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| V18/299 Coal Innovation NSW Fund Expressions of Interest Research, Development and Demonstration Projects Round 2018 |

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| **Program Administrative Guidelines for RESEARCH GRANTS** |

February 2018
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***Please note that there are two separate but concurrent EOI application processes occurring.***

***This document refers to***

* ***research grants applications, with a $1.5 million cap, over 2 years,***

***whilst a separate document is to be used for***

* ***seed funding applications, with a $100,000 cap, over 1 year.***

***It is essential that the applicant uses the correct application form and it is not the responsibility of CINSW to correct any errors.***

***Applicants can make application to both funding streams if they can meet the appropriate eligibility and selection criteria.***

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Contents

Introduction 4

1.1 Coal Innovation NSW Background 4

1.2 Objective of CINSW 5

1.3 The Program Administrative Guidelines 6

1.4 Operation of these Guidelines 6

Governance 7

2.1 Minister 7

2.2 The Department 7

2.3 Coal Innovation NSW (Ministerial Advisory Council) 7

2.4 The Technical Working Group (TWG) 7

2.5 Advisors 7

2.6 Closing Date and Closing Time for Applications 8

2.7 Enquiries 8

2.8 Application Requirements 8

2.9 Application Lodgement 9

2.10 Custody of Applications after Receipt 10

2.11 Meetings with Applicants 10

Application, Assessment & Approval Process 11

3.1 Types of Projects Supported 11

3.2 Value of Grant Funding Available 12

3.3 Eligibility Requirements 12

3.4 Selection Criteria 13

3.5 Application Process 14

3.6 Approval of Funding and Payment 16

3.7 Taxation Implications 16

Fund Assistance and Funding Deed 17

4.1 Available Funding 17

4.2 Negotiations and Announcement 17

4.3 Funding Deed 17

4.4 Project Budget, Milestones and Grant Instalments 18

4.5 Monitoring and Evaluation of Project Performance, and Payments 18

Conflict of Interest and Probity 19

Confidentiality 20

No contract or liability 20

Complaints handling process 22

Contact us 23

Attachments 24

# Introduction

## 1.1 Coal Innovation NSW Background

Australia has committed to reducing its greenhouse gas emissions by setting targets under the 2015 United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP21). Australia has proposed a greenhouse gas emission reduction of 26 – 28 per cent below 2005 levels by 2030 as its Intended Nationally Determined Contribution (INDC)[[1]](#footnote-1). To complement the Commonwealth Government’s 2030 emission reduction targets, the NSW Government has announced an aspirational transitional objective of achieving net-zero emissions by 2050[[2]](#footnote-2).

The NSW Department of Planning & Environment (the Department), is committed to ‘*driving research and development into low emission coal technologies’*. This is achieved via the NSW Government’s *Coal Innovation NSW Fund*[[3]](#footnote-3).

Currently, coal-fired generators produce over 80% of the State’s electricity and emit 35% of the State’s greenhouse gases annually from the generation of electricity. Additionally, another 9% is contributed from fugitive emissions from the mining of coal. The development of low emissions coal technologies is essential to reducing greenhouse gas emissions from NSW coal-fired power generators and use by industry.

The *Coal Innovation Administration Act 2008* (the Act) establishes Coal Innovation NSW (CINSW), a ministerial advisory body, made up of representatives of industry, research institutes and the NSW Government. CINSW advises and makes recommendations to the Minister for Resources on policy initiatives and how best to support low emissions coal technologies research, development and demonstration (RD&D) in NSW.

The Act also established the CINSW Fund to which the NSW Government has committed $100 million. The fund is a vital tool in supporting RD&D in low emissions coal technologies for future commercial application. It also aims to increase public awareness on the importance of low emissions coal technologies in reducing greenhouse gas emissions.

The CINSW Fund has been successful in leveraging matching funding from the Commonwealth and industry to support major initiatives. To date, fifteen RD&D projects have been funded which are revolutionising how coal is utilised in energy production; how carbon dioxide (CO2) is captured; and the storing of captured CO2.

A separate initiative, known as the NSW CO2 Storage Assessment Project is examining the state’s geological storage resources for CO2. Through this program the first underground rocks have been discovered in NSW which have the potential to store the greenhouse gas emissions from commercial scale power generation. Mapping the State’s storage potential in this way will help Government, CO2 emitters, and infrastructure and technology developers to make more informed policy decisions and choices on the rollout of carbon capture and storage (CCS) in NSW and help these stakeholders understand the potential capacities of the State’s CO2 storage resource. Low emissions coal technologies will enable the State to maximise the benefit of its plentiful coal resources and its coal-fired infrastructure for many years through the generation of reliable and affordable low emissions electricity.

##

## 1.2 Objective of CINSW

The primary function of CINSW is “to give advice and make recommendations to the Minister concerning the funding from the [CINSW] Fund of projects and other activities for the purposes of the Fund, including advice about priorities for funding and recommendations concerning applications for funding”*[[4]](#footnote-4)*.

The purpose[[5]](#footnote-5) of the CINSW Fund is defined within the Act as follows:

* to provide funding for research into, and development of, *low emissions coal technologies*;
* to provide funding to demonstrate *low emissions coal technologies*;
* to provide funding to increase public awareness and acceptance of the importance of reducing greenhouse gas emissions through *the use of low emissions coal technologies;* and
* to provide funding for the commercialisation of *low emissions coal technologies*.

Most innovations pass along the ‘innovation chain’ from concept to research and development (R&D) to commercialisation. There is less market pull for low emissions coal technologies that have not been demonstrated at commercial scale in electricity generation and/or the industrial sector. This demand is limited as:

* the positive externality of reducing emissions is not properly reflected in the true price that consumers pay for energy;
* the spill-overs from innovation cannot be captured (solely) by the innovator and cannot be realised without support; and
* there are risks associated with moving to ‘proof of concept’ and demonstration.

To address the lack of incentives to conduct RD&D in low emissions coal technologies, government can play a role in removing barriers in the market that may not deliver outcomes that are consistent with commercial and community expectations. There is an evident case for public support for RD&D where knowledge generated spills over cheaply to others or triggers a cycle of innovation by rivals. Government can play a major role in the early stages of the technology innovation life cycle in providing support in research and development for a new idea through preliminary funding. An aim of CINSW is to intervene and assist in overcoming the market failure in low emissions coal technologies brought about by a mismatch between the increased cost of the innovative technology required to reduce greenhouse gas emissions and current economic drivers for supply of energy production.

Direct investment from CINSW in low emissions coal technology RD&D aims to assist emerging energy technologies find entry into the market. CINSW brings together research bodies and industrial stakeholders, aligning them to many common goals in order to promote collaboration — which is crucial for driving innovation.

##

## 1.3 The Program Administrative Guidelines

The Program Administrative Guidelines (**Guidelines**) make available specific details of eligibility requirements and the selection criteria while also providing the framework for the operation of the CINSW Fund Expressions of Interest (EOI) Round 2018.

The Guidelines will be supported by other program documentation, including the proposed form of the Funding Deed (**Draft Funding Deed**) and other relevant documents. It is intended that the Draft Funding Deed will be made available to shortlisted applicants following the initial assessment of applications. Applicants are also referred to sections 4.2 and 4.3 below.

## 1.4 Operation of these Guidelines

These Guidelines set out the process to be followed between CINSW and an applicant until either the finalisation of this grant process or the signing of a Funding Deed with that applicant, whichever occurs first. For the avoidance of doubt, until the Department and the successful applicant(s) execute a Funding Deed, there will be no legally enforceable agreement concluded between them.

# Governance

## 2.1 Minister

The Minister for Resources (the Minister), or their delegate, is responsible for the administration of the CINSW Fund. The Minister has the power to approve payment of funding from the CINSW Fund (i.e. is the final decision maker in determining funding applications) and determining key aspects of the funding program (e.g. this RD&D program).

## 2.2 The Department

The Department through the CINSW Secretariat Unit (**Secretariat**) is responsible for implementing and administering the RD&D Program on behalf of the Minister, in accordance with the Minister’s delegation under section14 of the Act.

## 2.3 Coal Innovation NSW (Ministerial Advisory Council)

CINSW provides advice and makes recommendations to the Minister concerning the funding of projects for the purposes of the CINSW Fund (section 11(1)(a) of the Act). The final decision on the allocation of funding resides with the Minister (or their Delegate).

CINSW will assess, and recommend the shortlisting of, applications for funding, taking into consideration any advice from the Technical Working Group (**TWG**) and the Secretariat. CINSW will make recommendations to the Minister, as appropriate, in accordance with the CINSW Code of Conduct. The CINSW Code of Conduct can be found at [*https://www.resourcesandenergy.nsw.gov.au/investors/coal-innovation-nsw*](https://www.resourcesandenergy.nsw.gov.au/investors/coal-innovation-nsw)

## 2.4 The Technical Working Group (TWG)

The TWG is established under section 13 of the Act to provide expert advice to CINSW on the development and implementation of the CINSW Fund EOI Round 2018 and any issues referred by CINSW.

The TWG is chared by a member of CINSW. The Secretariat provides secretariat support to the TWG.

## 2.5 Advisors

CINSW and the TWG may seek advice, as required, from external technical (expert) advisors in relation to the assessment of, and any recommendations concerning, funding applications as part of the development and implementation of the CINSW Fund EOI process.

The provision of information to external contractors and consultants for the purpose of seeking technical advice will be undertaken with regard to confidentiality requirements for the funding program. Additional technical advice may only be sought upon approval of the Chair of the TWG or CINSW.

##

## 2.6 Closing Date and Closing Time for Applications

This application process opened on

* ***Monday 12thFebruary 2018***

and closes at

* ***12 noon****,* ***Monday 12th March 2018*** (Closing Date and Closing Time).

This provides a 4 week application period.

## 2.7 Enquiries

Applicants should refer requests for information and enquiries in relation to this CINSW Fund EOI process to:

CINSW Secretariat
(02) 9934 0800 or (02) 9934 0802
email: ccs.info@industry.nsw.gov.au

Any response given to an applicant to any requests for information or enquiries which clarify any aspect of this EOI will also be given to all other potential applicants. Any clarifications, addenda or response to enquiries will be made available via the eTendering system to all applicants who have registered for the EOI process.

The deadline for submitting questions is Monday 5th March 2018; i.e. five (5) business days prior to the Closing Date and Closing Time. CINSW has the discretion not to respond to questions after this date.

## 2.8 Application Requirements

All information, including budget and milestones provided in the application must be in writing and in English. Currency values must be in Australian dollars and exclusive of GST.

Applicants are to complete all details requested in the Application for Funding (set out in **Attachments A** to these Guidelines), as directed, **including strict page limits** and must not amend any of the questions provided. CINSW has the discretion to disregard that part of the application that exceeds page limit requirements.

Attachments A may be submitted in Microsoft Word and / or Adobe Acrobat formats. The Project Proposal Budget Template (downloaded and uploaded as a separate file) must be submitted in Microsoft Excel only. All other supporting information may be submitted in Microsoft Word and / or Adobe Acrobat formats.

Applicants should notify the Secretariat in writing on or before the Closing Date and Closing Time if they find any discrepancy, error or omission in these Guidelines.

##

## 2.9 Application Lodgement

### 2.9.1 Electronic Lodgement

Applications (including all supporting information, if any) as per the application requirements (see 2.8) must be fully received by the Closing Date and Closing Time.

The Application must be submitted electronically to the electronic tender box via the NSW Government tenders website at: <https://tenders.nsw.gov.au>

(log in as a system user, locate the web page for this EoI (search V18/299), and follow the on screen instructions to lodge the application). The lodgement can only be made by a registered system user of the NSW Government eTendering system.

An application submitted electronically will be treated in accordance with the Electronic Transactions Act 2000 (NSW), and given no lesser level of confidentiality, probity and attention than applications lodged by other means.

An applicant, by electronically lodging an application, is taken to have accepted conditions shown in the conditions and rules on the NSW Government tenders website at <https://tenders.nsw.gov.au>.

Electronically submitted applications may be made corrupt or incomplete, for example by computer viruses. CINSW may decline to consider for acceptance an application that cannot be effectively evaluated because it is incomplete or corrupt. Applicants must note that:

(a) to reduce the likelihood of viruses or errors, an application must not include any macros, applets, or executable code or files.

(b) an applicant should ensure that electronically submitted files are free from viruses by checking the files with an up to date virus-checking program before submission.

CINSW will not be responsible in any way for any loss, damage or corruption of electronically submitted applications.

An electronically lodged application must be lodged in a file format required under 2.8 Application requirements. If an applicant compresses files, it must be possible to decompress them using WinZip. An applicant must not submit self-extracting (\*exe) zip files.

Applicants must ensure that all excel or word attachments remain unlocked and can be opened and viewed by Microsoft Excel 2007/10 or Microsoft Word 2007/10. Other formats for the attachments are only to be submitted if an arrangement has first been made with the Secretariat prior to lodgement of the application.

### 2.9.2 Late Applications

Late applications will not be considered, except where CINSW is satisfied that the integrity and competitiveness of the tendering process has not been compromised. CINSW shall not penalise any applicant whose tender is received late if the delay is due solely to mishandling by the CINSW.

### 2.9.3 Extension of Closing Date and Closing Time

CINSW may, in its discretion, extend the Closing Date and Closing Time.

## 2.10 Custody of Applications after Receipt

On receipt of applications lodged electronically to the NSW Government eTendering system, applications are encrypted and stored in a secure “electronic tender box.”

For reasons of probity and security, CINSW and its agent are prevented from interrogating the electronic tender box to ascertain whether tenders have been received or for any reason, until after the Closing Date and Closing Time.

The e-mail receipt that is sent to the system user lodging the application after successfully lodging the tender electronically to the NSW Government eTendering system is the only evidence of application lodgement provided.

After the Closing Date and Closing Time, an official independent opening group will open each application and register all details of the applications.

## 2.11 Meetings with Applicants

It is not intended that CINSW will meet with potential applicants during the EOI period. Any meeting with applicants after the Closing Date and Closing Time will be fully documented and signed by all parties in attendance.

## 2.12 Discountinuance of EOI Process

The Depoartment reserves the right to discountinue this EOI process at any point, without making a determination regarding acceptance or rejection of applications.

# Application, Assessment & Approval Process

## 3.1 Types of Projects Supported

**Research grants applications –**

**project length ideally 2 years with possible extension to 3 years**

**(see application form, Attachment A)**

This funding stream aims to support projects that can demonstrate they can reduce the time to deployment of a specific technology to garner market advantage or share. These types of projects may have lower risk as the steps to product improvement are clearly understood and easily targeted. Whilst there is a preference for the project duration to be 2 years, project length may be extended to 3 years to support work contribution from PhD candidates.

Such projects must be aimed at research addressing the lowering of emissions from the extraction or use of coal in, but not limited to, the following topics:

* **Fugitive emissions and Ventilation Air Methane (VAM)** – the testing for, capture and/or utilisation of methane or VAM released from the extraction of coal;
* **Geological Storage of CO2** – data collection and modelling techniques for storage sites and assist in improving NSW CO2 storage knowledge;
* **Pipeline Study** – materials assessment, route planning, and economic cost assessments of CO2 pipelines from NSW emission points to a suitable storage field, comparing transport to intra or interstate storage site;
* **Hybridisation and Low Emissions Coal Technologies** **(LECTS)** – integration of renewable technology with the thermal cycle of coal-fired power stations and/or industrial applications, to reduce emissions;
* **CO2 Utilisation** – The reuse or making use of CO2 that has been captured, this excludes CO2 capture technologies, unless the capture technology is integral and sufficiently novel;
* **High Efficiency Low Emissions (HELE) Technologies** – Research on the application of HELE technologies on existing coal-fired power stations (e.g. technological feasibility assessment, technology roadmap, economic barriers);
* **Public Awareness of LECTs and CCS** – Methods to raise the public awareness and importance of LECTs and CCS in NSW or community engagement strategy or education campaigns.

This list is not a comprehensive list and is provided by way of guidance as to the thinking of CINSW. An applicant can apply with alternative fields of research, subject to meeting the eligibility requirements and selection criteria identified within these Guidelines (to follow).

As per the requirement of previous rounds, all technology related projects will be required to develop a greenhouse gas Life Cycle Assessment (LCA) to substantiate the significant levels of CO2 emission reductions in their project. The goal for their LCA is: ‘*to ensure that the project has the potential to lead to significant, measurable, monitored and verifiable reductions in greenhouse gas emissions, using appropriate life cycle assessment methods’.* The use of ISO 14044 is desirable and a LCA methodology guide will be provided to successful projects.

## 3.2 Value of Grant Funding Available

Due to funding limitations, projects are intended to be limited to small to medium scaled ventures with funding capped at **$1.5 million** (excluding GST) for each research project.

Larger projects supported by additional funding sources (such as industry) may be considered, however, it is intended that CINSW funding will remain capped at the value stated above.

All successful projects requesting CINSW funding under this program will be required to submit ongoing progress reports to demonstrate achievement of milestones as well as achieve key performance measures at a ‘**stage-gate’**, to ensure continued financial support. Such key terms will be specified in the Draft Funding Deed.

## 3.3 Eligibility Requirements

To be an eligible applicant for CINSW funding support, **applicants must be able to demonstrate** (*see s.9 Application Form*):

* That the project is designed for the use of coal and/or for coal-fired power stations (including industrial sites e.g. steel and cement production) and/or the extraction of coal within NSW, and is **directly related** to aspects relevant to the reduction of greenhouse gas emissions;
* That the project is not designed to assist coal sales activities;
* That the project has the potential to lead to significant, measurable, monitored and verifiable reduction in greenhouse gases, and culminate in appropriate life cycle assessment (noting that public relations projects are excluded);
* The project results or has the potential to result in increased technical capability for NSW;
* They are a research institution, university and/or business that has the capacity and the expertise or experience in this area that is needed to successfully undertake the project in NSW on time and within budget;
* That they have ownership of, access to, or the beneficial use of, any background intellectual property necessary to carry out the project;
* That they will support the dissemination of project information and project results;
* That they are prepared to support the early commercialisation of intellectual property gained through the project;
* That the project meets the funding requirements of the CINSW Fund EOI Round 2018, is value for money, and does not include funding for activities that are not a necessary part of the project; and
* That they can fund, as they fall due, the costs of the project that are not met by CINSW’s contribution to the total cost of the project.

Applications that do not meet these eligibility requirements may be set aside from further assessment at the discretion of CINSW.

Applications submitted on forms other than the official Application for Funding form as set out in **Attachment A** of these Guidelines, or not submitted comprehensively on the form, may be rejected at the sole discretion of CINSW.

## 3.4 Selection Criteria

The CINSW Fund is based on a competitive grants model with applicants competing for the funds available. The assessment of applications will be undertaken in accordance with the following criteria (*see s.10 Application Form*):

### 3.4.1 Address the known or potential sustained, integrated operation, effectiveness, safety and permanence of the technology. This can be greenfield, modular but scalable or can be retrofitted, but must clearly address significant reduction in greenhouse gas emissions from the use of coal or development of low emission coal technologies for coal-fired power stations (including industrial sites) in NSW and/or the extraction of coal within NSW. Possible types of projects are listed in section 3.1.

### 3.4.2 Soundly conceived in a technical / engineering / scientific and/or economic sense, with the objective of reducing costs, reducing greenhouse gas emissions and increasing efficiencies, whilst giving consideration to (or context with) existing research (domestically or internationally) and will not result in narrow duplicative outcomes.

### 3.4.3 Has a realistic (future) prospect of commercial applications being developed from the project, and preliminary commercialisation plan/s.

### 3.4.4 Has secured or has a reasonable prospect of securing contributions (matching, actual or in-kind) from other sources and:

* Funding sought is not duplicated through other sources (excluding joint initiatives funded from approved multiple sources); and
* Funding is not designed to assist coal sales activities.

**3.4.5** Any collaborative partnerships (such as site access, etc.) and/or additional funding sources must be demonstrated by written confirmation by each and all parties. Applications that demonstrate co-contribution or additional sources of funding will be assessed favourably during the application assessment process.

### 3.4.6 Capacity to undertake the project including the demonstration of a well-managed, capable and professional applicant, research and/or project team.

### 3.4.7 Ability to demonstrate commitment to future whole sector outcomes where intellectual property created is available for use by other potential developers in NSW through appropriate agreements consistent with the rights of funding proponents.

### 3.4.8 Compliance with existing environmental and planning regulations or demonstration of ability for compliance (where required).

### 3.4.9 Demonstration of value for money including technical and economic assessment of the viability of the process with feasible and clear estimations of required resources (see budget template). Funding is not available retrospectively for previous work undertaken.

These criteria are not indicated in any order of importance and it is at the discretion of CINSW to attribute weightings to the criteria.

## 3.5 Application Process

Grants of assistance from the CINSW Fund will be made through receipt of a complete proposal and budget pro-forma in the format outlined in **Attachment A**. All proposals to CINSW are evaluated according to this format. Additional information may be attached to the template application, but it is essential that the template application proposal in **Attachment A** is completed thoroughly.

An initial review of the applications will be undertaken following the opening of the electronic tender box. This review will be undertaken to ensure that all required documentation has been provided with the application. It is at CINSW’s discretion as to whether applicants will be asked to submit further information or the provision of an omitted document.

Information supplied by the applicant in the Application for Funding as well as other supporting documentation provided will contribute to the assessment against each criterion above. Applicants are advised to respond clearly to all of the evaluation criteria listed in these Guidelines.

### 3.5.1 Assessment

Consideration of each application will involve a detailed assessment by CINSW against eligibility and selection criteria identified above. Applicants seeking project funding support will need to review the *Eligibility Requirements (section 3.3)* and *Selection Criteria (section 3.4)* and provide a submission on how their proposal meets these requirements and criteria by completing **Attachment A**.

Independent experts including external advisors, bound by confidentiality agreement, may also be selected to aid in the assessment of the technical merits of each project. As part of the assessment, applicants may be approached to provide further information or clarification on certain issues. Proposals may be prioritised taking into account the portfolio of CINSW proposals and existing projects, other work being undertaken in the sector of coal emissions reduction, value for money, and budgetary constraints. CINSW will draw on this assessment to make funding recommendations to the Minister on projects to be supported.

### 3.5.2 Assessment Process

1. Applications received through a formal call for ‘expressions of interest’. Applicants will have completed **Attachment A**, a proposal and funding template and submitted by the Closing Date and Closing Time. Consideration will be given to the acceptance or rejection of any late applications received, at CINSW’s discretion.
2. The Secretariat will undertake an initial assessment of the proposal against the eligibility requirements and make a recommendation to the TWG on the applications that proceed to the detailed assessment.
3. The Secretariat will provide a report to the CINSW and TWG.
	1. The TWG will conduct a rigorous technical and commercial evaluation. This process may require further communications with the applicant for clarifications on the application. Additional technical advice may be sought upon approval of the Chair of the TWG.
	2. *If the proposal does not meet the eligibility requirements and the proposal has been set aside from further consideration, the applicant will be advised they are unsuccessful at the conclusion of the EOI process, and reasons given.*
4. The TWG will produce a detailed report for CINSW based on the selection criteria and the commercial and technical evaluation of the application. CINSW will consider the findings of the TWG and/or make a recommendation to the Minister.
5. Matters may be referred back to the TWG for further investigations where upon new recommendations may be presented as a response from the CINSW or the Minister (point iv).
6. If the Minister approves the proposal, the Secretariat will issue the Draft Funding Deed to the successful applicant for that applicant's consideration. See also sections 4.2 and 4.3 below.
7. *If the proposal does not meet the requirements at any level of determination and the proposal has been set aside from further consideration, the applicant will be advised they are unsuccessful at the conclusion of the EOI process, and reasons given.*

Figure 1 is a diagrammatic representation of the assessment process.



Fig 1: Application Process

### 3.5.3 Target Dates:

The indicative timetable for the CINSW Fund RD&D EOI Round 2018 is set out in Table 1. The dates are indicative and CINSW reserves the right to amend the timetable at its discretion.

Table 1: Timetable

| **Milestone** | ***Target Dates*** |
| --- | --- |
| Release ‘call for expression of interest’ and Program Administrative Guidelines  | 12th February 2018 |
| Submission of applications - Closing Date and Closing Time  | 12th March 2018 |
| 4 month assessment process |  |
| CINSW meetings to receive and consider report | 5th July 2018 |
| Announcement by Minister  | August 2018 |
| Negotiation and execution of Funding Deeds | December 2018 |
| Commencement of projects and funding  | 1st January 2018 |

## 3.6 Approval of Funding and Payment

Following confirmation that eligibility criteria has been met and assessment against selection criteria, a recommendation will be made by CINSW to the Minister on the shortlisted applicants that best meet the objectives for the CINSW Fund and demonstrate value for money.

All applicants will be notified in writing of the outcome of their application. Upon approval, the applicant will be required to enter into a Funding Deed with the Department specifying the project and the milestones against which the project’s performance will be assessed. It is intended that the Draft Funding Deed will be made available to shortlisted applicants. Any funding arrangements will only be confirmed once the applicant and the Department have executed a Funding Deed - see also sections 4.2 and 4.3 below.

The names of those applicants receiving funding pursuant to these Guidelines together with the publicly releasable description of projects will be published on the Department’s website: *https://www.resourcesandenergy.nsw.gov.au/investors/coal-innovation-nsw*

## 3.7 Goods and Services Tax

Applicants should note that grant recipients have a Goods and Services Tax (GST) liability associated with the grants they receive where they make a taxable supply in accordance with the A New Tax System (Goods and Services Tax) Act 1999 (Cth). Eligible expenditure is calculated net of GST and GST is then added to the grant payment due. Where the recipient is making a taxable supply and the grant received is in consideration for that supply, the applicant should be careful to include GST in the budget figures.

Applicants should seek their own independent professional advice regarding any potential taxation impacts arising from the receipt of grant funding.

The Department does not give taxation advice.

# Fund Assistance and Funding Deed

## 4.1 Available Funding

The total quantum for this research grants EOI is capped at $7.5 million over the life of the CINSW Fund EOI RD&D Round 2018 and $1.5 million for individual applicants’ grants. Applicants are also referred to section 3.2 above.

## 4.2 Negotiations and Announcement

Applicants offered funding will have 60 calendar days (negotiation period) from the date a funding offer is made to consider the Draft Funding Deed and to execute the Funding Deed with the Department. Failure to execute the Funding Deed in this time may result in the withdrawal of the funding offer.

Requests for an extension of the negotiation period must be made to the Department and may be granted at the Department’s absolute discretion. Upon execution of the Funding Deed, the name of each successful applicant will be published on the Department’s website in accordance with these Guidelines - see section 3.6 above.

## 4.3 Funding Deed

A successful applicant must enter into a Funding Deed with the Department before funding will be paid to such applicant.

The Funding Deed will provide the legal framework for the making of funding payments and the conduct of the project and will, without limitation:

* be consistent with the law of the NSW and these guidelines;
* specify the amount and form of funding assistance for the project to which the proposal relates and the timing and method of delivery of the funding;
* specify that payment of funding assistance will be conditional upon continued satisfactory progress against agreed milestones;
* specify that payment of funding assistance will be conditional upon satisfaction of meeting milestones and performance measures ( within project plan). At each stage-gate, the continuation of the project is decided by the Department based on the achievement of performance measures, progress of the project towards the objective and outcome of what the project set out to achieve and the overall objectives of the CINSW Fund EOI RD&D Round 2018;
* specify arrangements for managing the dissemination, ownership and commercialisation of intellectual property developed through the project;
* if requested by the Department, require the recipient to have an appropriate community consultation plan in place to be approved by the Department;
* require the recipient to verify that it has an appropriate risk management plan and provide a copy of its risk register;
* require the recipient to conduct the project to which the proposal relates;
* require the recipient to keep certain records relating to the conduct and management of the project;
* provide for inspection by the Department of any premises where the project is undertaken and records relating to the conduct and management of the project;
* require the recipient to report to the Department on the conduct and management of the project;
* provide for the variation and termination of the Funding Deed in certain circumstances;
* provide for recovery of funding in certain circumstances;
* require the recipient to comply with all applicable Commonwealth and State laws;
* specify that funding will not be made available for ongoing operational costs; and
* contain such other provisions as the Department considers appropriate.

## 4.4 Project Budget, Milestones and Grant Instalments

A **Researcg Grants Budget template** with instructions is provided as a downloadable file separateto these Guidelines. Please structure grant instalments and milestones (major and minor) in quarters, using the calendar year quarter format (i.e. 2018, Q1 refers to payment of a grant instalment in the quarter of January - March 2018).

The first instalment is anticipated to be an advance instalment made on contract execution and in advance of milestones for that quarter. Subsequent instalments will be paid at the beginning of the next quarter, after milestones for the previous quarter have been demonstrated to being satisfactorily completed, and/or in cases of grants over $250,000 have met a specific stage-gate.

It is the preference of CINSW to structure the payment schedule as evenly as possible throughout the life of the project with the exception of necessary capital expenditure outlay.

It will be a requirement of the grant funding to **retain a holding of 15% of total project budget until the project is completed and the final report is approved.** This will be the final payment.

## 4.5 Monitoring and Evaluation of Project Performance, and Payments

After the Department and any successful applicant has entered into a Funding Deed, the Department will monitor and evaluate the projects against the Funding Deed. Recipients of funding will be required to submit regular quarterly progress reports as well as stage gate reports to demonstrate the success of their project against the agreed milestones and performance measures set out in the Funding Deed. This requirement will also include quarterly financial income & expenditure statements, as well as audited financial year reports.

The Department will review progress reports and make an assessment of whether or not the project is progressing successfully against the agreed performance milestones, as set out in the Funding Deed. Instalment payments will be awarded on this basis only after the review of a quarterly milestone establishes milestone completion and/or in cases of grants over $250,000 have met a specific stage-gate.

In accordance with the provisions of the Funding Deed, the Department may terminate a Funding Deed or suspend the funding in whole or in part where a project fails to meet the agreed milestones set out in the Funding Deed.

# Conflict of Interest and Probity

The Department will be responsible for establishing and administering conflict of interest procedures, including establishing procedures for staff to declare their interests.

For matters relating to conflict of interest in relation to CINSW or TWG members, such members are required to declare any conflicts of interest in relation to any applications. Confidentiality agreements will also be required to be signed.

Any third-party experts and advisors engaged by the Department to assist in the assessment of proposals will be required to disclose any conflicts of interest they may have in relation to applicants and may be excluded from the assessment of the relevant proposal(s). Further, confidentiality agreements will also be required to be signed.

The Department has engaged a Probity Advisor to assist with ensuring processes and decisions are transparent and fair, and to manage any conflicts of interest. The Probity Advisor is:

O’Connor Marsden & Associates
email: smullins@ocm.net.au

The NSW Government is committed to ensuring that the process for providing funding under programs is fair and in accordance with published guidelines, which may be varied by the NSW Government from time to time.

Applicants are requested as part of the Application for Funding (specifically in the Acknowledgements) to disclose any conflicts of interest it may have in relation to CINSW and the funding program including any present or potential conflicts of interest, or risks of present or potential conflicts of interest, or stating that no such conflicts exist. Conflicts of interest of any nature should be disclosed, including:

* any actual or threatened litigation, proceeding, claim or allegation by the applicant against, or in any way involving, the NSW Government or any other local, state, territory or federal government in Australia; and
* any awareness of any matters involving the applicant that may attract public attention that may damage the reputation of the NSW Government or the Department, such as any previous or current official investigation involving the applicant.

Where a conflict of interest has been disclosed, applicants are required to provide details of all procedures, protocols and governance arrangements to deal with any disclosed, actual or potential conflicts.

Where an applicant identifies a conflict of interest that CINSW deems has a material impact on the ability to deliver the project, CINSW may set aside the application from further consideration at its absolute discretion.

# Confidentiality

Applicants will be required to provide a title and short description of their project that can be made publically available. Subject to the other provisions of this section , information supplied by an applicant as part of the application and negotiation process will be treated as commercial-in-confidence by CINSW, the Department and all advisors prior to entering into a Funding Deed with the applicant (if relevant). Once a Funding Deed is executed with a successful applicant, the confidentiality of the successful applicant’s information will be governed by the Funding Deed. Information provided by unsuccessful applicants in their application (as well as in any supporting documentation) will remain confidential after entry into any Funding Deed with other applicants.

The Department reserves the right to disclose information provided by applicants pursuant to any relevant laws and parliamentary requirements, including but not limited to:

* *Government Information (Public Access) Act 2009 (NSW);*
* *Privacy and Personal Information Protection Act 1998 (NSW);*
* the House of Parliament, Auditor-General, or Ombudsman; and
* where otherwise required by the law.

CINSW operates under its own ‘Code of Conduct’ which meets the requirements of the NSW Government’s Boards and Committees guidelines. These guidelines also recognise that CINSW is bound by the following legislation and guidelines:

* *Government Sector Employment Act 2013 (NSW);*
* *Independent Commission Against Corruption Act 1988 (NSW);*
* *Public Interest Disclosures Act 1994 (NSW);*
* *State Records Act 1998 (NSW)*; and
* NSW Government Boards and Committees Guidelines 2015, as updated from time to time.

The Department (including its internal management, agents or advisors) will use the information provided by applicants for the purposes of discharging their respective functions under the program. The Department may also:

* use information received in proposals in any other legitimate Departmental business;
* during the application process and the course of the program, consult with other government agencies or bodies, other organisations or relevant individuals about an applicant’s claims. If this occurs, the Department will require these parties to observe appropriate confidentiality; and
* engage third-party experts or advisors to review proposals. If this occurs, the Department will require these parties to observe appropriate confidentiality.

# No contract or liability

Any conduct, statement, act or omission (including negligence) of the Department or the Minister or CINSW or the TWG, whether prior to or subsequent to the issue of this EOI and Guidelines:

* is not, and must not be deemed to be, a binding undertaking of any kind by the Department, Minister, CINSW or the TWG on the basis of any promissory estoppel, quantum meruit, quantum valebat, or any other contractual, quasi-contractual or restitutionary grounds or in negligence; and
* does not, and must not be deemed to, give rise to responsibility or liability of the Department, Minister or CINSW or the TWG for any reason.

The submission of an application does not guarantee funding.

Until the Department and the successful applicant execute a Funding Deed, there will be no legally enforceable agreement concluded between them.

The applicant acknowledges that the Department, Minister, CINSW and the TWG will not be liabile to the applicant for any expenses or costs incurred by it as a result of its participation in this EOI, including where the EOI has been discountinued.

# Complaints handling process

Should any individual or entity feel that they have been unfairly excluded from the CINSW funding application process or unfairly disadvantaged as a result of the CINSW assessment process, they are invited to write to:

CINSW Secretariat
ccs.info@industry.nsw.gov.au

Depending on the nature of the matter, it may be referred to the CINSW Fund Probity Advisor for review and recommendation. Applicants are also able to contact the Probity Advisor directly using the contact details provided in section 5 of these Guidelines where they have concerns with the probity of the process.

# Contact us

Advice on the program is available from:

* CINSW website:

 *https://www.resourcesandenergy.nsw.gov.au/investors/coal-innovation-nsw*

or

* contact the Secretariat via email address:

ccs.info@industry.nsw.gov.au.

# Attachments

Application for Research Grants – under the provisions of

Coal Innovation Administration Act 2008.

Please ensure you have read the *Coal Innovation NSW Funding for Research, Development and Demonstration (RD&D) Projects Expressions of Interest Round 2018* - Program Administrative Guidelines (**Guidelines**).

Funding is available from the Coal Innovation NSW (CINSW) Fund for specified types of projects.

See section 3 of the Guidelines for specific details.

### Projects must be designed for the use of coal and/or for coal-fired power stations (including industrial sites e.g. steel and cement production) and/or the extraction of coal within NSW, and is directly related to aspects relevant to the reduction of greenhouse gas emissions.

### ATTACHMENT A: APPLICATION FORM

Please complete this application form and budget template as being your application. You are able to submit further attachments if desired, however you should refer to the checklist provided to ensure all essential documents are completed.

All applications, and supporting information provided, are treated in strict confidence and will be used only for assessing your eligibility and making payments approved by the Minister. In order to assess your application, the advice of third parties may be sought on a confidential basis. An independent assessor that is bound by confidentiality may assess the viability of your proposal. The proceedings of CINSW and its Technical Working Group are confidential. However, if your application is successful the amount of your grant, the name of your business and other details of the proposal may be made public - see sections 3.6 and 6 of the Guidelines.

If you have any questions or need further assistance on the completion of this form, you should contact the CINSW Secretariat on Tel: (02) 9934 0800 or (02) 9934 0802.

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| **BUSINESS DETAILS** |
| **1.** | Name of Business |  |
| **2.** | Australian Business Number (if applicable) | Registered for GST: Yes [ ]  or No [ ]  |
| **3.** | Name of Contact Person |  |
| **4.** | Position of Contact Person |  |
| **5.** | Postal address, Email and telephone / fax numbers |  | Tel: |
|  |  | Email: | Fax: |
| **6.** | Names and positions of all Directors, Partners, | Full Name | Position |
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| **THE PROPOSAL** |
| **7.** | Description of proposed development***(page limit of 5 pages )*** |  |
| **8.** | Preliminary work already completed (if applicable)***(page limit of 1 page )*** |  |

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| --- |
| **ELIGIBILITY REQUIREMENTS**Describe how the proposal addresses the Eligibility Requirements for funding under the CINSW Fund EOI RD&D 2018 Round.See section 3.3 ***(page limit of 2 pages )*** |
| **9.** |  |

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| **SELECTION CRITERIA**Describe how the proposal addresses the selection criteria for funding under the CINSW Fund EOI RD&D 2018 Round.See section 3.4 (***each criterion has a*** ***page limit of 1 page)*** |
| **10.** | 3.4.1 |  |
| 3.4.2 |  |
| 3.4.3 |  |
| 3.4.4 |  |
| 3.4.5 |  |
| 3.4.6 |  |
| 3.4.7 |  |
| 3.4.8 |  |
| 3.4.9 |  |

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| **BUDGET SUMMARY**  |
| **11.**  |

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| --- | --- | --- | --- |
| **Heads of Expenditure** | **CINSW R&D Cash Contribution** | **Other Project Contributions** | **TOTAL Project Expenditure** |
| **Personnel** |  $ -  |  $ -  |  $ -  |
| **General Overheads (Personnel)** |  $ -  |  $ -  |  $ -  |
| **Equipment** |  $ -  |  $ -  |  $ -  |
| **Materials** |  $ -  |  $ -  |  $ -  |
| **Travel** |  $ -  |  $ -  |  $ -  |
| **Subcontract** |  $ -  |  $ -  |  $ -  |
| **Other Project Expenditure** |  $ -  |  $ -  |  $ -  |
| **TOTAL** |  $ -  |  $ -  |  $ -  |

**(Download & complete the Research Grants Excel Budget Template for Full Budget costing)** |
| **12.** | Have you applied for or received funding from any other State or Commonwealth Government agency in relation to this proposal? If yes, please provide full details. | Yes | No |
| Delete as necessary |
| **PROJECT TIMING** |
| **13.** | What is the anticipated date of commencement of proposed development? |  |  |
| **14.** | What is the anticipated date of completion of proposed development? |  |
| **15.** | Proposed timing and milestones

|  |  |
| --- | --- |
| Description of key milestones (and relevant sub-milestones) | Date of completion (Calendar Year and Quarter i.e. “2019, Q1”) |
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| **GOVERNANCE MODEL** |
| **16.** | The Governance Model will provide details around specific roles such as project sponsor, project director, project delivery team and operational staff. This includes governance arrangements on the management and delivery of the project demonstrating that appropriate mechanisms are identified to ensure key deliverables are met. ***(page limit of 2 pages )*** |
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| **17. REFEREES, please supply contact details of two referees and attach two referee reports to this application form** |
|  | **name** | **company** | **Contact details** |
| **1** |  |  |  |
| **2** |  |  |  |
| **18. SURVEY DATA, please assist in supply information as to how you became aware of this grants process (please check box(es))** |
| 1. Newspaper advertisement:
* Sydney Morning Herald…………………………………………………….……
* Daily Telegraph…………………………………………………………………..
* Newcastle Herald…………………………………………………………….…..
* Illawarra Mercury…………………………………………………………………
1. Internal – organisation’s bulletin board, advertising, direct notice…………….
2. Department website
3. Direct mail (email)…………………………………………….……………….….….
4. Word of mouth………………………………………………………………..………
5. Other…………………………………………………………………………….…….
* please supply details:
 | [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  |
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| **19. ACKNOWLEDGMENTS** |
|  | I declare that I am either the owner or authorised representative of the business described in question 1. |
|  | I understand that staff of the Coal Innovation NSW Secretariat, independent assessors including advisors, the Technical Working Group of CINSW, CINSW and the Minister will be privy to the details in my application and that such details will be treated as “commercial in confidence”. |
|  | I understand that if my application is successful, the amount of any funding, the name of my business and other details of the proposal may be made public. |
|  | I am aware of the responsibilities which apply in connection with receiving and managing government grants. |
|  | I am aware of my requirements with respect to intellectual property rights. |
|  | I declare that I *(check appropriate box)* [ ]  I have the following conflict of interest …………………………………………………………….……………………………………………………………………………………………………………. [ ]  I have no conflict of interest in lodging this application for funding. |
|  | I confirm that all details supplied within this application to the best of my knowledge and belief are true and correct as at the time of lodgement of this application. |
|  | I confirm, to the best of my knowledge and belief, there are no current or pending actions or enquiries against myself or the applicant that may impact on the delivery of this project. This includes:* neither I or the applicant has been convicted of any criminal offence
* the applicant has been accused of any corrupt conduct in, or given any false or misleading statements to, the NSW Independent Commission Against Corruption or to any State, Territory or Federal Government body.
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| **20. SIGNATURE** |
|  | Signed for and on behalf of the applicant | **Print Name** ....................................................................................................... **Signature** ....................................................................................................... |
|  | Date of application | ......................... / ......................... / 2018 |

|  |  |
| --- | --- |
| **CHECKLIST** - HAVE YOU REMEMBERED TO ....... |  |
| A | Provide full answers to all the above items that are applicable to your proposal and upload? |[ ]
| B | Complete and uploaded “*EOI Round 2018 CINSW Research Grant Project Proposal Budget Template*” in excel? |[ ]
| C | Attach additional documentation on how this application meets the eligibility requirements and selection criteria outlined in sections 3.3 & 3.4 (optional) |[ ]
| D | Attached further (technical) documents supporting this application (if necessary) |[ ]
| E | Attach two Referee reports |[ ]
| F | Sign and date the application form? |[ ]
| G | Keep a copy of the full application, including all attachments for your own records? |[ ]
| Lodge your application form and all associated documentation via the NSW Government tenders website at: <https://tenders.nsw.gov.au> (see section 2.9.1) |

EOI RD&D **Research Grant** Round 2018 CINSW Project Proposal Budget Template

***This is a copy of the first worksheet of the downloadable Excel file on eTender site –***

***Please use the Grant Funding Budget template for this application***



1. http://www.environment.gov.au/climate-change/publications/factsheet-australias-2030-climate-change-target [↑](#footnote-ref-1)
2. http://www.environment.nsw.gov.au/resources/climatechange/Environmentalfuturefundingpackage/draft-climate-change-fund-strategic-plan-160438.pdf [↑](#footnote-ref-2)
3. See Coal Innovation Administration Act 2008 [↑](#footnote-ref-3)
4. Coal Innovation Administration Act 2008 (NSW) Section 11 (1) (a) [↑](#footnote-ref-4)
5. Ibid Section 5 [↑](#footnote-ref-5)