ADVANCED MANUFACTURING GROWTH CENTRE

SME INDUSTRIAL DECARBONISATION FUND

FUND GUIDANCE

AMGC
ADVANCED MANUFACTURING
GROWTH CENTRE LTD

SME INDUSTRIAL DECARBONISATION FUND GUIDANCE

Fund opening date:	1 July 2026
Last date for applications:	31 December 2027
Fund closing date:	31 March 2028
Administering entity:	Advanced Manufacturing Growth Centre (AMGC)
Enquiries:	If you have any questions, contact AMGC at **applications@amgc.org.au**
Date guidelines released:	1 July 2026
Type of co-investment opportunity:	Open, continuous, competitive

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1. ABOUT THE SME INDUSTRIAL DECARBONISATION FUND

1.1 Purpose of the co-investment Fund

Australian manufacturing consumes a significant amount of energy. It is energy-intensive to make things; therefore, manufacturing plays a pivotal role in shaping a country's carbon footprint.

Through a range of diverse applications, fossil fuels are the mainstay of energy use by manufacturers, while renewable sources are facing a slow uptake and have minimal market penetration in the small- and medium-sized (SME) manufacturing base.

The rate of electrification in manufacturing has remained unchanged at 25 per cent and highlights an opportunity to displace fossil fuel use and therefore reduce carbon emissions, through targeted investment in further electrification technologies.

Therefore, the Advanced Manufacturing Growth Centre Ltd. (AMGC) has established the *SME Industrial Decarbonisation Fund* (the "Fund"). The objective of the Fund is to accelerate industrial decarbonisation through co-investment in smaller manufacturing facilities aiming to lower Scope 1 emissions.

The Fund is $10 million ex GST and must be matched dollar-for-dollar, at minimum, in cash by industry. Manufacturers are invited to provide additional in-kind contributions, although it is not obligatory. The Fund will run over a two-year period. It will be an open, continuous, and merit-based Fund whereby applications are assessed on a first come, first served basis. Funds will be allocated until exhausted.

The Fund's key aims are:

- Support Australian SME manufacturers to lower Scope 1 emissions through renewable energy solutions (including electrification).
- Focus on three specific areas:
    1. **Surface treatment:** used in areas such as, but not limited to, powder coating, galvanising and metallic finishes. This may include, for example, transitioning from gas-fired curing ovens to electric infrared or induction curing systems for paints or hardened coating or replacing solvent-based surface finishing with low-emissions powder coating technologies.
        - **Practical example:** A steel products' manufacturer replaces a gas-fired powder-coating oven with an electric infrared curing system.
        - **Outcome:** Reduces gas consumption and Scope 1 emissions while improving energy efficiency and production consistency.
    2. **Process steam:** used in areas such as, but not limited to, sterilisation, drying and cooking. This may include, for example, replacing gas boilers with electric boilers or heat pumps for food processing and industrial cleaning applications, such as sterilisation of bottles and packaging.
        - **Practical example:** A food manufacturer replaces a natural gas boiler used for cooking and sterilisation with an electric boiler and heat pump system.
        - **Outcome:** Significantly reduces direct emissions while maintaining the steam required for production processes.
    3. **Metals processing:** used in areas such as, but not limited to fabrication, refinement, transformation or extraction. This may include, for example, electrification of furnaces and kilns, adoption of electric arc or induction melting systems, or replacement of fossil-fuelled heat treatment and forging processes with low-emissions alternatives.
        - **Practical example:** An aluminium foundry replaces a gas-fired melting furnace with an electric induction furnace.
        - **Outcome:** Reduces fossil fuel use, improves energy efficiency, and lowers emissions associated with metal melting and casting.
- Invest in upskilling of workers and upgrading of technology in decarbonisation processes.
- Encourage replication of successful energy transition solutions across manufacturing industry and scale the impact of the Fund through knowledge sharing activities.

2. SME INDUSTRIAL DECARBONISATION FUND PROCESS

The Fund opens

AMGC publishes Fund's Guidance on **amgc.org.au/projects**.

Manufacturers encouraged to contact AMGC Director Renewable Energy for any queries. Contact details at **amgc.org.au/contact**.

Eligible manufacturers complete and submit an application

Applicants answer a set of Eligibility Criteria questions found at **www.amgc.org.au/decarbonisation-fund** by creating a profile on the Good Grants Portal. The applicant then completes the rest of their application which will include the need to address the Fund's Merit Criteria.

AMGC assesses applications

AMGC's Director Renewable Energy will review applications against Eligibility and Merit Criteria and notify the Applicant if they are or are not eligible or if areas of the application require more information.

AMGC assesses eligible applications in a Review Committee against the Technical Advice and Merit Criteria including an overall consideration of value for money and compares it with other eligible applications.

AMGC to notify Applicant if application does not meet the minimum 50 per cent score against the Merit Criteria to progress.

AMGC Review Committee makes recommendations

AMGC Review Committee provides recommendations based on the merits of each application.

AMGC Board approvals

AMGC Board decides which applications are successful.

AMGC notifies Applicant(s) of the outcome

AMGC advises Applicants of the outcome of their submission.

Parties enter into a project agreement

AMGC will enter into a Project Agreement with successful Applicant(s). The type of Project Agreement is based on the nature of the funding and proportional to the risks involved.

Delivery of Project

Applicants undertake Project activity as set out in the Agreement. AMGC manages the Project by working with the Applicant(s), monitoring progress against milestones, and making payments in arrears.

Evaluation of SME Industrial Decarbonisation Fund

AMGC evaluates Project activities as a whole. This is based on information provided by the Applicants and information collect by AMGC from various sources.

3. FUND AMOUNT AND PERIOD

3.1 Fund amount

The *SME Industrial Decarbonisation Fund* consists of a total investment pool of $10 million ex GST to be made available in a single $10 million round between 1 July 2026 and 31 March 2028. All projects supported by the Fund need to be completed before 31 March 2028.

The co-investment amount from AMGC could be up to 50 per cent of total eligible project expenditure as follows:

- The minimum AMGC co-investment amount is $200,000
- The maximum AMGC co-investment amount is $500,000

Projects with a co-investment amount less than $200,000 will be considered on a case-by-case basis.

Applicants are responsible for the remaining 50 per cent, or more, of eligible project expenditure, plus any ineligible expenditure. Applicants must contribute at least 50 per cent in cash, with in-kind contributions eligible over and above cash contributions. Applicants cannot use funding from other Commonwealth State, Territory or local government initiatives (co-investment, grants or other) to fund the balance of project expenditure not covered by the *SME Industrial Decarbonisation Fund*.

3.2 Fund period

Project activities and expenditure must be completed before 31 March 2028.

3.3 Fund management fee

A commencement fee of three per cent will be applied at the start of each Project for AMGC governance. It is calculated on the industry's contribution amount. For example, the total Project amount is $400,000, with industry's contribution being no less than 50 per cent at $200,000. The commencement fee would be three per cent of $200,000 at $6,000 to be paid at the commencement of each Project.

A management fee of three per cent will be applied proportionally across the Project's milestone payments from industry over the duration of its Project for AMGC program oversight and acquittals. From the example amount above, a three per cent fee will be distributed across all milestones totalling $6,000 at the end of the Project.

4. ELIGIBILITY CRITERIA

4.1 Who is eligible?

The *SME Industrial Decarbonisation Fund* cannot consider an application if it does not satisfy all eligibility criteria.

To be an eligible, legal business entity, Applicants must:

- Be an SME (with up to 200 employees), with an Australian Company Number (ACN) and an Australian Business Number (ABN).
- Be non-tax-exempt and registered for GST.
- Be an entity incorporated in Australia, including start-ups and a trading corporation, where trading activities form a sufficiently significant proportion of the corporation's overall activities, and has merit to it being described as a trading corporation or is a substantial and not merely peripheral activity of the corporation.

The *SME Industrial Decarbonisation Fund* can only accept applications:

- With eligible project contribution between $200,000 and $500,000 in cash;
- Be able to meet the co-investment portion of at least 50 per cent (cash) of the project's total eligible amount;
- For installation, deployment, and (re)certification uses only;
- Includes activities that take place in Australia;
- That use fossil fuels for surface treatment, process steam, metals processing and can transition to renewable energy technologies for these processes;
- Where the application must clearly demonstrate a pathway to achieving commercial viability and the ability to deliver measurable emissions reductions;
- Be able to deliver the project before 31 March 2028;
- Where an Applicant provides evidence of how it will provide for its share of project costs including using the accountant declaration template which confirms you can fund your share of the project costs, including any ineligible expenditure. The accountant declaration template must be used and is available on **https://www.amgc.org.au/wp-content/uploads/2021/01/Financial-viabilty-template.pdf**; and
- Must consent to communications and media activity as part of the Fund's requirements.

The *SME Industrial Decarbonisation Fund* cannot waive the eligibility criteria under any circumstances.

4.2 Who is not eligible?

Parties are not eligible to apply if they are:

- An individual
- A partnership
- A trust (however, an incorporated trustee may apply on behalf of a trust and that further documentation will be required on a case-by-case basis)
- A Commonwealth, State, Territory or local government body (including government business enterprises).

The first step of the assessment process is to undertake a self-assessed 'Eligibility Check', which will gauge eligibility in two areas. There will be a check on whether or not the business is an eligible legal business entity, followed by questions seeking to establish if the project being applied for is in alignment with the goals of the Fund.

If the Applicant's answers indicate that the company's project will be eligible, the Applicant will gain access to the full Application Form and will include the application being assessed against a set of Merit Criteria (see Section 6).

Eligibility Criteria – Business Legal Entity Eligibility	Response Yes/No
Is your company an SME (with up to 200 employees), with an Australian Company Number (ACN) and an Australian Business Number (ABN)?	Yes/No
Is your company non-tax-exempt and registered for GST?	Yes/No
Is your company an entity incorporated in Australia, including start-ups and a trading corporation, where trading activities form a sufficiently significant proportion of the corporation's overall activities, and has merit to it being described as a trading corporation or is a substantial and not merely peripheral activity of the corporation?	Yes/No

Eligibility Criteria – Project Alignment Eligibility	Response Yes/No
Will this Project increase the use of Renewable Energy Technologies, including electrification, and assist in your company's Decarbonisation Strategy?	Yes/No
Does your company use fossil fuels for energy intensive manufacturing processes such as surface treatment, process steam, metal processing and will this Project focus on the transition to renewable energy technologies for one of more of these processes?	Yes/No
Is the co-investment request for the Project limited to $500,000 and you can contribute at least 50 per cent (cash) of the Project's total eligible amount?	Yes/No
Can the Project be delivered to a completion before 31 March 2028?	Yes/No
Can you measure the anticipated savings in CO2 and any anticipated cost savings in energy as a result of this Project?	Yes/No
Can this Project be scaled to other parts of your business or shared with industry peers?	Yes/No
Can you describe the history of the Lead Applicant, demonstrating a track record in managing similar projects with the required skills and contributions to the Project?	Yes/No
Can you detail the financial viability of the Lead Applicant, including details of access to capital to fund the Project and commitment to providing evidence on how you will share your portion of Project costs in the form of an accountant declaration (**https://www.amgc.org.au/wp-content/uploads/2021/01/Financial-viabilty-template.pdf**)?	Yes/No
Can you describe your ongoing Intellectual Property (IP) strategy for products or energy technologies developed during this project, including how you will protect both your own IP and that of your customers?	Yes/No
Are you able to complete a Budget Table and Project Milestones including names of suppliers and detailed activities?	Yes/No
I understand that this Fund focuses on decarbonisation and a move away from fossil fuels as an energy source. Project applications will be considered on a first-come, first served basis, and I will contact AMGC to discuss my application's eligibility.	Yes/No
I understand that Key Learnings on this Project will be captured and shared with AMGC staff, ARENA personnel, and industry at large (where IP is not compromised) to encourage replicability of best practices.	Yes/No
I understand that Projects focusing on technology including software must form an integral part of the manufacturing decarbonisation process and stand-alone software technology would not fit the purpose of the Fund.	Yes/No
I understand that there will be the potential of content (images, videos, and interviews) and media requirements as part of the Fund, and consent to communications and media activity as part of the Fund's requirements.	Yes/No

5. WHAT THE SME INDUSTRIAL DECARBONISATION FUND CAN BE USED FOR

5.1 Eligible Expenditure

Eligible expenditure may include :

- Engaging consultants for renewable energy assessment up to 10 per cent of total Project cost.
- Employees involved in renewable energy training, certification, and assessment.
- Upgraded power supply for increased electricity capacity.
- Regulatory compliance for power or facility upgrade.
- Capital equipment that enables a transition from fossil fuel to electrification, which can be up to 75 per cent of total Project cost.

The Fund will not consider support for projects that:

- Focus on ineligible technologies, that is, not incorporating renewable energy technologies*;
- Focus on carbon capture, storage and utilisation solutions or involve the incineration of non-putrescible waste;
- Predominately deploy commercially established technologies or business models already proven in Australia such as grid connected or behind-the-meter development of commercially proven renewable energy supply or the procurement of power purchase agreements (including deployment of solar PV, wind turbines, rooftop solar or battery energy storage systems).

*__Renewable Energy Technology__ includes technologies that enable the use of or are powered by renewable energy sources such as solar, wind, hydro, wave, or geothermal and includes hybrid and enabling technologies such as energy storage, demand response and smart grids.

5.2 Expenditure guidance

The Applicant can only spend funds on eligible expenditure that has been incurred on an agreed Project as defined in the Project Agreement.

- For guidance on eligible expenditure, see appendix A.
- For guidance on ineligible expenditure, see appendix B.

AMGC may update the guidance on eligible and ineligible expenditure from time to time. If the application is successful, the version in place when submitted applies to the Applicant's project.

If the application is successful, AMGC may ask the Applicant to verify the project costs provided in the application. The Applicant may need to provide evidence such as quotes for major expenditures as part of the application process.

Not all expenditure on the Project may be eligible for co-funding. The Director Renewable Energy will make the final decision on what is an eligible expenditure and may give additional guidance on eligible expenditures if required.

To be eligible, an expenditure must:

- Be a direct cost of the Project
- Be incurred by the Applicant for required Project audit activities.

The Applicant may elect to commence the project and project expenditure from the date AMGC notifies that the application is approved by AMGC's Board. However, any project activities or expenditure incurred before AMGC notifies the applicant that their project has been approved, will be deemed as ineligible expenditure.

6. MERIT CRITERIA

As part of the Fund application process, the Applicant must address all Merit Criteria outlined below. AMGC will assess the application based on the weighting given to each merit criterion.

The application form asks questions that relate to the Merit Criteria. The amount of detail and supporting evidence provided in the application should be relative to the Project size, complexity, and funding amount requested. The Applicant should provide evidence to support answers. The application form displays size limits for answers.

AMGC will only consider funding applications that score favourably, 50 or more out of 100 as a cumulative total, against the Merit Criteria. AMGC will work with the Applicant to verify details of the application. AMGC will reject applications that cannot be verified to a technical or commercial standard.

Merit Criteria	
A. Contributes to the Fund's outcomes (20 points)	
How does the Project increase the use of Renewable Energy Technologies, and is the proposed Renewable Energy Technology or industry use case novel or innovative?	
Has the applicant shown the value of adopting Renewable Energy Technologies in its business to improve its efficiency, competitiveness, and resilience?	
Where applicable, will the adoption of a novel Renewable Energy Technology support the commercialisation and/or broader adoption of this solution?	
Does the Project clearly identify areas in reducing or removing barriers to Renewable Energy Technology uptake that could benefit broader industry adoption and help inform policy decisions?	
Has the applicant articulated the expected benefits of this Project in terms of emissions reduction, increased skills, increased capacity, and knowledge including recertification and accreditation?	
Total	
B. Applicant capability and capacity (20 points)	
Can the applicant demonstrate the necessary **capability** in the areas of management, commercial, and technical expertise, including relevant qualifications and experience, and that of key personnel to ensure this Project's success?	
Has the applicant described its organisation's **capacity** and/or track record in delivering similar projects, including project management, technical skills, relevant accreditations, necessary approvals, quality standards, and project delivery experience?	
Total	
C. Activity design, methodology, risk and compliance (20 points)	
Has the applicant provided all information and evidence required to substantiate the Project plan, and does it have clearly defined objectives and methodology in the approach to managing all aspects of the Project, including personnel and any potential Collaboration Partners, and/or consent authorities?	
Has the applicant provided a clear Risk Management Plan with mitigation strategies?	
Has the applicant provided any technical designs or schema for renewable energy deployment?	
Total	

Merit Criteria	
D. Financial viability and co-funding commitment (20 points)	
Has the applicant provided sufficient evidence of their business's financial viability, including an Accountant Declaration, and access to funds for their co-investment amount?	
Has the applicant demonstrated that this Project would not proceed without funding support?	
Has the applicant provided a detail payment schedule that includes a breakdown of budget, necessary equipment expenditure, and milestones, including any in-kind contributions and contributions from Collaboration Partners?	
Total	
E. Knowledge Sharing (20 points)	
Is the applicant prepared to share insights from the Project with AMGC and ARENA, noting that consolidated learnings from the Fund will be publicly disseminated to assist replicability across industry, while sensitive data will remain confidential?	
Has the applicant described its intellectual property (IP) generation, IP protection and willingness to share non-confidential, insights with AMGC, ARENA, and broader industry for Knowledge Sharing and Fund improvement?	
Total	

7. THE APPLICATION PROCESS

7.1 How to apply

Applicants are encouraged to read and understand the Fund's Guidance, the FAQs, the sample Application Form and the sample Project Agreement published on AMGC's website before applying.

To apply, the Applicant must:

- Complete the assessment application form via **www.amgc.org.au/decarbonisation-fund**.
- Provide all the information requested.
- Address all eligibility, merit and other assessment criteria.
- Include all necessary attachments.

The Applicant will receive a confirmation receipt of when the application is submitted. It is recommended to retain a copy of the application for records. It is possible to view and print a copy of the submitted application from the portal for records.

The Applicant is responsible for making sure the application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code Act 1995* (Cth). If AMGC considers that false or misleading information has been provided, then the application may not progress. For errors in the application after submitting, AMGC must be contacted via **applications@amgc.org.au**.

AMGC's Director Renewable Energy can provide further guidance around the eligibility of project expenditure under **amgc.org.au/contact**. For any problems around submitting the application online, contact **applications@amgc.org.au**.

7.2 Attachments to the application

The Applicant must attach all supporting documentation to the application in line with the instructions provided within the form. AMGC cannot consider information in attachments that are not requested.

7.3 Timing of SME Industrial Decarbonisation Fund

Applications can only be submitted between the published opening and closing dates. AMGC cannot accept late applications.

Table 1: Expected application and assessment timing

Activity	Timeframe
Initial support and assessment of application	5 weeks
Outcome of Review Committee process	3 weeks
Board and final approval	1 week
Negotiation of project agreements	2 weeks
Notification to unsuccessful Applicants	At the time of the Review Committee process
Earliest start date of project	Date of notification that Project is approved by AMGC's Board and the Project agreement is executed
Last date for applications	Determined either by when Funds are exhausted or no later than 31 December 2027. Any applications received after this date will be managed on a case-by-case basis.
End date of co-investment commitment	No later than 31 March 2028

8. THE SME INDUSTRIAL DECARBONISATION FUND SELECTION PROCESS

8.1 How are applications assessed?

AMGC's Review Committee will consider an application on its merits, based on:

- How well it meets the Merit Criteria.
- How it compares to other applications.
- Whether it provides value for money.
- Whether it meets a technology and commercial standard.

The Review Committee will seek additional advice from independent technical experts to support Project recommendations.

8.2 Who will approve applications?

AMGC's Board decides which applications to approve, considering the recommendations of the Review Committee and the availability of funds. Note, ARENA will be notified of Projects to be recommended to the AMGC Board and has the opportunity to endorse applications.

AMGC's decision is final in all matters, including:

- The application approval;
- The co-funding to be awarded;
- Any conditions attached to the offer of co-funding.

AMGC cannot reconsider decisions about the merits of the application. The AMGC Board will not approve the Project's co-funding amount if there are insufficient funds available across the relevant time frame for the Fund.

9. NOTIFICATION OF APPLICATION OUTCOMES

After AMGC's Board decision, the Director Renewable Energy will advise the outcome of the application in writing. If successful, AMGC will advise of any specific conditions attached to the co-investment.

If unsuccessful, it is possible to submit a new application for the same (or similar) project if there is funding availability and if additional information addresses the weaknesses preventing the previous application from being successful. If a new application is substantially the same as a previous ineligible or unsuccessful application, AMGC may refuse to consider it for assessment.

10. SUCCESSFUL SME INDUSTRIAL DECARBONISATION FUND APPLICATIONS

10.1 Project agreement

The Applicant must enter into a legally binding Project Agreement with AMGC. The Project Agreement has general terms and conditions that cannot be changed. A sample Project Agreement is available on AMGC's website.

AMGC must execute a Project Agreement with the Applicant before any payments can be made.

The approval of the Project may have specific conditions determined by the assessment process or other considerations made by AMGC's Board. These will be identified in the offer of co-investment.

AMGC may recover funds if there is a breach of the Project Agreement.

The Applicant will have 30 days from the date of a written offer to execute the Project Agreement with AMGC. During this time, the Director Renewable Energy will work with the Applicant to finalise the Project Agreement.

The offer may lapse if both parties do not sign the project agreement within this time. Under certain circumstances, AMGC may extend this period. AMGC bases the approval of the co-investment on the information provided in the application. AMGC will review any required changes to these details to ensure they do not impact the Project as approved by the AMGC Board.

10.2 How AMGC pays funds

The Project Agreement will state the:

- Maximum co-investment amount AMGC will pay.
- Any financial contributions to be provided by the Applicant or a third party.
- AMGC will make payments according to an agreed schedule set out in the Project Agreement.
- Payments are subject to satisfactory progress on the project.
- **Funds are paid in arrears** based on suitable evidence of eligible expenditure.

10.3 Tax obligations

Where applicable AMGC will add GST to the payment and provide the Applicant with a recipient-created tax invoice. The Applicant is required to notify AMGC if the GST registration status changes during the project period.

Monies allocated under the *SME Industrial Decarbonisation Fund* is assessable income for taxation purposes unless exempted by a taxation law. AMGC recommends the Applicant seeks independent professional advice on taxation obligations or seek assistance from the Australian Taxation Office. AMGC does not provide advice on tax matters.

11. ANNOUNCEMENT OF SUCCESSFUL APPLICANTS

AMGC will publish non-sensitive details of successful projects on AMGC's website.

Published information may include:

- Name of the organisation
- Title of the Project
- Description of the Project and its aims
- Amount of funding awarded
- Business location
- Organisation's industry sub-sector

AMGC will not publish confidential or sensitive information.

12. HOW AMGC MONITORS PROJECT ACTIVITY

12.1 Keeping AMGC informed

AMGC needs to know of any key changes to the organisation or its business activities, particularly if they affect the ability to complete the project, carry on business and pay debts due.

AMGC requires notification of any changes to the:

- Name
- Addresses
- Nominated contact details
- Bank account details.

If the Applicant becomes aware of a breach of terms and conditions under the Project Agreement they must contact AMGC immediately. The Applicant must notify AMGC of events relating to the Project and provide an opportunity for AMGC Board or its representative to attend.

12.2 Reporting

12.2.1 Project Agreement

The Applicant must submit reports in line with the requirements of the Project Agreement. AMGC will provide the requirements for these reports as appendices in the Project Agreement. AMGC will remind the Applicant of the reporting obligations before a report is due. AMGC will expect a report on:

- Progress against agreed project milestones, including jobs created and/or retained as a result of the project.
- Project expenditure, including proof of payment of project expenditure.
- Financial and non-financial contributions of participants directly related to the project.
- Material changes in the nature of the activity or key personnel involved, including affiliations/links with foreign governments or companies, changes in the ownership of the company and/or its parent, and disclosure of any pecuniary penalty imposed by a Commonwealth, State or Territory court or a Commonwealth, State or Territory entity.
- Knowledge Sharing which details Project learnings and data to support wider industry uptake and accelerate Australia's clean energy transition.

The amount of detail provided in the reports should be relative to the Project size, complexity and funding amount.

AMGC will monitor the progress of the Project by assessing reports submitted and may conduct site visits to confirm details of provided reports if necessary. Occasionally AMGC may need to re-examine claims, seek further information or request an independent audit of claims and payments.

12.2.2 Progress reports

Progress reports must:

- Include details of progress towards completion of agreed project activities and outcomes.
- Show the total eligible expenditure incurred to date.
- Include evidence of expenditure.
- Activities related to the transition to renewable energy technologies.
- Be submitted by the report due date (reports can be submitted ahead of time if the relevant project activities have been completed).

AMGC will only make payments when it receives satisfactory progress reports and receipts of eligible expenditure.

The Applicant must discuss any Project or milestone reporting delays with AMGC as soon as the Applicant becomes aware of them.

12.2.3 End-of-project report

Upon completion of the project, the Applicant must submit an end-of-project report.

End-of-project reports must:

- Include the agreed evidence as specified in the Project Agreement.
- Include the information required by AMGC for Project Finalisation Report.
- Identify the total eligible expenditure incurred for the project.
- Include a declaration that the project money was spent in accordance with the *SME Industrial Decarbonisation Fund* and to report on any underspends of the co-investment.
- Be submitted by the report due date.
- Provide an update to data outlining reduction in Scope 1 and/or Scope 2 emissions.

12.2.4 Ad-hoc reports

AMGC may ask for ad-hoc reports on the Project. This may be to provide an update on progress, or any significant delays or difficulties in completing the project.

12.3 Compliance visits

AMGC may visit the premises during the project period, or at the completion of the Project to review compliance with the Project Agreement. AMGC may inspect the records the Applicant is required to keep under the Project Agreement. AMGC will provide reasonable notice of any compliance visit.

12.4 Project agreement variations

AMGC recognises that unexpected events may affect project progress. In these circumstances, the Applicant can request a variation to the Project Agreement, including:

- Changing project milestones
- Extending the timeframe for completing the project but no later than 31 March 2028
- Changing project activities

A variation request must be submitted in writing before the Project Agreement end date.

The Fund does not allow for an increase of co-investment funds.

The Applicant should not assume that a variation request will be successful. AMGC will consider the request based on factors such as:

- How it affects the Project outcome.
- Consistency with the Fund's policy objective, guidance, and any relevant policies of AMGC.
- Changes to the timing of payments.
- Availability of funds.

12.5 Fund Evaluation

AMGC will evaluate the Fund to measure how well the outcomes and objectives have been achieved. AMGC may use information from the application and project reports for this purpose. AMGC may interview the Applicant or ask for more information to help AMGC understand how the co-investment impacted the business and to evaluate how effective the Fund was in achieving its outcomes.

12.6 SME Industrial Decarbonisation Fund acknowledgement

If the Applicant makes a public statement about a project funded under the Fund, including in a brochure or publication, you must acknowledge the SME Industrial Decarbonisation Fund by using the following:

'This project received co-investment from the SME Industrial Decarbonisation Fund.'

If signage is erected in relation to the project, the signage must contain an acknowledgement of the co-investment.

Should the Applicant host media, or plan a media event, AMGC must be informed in advance to allow for attendance or support of the activity.

At the completion of the co-invested project, AMGC reserves the right to host media activity marking the successful completion of the Project.

13. PROBITY

13.1 How AMGC handles confidential information

AMGC will treat the information provided as sensitive and therefore confidential if it meets the following conditions:

- The Applicant clearly identifies the information as confidential and explains why AMGC should treat it as confidential.
- The information is commercially sensitive.
- Disclosing the information would cause unreasonable harm to the Applicant or someone else.
- The information is provided with an understanding that it will stay confidential.

13.2 When AMGC may disclose confidential information

AMGC may disclose confidential information to:

- AMGC Review Committee in the application process.
- ARENA in the application process to support endorsement.
- AMGC's Board during the application's approval process.
- The Auditor-General, Commonwealth, State, Territory Ombudsman or Privacy Commissioner.

AMGC may disclose confidential information if:

- It is required or authorised by law to disclose it.
- The Applicant agrees to the information being disclosed.
- Someone other than a member of AMGC has made the confidential information public.

ARENA Confidentiality and Disclosure of Information:

- ARENA will handle any information received from AMGC as part of Fund delivery as outlined in the ARENA Advancing Renewables **Fund Guidelines**, Clause 6.1, 6.2, 6.3.

APPENDIX A – ELIGIBLE EXPENDITURE

This section provides guidance on the eligibility of expenditure. AMGC may update this guidance from time to time, so the Applicant should make sure they have the current version from AMGC website before preparing the application.

The Director Renewable Energy makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must be:

- Incurred by the Applicant within the approved project period
- A direct cost of the project
- Incurred by the Applicant to undertake required project audit activities
- Meeting the eligible expenditure guidelines

A.1 How AMGC verifies eligible expenditure

If the application is successful, AMGC will ask the Applicant to verify the Project budget provided in the application when negotiating the Project Agreement. The Applicant may need to provide evidence such as recent quotes for major costs.

The Project Agreement will include details of the evidence needed to provide when achieving certain milestones in the project. This may include evidence related to eligible expenditure.

If requested, the Applicant will need to provide the agreed evidence along with progress reports.

The Applicant must keep payment records of all eligible expenditure and be able to explain how the costs relate to the agreed project activities. At any time, AMGC may ask to provide records of the expenditure paid. If the Applicant cannot provide these records when requested, the expense may not qualify as eligible expenditure.

Note: all eligible expenditure is paid in arrears.

A.2 Eligible expenditure

Examples of eligible expenditure are:

- Engaging consultants for renewable energy assessment up to 10 per cent of total Project cost.
- Labour and oncosts for employees involved in renewable energy training, certification, and assessment.
- Upgraded power supply for increased electricity capacity.
- Regulatory compliance for power or facility upgrade.
- Capital equipment that enables a transition from fossil fuel to renewable energy up to 75 per cent of total Project cost.
- Labour and oncosts associated with the equipment training and changes needed in the business for the installation of new, renewable energy equipment.

A.3 Labour expenditure

Eligible labour expenditure for the Project covers the direct labour costs of employees directly employed on the core elements of the Project. AMGC considers a person an employee when the Applicant pays them a regular salary or wage, out of which the Applicant makes regular tax instalment deductions.

AMGC does not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, unless they are undertaking tasks directly related to the management of the project.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the ATO.

The maximum salary for an employee, director or shareholder, including packaged components that the Applicant can claim through the *SME Industrial Decarbonisation Fund* is $175,000 per financial year.

For periods of the Project that do not make a full financial year, the Applicant must reduce the maximum salary amount claimed proportionally.

The Applicant can only claim eligible salary costs when an employee is working directly on agreed Project activities during the agreed Project period.

A.4 Labour on-costs and administrative overhead

The Applicant may increase eligible salary costs by an additional 30 per cent allowance to cover on-costs such as employer-paid superannuation, payroll tax, and workers compensation insurance.

The Applicant should calculate eligible salary costs using the formula below:

$$\text{Eligible salary costs} = \text{Annual salary package} \times \frac{\text{Weeks spent on project}}{\text{52 weeks}} \times \text{Percentage of time spent on project}$$

The Applicant cannot calculate labour costs by estimating the employee's worth. If there has not been an exchange of money (either by cash or bank transactions), AMGC will not consider the cost eligible.

Evidence the Applicant will need to provide can include:

- Details of all personnel working on the project, including name, title, function, time spent on the project and salary e.g. timesheets.
- ATO payment summaries, pay slips and employment contracts.

A.5 Contract and general expenditure

Eligible contract expenditure is the cost of any agreed Project activities that you contract others to do. These can include contracting:

- Another organisation.
- An individual who is not an employee but engaged under a separate contract.

Invoices from contractors must contain:

- A detailed description of the nature of the work.
- The hours and hourly rates involved.
- Any specific plant expenses paid.

Invoices must directly relate to the agreed Project, and the work must qualify as an eligible expense. The costs must be reasonable and appropriate for the activities performed.

AMGC will require evidence of contractor expenditure that include invoices and payment documents.

The Applicant must ensure all Project contractors keep a record of the costs of their work on the project. AMGC may require Applicants to provide a contractor's records of their costs of doing Project work. If these records cannot be provided, then the relevant contract expense may not qualify as eligible expenditure.

APPENDIX B – INELIGIBLE EXPENDITURE

This section provides guidance on what AMGC considers ineligible expenditure. AMGC may update this guidance from time to time, so the Applicant should make sure to have the current version from AMGC's website before preparing their application.

The Director Renewable Energy may impose limitations or exclude expenditure, or further include some ineligible expenditure listed in these guidelines in a co-investment agreement or otherwise by notice to the Applicant.

The Fund is limited and will focus only on lowering Scope 1 emissions from fossil fuels. Hence, it will **not** consider support for projects that:

- Focus on ineligible technologies, that is, not incorporating renewable energy technologies*;
- Focus on carbon capture, storage and utilisation solutions or involve the incineration of non-putrescible waste;
- Predominately scale up or deploy established technologies or business models already proven in Australia such as grid connected or behind-the-meter development of commercially proven renewable energy supply or the procurement of power purchase agreements (including deployment of solar PV, wind turbines, rooftop solar or battery energy storage systems)

*Renewable Energy Technology includes technologies that enable the use of or are powered by renewable energy sources such as solar, wind, hydro, wave, or geothermal and includes hybrid and enabling technologies such as energy storage.

Other examples of ineligible expenditure include:

- Activities, equipment or supplies that are already being supported through other sources, such as other Government funds.
- Costs incurred prior to AMGC notifying the Applicant that the application is approved by AMGC's Board.
- Any in-kind contributions.
- Financing costs, including interest.
- Capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers.
- Costs such as rental, renovations and utilities.
- Non-project-related staff training and development costs.
- Insurance costs (participants must maintain adequate insurance or similar coverage for any liability arising as a result of participating in funded activities).
- Debt financing.
- Costs related to obtaining resources used on the Project, including interest on loans.
- Depreciation of plant and equipment.
- Maintenance costs.
- Opportunity costs relating to any losses due to allocating resources to the agreed Project.
- Routine operational expenses, including communications, travel, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges.

This list is not exhaustive and applies only to the expenditure of the funds. Other costs may be ineligible where AMGC decides that they do not directly support the achievement of the planned outcomes for the Project or that they are contrary to the objective of the Fund.

The Applicant must ensure they have adequate funds to meet the costs of any ineligible expenditure associated with the project.

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