



COMMUNITY ENERGY EFFICIENCY *program*



Guidelines FEBRUARY 2012



Australian Government
Department of Climate Change
and Energy Efficiency



This document is printed on Tudor RP 100% Recycled paper which contains 100% recycled fibre and is certified Carbon Neutral by the Department of Climate Change and Energy Efficiency's (DCCEE) National Carbon Offset Standard (NCOS), an Australian Government Initiative. It is manufactured by an ISO 14001 certified mill and sales of Tudor RP support Landcare Australia.



RECYCLED CONTENT



CERTIFICATION



FOREST MANAGEMENT

Written and published by the Department of Climate Change and Energy Efficiency.

© Commonwealth of Australia 2012

This work is copyright Commonwealth of Australia. All material contained in this work is copyright the Commonwealth of Australia, except where a third party source is indicated.



With the exception of the Commonwealth Coat of Arms and the Clean Energy Future logo, Commonwealth copyright material is licensed under the Creative Commons Attribution 3.0 Australia Licence. To view a copy of this license, visit <http://creativecommons.org/licenses/by/3.0/au/>.

You are free to copy, communicate and adapt the Commonwealth copyright material, so long as you attribute the Commonwealth of Australia (Department of Climate Change and Energy Efficiency).

Permission to use third party copyright content in this publication can be sought from the relevant third party copyright owner/s.

IMPORTANT NOTICE – PLEASE READ

This document is produced for general information only and does not represent a statement of the policy of the Commonwealth of Australia. The Commonwealth of Australia and all persons acting for the Commonwealth preparing this report accept no liability for the accuracy of or inferences from the material contained in this publication, or for any action as a result of any person's or group's interpretations, deductions, conclusions or actions in relying on this material.

CONTENTS

1.	PROGRAM OVERVIEW	3
1.1	Introduction	3
1.2	Objectives and benefits of the program	4
1.3	How the program will be managed	4
1.4	Funding	5
1.5	How applications will be assessed	7
2.	ASSESSMENT CRITERIA	9
2.1	Eligibility criteria	9
2.2	Merit criteria	12
2.3	Viability criteria	15
2.4	Selection of successful applications	15
3.	ADDITIONAL INFORMATION	17
3.1	Funding agreement	17
3.2	Roles and responsibilities	18
3.3	Compliance	20
3.4	Privacy and confidentiality	20
3.5	How will industry participate?	21
4.	HOW TO LODGE APPLICATIONS	22
4.1	Developing applications	22
4.2	Application process	22
4.3	Closing date and lodgement	23
4.4	Late applications	24
4.5	Contacts and complaints	24
4.6	Glossary of terms	25
	APPENDIX A – ELIGIBLE EXPENDITURE – GUIDANCE	29
	APPENDIX B – LOCAL INDUSTRY ENGAGEMENT	37
	APPENDIX C – REGIONAL AND RURAL COUNCILS	39

ABOUT THE COMMUNITY ENERGY EFFICIENCY PROGRAM GUIDELINES

The Community Energy Efficiency Program Guidelines provide information relevant to potential grant applicants regarding the preparation of project proposals.

These guidelines are the key element of the application package. The application package also includes the draft funding agreement and the *Community Energy Efficiency Program Application Guidance* document

The Community Energy Efficiency Program is a competitive merit based grant program – meeting the assessment criteria does not guarantee funding. Applicants should not rely on grant funding for a proposed project prior to the Funding Agreement being signed by both parties.

These guidelines are divided into four sections:

Section 1 provides an overview of the program.

Section 2 provides an overview of the assessment criteria for the program.

Section 3 provides additional information relating to the program.

Section 4 provides information on lodging applications.

KEY DATES

Call for Round One Applications	13 February 2012
Close of Round One Applications	23 March 2012
Assessment of Applications	March 2012 – April 2012
Successful grants announced	May 2012

1. PROGRAM OVERVIEW

1.1 INTRODUCTION

The Commonwealth Government has a comprehensive plan to move to a clean energy future. This includes:

- introducing a carbon price
- promoting innovation and investment in renewable energy
- encouraging energy efficiency
- creating opportunities in the land sector to cut pollution.

Improving the efficiency of our energy use is one of the fastest and most cost effective ways to reduce emissions. The Commonwealth Government has implemented a raft of energy efficiency measures which will help improve the productivity of our economy and move Australia towards a prosperous low-carbon future.

A key to improving energy efficiency is local action. The Commonwealth Government, recognising its leadership role in supporting local communities in their efforts to improve their energy efficiency, has established the Community Energy Efficiency Program to assist local governments and non-profit community organisations improve their energy efficiency.

The Community Energy Efficiency Program is a competitive merit-based grant program that will provide matched funding to local governing bodies and non-profit community organisations to implement projects that deliver a range of energy efficiency measures to adjust to the introduction of a carbon price. As the Community Energy Efficiency Program is focussed on energy efficiency, grant funding cannot be used to fund the installation of renewable energy generation systems.

The program will be administered by the Department of Climate Change and Energy Efficiency (the Department) as part of the Low Carbon Communities initiative under the Commonwealth Government's climate change plan – *Securing a Clean Energy Future*.

Low Carbon Communities also includes a number of other related programs, as outlined below.

1.1.1 Other programs under Low Carbon Communities

Low Income Energy Efficiency Program

The Low Income Energy Efficiency Program will support consortia of local councils, community welfare organisations, state and territory governments and energy companies to trial and evaluate approaches to improve the energy efficiency of low income households. Information on the program is available on the Department's website at www.climatechange.gov.au.

Home Energy Saver Scheme

The Home Energy Saver Scheme will provide access to energy efficiency and financial management information, advice, advocacy, support, referral to the No Interest Loans Scheme if appropriate and integrated service coordination around energy efficiency and financial management. These services will be delivered to 100,000 low-income households, including tailored in-depth assistance through a home visit by a trained worker to 50,000 households facing financial and energy hardship. Information regarding the scheme is available on the Department of Families, Housing, Community Services and Indigenous Affairs website at www.fahcsia.gov.au.

Charities Maritime and Aviation Support Program

The Charities Maritime and Aviation Support Program will offer a rebate for the carbon price impact on essential maritime and aviation fuels used by organisations such as air and sea rescue services. Information regarding this program is available on the Department's website at www.climatechange.gov.au.

1.2 OBJECTIVES AND BENEFITS OF THE PROGRAM

The **objectives** of the Community Energy Efficiency Program (the Program) are to:

- support a range of local councils and community organisations increase the energy efficiency of different types of non-residential council and community-use buildings, facilities and lighting
- demonstrate and encourage the adoption of improved energy management practices within councils, organisations and the broader community.

In addition to the objectives above, the Program will provide the following **benefits**:

- better services and improved amenity of buildings and community facilities
- minimising energy consumption and costs to manage the impacts of the carbon price
- building the knowledge and capacity of the energy services and construction industry, and supporting competitive Australian energy efficiency technology and equipment manufacturers
- contributing to the national effort to reduce greenhouse gas emissions.

1.3 HOW THE PROGRAM WILL BE MANAGED

The Community Energy Efficiency Program is a competitive merit-based grant program with defined funding limits. Funding under the program will be provided in multiple grant rounds. Only the strongest proposals that most successfully meet the assessment criteria will be funded. Applicants are encouraged to consult the Department while preparing

applications to ensure their proposal meets the basic application requirements. Guidance material is available to assist potential applicants.

An independent Program Advisory Committee (the Committee) will be responsible for assessing eligible project proposals against the merit criteria.

The Department will have overall responsibility for managing the assessment process and for making recommendations to the Minister. The Minister will make final decisions regarding which applications receive grant funding under the program, based on the recommendations provided by the Department.

1.3.1 Special assistance for regional and rural councils

Special assistance will be made available for regional and rural councils to ensure they are not disadvantaged during the application and assessment processes. This special assistance will be available for two categories of councils: small regional and rural councils and medium-sized regional councils. Definitions of these two categories are provided in Appendix C.

Small regional and rural councils will receive assistance in the following ways:

- Certain eligibility rules for small regional and rural councils will be modified, including:
 - a reduction in the lower funding limit for individual grants
 - inclusion of Low Carbon Australia Ltd finance as part of the applicant contribution to a project
 - modified rules relating to some eligible expenditure (see Section 1.4 and Appendices A and C).
- Applications from small regional and rural councils will be assessed separately from other applications.

Medium-sized regional councils will receive assistance in the following ways:

- a reduction in the lower funding limit for individual grants
- inclusion of Low Carbon Australia Ltd finance as part of the applicant contribution to a project.

1.4 FUNDING

Funding for projects under the Program will commence from 2012. All successful projects will need to be completed by June 2016.

Eligible applicants may submit multiple applications for funding in each round, but only one application per project will be considered.

Applicants may apply for funding of up to \$5 million (excluding GST) for eligible project costs. Exemptions may apply in relation to the upper funding limit for iconic street lighting projects proposed by groupings of local councils or for regional street lighting projects.

The lower funding limit for applications differs for the various categories of applicants, as outlined in the following table.

Applicant category	Lower funding limit for grants
Non-profit community organisations	\$20,000
Small regional and rural councils	\$20,000
Medium-sized regional councils	\$35,000
Metropolitan and large regional councils	\$50,000

Applicants must fund at least half of eligible project costs (applicant contribution) from sources other than the Commonwealth Government. The applicant contribution cannot include in-kind contributions. Exemptions will apply for small regional and rural councils, which may provide up to 25 per cent of total project costs in the form of in-kind contributions. More information on eligible project expenditure and in-kind contributions is in Appendix A.

The total Commonwealth Government funding for a project will be a maximum of 50 per cent of the total project value.

In the case of small regional and rural councils and medium-sized regional councils, financing arrangements entered into with Low Carbon Australia Ltd will be eligible for inclusion as part of the applicant contribution for projects.

Applicants may form partnerships with other organisations to implement group projects (see Section 2.1.1 for more information on group applications). These groups must have a lead applicant with whom the Department will enter into a funding agreement.

A project may involve upgrades or retrofits to multiple buildings, facilities or sites. Where proposals involve project activity in multiple buildings, facilities or sites, the project costs for each individual building, facility or site should be greater than the lower funding limit for that type of applicant. Small regional and rural councils and non-profit community organisations will be encouraged to group together applications for multiple buildings, facilities or sites – these projects will not be subject to a lower funding limit per building, facility or site.

Successful applicants implementing projects involving multiple buildings, facilities or sites will be required to report separately on the progress of the project component in each building, facility or site.

Successful applicants must enter into a funding agreement with the Commonwealth Government prior to the commencement of the project. The funding agreement is a performance-based, legally enforceable agreement between the Commonwealth Government and the successful applicant that sets out the terms and conditions governing the funding provided. The draft funding agreement is available for review as part of the application package.

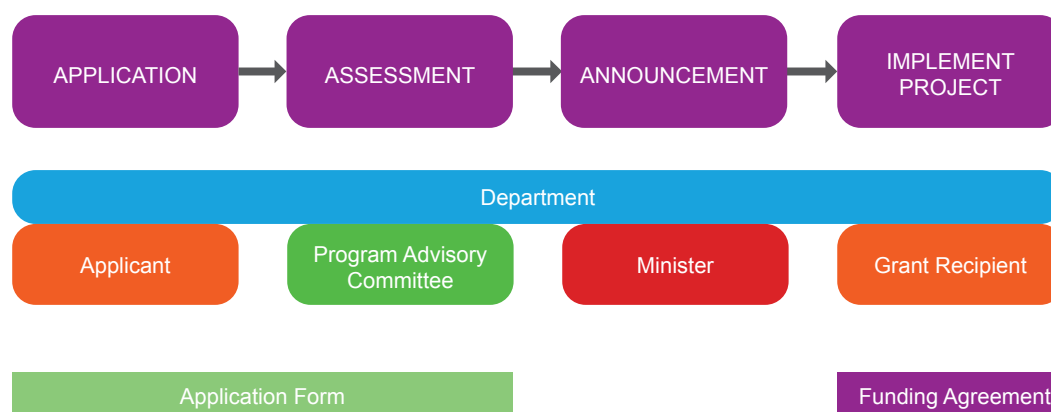
1.5 HOW APPLICATIONS WILL BE ASSESSED

Applications from the different applicant categories will be assessed in three separate streams:

- non-profit community organisations
- small regional and rural councils
- all other councils (medium, metropolitan and large).

Applications in each stream will be assessed through a three-stage assessment process involving eligibility, merit and viability (see Figure 1).

Figure 1 – Application assessment and project implementation process



Stage 1 – Eligibility assessment

At the close of applications the Department will verify the eligibility of all applications against the eligibility criteria (outlined in Section 2.1). During this stage, the Department may contact applicants to request verification of any information contained in their application. Applications that do not meet the eligibility criteria will not be further assessed.

Stage 2 – Merit assessment

The independent Program Advisory Committee will assess eligible applications in each stream against the merit criteria (outlined in Section 2.2) and will provide a merit score for each application.

The submission of an eligible application does not guarantee the provision of funding. Applications need to demonstrate a high level of merit against the criteria and be competitive against other applications.

Stage 3 – Viability assessment

The Department will work with independent experts to assess the viability of applications. Viability will be considered from four perspectives:

- capacity of the applicant to deliver the proposal
- financial viability of the proposal
- technical feasibility of the proposal
- risks relating to the proposal.

Independent experts will be chosen by the Department who have professional expertise or qualifications in fields including financial viability, auditing, energy efficiency, project management and risk assessment. More information on viability assessment can be found in Section 2.3.

2. ASSESSMENT CRITERIA

2.1 ELIGIBILITY CRITERIA

Applications under the Community Energy Efficiency Program will be assessed against the following eligibility criteria. An application will not be accepted for further assessment unless it satisfies **all** of the eligibility criteria.

2.1.1 The Applicant

Applications can be made by either a single applicant or multiple applicants submitting a group application with one organisation being the lead applicant. In both cases, the application may be for single or multiple buildings, facilities or sites. The eligibility criteria for these different applicant types are outlined below.

Single applicant

In the case of single applicants, to be eligible for a grant the applicant will need to be:

- a. either:
 - a local governing body as constituted under relevant state or territory legislation or be a body declared as a ‘local governing body’ under the *Local Government (Financial Assistance) Act 1995*, or
 - a non-profit organisation¹ constituted as a legal entity for at least 12 months and with public liability insurance to the value of \$10 million, whose primary objective is to assist or service the community
- b. the owner of the building, facility or site that is the subject of the project proposal (this may mean that the applicant could be the part owner), or the operator or lessee, with written permission from the owner to implement the project
- c. able to demonstrate an ability to fund 50 per cent or more of the total cost of the proposed project (note this funding may be from other sources such as state/territory government programs or other funding partners).

¹ See Section 4.6 Glossary of Terms for definition of a ‘non-profit organisation’.

Group applications

Eligible organisations such as small local councils or non-profit community organisations may consider submitting a group application in order to minimise project application and management costs. In this case, the group of applicants must nominate a lead applicant.

A lead organisation will be the 'applicant' for the grant under the Program and, if successful, will be required to enter into a funding agreement with the Commonwealth Government. The applicant will be the recipient of the grant funding, will be responsible for ensuring compliance with the funding agreement and will be the primary contact for the project.

A lead organisation must, subject to the following, meet the eligibility criteria and may be a non-profit organisation (such as a regional organisation of councils or regional development organisation) submitting the application on behalf of the group. For group applications, where the lead organisation is not the owner or lessee of the relevant buildings, facilities or sites, the lead organisation must have the agreement of all members of the group to submit the application and manage the project on behalf of the other members of the group.

The other members of the group involved in a group application must, however, be the owners, part owners, operators or lessees of the buildings, facilities or sites that are part of the proposed project. Part owners, operators and lessees should have written permission from the owner(s) to implement the project.

Group applications will be assessed and ranked, based on their combined strengths and weaknesses, against each of the proposed criteria, as if they were a single application.

In the case of group applications involving two or more councils, the application will be considered as an application from the assessment category to which the largest council in the group belongs (whether or not they are the lead organisation). In the case of a group application involving non-profit community organisations and local councils, the application will be considered as an application from the lead organisation.

Ineligible organisations

The following organisations will **not** be eligible to apply for grants or directly benefit from a grant under the Community Energy Efficiency Program:

- State or territory government agencies and their subsidiaries
- For-profit corporations, associations or trusts
- Primary or secondary schools (government and non-government)
- Aged care facilities²
- Universities
- Individuals
- Informal or unincorporated groups.

These organisations, while not eligible to apply for or directly benefit from a grant, may participate in projects by providing additional financial or non-financial support to applicants.

2.1.2 The Project

An eligible project will be one that:

- a. is located in Australia
- b. is directed towards an energy efficiency upgrade or retrofit to a non-residential council or community-use building, facility or site³, where the majority use is for council or community purpose
- c. will achieve clear, measurable gains in energy efficiency or reduction in energy use (or in the case of buildings that are currently unoccupied, such as heritage buildings that are being retrofitted, will achieve clear estimable energy efficiency gains certified by an appropriately qualified energy efficiency expert)
- d. in the event of the applicant not being a local governing body, has the support of the local governing body (e.g. a letter of support from the authorised delegate, or a council resolution).

An eligible project must **not**:

- be a devolved grant, that is, a grant requested by the applicant with the purpose of distributing grants to other parties
- be receiving any other Commonwealth Government financial support for the proposed project (small regional and rural councils and medium-sized regional councils may access financing from Low Carbon Australia Ltd as part of their applicant contribution for eligible projects).

² Aged care facilities are not eligible for grants under the Community Energy Efficiency Program, as they will receive support to adjust to the impact of the carbon price through other measures under the Clean Energy Future package.

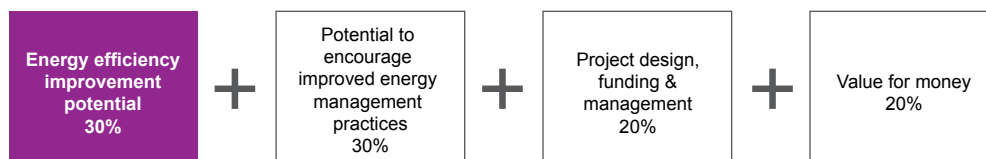
³ 'Site' includes a series of street lights.

2.2 MERIT CRITERIA

The Program Advisory Committee will assess eligible applications against the following merit criteria and provide a merit score for each application.

1. *Energy efficiency improvement potential*

(Criterion weighting = 30%)



Applicants should indicate merit by demonstrating the potential of the project to achieve improved efficiency or a reduction in energy use.

As part of their application, applicants must provide:

- a baseline measure of the energy usage and efficiency of the building, facility or site proposed for upgrade or retrofit based on:
 - if the building is occupied, energy usage data for the most recent 12 month period prior to the planned commencement of the proposed project, or
 - if the building is unoccupied, an estimate of the likely energy usage over a 12 month period made by an appropriately qualified energy efficiency expert
- an estimate of the projected energy efficiency improvement to be achieved by the proposed upgrade or retrofit
- an outline of the methods or tools used to derive the energy use and energy efficiency improvement estimates.

Applicants are encouraged to use methods and tools that are appropriately recognised or are industry standards. For example, in the case of buildings covered by the National Australian Built Environment Rating System (NABERS), the NABERS toolkit should be used for the assessment.

Measurements should be carried out by independent third party assessors who ideally have training in a relevant measuring methodology. Where an existing methodology is used to measure baseline performance (such as NABERS or the International Performance Measurement and Verification Protocol), the assessment should be performed by an accredited or trained professional and in accordance with the relevant assessment method or tool. In the case of NABERS-eligible buildings, it is preferable that an accredited NABERS assessor carry out the assessment.

Successful applicants will also be required to update the estimate of energy efficiency improvement at the end of the project and may be requested to provide further data following the completion of the project.

2. *Potential to encourage improved energy management practices*

(Criterion weighting = 30%)



Applicants should indicate merit by demonstrating:

- how the project outcomes and lessons, such as the greenhouse gas emission reductions, cost savings, and/or productivity gains, will be shared with the community and other councils or organisations
- how the energy efficiency lessons from the project will be sustained within the organisation and in the community after the project period
- the ability of the project to educate and build community capacity about climate change and energy efficiency
- the extent to which cost-effective, innovative approaches will be applied that could be more widely adopted by other building or facility owners
- support for the proposed project from a broad cross-section of the community (this support could be in the form of cash contributions, volunteer support for the project, letters of support from persons with delegated authority, or evidence of endorsement through consultation).

3. *Project design, funding and management*

(Criterion weighting = 20%)



Applicants should indicate merit by demonstrating:

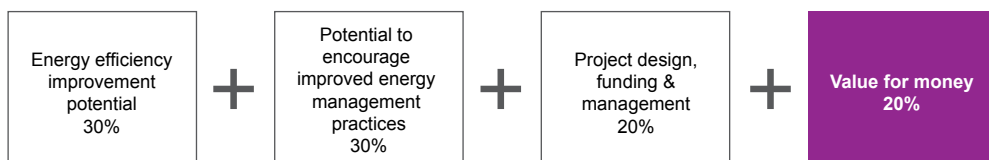
- that they have a project plan which clearly sets out the project objectives, the achievable outcomes, a realistic, fully justified and itemised budget, detailed risk assessment and project management processes (including appropriate processes for commissioning any contract work)
- that they have the capacity to undertake the project within reasonable timelines and within the allocated budget, including access to appropriately skilled staff and/or appropriately qualified or accredited contractors

- how they intend to manage subcontractors and ensure compliance with state and territory laws, including relevant occupational health and safety regulations
- that the physical works relating to the project will commence soon after signing the funding agreement (e.g. within two to three months)
- that the project is planned to be completed within a reasonable period of time considering the type of project and the region in which it is being undertaken
- that the project has all appropriate planning and building approvals under relevant local, state or territory and Commonwealth legislation, or will have such approvals by the time of signing the funding agreement.

Applicants will also need to indicate their acceptance or otherwise of the requirements detailed in the draft funding agreement as part of this criterion.

4. *Value for money*

(Criterion weighting = 20%)



Value for money, a key principle underpinning Commonwealth Government grant administration, requires a comparative analysis of all relevant costs and benefits of each proposal throughout the whole procurement cycle (whole-of-life costing).

Applicants should indicate merit by demonstrating:

- the level and type of co-funding available for the project and the ability for the proposal to leverage a significant proportion of the total project funding
- how the project is additional to business as usual, that is a new project, an additional stage to a current project or a project which adds energy efficiency activities to a current project
- the need for Program funding in order for the project to proceed
- any ongoing measurable benefits (other than energy efficiency) to the local community or local economy from the project that may go beyond the funding period.

Applicants requesting project funding greater than \$1 million must also address the following in their application:

- how the proposal will provide reasonable opportunity for engaging local industry in all stages of the project
- how the proposal will increase collaboration between the applicant organisation and local industry.

Further information regarding this requirement is available at Appendix B.

2.3 VIABILITY CRITERIA

The Department will engage and work with independent experts to assess the viability of eligible applications that have passed the merit assessment stage. Viability of applications will be considered from four perspectives:

- capacity of the applicant to deliver the project, including resources, past record in delivering projects of a similar nature, experience in project management and ability to complete the project within the agreed timeframe
- financial viability of the proposal, including budget, project costings and co-funding arrangements
- technical feasibility of the proposal, including estimated energy efficiency improvements/energy savings
- risks relating to the proposed project and risk management and mitigation strategies identified by the applicant.

Applicants will be expected to provide sufficient documentation and information about themselves and, in the case of group applications, members of the group. This will enable a comprehensive review of their corporate governance, key financial ratios, project budget, energy efficiency gains/savings and project risk strategies.

Further guidance on the documents required for the viability assessment will be provided as part of the application package.

2.4 SELECTION OF SUCCESSFUL APPLICATIONS

The Minister, having considered the recommendations of the Department, will make the final decision on which applications receive funding under the program. In making its recommendations, the Department will consider the outcomes of the merit and viability assessments, the spread of projects across the three assessment streams and the different types of projects in the context of the overall availability of funds for the Program.

The amount of grant funding offered for any successful project may be less than the amount requested by the applicant, for example, funding may be offered only for stage one of a multi-stage project or part of a large multi-building project.

2.4.1 Notification of selection outcomes

Successful applicants will be made an offer of grant funding in writing. Successful projects will be publicly announced and the announcements may include the:

- name of the successful applicant organisation and of any project partners
- title and description of the project and its intended outcomes
- project value and the amount of Commonwealth funding awarded.

Unsuccessful applicants will be notified in writing by the Department at the time of the announcement. Unsuccessful applicants may contact the Department to receive feedback on their application and will be able to resubmit eligible applications in subsequent funding rounds, incorporating feedback provided by the Department.

3. ADDITIONAL INFORMATION

This section provides additional information relating to the Program that potential applicants should be aware of prior to submitting an application.

3.1 FUNDING AGREEMENT

Successful applicants will be required to enter into a funding agreement with the Commonwealth Government before they receive grant funding under the Program. In the case of group applications, the lead applicant will be required to enter into a funding agreement with the Commonwealth Government. The draft funding agreement will be provided to all applicants as part of the application package.

To ensure applicants are aware of the legal requirements contained in the funding agreement, applicants will be required to indicate in their application their acceptance or otherwise of the requirements of the draft funding agreement as part of their response to merit criterion 3 (refer section 2.2).

All successful applicants will receive a written offer of grant funding and a draft funding agreement. Successful applicants will have sixty (60) days from the date the offer is made to execute the funding agreement with the Commonwealth Government or will need to show cause for the delay in execution. Failure to execute the funding agreement within this time may result in the funding offer being withdrawn. An exemption may apply if the Department requests that a project be re-scoped.

The date of execution of the funding agreement will be the project commencement date. The Department reserves the right to terminate the funding agreement or adjust the scope of the project at its discretion.

In the event of the applicant proposing changes to the project, the Department will be open to renegotiating the funding agreement as long as the proposed changes do not substantially impact the agreed objectives of the project.

Funding agreements for significant projects (those seeking more than \$1 million in grant funding) will also include requirements relating to how the applicant intends to provide opportunities for local industry to participate in all stages of the project. Further guidance regarding this requirement is provided in Appendix B.

3.2 ROLES AND RESPONSIBILITIES

The draft funding agreement will specify clearly the roles and responsibilities of the parties. Set out below is a brief summary of some of the provisions in the funding agreement. Applicants should carefully review the funding agreement to ensure they fully understand their responsibilities and obligations.

The grant recipient will be required to maintain public liability insurance at the levels specified in the funding agreement. The grant recipient will also be required to provide an indemnity to the Commonwealth Government against any claims associated with the delivery of the project.

3.2.1 *Milestones and reporting*

Grant recipients will need to collect and report to the Department relevant data, as agreed in the funding agreement, relating to the energy savings gained through the project and other related benefits. Further guidance on reporting requirements relating to energy efficiency gains and lessons learned will be provided as part of the application package.

In addition, grant recipients who have received a grant in excess of \$1 million will be required to include in their milestone reports how the project has provided reasonable opportunities for engaging local industry.

3.2.2 *Payments and auditing*

The funding agreement will include a budget and a schedule of reporting and payments linked to agreed milestones, outcomes and timeframes.

An initial payment (not exceeding 40 per cent of the maximum grant amount, excluding GST) may be made following the execution of the funding agreement (depending on the particular circumstances of the project and applicant).

Payments against milestones will be made based on reporting on eligible expenditure incurred, with each payment subject to satisfactory completion of milestones. Prior to receiving milestone payments, grant recipients must:

- demonstrate implementation of milestone activities by submitting milestone reports as agreed in the funding agreement
- substantiate expenditure incurred during the reporting period (e.g. by providing receipts)
- comply with all other aspects of the funding agreement.

Grant recipients will be required to provide independent audit reports of project expenditure at the end of each financial year and at the completion of the project. This final report must be prepared by an independent auditor and in accordance with the Australian Accounting

Standards as set out in the funding agreement (see Appendix A regarding conditions for eligibility of audit costs). The Department may also request an independent audit report of project expenditure at any time during the project.

Goods and Services Tax (GST) may apply to grant payments and certain grant payments may be subject to income tax in the hands of certain recipients. Grant recipients should seek independent legal, taxation or financial advice regarding tax implications.

3.2.3 *Intellectual property*

Grant recipients must demonstrate that they are able to manage any intellectual property employed in, or arising from, their project. This includes, where relevant, identifying and managing:

- any intellectual property expected to be created as a result of the project
- ownership of the intellectual property
- the measures to be put in place to protect intellectual property created as a result of the project
- any intellectual property to be used in the project, and measures that will be put in place to protect it.

Grant recipients will need to provide documentation that describes how intellectual property rights related to the project will be managed by the recipient and the arrangements for agreed use by the Department in promoting outcomes of the Program.

3.2.4 *Risk management*

At the time of making an application all applicants will be required to have a comprehensive risk management plan in place for the proposed project or be able to demonstrate that the risks relating to the proposed project will be managed as part of a broader risk management strategy of their organisation. A grant recipient will be required to implement the plan as part of their obligations under the funding agreement.

3.2.5 *Branding and communication*

The grant recipient will be required to acknowledge the source of funding for the project and to follow the Department's requirements, as set out in the funding agreement, relating to government branding in all communications relating to the project. Guidelines will be provided to all grant recipients regarding branding and communication.

Applicants will be required to indicate in their application how they will share lessons from the project with other councils/organisations and the broader community.

Grant recipients will be required to clear any proposed public activities and announcements relating to the project, such as the launch of the project, with the Department prior to the activity or making any public announcements.

3.2.6 Document retention

It will be a condition of receiving a grant under the Program that grant recipients retain all documents and records in relation to the application and the funding agreement for a period of seven years after the termination or expiry of the agreement. While such records do not need to be submitted with reports, the Department may require such records to verify any or all eligible expenditure. Failure to provide such records when required may result in an expenditure item being disallowed, or in certain circumstances, the repayment of grant funding to the Department.

3.3 COMPLIANCE

It is a condition of funding under the Program that projects comply with the National Code of Practice for the Construction Industry (the Code) and the Guidelines for the Code.

It is also a condition that organisations or subcontractors carrying out activities as part of the project have not been precluded by inappropriate or criminal activities from applying for Commonwealth Government funded work. Where the Code and the Guidelines for the Code apply, a failure to meet these conditions will mean a breach of the requirements of the funding agreement.

3.4 PRIVACY AND CONFIDENTIALITY

The use and disclosure of information provided by applicants for the program is regulated by the relevant provisions and penalties of the *Public Service Act 1999*, the *Privacy Act 1988*, the *Freedom of Information Act 1982*, the *Crimes Act 1914* and the general laws of the Commonwealth of Australia.

The information contained in applications will be regarded as private and confidential and will be treated as such by the Department. This is subject to the operational need to provide applications to assessors, and any statutory or legal requirements to provide information to the Commonwealth Parliament and other organisations, for audit, law enforcement, investigative or other purpose.

As part of the assessment of an application, the Department may need to consult with, and provide material from the application to other government agencies or bodies, other organisations and/or relevant individuals, in order to substantiate any claims or statements

made in the application form, or to otherwise assist in the assessment of the application. If this occurs, the Department will endeavour to ensure that the parties who are consulted observe appropriate confidentiality provisions.

Following approval of an application, the broad details of an application will be disclosed by the Department for purposes such as promoting the program and reporting on its operation and policy development. This information may also be used in answering questions in the Commonwealth Parliament and its committees. In addition, the selected project information may be made publicly available. Public announcements may include the:

- name of the successful applicant organisation and of any project partners
- title and description of the project and its intended outcomes
- value of the project and the amount of Commonwealth funding awarded.

3.5 HOW WILL INDUSTRY PARTICIPATE?

The Community Energy Efficiency Program will provide opportunities for the energy services sector to assist local governing bodies and community organisations to reduce their energy costs through improved energy management practices. Energy service companies can participate in the program by becoming partners in projects, providing expert advice during project design and providing services at the implementation and monitoring and verification phases of projects. The program will also provide opportunities to increase the knowledge and capacity of the construction industry and allied trades as well as opportunities for local manufacturers of energy efficient technologies and equipment.

4. HOW TO LODGE APPLICATIONS

4.1 DEVELOPING APPLICATIONS

In developing an application for a grant, the applicant should take into consideration the guidance and rules provided in these program guidelines, the *Community Energy Efficiency Program Application Guidance* document, and the draft funding agreement. Further guidance and clarification may be sought from the Department.

Applicants intending to request funding for more than one project should ensure that a separate application is made for each project.

Applications will need to:

- outline the main activities that will be delivered as part of the project
- include a timeframe and full project budget for delivery of the above activities
- address the eligibility and merit criteria
- provide a key contact person and be signed by an appropriately authorised officer representing the applicant.

The Department will be able to provide guidance in relation to the basic requirements of the application. To access this support, applicants should contact the Department by email to ceep@climatechange.gov.au or by telephone on 1800 830 922.

4.2 APPLICATION PROCESS

Stakeholders intending to develop an application should register their interest with the Department by:

- emailing ceep@climatechange.gov.au, or
- calling 1800 830 922

Registered stakeholders will receive an email from the Department with an application package, including the application form and instructions on how to lodge the Application electronically. Potential applicants who may have online access issues should contact the Department to arrange alternate processes for submitting an application.

Applicants are encouraged to discuss their proposals with grant officers in the Department before submitting their application to ensure it meets the basic requirements.

Applications must:

- be submitted using the official application form before the closing date and time announced by the Department

- be complete and contain all the information that is relevant to and necessary for assessment
- have all mandatory documentation attached, including
 - detailed project plan with timelines and budget
 - financial statements and related financial documents
 - relevant energy efficiency information or reports
- provide current and accurate information
- not contain information that is false or misleading. Applications considered to contain false or misleading information may be excluded from assessment. Providing false or misleading information may also constitute an offence under the *Crimes Act 1914*.

In the case of group applications, a single application should be submitted by the lead organisation on behalf of a grouping of councils or non-profit community organisations. A group application must identify the members of the group and be signed by each member.

The Program is expected to be highly competitive with a diverse range of applicants. The checklist at the end of the application form will help applicants ensure that all required information is included in the application.

4.3 CLOSING DATE AND LODGEMENT

**Applications close at 5:00pm (AEDST) on
23 March 2012 (the closing date)**

Applications must be submitted before the advertised closing date and time.

Completed applications must be emailed to dcceegrants@climatechange.gov.au and identified as 'Application for Community Energy Efficiency Program' in the subject field.

Upon completion of the application, applicants will be required to print a signature page, have it signed by an appropriately authorised representative of the applicant and submit a scanned copy of the signed page to the Department with the completed application.

If prior arrangements have been made with the Department to submit a hard copy application, three copies of the application (one copy marked 'original') must be postmarked by the advertised closing date. The envelope containing the application must be clearly labelled as 'Application for Community Energy Efficiency Program' and be addressed to:

Community Energy Efficiency Program
Energy Branch
Department of Climate Change and Energy Efficiency
GPO Box 854
Canberra ACT 2601

Applicants using courier services to deliver their Application should contact the Department to make arrangements for delivery.

The Department will acknowledge receipt of the application by email. If an application is incomplete or the applicant ineligible, the Department will discuss this with the primary contact person responsible for lodging the application.

Applicants will not be permitted to amend their applications or submit additional information relating to their application after the closing date. In the event of the applicant having made an unintentional error or omission, the Department will decide whether to accept an amendment or additional information.

4.4 LATE APPLICATIONS

Applications lodged after the advertised closing date may be accepted for assessment in cases where the delay is due to exceptional circumstances. The decision to accept late applications will be at the discretion of the Department.

4.5 CONTACTS AND COMPLAINTS

Further information regarding the Community Energy Efficiency Program is available on the Department's website at www.climatechange.gov.au/ceep.

Or you may contact the Department as outlined below:

Email: ceep@climatechange.gov.au

Phone: 1800 830 922

Mail: Community Energy Efficiency Program
Energy Branch
Department of Climate Change and Energy Efficiency
GPO Box 854
CANBERRA ACT 2601

Any complaints regarding the Program should be lodged using the contact details outlined above. Complaints will be handled in accordance with the Department's complaint handling mechanisms.

4.6 GLOSSARY OF TERMS

Applicant	A local governing body, a non-profit community organisation or a non-profit organisation (such as a Regional Organisation of Councils) submitting an application on behalf of an eligible organisation who has submitted a project proposal for a grant.
Applicant contribution	Cash (or in-kind) contributions made towards the project by the applicant, whether from their own resources or from a party other than the Commonwealth. The applicant's contribution must be at least half of eligible project costs.
Commonwealth funds	The funds provided for an approved project by the Commonwealth of Australia.
Department	The Department of Climate Change and Energy Efficiency or such other agency of the Commonwealth as may from time to time be responsible for the administration of the Program, and includes any other Commonwealth agency that the Department engages to assist in the delivery of the Program.
Eligible expenditure	Eligible contract expenditure will be the cost of any agreed project activities performed by the grant recipient, by another organisation or an individual engaged under separate contract. Eligible expenditure is listed at Appendix A of these guidelines.
Energy efficiency improvement	Using less energy to achieve the same level of outcomes or performance, or improving the level of outcomes or performance from the same amount of energy.
Funding Agreement	The legally binding agreement under which the funds are provided by the Commonwealth to the grant recipient for the purpose of the Program.
Grant recipient	The organisation(s) selected by the Commonwealth to conduct a project under the Program.

Independent experts	Individuals (e.g. energy and financial auditors) who have expertise relevant to the technical and/or financial aspects of the program and will be engaged by the Department to verify the technical and/or financial viability of project proposals. While these experts may be internal or external to the Department, they will be independent of the assessment process.
In-kind contributions	Non-cash considerations to a project that have no impact on entity cash flow and no record in the entity's statement of financial performance. Examples may include the use of resources – whether internally or externally sourced – for no cost to the project or applicant, or issuing shares in payment for services rendered.
Lead organisation	An organisation which acts as the applicant for a grant under the Program and enters into a funding agreement with the Commonwealth for a successful project. The lead organisation will be the recipient of the grant funding and will be the primary contact for the project.
Local governing body	As constituted under relevant state or territory legislation or be a body declared as a 'local governing body' under the <i>Local Government (Financial Assistance) Act 1995</i> .
Local industry	A local industry is any legal business, registered in Australia that employs one or more staff in Australia.
Low Carbon Australia	Also known as Low Carbon Australia Ltd. More information is available at www.lowcarbonaustralia.com.au .
Medium-sized regional council	For the purposes of the Program, medium-sized regional councils are those councils that are classified as Urban Regional Medium (URM) and Urban Fringe Medium (UFM) councils in the <i>Australian Classification of Local Governments, Appendix F, Local Government National Report 2007/08</i> (Department of Infrastructure, Transport, Regional Development and Local Government, 2010).

Metropolitan and large regional councils	For the purposes of the Program, metropolitan and large regional and rural councils are those councils that are classified as Urban Capital City (UCC), Urban Developed (UDS, UDM, UDL, UDV), Urban Regional Large, Urban Regional Very Large (URL, URV) and Urban Fringe Large and Urban Fringe Very Large (UFL, UFV) councils in the <i>Australian Classification of Local Governments, Appendix F, Local Government National Report 2007/08</i> (Department of Infrastructure, Transport, Regional Development and Local Government, 2010).
Non-profit organisation	The Australian Taxation Office (ATO) defines a non-profit organisation as one which is not operating for the profit or gain of its individual members, whether these gains would have been direct or indirect. This applies both while the organisation is operating and when it winds up. The ATO accepts an organisation as non-profit where its constituent or governing documents prevent it from distributing profits or assets for the benefit of particular people, both while it is operating and when it winds up. These documents should contain acceptable clauses showing the organisation's non-profit character. The organisation's actions must be consistent with this requirement.
Program	The Australian Government's Community Energy Efficiency Program. The Program is administered by the Department of Climate Change and Energy Efficiency as part of the Low Carbon Communities initiative under the Commonwealth Government's climate change plan – <i>Securing a Clean Energy Future</i> .
Program Advisory Committee	Also known as the PAC or the Committee. The PAC will be responsible for assessing eligible project proposals against merit criteria.
Project	A project to be conducted by a grant recipient, managed by a funding agreement under the Program.

Renewable energy generation systems	Systems that generate energy from renewable sources including solar photovoltaic, micro-hydro, wind turbine and biomass.
Retrofit	The term retrofit refers to the installation or refit of a device or system for use in or on an existing structure.
Small regional and rural council	For the purposes of the Program, small regional and rural councils are those councils that are classified as Rural Remote, Rural Agricultural, Rural Significant Growth (RTX, RTS, RTM, RTL, RAS, RAM, RAL, RAV RSG), Urban Regional Small (URS) and Urban Fringe Small (UFS) in the <i>Australian Classification of Local Governments, Appendix F, Local Government National Report 2007/08</i> (Department of Infrastructure, Transport, Regional Development and Local Government, 2010).
Special assistance	The assistance made available to regional and rural councils to ensure they are not disadvantaged through the application and assessment process. Details of special assistance are in Appendix C of these guidelines.
Subcontractor	An organisation or individual which contracts to provide goods or services to a grant recipient for the purpose of performing its obligations under the funding agreement.
Upgrades	The term upgrade refers to the replacement of a product with a newer version of the same product.

APPENDIX A – ELIGIBLE EXPENDITURE – GUIDANCE

INTRODUCTION

The following section provides guidance on the eligibility of project expenditure and what expenditure can be counted as part of the grant recipient's matched funding.

Expenditure must be directly attributable to the project and, with the few exceptions outlined below, only expenditure incurred on agreed project activities within the agreed project period (set out in the funding agreement) will be eligible expenditure.

For determining the grant amount, the cost of some activities conducted as part of an agreed project may not be eligible expenditure.

ELIGIBLE ACTIVITIES, ITEMS AND CONDITIONS

The table below outlines the activities and items that can be included in the project budget, and any relevant conditions. Activities or items that are not listed in the table cannot be included in the project budget. Further information about specific activities or items that cannot be included in the project budget is provided in the next section, 'Specific activities and items that **cannot** be included in the project budget'.

Eligible contract expenditure will be the cost of any agreed project activities performed by the grant recipient or for the grant recipient by another organisation or an individual engaged under separate contract.

All contractor project work will need to be the subject of a prior written contract – for example, a formal agreement, letter or purchase order – which specifies the nature of the work to be performed for the grant recipient and the applicable fees, charges and other costs payable.

Eligible activities	Eligible items (applicants must specify in project budget)	Conditions
<p>Energy audits or assessments</p> <ul style="list-style-type: none"> • Assessment at (or in some cases prior to) the beginning of project to set a baseline for energy use and estimated efficiency improvement • Assessment at completion of project to determine energy efficiency improvement 	<ul style="list-style-type: none"> • Consultant costs 	<p>Cost of one energy audit or energy efficiency assessment per building, facility or site conducted prior to the signing of the funding agreement (but within the previous 12 months) can be included in the project budget, capped at \$3,000 per assessment.⁴</p> <p>Cost of one energy audit or energy efficiency assessment per building, facility or site conducted during the project period can also be included.</p>

⁴ Applicants should note, however, that the Community Energy Efficiency Program is a merit-based competitive grant program – meeting the assessment criteria does not guarantee funding. Applicants should not rely on grant funding for a proposed project prior to the Funding Agreement being signed by both parties.

Eligible activities	Eligible items (applicants must specify in project budget)	Conditions
<p>Upgrades or retrofits to buildings and facilities</p> <ul style="list-style-type: none"> • Upgrades to the roof, walls and floor to resist heat transfer • Improved glazing to resist heat flow and solar radiation • Sealing of the building (draught proofing) and thermal improvements • Upgrades to allow air movement for free cooling, in terms of openings and breeze paths • Upgrades to heating, ventilation, air-conditioning systems and hot water supply • Upgrades to lighting and electric power saving features • Other energy efficiency upgrades such as pool blankets, new motors for swimming pool pumps • Upgrades to building energy management systems or services, including hardware and software • Installation of co-generation or tri-generation systems (not including renewable energy sources) 	<ul style="list-style-type: none"> • Materials • Equipment hire • Labour (contractors) • Some capital expenditure • Expert advice (consultants) 	<p>Funds cannot be used to purchase major capital items except for specific energy efficient equipment, for example, a new heating, ventilation or air-conditioning system or a motor for a swimming pool pump.</p> <p>Project activities must meet all relevant public safety standards and planning requirements and application must explain how requirements will be met and the asset will be maintained.</p> <p>Funds cannot be used to lease or acquire equipment, however, short-term equipment hire will be considered for funding.</p>
<p>Upgrades to outdoor lighting such as street lights and traffic lights</p>	<ul style="list-style-type: none"> • Materials • Equipment hire • Labour (contractors) 	<p>Project activities must meet all relevant public safety standards and planning requirements and the application must explain how requirements will be met and the asset will be maintained.</p>

Eligible activities	Eligible items (applicants must specify in project budget)	Conditions
Basic energy efficiency items <ul style="list-style-type: none"> • Efficient light bulbs, low-flow shower heads, shower timers, draught-proofing material, fridge and freezer thermometers and energy saving power boards • Installation of smart/energy meters • Installation of efficient hot water systems to replace inefficient electric systems 	<ul style="list-style-type: none"> • Materials • Equipment hire • Labour (contractors) • Some capital expenditure • Expert advice (consultants) 	<p>Funds cannot be used to purchase major capital items except for specific energy efficient equipment, such as items included in energy efficient kits and hot water systems.</p> <p>Project activities must meet all relevant public safety standards and planning requirements and the application must explain how requirements will be met and the asset will be maintained.</p> <p>Funds cannot be used to lease or acquire equipment; however, short-term equipment hire will be considered for funding.</p>
Monitoring and reporting <ul style="list-style-type: none"> • Installation of metering equipment • Purchase of energy monitoring systems 	<ul style="list-style-type: none"> • Materials • Labour (contractors) • Expert advice (consultants) 	<p>Project activities must meet all relevant public safety standards and planning requirements and the application must explain how requirements will be met and the asset will be maintained.</p>
Educational activities and raising community awareness <ul style="list-style-type: none"> • Website development, demonstrations of techniques, community monitoring, surveys and other awareness-raising activities to assist groups to adopt new ideas or build skills in energy efficiency (e.g. workshops), installation of signage to raise awareness of and/or spread the learnings from a project. 	<ul style="list-style-type: none"> • Materials (e.g. development of information manuals, information packs, signage) • Advertising costs • Venue hire and associated costs (if required) • Labour (contractors) • Expert advice (consultants) 	<p>Funds cannot be used for travel associated with attending education or community awareness activities (e.g. travelling to a workshop or field day).</p> <p>Funding for educational activities and raising community awareness cannot exceed 30% of the total project costs.</p>

Eligible activities	Eligible items (applicants must specify in project budget)	Conditions
Administration support	<ul style="list-style-type: none"> Salaries – project coordination and management 	<p>Administration funding is to be included only where it is for the purpose of supporting the operations and activities of the applicant organisation to undertake and deliver the project.</p> <p>Funding for this component should not exceed 10% the total project costs up to a limit of \$100,000.</p> <p>For projects implemented by small regional and rural councils funding for this component should not exceed 20% of the total project cost up to a limit of \$100,000.</p>
Financial audit/accounting costs <ul style="list-style-type: none"> Grant recipients are required to provide an independent audit report verifying project expenditure after completion of the project. 	<ul style="list-style-type: none"> Final certification and audit costs 	<p>The cost of obtaining this independent audit report may only be eligible if it is incurred and paid for within three months of the project completion date, up to a maximum of 1% of the total project cost.</p>

SPECIFIC ACTIVITIES AND ITEMS THAT **CANNOT** BE INCLUDED IN THE PROJECT BUDGET

The following items of expenditure cannot be included in the project budget:

- Activities undertaken before the project commencement date other than those outlined in the table above (e.g. energy audits). This means that expenditure associated with retrofitting activities, such as design and documentation, undertaken prior to the commencement of works cannot be included.
- Cost of preparing the original grant application, preparing any project variation requests, and preparing any project reports required under the grant agreement (with the exception of the costs of an independent audit report).
- Cost of obtaining resources, contractors or permits for the project, including building permits, tendering costs, interest on loans, job advertising and recruiting, and contract negotiations. Exemptions may apply for small regional and rural council applicants in relation to the cost of obtaining contractors.
- Activities more appropriately funded by other bodies (e.g. private landholders, government agencies). This includes activities that can reasonably be expected to be undertaken by other bodies. The Community Energy Efficiency Program may provide supplementary funding to support the inclusion of innovative and additional measures, but will not provide funding that substitutes for existing resources.
- Day-to-day operating costs of the organisation, including insurance, office accommodation, telephone and internet costs, general communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees, bank charges and overheads (that is, expenses that are incurred whether or not the applicant undertakes the project).
- Travel expenditure. For projects implemented by small regional and rural councils, travel expenditure directly related to the project, such as the travel cost of a consultant, may be eligible up to a reasonable level.
- Installation of renewable energy generation systems, such as solar photovoltaic, micro-hydro, wind turbines and biomass generation systems⁵.
- Purchase of equipment or materials that are normally part of a landholder's responsibility for the management of their property.
- Purchase, lease or acquisition of land.
- Subsidies for non-commercial activities that will compete with commercial operations.
- Activities that are inconsistent with key national, state or territory strategies and frameworks.

⁵ Note that solar hot water systems are eligible as they are not classified as renewable energy generation systems.

- Purchase, lease or acquisition of motor vehicles, watercraft, aircraft or fuel, unless the grant recipient can demonstrate that this is essential to the success of the project, such as the project location is in a remote area.
- In the case of street lighting projects, expenditure not directly related to energy efficiency improvements of the proposed project (e.g. structural costs such as written down value and avoided costs).

This list is not exhaustive. Other activities or specific expenditure may be ineligible because the Program Advisory Committee or the Department decides it does not directly support the achievement of the planned outcomes of the project or they are contrary to the objectives of the Program.

4.6.1 What will an applicant need to contribute?

Community Energy Efficiency Program funding will only be offered for up to 50 per cent of the total project costs. Applicants will need to provide documentary evidence of their ability to fund the remaining costs of the project not met by Commonwealth Government funding and demonstrate certainty of such funding at the time of application (e.g. existing budgets or loan pre-approval).

Funding derived from loans from financial institutions will be admissible as co-funding; however, Commonwealth Government funding under this program cannot be used as equity or to improve equity of the organisation in relation to such loans.

Supporting contributions can be cash contributions or in-kind contributions in the form of hourly labour by the applicants/other contributors, or the use of equipment, machinery and materials.

Applicants must provide, as part of their application documentation, written evidence confirming contributions from project partners. Supporting contributions can be from any appropriate source such as local businesses, a non-government organisation, industry or a local government body.

The following items may **not** be counted as part of the applicant's supporting contribution:

- grants and rebates from any other Commonwealth Government programs or agencies, except for:
 - funds from Commonwealth funded Indigenous programs, the Indigenous Land Corporation or the Community Development Employment Program may be included as part of the supporting contribution, provided Indigenous groups and communities also identify other contributions they can bring to a project
 - funding from Low Carbon Australia Ltd can be included as part of the applicant contribution by small regional and rural councils and medium-sized regional councils.
- activities paid for by non-cash considerations. Non-cash considerations are contributions to a project that have the following common characteristics:
 - no impact on entity cash flow
 - no record in the entity's statement of financial performance.

Examples include:

- the use of resources – whether internally or externally sourced – for no cost to the project or applicant, or
- issuing shares in payment for services rendered.

These arrangements are sometimes referred to as in-kind contributions. Small regional and rural councils will be eligible to provide up to 25 per cent of the total project cost in the form of in-kind contributions calculated according to standard rates.

APPENDIX B – LOCAL INDUSTRY ENGAGEMENT

Applicants seeking funding greater than \$1 million under the Community Energy Efficiency Program will be required to meet certain requirements in relation to how they engage with local industry during their grant project. A local industry is any legal business, registered in Australia that employs one or more staff in Australia.

The objective of this requirement is:

- for the applicant to demonstrate how they will provide full, fair and reasonable opportunity to local industry to supply goods and services for the proposed project
- to endeavour to maximise opportunities for Australian energy efficiency equipment and technology manufacturers to participate in all aspects of the proposed project.

The response should outline the actions the applicant intends to take to provide local industry with full, fair and reasonable opportunity to participate in all stages of the project and how these actions will be implemented.

The response should describe specific planned activities throughout the life of the proposed project including procurement processes. The identified actions can be part of strategies already in place or strategies newly created specifically for the purpose of the proposed project. Applicants should take into consideration the criteria described below in developing their response.

Where the applicant considers that any elements of the criteria are not relevant to their application, they should include a brief explanation as to why this is the case.

LOCAL INDUSTRY ENGAGEMENT CRITERIA

Criterion 1 – Communication Strategy

Describe how the communication strategy for the proposed project will provide for the early identification of opportunities for Australian companies and the effective transfer of information on opportunities for Australian companies through all tiers of supply.

Criterion 2 – Opportunities through all tiers of supply and in all stages of the project

Describe strategies to incorporate Australian companies through all tiers of supply and in all stages of the proposed project (i.e. through design, procurement, construction, operation and whole-of-life support).

Criterion 3 – Key equipment and products

Describe how the applicant will identify and provide opportunities for Australian companies to supply key equipment and product components of the project.

Criterion 4 – Procedures and resources

Describe the procedures and resources to implement strategies to provide full, fair and reasonable opportunity for Australian companies.

APPENDIX C – REGIONAL AND RURAL COUNCILS

DEFINITION OF REGIONAL AND RURAL COUNCILS

For the purposes of the Community Energy Efficiency Program local councils will be separated into three groups: small regional and rural councils, medium-sized regional councils and metropolitan and large regional councils. This grouping of councils will be based on the categories listed in the *Australian Classification of Local Governments, Appendix F, Local Government National Report 2007/08* (Department of Infrastructure, Transport, Regional Development and Local Government, 2010).

The ACLG categories of councils belonging to each group will be as follows:

Small regional and rural councils

All Rural councils (RTX, RTS, RTM, RTL, RAS, RAM, RAL, RAV RSG), small Urban Regional Towns (URS) and small Urban Fringe (UFS) councils.

Medium-sized regional councils

Medium urban regional town (URM) and medium urban fringe (UFM) councils.

Metropolitan and large regional councils

All capital city (UCC) and metropolitan councils (UDS, UDM, UDL, UDV) as well as large and very large urban regional town (URL, URV) and urban fringe (UFL, UFV) councils.

A summary of the special assistance that will be available for different groups of councils is outlined below:

SUMMARY OF SPECIAL ASSISTANCE FOR REGIONAL AND RURAL COUNCILS

Assistance / rule amendment	Small regional and rural councils	Medium-sized regional councils	Metropolitan and large regional councils
Assessment of applications as a separate group from other councils	Yes	No	No
Financing from Low Carbon Australia Ltd can be used as the applicant's co-contribution	Yes	Yes	No
Lower limit of individual grants	\$20,000	\$35,000	\$50,000
Project costs for projects involving multiple buildings, facilities or sites	Total project cost should be greater than \$20,000 and no limit on project cost for individual building, facility or site	Total project cost should be greater than \$35,000 and project cost for individual building, facility or site should be greater than \$35,000	Total project cost should be greater than \$50,000 and project cost for individual building, facility or site should be greater than \$50,000
Eligible expenditure – project related travel	Eligible	Not eligible	Not eligible
Eligible expenditure – administration support (project coordination and management)	Not exceeding 20% of the total project cost up to a limit of \$100,000	Not exceeding 10% of the total project cost up to a limit of \$100,000	Not exceeding 10% of the total project cost up to a limit of \$100,000
In-kind contributions	Up to 25% of total project cost in the form of in-kind contributions (such contributions must be calculated on the basis of standard rates)	Not eligible	Not eligible



www.cleanenergyfuture.gov.au