

¹ AE4 only applies to projects intending to assess the feasibility of, or to generate, carbon credit units.

3.1.2 Project eligibility

The two funding streams have different project eligibility criteria as outlined below:

Project eligibility criteria	Feasibility study funding stream	Pilot project and capital works funding stream
PE1. Location	The study must apply to specific sites or locations within WA.	The project must be located within WA.
PE2. Prescribed funding limits	<p>Applications for funding must be within the prescribed funding limits (excluding GST) below:</p> <p>The minimum funding per application is \$50,000.</p> <p>The maximum funding available for individual projects is \$500,000.</p> <p>The maximum proportion of eligible costs for the project that can be contributed by the program in a competitive round is 50%.</p>	<p>Applications for funding must be within the prescribed funding limits (excluding GST) below:</p> <p>The minimum funding per application is \$100,000.</p> <p>The maximum funding available for individual projects is \$1,500,000.</p> <p>The maximum proportion of eligible costs for the project that can be contributed by the program in a competitive round is 25%.</p>
PE3. Alignment to program objectives	<p>The project must be additional to business-as-usual activities of the applicant.</p> <p>The project must progress technologies or methods along the pathway to commercial viability (typically TRL3 to TRL5).</p>	<p>The project must be additional to business-as-usual activities of the applicant.</p> <p>The project must progress technologies or methods along the pathway to commercial viability (typically pilot-scale</p>

Project eligibility criteria	Feasibility study funding stream	Pilot project and capital works funding stream
	<p>The project activities must be currently permitted by law.</p> <p>A heavy industry business must be the lead or partner in the project, providing a cash or in-kind contribution.</p>	<p>TRL6 to TRL8 or full-scale TRL 9/CRL 2-3).</p> <p>The project activities must be currently permitted by law.</p> <p>A heavy industry business must be the lead or partner in the project, providing a cash or in-kind contribution.</p>
PE4. Delivery	The project must commence on the date the Conditions Precedent are met and be completed within 24 months.	The project must commence on the date the Conditions Precedent are met and be completed within 36 months.
PE5. Carbon credit projects ²	Projects proposing to assess the feasibility of generating carbon credit units must demonstrate how they would meet project eligibility criteria of the relevant carbon crediting method. An example is the ACCU project eligibility criteria applied by the Clean Energy Regulator.	Projects proposing to generate carbon credit units must meet the eligibility criteria of the relevant carbon crediting method. An example is the ACCU project eligibility criteria applied by the Clean Energy Regulator.

² PE5 only applies to projects intending to assess the feasibility of, or generate, carbon credit units.

3.1.3 Eligible costs and contributions

Applicants must declare if the project will leverage any Australian Government or other State Government funding in the project business case and application form.

State Government grant funding may comprise a maximum:

- 50 per cent of total project costs for feasibility studies
- 25 per cent of total project costs for pilot projects and capital works.

Eligible costs will be agreed in the funding agreement. Generally, eligible costs may include costs directly associated with the delivery of the project, for example:

- capital costs of equipment used for carbon abatement or sequestration
- essential enabling equipment such as energy storage, feedstock storage, pumps, tanks, system control equipment, system power or energy conversion equipment, pipework, monitoring or communications equipment and structures used for housing power-system equipment
- essential non-equipment expenditure including design, professional services, transport, installation and commissioning, laboratory testing, field sampling, related to the attainment of a project objective or milestone
- project management costs and grant administration costs.

An in-kind contribution is any non-monetary contribution of goods or services for the project by the applicant. Eligible in-kind contributions from the applicant can cover any of the listed types of eligible project costs. In-kind contributions must be described with sufficient detail to enable assessment of whether the valuation is reasonable. This is described further in the Financial Model template.

The above lists of eligible and ineligible costs identify the most common examples and are not intended to be prescriptive or comprehensive. If there is any doubt about eligibility of costs, please contact carbongrants@dwer.wa.gov.au.

3.2 Ineligible entities, project types and costs

To avoid doubt, the following types of entities and projects are ineligible for funding.

Ineligible entities that cannot be the lead applicant include but are not limited to:

- a school
- a trust
- a government department or government trading entity (GTE)
- a sole trader or individual
- an overseas organisation (i.e. an organisation that does not hold an Australian Business Number or Australian Company Number)
- an unincorporated association.

Ineligible project types include but are not limited to:

- projects located outside of WA
- existing projects that are already underway
- ceasing operation of a business to reduce emissions
- business as usual activities (i.e. normal operation of an existing business or venture)
- renewable energy generation that is not directly supplying heavy industry processes on the same site. These types of projects may be funded by the [Clean Energy Future Fund](#)
- broad or generic research that is not specific to a heavy industry or facilities (typically studies at technology readiness levels TRL 1–2)
- projects not involving specific sites/locations in WA
- projects without an industrial business partner providing a cash or eligible in-kind contribution to the project
- projects intended to generate carbon credits outside of WA and/or projects using crediting methods that are not eligible for use under the [Climate Active Carbon Neutral Standard](#).

Activities and elements that may not be eligible costs relating to the program include:

- land acquisition
- venture capital expenditure to third parties
- purchase of carbon credits to achieve a net emissions reduction
- legal costs such as those associated with preparing grant applications, finalising, or managing compliance with a funding agreement
- statutory permit or licence costs
- costs associated with core business or business-as-usual activities
- ongoing administrative and operational costs including rent, electricity and salaries of existing staff working their usual hours and duties
- projects that seek retrospective funding for work already undertaken
- works already underway or completed at the time the funding was announced (including but not limited to contracts already in place to construct infrastructure or buy equipment or where construction has commenced)
- ongoing maintenance of projects to which organisations have committed as part of a previous grant
- costs of preparing applications, reports or associated supporting material.

3.3 Merit criteria

The merit of eligible applications will be assessed for overall value for money and the quality of information provided against the following weighted merit criteria. Value for money is a key underlying principle in the expenditure of public funds. This means gaining the best possible outcome, for every dollar spent, by assessing the overall costs and benefits to Western Australia.

The Assessment Panel will consider cost and non-cost factors (as identified below), to make a value judgement about the best outcome. Applications that do not meet the eligibility criteria will not be assessed further.

The merit criteria for the two funding streams are outlined in the table below, including the assessment weighting (%).

Merit criterion 1	Feasibility study funding stream	Pilot/capital works funding stream
MT1. Reducing emissions 30%	The project will be assessed against the potential benefits from a full-scale project deployment, including demonstrated evidence of: <ul style="list-style-type: none"> • the direct and indirect greenhouse gas emission reductions likely to be achieved³ • the scale of potential emissions reduction relative to baseline 	Demonstrated evidence of: <ul style="list-style-type: none"> • the direct and indirect greenhouse gas emission reductions to be achieved • the scale of proposed emissions reduction relative to baseline emissions from heavy industry operations • the permanence of the proposed emissions reduction

	<p>emissions from heavy industry operations</p> <ul style="list-style-type: none"> • the permanence of the potential emissions reduction • how the Carbon Mitigation Hierarchy and the transition to net zero emissions has been considered in project design • the target cost (\$ per tonne) of carbon dioxide equivalent emissions reduction. 	<ul style="list-style-type: none"> • how the project aligns with the Carbon Mitigation Hierarchy and the transition to net zero emissions • the proposed cost (\$ per tonne) of carbon dioxide equivalent emissions reduction.
--	---	--

³ Note on eligible emissions:

Projects will be assessed primarily against the likely reductions in Scope 1 (direct) and Scope 2 (energy use) greenhouse gas emissions. Scope 3 (indirect) emissions can also be considered in the application.

Merit criterion 2	Feasibility study funding stream	Pilot/capital works funding stream
<p>MT2. Business case</p> <p>20%</p>	<p>A business case that identifies in sufficient detail the financial and technical viability of the project, and which should clearly indicate:</p> <ul style="list-style-type: none"> • the amount of funding sought for the project, and the total project cost • other expected sources of funding and evidence that funding has been, or has a reasonable chance of being, secured • the proportion of total funds including in-kind contributions committed by the applicant (excluding other grants) • the demonstrated financial capacity of the applicant to fund its contribution to the costs of the project • justification for the need for State Government assistance by presenting the: <ul style="list-style-type: none"> ○ likelihood that the project would not proceed without the funding requested 	<p>A business case that identifies in sufficient detail the financial and technical viability of the project, and which should clearly indicate:</p> <ul style="list-style-type: none"> • the amount of funding sought for the project, and the total project cost • other expected sources of funding and evidence that funding has been, or has a reasonable chance of being, secured • the proportion of total funds contributed by the applicant (excluding other grants) • the demonstrated financial capacity of the applicant to fund its contribution to the costs of the project • justification for the need for State Government assistance by presenting the: <ul style="list-style-type: none"> ○ costs and benefits of both the project and the ‘normal’ business-as-usual solution ○ likelihood that the project would proceed without the funding requested ○ status of the project (whether the project has commenced)

	<ul style="list-style-type: none"> ○ status of the project (whether the project has commenced) ○ difference the grant will make to the project in terms of scale and timing ● the project’s technical feasibility and likelihood of success ● commitment to proceed to build the project if it is proven feasible, including an understanding of the likely cost and benefits of deploying the project at full scale. 	<ul style="list-style-type: none"> ○ difference the grant will make to the project in terms of scale and timing ● the project’s technical feasibility and likelihood of success ● the ongoing viability of the project once the period of State Government funding comes to an end, including operational viability and/or the likelihood of moving to full-scale deployment.
<p>It is preferred that all details of the above are provided in a single business case or described in the application form with clear reference to specific supporting documentation for each item.</p>		

Merit criterion 3	Feasibility study funding stream or	Pilot/capital works funding stream
<p>MT3. Ability to deliver</p> <p>15%</p>	<p>The level of evidence for MT3 will vary between the funding streams, with pilot projects and capital works requiring a more comprehensive approach, as appropriate for the higher project costs and risks associated with construction projects. Notwithstanding this, projects in both funding streams should supply demonstrated evidence of the applicant’s capacity and capability to implement the project and readiness to commence delivery, including:</p> <ul style="list-style-type: none"> ● technical and management capability and expertise of the applicant ● roles of project partners and the status of any relevant agreements between project partners, including the level of involvement of one or more heavy industry in the project ● governance structure and/or organisation structure for delivery of the project ● a comprehensive plan for the project, including such things as timeframe for project commencement and delivery, budget and procurement, project milestones and performance criteria, resourcing and quality assurance ● a completed risk register template ● secured or can secure the required regulatory approvals and/or access permits to carry out the project 	

	<ul style="list-style-type: none"> • current insurance where relevant or plans for insurance to cover potential liability that may result from carrying out the project. <p>It is preferred that all details of the above are provided in a single Project Delivery Plan or described in the application form with clear reference to specific supporting documentation for each item.</p>
--	---

Merit criterion 4	Feasibility study funding stream	Pilot/capital works funding stream
<p>MT4. Innovation and potential for wider adoption</p> <p>20%</p>	<p>The level of evidence for MT4 will vary between the funding streams, with pilot projects and capital works requiring a more comprehensive approach, as appropriate for the higher project costs and risks associated with construction projects. Nevertheless, projects in both funding streams should supply demonstrated evidence (such as references or case studies) of:</p> <ul style="list-style-type: none"> • project innovation – such as a world, national, state or industry sector first, or not common practice (the degree of innovation and/or the extension of the project beyond ‘common practice’ in WA for the relevant sector or subsector and not something that is a requirement under Australian or state law) • the likelihood that the project will result in similar projects being implemented by the applicant or by others, multiplying the emissions reduction potential • the potential for cost reductions for future projects by demonstration of new technology, including the ability of future projects to be financially viable without grant funding • the scale of potential abatement if the technology was adopted throughout the industry sector in WA and more broadly • the potential for further research or studies arising from the project • an assessment of project competitiveness against alternatives, including similar technologies or methods in development • demonstrated benefits to heavy industry and mitigating hard-to-abate emissions. 	

Merit criterion 5	Feasibility study funding stream	Pilot/capital works funding stream
<p>MT5.</p> <p>Public good</p> <p>15%</p>	<p>The level of evidence for MT5 will vary between the funding streams, with pilot projects and capital works requiring a more comprehensive approach, as appropriate for the higher project costs and risks associated with construction projects. Nevertheless, projects in both funding streams should demonstrate the project’s contribution to:</p> <ul style="list-style-type: none"> • knowledge sharing – describe the type, quality and extent of the knowledge sharing information about, and resulting from, the project that the applicant proposes to make publicly available to build capacity among others, support learning-by-doing and/or demonstrate the feasibility of new technologies or processes • economic development – delivering economic benefits to the state (i.e. the number of jobs expected to be created by the project, benefits to Aboriginal and Torres Strait Islander employment and/or the extent to which the project represents a new industry or business practice in the state) • environmental co-benefits of the project, such as reduced pollution, reduction in the use of raw materials, climate adaptation/resilience, or benefits to local or regional biodiversity • the objectives of the WA Climate Policy. 	

3.4 Assessment procedure

Applications for funding will be evaluated by the Assessment Panel against the eligibility criteria and merit criteria, financial model and risk register.

Merit category	Financial model	Risk register	Application form/attachments
Merit 1 Reducing emissions	✓		✓
Merit 2 Business case	✓		✓
Merit 3 Ability to deliver	✓	✓	✓
Merit 4 Innovation and potential for wider adoption	✓		✓
Merit 5 Public good			✓

When completing the application form, you must be clear, concise and assume evaluation panellists know nothing about your business or the project your seeking funding for; this provides ease of evaluation.

Applicants populating the financial model template must explain from where this information is derived and provide references where required.

The Assessment Panel may seek advice from government agencies and independent technical experts, as required, to assist in determining which applications best meet the criteria, all of which are subject to confidentiality declarations.

Project recommendations determined to best meet the criteria will be submitted to the Minister for Climate Action for approval. The Minister's decision on allocation of funds is final.

Applicants will be advised in writing of the outcome of their application at the conclusion of the assessment process. Applicants may request feedback from the department.

The Assessment Panel will be supported by an independent probity adviser, who will observe the assessment process and provide advice to ensure fairness and equity.

3.5 Conflicts of interest

Members of the Assessment Panel, secretariat and administrative staff for the Program, and technical experts engaged to provide advice will also be required to disclose any conflicts of interest (actual, perceived or potential) they have in relation to applications and may be excluded from the assessment of an application because of their conflict of interest.

4. Award and payment of funding

4.1 Funding offer and recognition

Following approval from the Minister for Climate Action to allocate funding to a project, and successful completion of a due diligence assessment, the department will send a formal funding offer to the applicant.

All funding offers will be conditional on the execution of a funding agreement with the department within six months and any other conditions precedent as contained in the funding agreement. Failure to execute a funding agreement within this period may result in withdrawal of the funding offer.

Any request from the applicant to extend the negotiating period must be made in writing, giving valid reasons as to why an extension is required.

The department may terminate contractual negotiations if a new issue arises regarding compliance with the general conditions that was not raised within the application.

4.2 Funding agreements

Applicants offered funding are required to enter into a legally binding funding agreement with the department before any funding can be paid.

The funding agreement provides the legal framework for the obligations of each party and terms around milestone payments and will be provided to successful applicants. An example indicative funding agreement is provided on the [CIGP website](#).

Funds will not be provided until the funding agreement has been finalised, has legally commenced and any conditions precedent have been met. As a minimum this will include:

- evidence of confirmed funding arrangements for the balance of project costs
- evidence of ownership of, access to, or the beneficial use of, any warranties or intellectual property necessary to carry out the project or evidence of the ability to acquire use of this intellectual property by the applicant.

4.3 Variations to funding agreements

Requests to vary a funding agreement (for example, changes to project milestones or changes in scope) must be made in writing to the department.

Funding recipients shall advise the department through the submission of a formal written request for variation for approval as soon as the required changes are identified.

In determining whether to agree to a variation, the department may consider the impacts the variation would have on the basis for which the project was initially offered funding.

The department may engage relevant expertise to assist with the assessment of requests to vary a funding agreement.

4.4 Funding payment and disbursement

Applicants are required to meet conditions precedent before any funding payments can be made. Conditions precedent provides evidence successful grant recipients have secured adequate leveraged funding to complete the project. Evidence of conditions precedent includes a letter from a responsible person from the business such as Chief Executive Officer, Chief Financial Officer or similar and may require evidence of bank statements, loan agreements etc.

Applicants are required to propose a milestone payment table with their application which, if the application is successful, will be finalised in the funding agreement process. The Financial Model template calculates the maximum funding per milestone and can form the basis of the payment schedule. Note that signing the funding agreement will not be considered a milestone that warrants a payment.

Funding will only be provided to successful applicants who agree to the terms of the funding agreement, including that:

- conditions precedent have been met
- payment of approved funds will be made in arrears
- evidence that the milestone has been completed which could include and is not limited to reports, photographs, graphs, test procedures
- evidence that the milestone payment is not more than the approved percentage of the eligible expenditure incurred to complete the milestone, support by in-kind expenditure, invoices and proof of payment such as bank statements
- funding will be apportioned to each eligible milestone, including the final milestone (project closure), including cash and in-kind contributions
- the grant cannot be frontloaded and fully expended prior to project closure
- the final project milestone must include the requirement to submit a final report including a proportional milestone payment.

Payment will only be made based on actual eligible costs incurred to a maximum of the approved funding amount. If project costs are below the approved funding for the project, or if a project is not completed in the allotted period, only eligible costs incurred will be considered.

Recipients must provide evidence of project expenditure such as receipts and proof of payment. The department will assess milestone and financial reports to ensure that sufficient evidence of expenditure and completion of the milestone is provided and that reports have been certified by the authorised officer.

4.5 Tax information

Funding provided to recipients is regarded as payment for a supply. GST-registered grant recipients will therefore be liable for GST in connection with the grant.

The grant will be increased by the amount of GST payable. Recipients must provide a tax invoice for the GST inclusive value of the grant.

Funding provided by the program may be treated as taxable income for taxation purposes.

5. Project monitoring and reporting

Monitoring and reporting requirements, including knowledge sharing, will be specified in the funding agreement and will be tailored to individual projects.

Projects are expected to progress at a rate consistent with the milestones for the project specified in the funding agreement. Funding recipients will be required to provide reports as specified in the funding agreement to demonstrate the performance of their project against the agreed performance milestones. Reports may include:

- regular progress reports
- milestone reports
- management of risks
- audited financial reports
- a final report.

Funding recipients must submit appropriate evidence to the department once milestones have been achieved and reported (for example, receipted tax invoices or other formal documentation that provides evidence of the activity and related expenditure).

The department will assess whether the relevant milestone has been met and adequately reported before authorising a milestone payment. The department may terminate a funding agreement or suspend further payments of funding if a project fails to meet agreed milestones or be completed within the agreed term of the funding agreement.

Project closure will not be completed until the final report in the format prescribed in the funding agreement has been approved by the department and final payment has been made.

5.1 Recognition requirements

In all publications, promotional and advertising materials, public announcements and activities in relation to a project, a successful recipient must acknowledge the financial support that it has received from the Government of Western Australia through the Program (as listed in the funding agreement).

The Government of Western Australia reserves the right to publicise and report on the funding awarded to funding recipients. This may be done by including the funding recipient's name, amount of funding approved, and the title and a brief description of the project in media releases, general announcements and annual reports.

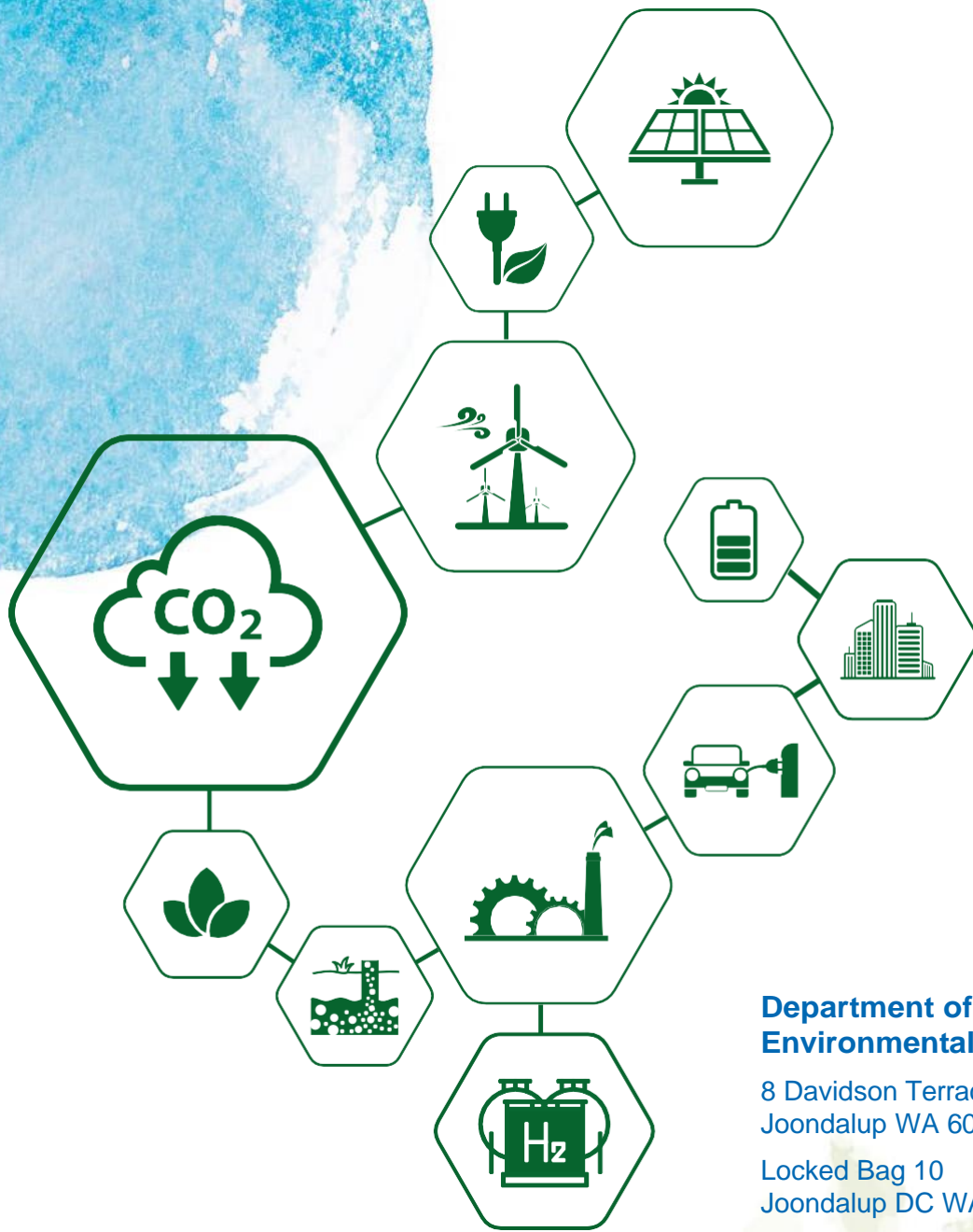
Glossary

Term	Definition
Application	An application made to the Government of Western Australia for funding under the program, which includes a project proposal, a completed application form and any other supporting or additional information provided by the applicant in relation to the application.
Assessment Panel	The program’s Executive Group (see below) in its capacity of assessing applications to the program and finalising a recommendations report, supported by non-voting administrative members and probity advisory members.
AWST	Australian Western Standard Time
Baseline	The annual Scope 1, 2 and/or 3 greenhouse gas emissions of a facility, or facilities, as defined by the Clean Energy Regulator, prior to undertaking a carbon emissions reduction project.
Carbon emissions reduction project	<p>A project that deploys or applies a technology that achieves a net reduction in greenhouse gas emissions to the atmosphere through one or more of the following:</p> <ul style="list-style-type: none"> • Avoiding emissions (e.g. by changing an industrial process so that it no longer produces emissions) • Reducing emissions (e.g. by improving industrial process efficiency) • Capturing and permanently storing greenhouse gasses (e.g. by storing within an underground reservoir, solid form, or carbon farming methods).
Carbon mitigation hierarchy	The process of reducing carbon emissions through the most efficient means available, in order of priority: avoid > reduce > store > offset.
CIGP	Carbon Innovation Grants Program

CIGP applicant guidelines	This document setting out the guidance and information necessary for applicants to apply to the program.
Clean Energy Regulator	The Australian national regulator responsible for administering the Carbon Farming Initiative, the Emissions Reduction Fund and the methods for the issue of Australian Carbon Credit Units.
Climate Active Carbon Neutral Standard	The Australian national standards for achieving carbon neutrality for entities or organisations.
Commercial Readiness Level (CRL)	Defined stages in the commercialisation of a technology from early research, through to real-world testing, pilot and full-scale deployment, as defined by the Australian Renewable Energy Agency (ARENA) .
Conditions precedent	Evidence that the grant recipient has adequately secured leverage funding for the total cost of the grant funded project.
DWER, the department	Department of Water and Environmental Regulation
Eligible costs	Those costs referred to in section 4 of these applicant guidelines
Executive Group	Nominated representatives from the department that oversee and approve key aspects of program administration and provide advice and recommendations to the Minister for Climate Action.
Full-scale deployment	As it relates to the CIGP, a carbon emission reduction project that is applied to an industrial facility or process to the maximum extent practicable.
Funding agreement	The contract for funding entered between a successful applicant and the Government of Western Australia to perform the project.
GST	Goods and Services Tax
Industrial business/activity	An otherwise eligible entity or organisation which is involved in the production of goods and/or industrial processing of materials.

Heavy industry	Heavy industry, as referenced in the CIGP objectives and merit criteria, is a general term that can cover many types of businesses involved in industrial processing of materials, mining or manufacturing. For example, stationary and mobile plant servicing heavy industry, mineral extraction, mineral or metal refining, machinery manufacturing, fuel production or chemical/fertiliser manufacturing. The following classifications can also be used as a guide to identify heavy industries that are the focus of the CIGP:
	<ul style="list-style-type: none"> • <i>Emissions Intensive Trade Exposed Industries</i> as defined by Schedule six of the Renewable Energy (Electricity) Regulations 2001 as amended and in force at the time of grant application • ‘Hard to abate’ industries including iron and steel, aluminium, chemicals (ammonia, fertilisers and explosives), LNG and ‘Other metals’ identified in the Australian Industry Energy Transitions Initiative Phase 1 Technical Report 2021, ClimateWorks Australia, Butler, C, Maxwell, R, Graham, P & Hayward, J. • Designated large facilities as defined by the <i>National Greenhouse and Energy Reporting Act 2007</i> as amended and in force at the time of grant application.
Lead applicant	The applicant that signs the application form and subsequent funding agreement and the recipient of the grant funding if successful.
Milestone	Represents the completion of a major step in the project that requires the commitment of a certain amount of time, resources and effort.
Milestone payment	Means an instalment of the funding determined in accordance with clause 3.4 of the funding agreement.
Permanence	The permanence of carbon abatement resulting from a project. This can include permanence of emissions reductions relative to a baseline or the permanence of a long-term carbon storage activity. CIGP expectations of permanence are aligned with definitions used by the Clean Energy Regulator .

Program	The Carbon Innovation Grants Program established in accordance with the <i>Financial Management Act 2006</i> .
Project	The carbon emissions reduction project that is the subject of the application to the program.
Secondary applicant	Applicants that are listed in the application as part of a consortium or partnership, who are not the lead applicant.
Technology Readiness Level (TRL)	Defined stages in the development of a technology from early research, through to real-world testing and pilot and full-scale deployment, as defined by the Australian Renewable Energy Agency (ARENA) .
WA	Western Australia



**Department of Water and
Environmental Regulation**

8 Davidson Terrace
Joondalup WA 6027

Locked Bag 10
Joondalup DC WA 6919

Phone: +61 8 6364 7000

Fax: +61 8 6364 7001

For further information

Telephone: (08) 6364 6970

Email: carbongrants@dwer.wa.gov.au