



**Australian Government**

# **Solar Flagships Program**

## **Round 1 Information Guide for Applicants**

# The Solar Flagships Program Round 1 Information Guide for Applicants

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## Definitions

In this *Information Guide*, unless the contrary intention applies:

**applicant** means any Australian company or government body, that has submitted a *Proposal* to the *Solar Flagships Program*.

**Australian Solar Institute** means the Australian Solar Institute Limited (ABN 65 138 300 688), formed by the *Commonwealth*.

**Commonwealth** means the Commonwealth of Australia, also known as the Australian Government, as represented by the *Department* and *DIISR*.

**Deed** means the *Solar Flagships Deed of Agreement* between a *grantee* and the *Commonwealth* for *grant* funding under the *Solar Flagships Program*, as amended from time to time in accordance with the rules of the *Solar Flagships Program*.

**Department** means the Department of Resources, Energy and Tourism or any subsequent department having responsibility for the *Solar Flagships Program*.

**DEEWR** means the Department of Education, Employment and Workplace Relations.

**DIISR** means the Department of Innovation, Industry, Science and Research.

**Education Investment Fund**, abbreviated as **EIF**, means the fund established under the *Nation-building Funds Act 2008* for projects that create or develop significant infrastructure for higher education institutions, research institutions and vocational education and training providers.

**EIF Advisory Board** means the *Education Investment Fund Advisory Board*.

**EIF Evaluation Criteria** means the *EIF* evaluation criteria set out in the *Education Investment Fund (EIF) Evaluation Criteria No. 2 of 2009*, available on the Federal Register of Legislative Instruments website.

**Eligibility Criteria** means the criteria listed in sections 4 and 5.

**Eligible Expenditure Guidelines** means those guidelines developed by the *Department* detailing the allowed expenditure of *Solar Flagship Program* funds.

**eligible supplementary energy sources** means natural gas or any energy source eligible for the creation of Renewable Energy Certificates under the *Renewable Energy (Electricity) Act 2000*.

**Feasibility and Design Studies** means those studies required to determine the feasibility of a *project* and develop its design to best suit its proposed *project* location and circumstances, within the governance framework of the *Solar Flagships Program*.

**Feasibility and Design Studies Funding Deed** means the agreement between a *short-listed applicant* and the *Commonwealth* for funding of up to half of the eligible (as detailed in the *Eligible Expenditure Guidelines*) costs, of developing detailed *project Feasibility and Design Studies*.

**Full Application** means the detailed *project* application lodged by *short-listed applicants*, including, but not limited to, a *Solar Flagships Program Proposal Form*, a *Project Business Plan*, a *Solar Flagships Program Research Infrastructure Component Application Form*, evidence to support *applicant* and *project* claims, and details of compliance with the draft *Deed*.

**grant** means an amount awarded for a particular *project* in return for the completion of specified milestones. A *grant* is not to be confused with a gift or a loan. In the case of the *Solar Flagships Program*, the *grant* is the amount identified in the *Deed*.

**grantee** means the company or government body that was successful as a result of the assessment process and is entitled to receive a *grant* under the *Solar Flagships Program* pursuant to a *Deed* between the entity and the *Commonwealth*.

**grant offer** means the letter that identifies the amount of funding the *Department* is willing to provide, the conditions under which the *grant* is offered and the specific company and *project* details of the *grant* that has been approved. The *grant offer* has an expiry date of 180 days, unless extended by the *Program Delegate*.

**guidelines** means the *Solar Flagships Program Administrative Guidelines*, issued by the *Minister*, that outline the governance and administration framework for the *Solar Flagships Program*.

**Information Guide** means this *Solar Flagships Program Round 1 Information Guide for Applicants*.

**Merit Criteria** means the criteria listed in section 6.1

**Minister** means the Minister for Resources and Energy.

**Photovoltaic or PV** means those technologies that generate a current or voltage when exposed to visible light or other electromagnetic radiation from the sun.

**Program Delegate** means an employee of the *Department* who has been authorised by the Secretary of the *Department* to carry out the functions specified in the *guidelines*.

**project** means an *applicant's* proposed development, construction and operation of a large scale solar power plant and associated research infrastructure and network connection infrastructure, as well as any associated activities, including research.

**Proposal** means an initial application for funding under the *Solar Flagships Program* including, but not limited to, a *Solar Flagships Program Proposal Form*, which is lodged with and received by the *Department* prior to the closing date.

**Related Body Corporate** has the meaning given in the Corporations Act 2001 (Cth).

**Research Minister** means the Minister for Innovation, Industry, Science and Research.

**research partner** means the eligible *EIF* Research Institution, as defined in the *Specification of Higher Education Institutions, research Institutions and Vocational Education and Training Providers No. 2 of 2009*, which is responsible for the research infrastructure component of the *project*.

**Solar Flagships Council** means the independent body established by the *Department* to assist the *Minister* in assessing the merit of *Proposals* and *Full Applications*.

**Solar Flagships Program** means the program described in section 1.2 of this document.

**Solar Flagships Program Proposal Form** means the document to be completed and lodged by *applicants* at the *Proposal* stage and then, for *short-listed applicants*, to be updated and re-lodged at the *Full Application* stage. The *Solar Flagships Program Proposal Form* assists with consistent assessment of *projects*.

**Solar Flagships Program - Research Infrastructure Component Application Form** means the document to be completed as a part of a *Full Application* in which *short-listed applicants* must describe how their *project* is eligible for and satisfies the requirements of the *EIF*, including the *EIF Evaluation Criteria*.

**short-list** means the selection of *applicants* who are invited by the *Minister* or his delegate to submit a *Full Application* in Stage 2 for funding from the *Solar Flagships Program*.

**solar thermal** means those technologies that use heat derived from the sun's radiation to generate electricity.

# 1. Introduction

## 1.1. Purpose

The purpose of this *Information Guide* is to explain and clarify the requirements for the *Solar Flagships Program* set out in the *guidelines*. This document also provides detailed information to guide potential *applicants* who are considering applying for funding from the *Solar Flagships Program*. This *Information Guide* may be revised and reissued at the *Minister's* discretion, in which case a revised version will be placed on the *Solar Flagships Program* webpage at [www.ret.gov.au](http://www.ret.gov.au), with an email notification sent to potential *applicants* who are registered to receive *Solar Flagships Program* updates.

The *guidelines* set out the *Solar Flagships Program's* governance and administrative arrangements on which this *Information Guide* is based. In the event of a perceived or real inconsistency between this *Information Guide* and the *guidelines*, the *guidelines* will prevail over this document.

Should *applicants* remain unclear about aspects of the *Solar Flagships Program*, including questions in relation to the research infrastructure component and the *Education Investment Fund (EIF)*, queries can be directed to the Solar Flagships Program Manager at [solar.flagships@ret.gov.au](mailto:solar.flagships@ret.gov.au). Only responses from the *Solar Flagships Program* email address or published on the *Solar Flagships Program* webpage will be regarded as definitive for the purposes of communication with *applicants*.

## 1.2. Background

The *Solar Flagships Program* is part of the Australian Government's \$4.5 billion Clean Energy Initiative (CEI), announced in the May 2009 Budget. The CEI complements the proposed Carbon Pollution Reduction Scheme and the expanded Renewable Energy Target by supporting the demonstration, development and research of low-emission energy technologies.

The Australian Government has committed funding of \$1.5 billion to the *Solar Flagships Program*. This funding consists of:

- \$1.3 billion of *Solar Flagships Program* funds; and
- \$200 million of *EIF* funds.

This funding will be used to support the construction and demonstration of up to four large-scale solar power stations in Australia, using *solar thermal* and *photovoltaic (PV)* technologies.

## 1.3. Objectives

The primary objective of the *Solar Flagships Program* is to provide the foundation for large-scale, grid connected, solar power to play a significant role in Australia's electricity supply and to operate within a competitive electricity market, with the aim of up to 1,000 megawatts (MW) of solar power generation capacity.

Other objectives of the *Solar Flagships Program* are to: develop a solar industry in Australia, encourage regional development, provide research infrastructure, develop Australian intellectual property (IP) in solar power generation and develop and share technical and economic knowledge from the *Solar Flagships Program*.

## 1.4. Outcomes

The intended outcomes of the *Solar Flagships Program* are to:

- demonstrate that large scale solar power plants can be constructed and operated within major electricity grids in Australia;
- optimise the business models for constructing, generating and wholesaling electricity generated from large-scale solar power plants;
- develop the solar power industry in Australia;
- provide research infrastructure for solar power generation;
- encourage regional development;
- build initial infrastructure for further development of solar power;
- develop Australian intellectual property and know-how in solar power; and
- develop and share technical and economic knowledge of the operation of large scale solar power plants in a competitive energy market.

## 1.5. Solar Flagships Program Strategy

The *Solar Flagships Program* offers funding on an unprecedented scale for the development of solar power in Australia. *Solar Flagship Program projects* will provide a large-scale market demonstration of the potential of solar energy in Australia including the efficient integration and operation of large-scale solar power in Australian energy markets.

Successful *applicants* will be required to share certain technical and economic experience, know-how and information from *projects* with the Australian public research community and the Australian solar industry. To achieve this, successful *applicants* will be required to enter into an agreement with the *Australian Solar Institute* or a government body determined by the *Department* to disseminate relevant *project* information. The information to be disseminated is not expected to materially affect an *applicant's* commercial advantage.

The technologies used in *projects* must be demonstrated in operation at a commercial scale.

*Project* selection is to occur over two selection rounds to accommodate new power generation technologies as they are proven commercially in the near future. The first selection round (Round 1) will be held in 2010 and is to select one *solar thermal* and one *PV project*, with a target of 400 MW of combined solar generation capacity across both *projects*. The second selection round (Round 2) is planned to be held in 2013/14 after the outcome of the first selection round is reviewed. This funding round will seek up to two *projects* that may be either *solar thermal* or *PV*, or both. Further details on Round 2 will be determined following the review of Round 1.

The purpose of this document is to provide guidance to *applicants* participating in Round 1.

### **Contact**

The *Solar Flagships Program* is administered through the *Department*. For further information regarding the *Solar Flagships Program* please contact:  
The Solar Flagships Program Manager  
Energy & Environment Division  
Department of Resources, Energy and Tourism  
Tel: (02) 6213 7780  
Email: solar.flagships@ret.gov.au

## 2. Selection Process Overview

One *PV project* and one *solar thermal project* will be selected in Round 1 of the *Solar Flagships Program*, through a two stage selection process. As guidance, Round 1 *projects* are each anticipated to be between 150 MW and 250 MW of solar generation capacity, targeting up to 400 MW of solar generation capacity across both *projects*.

The first stage, known as the *Proposal stage*, will commence with a call for *Proposals*. These *Proposals* will need to be detailed, albeit less extensive than the *Full Applications* required in the second stage, for which detailed *Feasibility and Design Studies* will be required. The aim of the *Proposal stage* is to *short-list* a small field of strong and highly competitive *applicants* who are capable of reliably constructing and operating *projects* that best meet *Solar Flagships Program* objectives and outcomes.

The lodgement of a *Proposal* is necessary to be eligible for consideration for funding from the *Solar Flagships Program*. Those *applicants* that submit a *Proposal* that satisfies the *Eligibility Criteria* will undergo a merit assessment conducted by the *Solar Flagships Council*. The *Solar Flagships Council* will recommend to the *Minister* a *short-list* of *applicants* to be invited to submit a *Full Application*. It is expected that around six to eight *projects* in total across both *solar thermal* and *PV* technology types will be recommended for *short-listing* in this initial selection stage.

In the second selection stage, known as the *Full Applications stage*, *short-listed applicants* will be invited to provide a *Full Application* for *Solar Flagships Program* funding. In a similar manner to the assessment of *Proposals*, once submitted, *Full Applications* will undergo a merit assessment by the *Solar Flagships Council*. The research infrastructure component of *projects* will be assessed by the *EIF Advisory Board* against the *EIF Evaluation Criteria*. The *EIF Advisory Board* will advise the *Research Minister* as to whether a *project* satisfies the *EIF Evaluation Criteria*. A *project* that does not meet the *EIF Evaluation Criteria* will not be eligible for *Solar Flagships Program* funding.

After the assessments, the *Solar Flagships Council* will recommend to the *Minister* the final *applicants* to receive *grant offers*.

As detailed in section 8 of this document, Stage 1 *Proposals* must be received by **5.00pm AEDT on Monday, 15 February 2010**. The *Minister* or his delegate will advise short-listed *applicants* of Stage 2 timings. When dates are announced the *Department* will provide details on the *Solar Flagships Program* webpage at [www.ret.gov.au](http://www.ret.gov.au).

*Applicants* are strongly advised to periodically check the *Solar Flagships Program* webpage for updates and to contact the [solar.flagships@ret.gov.au](mailto:solar.flagships@ret.gov.au) email address to become registered to receive *Solar Flagships Program* email updates.

### **3. The *Solar Flagships Program* funding model**

Of the \$1.5 billion in funding provided by the *Solar Flagships Program*, \$1.3 billion is to be provided to successful *applicants* from funding administered by the *Department*, with the remaining \$200 million of *Solar Flagships Program* funding provided from the *Education Investment Fund (EIF)*.

#### **3.1. Project funding allocation across rounds**

The Australian Government has decided to approach the market in Round 1 before determining the allocation or split of *Solar Flagships Program* funding to *projects* across the two funding rounds. Funding for Round 1 *projects* will be determined following consideration of *Proposals* and *Full Applications* received in the Round 1 selection process. The Australian Government will then review the *Solar Flagships Program* and Round 1 selection process outcomes before proceeding with Round 2.

If *applicants* are successful, funding will be provided through *grant* payments. *Grants* will be milestone based, subject to normal taxation treatment and no special arrangements will apply. All potential *applicants* are strongly advised to seek independent taxation advice on the tax implications of receiving a *grant* under the *Solar Flagships Program*.

*Grant* payment milestones are expected to be based on stages of construction, commissioning and demonstration of one full year of successful *project* operation.

To achieve the Australian Government's aims, the *Minister* reserves the right to offer *applicants* a *grant* that is different to the amount requested in their *Full Applications* and to negotiate with *applicants* on the final *project* size.

#### **3.2. Funding from the *Education Investment Fund***

##### **3.2.1. *EIF* Background**

The *EIF* provides funding for *projects* that create or develop significant infrastructure for higher education institutions, research institutions and vocational education and training providers.

The *EIF* was announced in the 2008-09 Budget. The role of the *EIF* is to build a modern, productive, internationally competitive Australian economy by supporting world-leading, strategically-focused infrastructure investments that will transform Australian tertiary education and research.

##### **3.2.2. *EIF* Funding Eligibility**

To access *EIF* funding provided to the *Solar Flagships Program*, *applicants* must partner with a research institution eligible for *EIF* funding under the *Specification of Higher Education Institutions, Research Institutions and Vocational Education and Training Providers No. 2 of 2009*, (available on the Federal Register of Legislative Instruments website at: <http://www.comlaw.gov.au/ComLaw/Legislation/LegislativeInstrument1.nsf/0/B604D878DF1C036BCA257607002646E4?OpenDocument>).

This specification defines an eligible *EIF* research institution as all:

- a) Table A, Table B and Table C providers under the Higher Education Support Act 2003;
- b) Publicly Funded Research Agencies established by a Commonwealth Act of Parliament; and
- c) Australian organisations primarily involved in undertaking research or research related activities where a significant Australian public benefit can be demonstrated. State or territory government agencies whose primary function is research may be eligible to apply. State or territory government departments would not be considered to be organisations whose primary function is research.

*Applicants* will be required to demonstrate that they are partnered with an eligible *EIF* research institution, known as the *applicant's research partner*, at both the *Proposal* stage and the *Full Application* stage to be eligible for selection.

### **3.2.3. *EIF funding application***

#### **3.2.3.1. *Proposals stage***

Although there will not be any formal assessment of the *EIF* component of *projects* at the *Proposals* stage, *applicants* should provide the following key research infrastructure component information in their *Proposals*:

- a) proposed *EIF* eligible *research partner* or, if appropriate, a description of the proposed research arrangement which identifies the *EIF*-eligible research institution that will lead the arrangement;
- b) the existing or proposed nature of the legal and commercial relationship with the *research partner*;
- c) the role of the *research partner* in the project; and
- d) the nature and purpose of the proposed research infrastructure.

#### **3.2.3.2. *Full Application stage***

An *applicant's research partner* must apply for funding from the *EIF* at the *Full Application* stage through completing a *Solar Flagships Program - Research Infrastructure Component Application Form*. This form will be developed by *DIISR* and provided to *applicants* via the *Solar Flagships Program* webpage.

The *Solar Flagships Program – Research Infrastructure Component Application Form* will be submitted by the *applicant* as part of its *Full Application*.

### **3.2.4. *EIF Funding Requirements***

A *research partner's* application will be assessed by the *EIF Advisory Board* against the *EIF Evaluation Criteria*, with only *projects* that satisfy all the *EIF Evaluation Criteria* allowed to be awarded *Solar Flagships Program grants*.

The legislative instrument that establishes the current *EIF Evaluation Criteria* can be found on the Federal Register of Legislative Instruments website at: [http://www.comlaw.gov.au/ComLaw/Legislation/LegislativeInstrument1.nsf/0/CB28EB93DBEA37A0CA257608000CE062/\\$file/Instrument{EIF}.pdf](http://www.comlaw.gov.au/ComLaw/Legislation/LegislativeInstrument1.nsf/0/CB28EB93DBEA37A0CA257608000CE062/$file/Instrument{EIF}.pdf)

These criteria are:

- a) Criterion 1 – Extent to which the project will address national higher education, research, VET, and/or sustainability infrastructure priorities
- b) Criterion 2 – Extent to which the project is clearly aligned with the organisation's priorities and strategic direction
- c) Criterion 3 - Extent to which there will be a positive impact on enhancing capacity
- d) Criterion 4 – Extent to which the project will result in improvements consistent with the level of investment
- e) Criterion 5 – Project determination
- f) Criterion 6 - Extent of collaboration
- g) Criterion 7 – Extent of co-investment
- h) Criterion 8 – Project readiness
- i) Criterion 9 – Capacity of the organisation to support, maintain and integrate new infrastructure into ongoing business operations

Further details on addressing the *EIF Evaluation Criteria* can be found in the *EIF Program Guidelines* at:

<http://www.deewr.gov.au/HigherEducation/Programs/EIF/Pages/default.aspx>

Under the *Nation-building Funds Act 2008*, *EIF* funding is available for projects that create or develop research infrastructure. The purposes for which *EIF* funding can be used include, but are not limited to:

- a) constructing a new building or purchasing, refurbishing and/or extending existing infrastructure;
- b) purchasing, refurbishing or installing equipment essential to the project and any subsequent commissioning of that equipment; or
- c) purchasing or refurbishing equipment that supports and enables research.

The principle that *projects* must efficiently address research infrastructure needs is an important component of accessing *EIF* support.

*Applicants* must demonstrate that *projects* would provide good value for money, have a clear public benefit and deliver research infrastructure improvements that are both significant and strategic and will make a positive long term economic contribution. This may be demonstrated by reference to the economic benefit of the *project* to local communities, a broad industry group, or through an increase in research activity, higher education or vocational education and training.

*Applicants* should quantify, where possible, the expected social, economic and environmental returns on the Australian Government's investment.

*Applicants* must outline how the *project* infrastructure (or a specifically identifiable, but integral, part of the *project* infrastructure) will be used as research infrastructure during its construction, commissioning and early operating phases.

For the *Solar Flagships Program*, examples of activities conducted as a part of the *project* where infrastructure is being used as research infrastructure, might include, but are not limited to:

- a) optimising the business models for constructing, generating and wholesaling large scale solar power in Australian electricity markets;
- b) development and implementation of solar technologies at world-leading scale;
- c) efficient electricity network integration of large scale solar generation in Australia;
- d) development of energy storage technologies; and
- e) development of hybrid solar generation technologies (for *solar thermal projects*).

### **3.2.5. EIF Funding Deed**

If a project is selected for *Solar Flagships Program* funding an *applicant's research partner* will be required to enter into a deed of agreement with the *Commonwealth* for the *EIF* component of *Solar Flagships Program* funds. This agreement may be separate to or a part of the *Deed*.

### **3.3. Funding of Feasibility and Design Studies**

The *Department* may provide *short-listed applicants* with up to half of the costs of developing detailed *Feasibility and Design Studies* to be included in their *Full Applications*. The amount to be provided to *applicants* is to be determined by the *Solar Flagships Council*, up to a total of \$15 million across all *short-listed projects*.

*Short-listed applicants* will be required to sign a *Feasibility and Design Studies Funding Deed* with the *Department* to access this funding. This deed will set out the process of determining what costs are eligible to be considered for funding.

Funding will be paid in arrears upon receipt of evidence that the *Department* is satisfied demonstrates that the eligible costs were incurred.

## 4. Applicant Conditions for Participation

To be eligible for support from the *Solar Flagships Program*, *applicants* must demonstrate that they satisfy the *Eligibility Criteria* listed in section 4.1 below. Applicants that do not satisfy the *Eligibility Criteria* listed below will be automatically excluded from consideration.

An *applicant* may apply for more than one *project*, either in its own right or as a member of an incorporated joint venture (see section 4.2 for details).

### 4.1. Applicant Eligibility Criteria

#### 4.1.1. **An applicant must complete and lodge a Solar Flagships Program Proposal Form with the Department by the specified closing date.**

The purpose of the *Solar Flagships Program Proposal Form* is to assist with consistent assessment of *Proposals* and to easily demonstrate to the *Department* that an *applicant* is eligible for and competitive against the selection criteria outlined in the *guidelines*.

It is compulsory to substantially complete and lodge a *Solar Flagships Program Proposal Form* for the *Proposal* stage and for *short-listed applicants* to then submit the form again with updated details at the *Full Application* stage.

It is important to note that while this document provides some structure towards the information required by the *Department*, it is not exhaustive and *applicants* are free to provide any additional documentation they consider important to support their *Proposals* or *Full Applications*.

#### 4.1.2. **An applicant must demonstrate that the nominated research partner is an EIF Research Institution as defined by the Specification of Higher Education Institutions, Research Institutions and Vocational Education and Training Providers No. 2 of 2009.**

As detailed in Section 3, the *EIF* is subject to legislation governing the fund's operation, including a requirement only to fund specific institutions. For *projects* to access *EIF* funds *applicants* must partner with an institution eligible for *EIF* funding, known as a *research partner*. Details of *EIF* eligible institutions are available on the Federal Register of Legislative Instruments website (see section 3.2.2). *DIISR* is to confirm the eligibility of the *research partner*.

#### 4.1.3. **An applicant must provide evidence that the applicant's project is endorsed by the state or territory governments governing the jurisdictions in which it is proposed to be built.**

This requirement recognises the critical role that state and territory governments will play in facilitating and supporting *projects*. It is compulsory at each selection stage (i.e. once at the *Proposal* stage and then again at the *Full Application* stage) to obtain and provide a signed letter of endorsement

from the state or territory government governing the jurisdiction in which the proposed *project* is to be located.

*Applicants* are strongly encouraged to engage with relevant state and territory governments at an early stage. Relevant contacts for each state and territory government will be made available on the *Solar Flagship Program's* webpage at [www.ret.gov.au](http://www.ret.gov.au).

**4.1.4. An applicant must be a non-tax exempt company incorporated under the Corporations Act 2001, or a wholly or majority owned Commonwealth or state government body.**

As discussed in section 4.2 below, the *applicant* must be an Australian incorporated company or a *Commonwealth*, state or territory government body.

**4.1.5. An applicant must not be insolvent, bankrupt, in liquidation or under administration or receivership.**

*Applicants* can demonstrate that they meet this requirement by completing the Applicant Eligibility Criteria and the Declaration sections in the *Solar Flagships Program Proposal Form*.

**4.1.6. An applicant must be able to demonstrate access to, or right to the beneficial use of, any intellectual property necessary to carry out the project.**

*Applicants* must be able to confirm that they have ownership of, access to, or the beneficial use of, any intellectual property necessary to carry out their proposed *project*. This includes identifying and dealing with:

- a) any third party background intellectual property, and measures that will be put in place to ensure continuing access to it and to protect it;
- b) the impact any external ownership of background intellectual property will have on ownership of intellectual property expected to be created in the project;
- c) whatever measures may be needed to protect intellectual property created by the project; and
- d) any licensing arrangements required.

Where *Proposals* or *Full Applications* with significant third party interests are submitted, *applicants* should provide evidence that describes how they will apportion and manage intellectual property rights related to the *project*. Evidence could include, but is not limited to, patents, licences and relevant agreements.

**4.1.7. An applicant must be able to demonstrate that they have sought funding at a ratio of at least two dollars from private, state or territory government funding sources for every dollar of funding from the Solar Flagships Program and have exhausted private, state or territory government sources.**

The *Solar Flagships Program* aims to leverage at least two dollars from private, state or territory government sources for every dollar from the

*Commonwealth. Applicants must demonstrate at the Full Application stage that they have used their best endeavours to seek funding from private and state or territory government sources, to leverage project funding at a ratio of two dollars for every dollar of the funds provided through the Solar Flagships Program.*

**4.1.8. Applicants must not have had a judicial decision relating to employee entitlements made against it (not including decisions under appeal) and not have paid the claim.**

Where an *applicant* has had a judicial decision relating to employee entitlements made against them (not including decisions under appeal), it must have paid the claim to be eligible for funding through the *Solar Flagships Program*.

*Applicants* can demonstrate that they meet this requirement by completing the Applicant Eligibility Criteria and the Declaration sections in the *Solar Flagships Program Proposal Form*. See **Appendix A** for further details.

**4.1.9. Applicants must not have been named as an organisation that has not complied with the Equal Opportunity for Women in the Workplace Act 1999.**

*Applicants* can demonstrate that they meet this requirement by completing the Applicant Eligibility Criteria and the Declaration sections in the *Solar Flagships Program Proposal Form*. See **Appendix A** for further details.

## **4.2. Joint Projects**

*Applicants* may apply for funding to undertake a *project* in their own right, or along with other entities through an incorporated joint venture company. Unincorporated joint venture or consortium *Proposals* and *Full Applications* involving several entities are not acceptable. Where a *Proposal* or *Full Application* is lodged by an incorporated joint venture, the technical, financial and management capability merit assessments by the *Solar Flagships Council* will take into account information relating to the owners of the incorporated joint venture company.

An *applicant* may work with other businesses by subcontracting part of the *project*. Provided that the costs incurred by the successful *applicant* in doing so qualify as eligible expenditure, the *applicant* can receive *grant* monies to support these costs, irrespective of whether the subcontractor is an eligible entity or not. *Grantees* are responsible for the entire *project*, notwithstanding that they may have subcontracted a part of it.

Where a *project* relies significantly on more than one entity, the *applicant* should also furnish a letter of understanding or an agreement setting out:

- funding arrangements;
- governance provisions;
- proposed ownership of the *project* during its development, construction and operation; and
- disposition of intellectual property rights associated with the *project*.

This letter of understanding must also be compliant with and detail governance arrangements that meet the requirements for funding from *EIF*. The letter of understanding or agreement must be signed by all collaborating partners or significant subcontractors.

## 5. Project Eligibility

In addition to the *applicant Eligibility Criteria* listed previously, to be eligible for consideration for *Solar Flagships Program* funding, *projects* must also meet the *project Eligibility Criteria* detailed below. *Projects* that do not satisfy each of the *Eligibility Criteria* outlined below will be automatically excluded from consideration.

### 5.1. Project scale and development requirements

**5.1.1. A project must have a net solar electricity generation capacity of at least 150 MW;**

To achieve the *Solar Flagship Program's* aims of delivering large-scale solar power, a *project* must have a net solar generation capacity of at least 150MW to be eligible for funding in Round 1 of the *Solar Flagships Program*.

Above this minimum *applicants* are free to choose a *project* generation capacity that maximises its efficiency. As a guide, *projects* are expected to have a net solar generation capacity between 150 MW and 250 MW.

**5.1.2. A project must undertake project development in stages of no less than 30 MW of net electricity generation capacity;**

As there may be efficiencies in building *projects* over stages smaller than the total *project* size, *applicants* will be allowed to build plants in stages, however each stage must be at least 30 MW of net electricity generation capacity in size.

### 5.2. Project Technology

**5.2.1. A project must use an eligible solar technology, either photovoltaic or solar thermal:**

This recognises the *Solar Flagships Program's* solar technology focus.

**5.2.2. A project must provide evidence that the technology to be used in the project:**

- **has been demonstrated in operation at a scale of at least 30 MW generation capacity for 12 months; or**
- **is a replicable module that has been demonstrated in operation for at least 12 months and the applicant has proposed scale up plans that are supported by financial and construction firms.**

The date by which technologies must have been operating for 12 months has been set at 30 June 2010.

Technologies that are demonstrated at commercial scale are more likely to meet the objectives of the *Solar Flagships Program*. This is due to lower technical risk and increased likelihood of accessing the significant private financing that *projects* will require.

Solar technologies that are yet to be demonstrated at a 30 MW scale for at least 12 months will still be eligible to compete for *Solar Flagships Program* funding in Round 1, provided those *applicants* can demonstrate backing from financial institutions and construction firms for their scale-up plans.

This financial and construction firm backing is expected to be provided through contracts, guarantees and letters of support from financiers and construction firms, demonstrating that:

- a) financiers are willing to fund the technology at a scale of at least 150MW;
- b) the technology is sound at that scale;
- c) the project is technically feasible at that scale;
- d) the project can be constructed by 31 December 2015; and
- e) the project can be constructed for the costs estimated in *Proposals* and *Full Applications*.

**5.2.3. A project must use only solar energy or eligible supplementary energy sources, where those eligible supplementary energy sources are operated as an integrated part of a solar thermal project. A project must limit the output of electricity from eligible supplementary energy sources to 15 percent of the net electricity output from the plant;**

This criteria does not apply to *PV projects*.

*Applicants* with *solar thermal projects* may hybridise their *project's* output to increase its capability to provide firm supply and meet evening peaks, as well as to enable increased generation efficiency.

For the purposes of the *Solar Flagships Program*, hybridisation is considered to be the combination of solar-based thermal energy with thermal energy from *eligible supplementary energy sources*, such as gas or renewable energy sources, to provide a combined energy flow that drives a *project's* electricity generation.

For the hybridisation to be integrated, the solar energy and the *eligible supplementary energy sources* need to share major generation infrastructure, such as a common steam boiler and electricity generation power block.

It has been determined that the limit on the net electricity output from *eligible supplementary energy sources* will be assessed on an annualised basis.

The limit imposed on the output of electricity from *eligible supplementary energy sources* means that *applicants* should ensure that at least 85 percent of the electricity that the *project* provides to the electricity grid each year is based on energy from *solar thermal* sources.

The intent is that *Solar Flagships Program* funding is targeted to construct a power station primarily based on *solar thermal* energy which, at times in operation, is supplemented by generation based on *eligible supplementary energy sources*, up to the limit imposed.

In situations where *applicants* are considering co-locating *solar thermal projects* with other power stations solely using *eligible supplementary energy sources*, they should ensure that:

- a) the solar plant is clearly distinguishable from the plant using *eligible supplementary energy sources*; and
- b) the solar components of the project (as distinct from the shared components e.g. the steam turbine) are clearly identified in project budget details.

### 5.3. Project Location

#### **5.3.1. A project must be connected to either the National Electricity Market (NEM) or the South West Interconnected System (SWIS) by 31 December 2015;**

A key objective of the *Solar Flagships Program* is to demonstrate the operation of large-scale solar generation within a competitive electricity market. To provide useful information regarding market integration and operation of large-scale solar power, a *project* must, subject to this section, be connected to and operate in either of Australia's major electricity systems: the NEM or the SWIS.

*Applicants* may wish to site *projects* at locations that do not yet have a connection to the NEM or the SWIS. A *project* will still be eligible to be considered for *Solar Flagships Program* funding if the *applicant* can provide evidence to demonstrate that the *project* will connect to a proposed transmission line to be connected to the NEM or SWIS that:

- a) could support the load that is proposed for the particular *project*, and
- b) would be operational by 31 December 2015.

#### **5.3.2. A project must be located on a single site, if it is a proposal using a solar thermal technology. A project must be located on no more than five sites, each of which would be connected to the same electricity grid, if it is a proposal using a photovoltaic technology;**

The requirement to allow a single *PV project* to locate across up to five sites reflects *PV*'s modular nature and different requirements and applications compared to *solar thermal* technologies. Industry advice suggests that *PV* can be scaled to a variety of different sizes, however, it is not currently able to be hybridised or inexpensively combined with energy storage at scale to provide dependable power. Locating across smaller capacity sites significantly increases the number of locations in the network where *PV* can optimise good solar exposure without causing significant network impacts.

Developing smaller *PV* sites also reflects advice that *PV* is most efficiently sized at scales smaller than those expected for a complete *project*.

Conversely advice indicates that *solar thermal* technologies are well suited to implementation at a single site, removing the need for *solar thermal projects* to be spread across sites.

## **Project timings**

### **5.3.3. *Projects must be scheduled to complete construction and commissioning of the plant by 31 December 2015.***

It is considered important that *projects* are delivered in a timely manner. At the latest, *projects* must be scheduled to complete construction and commissioning by the end of 2015. *Projects* that are not expected to have completed these steps by then should consider applying for Round 2.

## **5.4. Market interaction**

### **5.4.1. *Projects must include an off-take agreement between the project proponent and a market participant, either contractually or through ownership of the project,***

An off-take agreement is an agreement between the *applicant* and a purchaser of that *applicant's project* outputs. The agreement specifies the terms and conditions of the purchase, such as the price and quantity.

An example in the National Energy Market could be a derivative contract with at least one electricity retailer, or ownership of the *project* by a company with retail assets.

To ensure the revenues estimated by *applicants* are achievable, *applicants* must have commercial off-take agreements for their *projects*. Noting contractual off-take agreements may be difficult to obtain in the project selection timeframes, *applicants* should detail their plans to obtain an off-take agreement at the *Proposal* stage and at the *Full Application* stage, provide at least a letter of intent from an electricity retailer, detailing their intentions to enter into an off-take agreement with the *applicant*.

## 6. Merit Criteria

This section aims to assist *applicants* to prepare their *Proposals* and *Full Applications* to address each of the individual *Merit Criteria*.

*Applicants' Proposals* and *short-listed applicants' Full Applications* will be assessed against the *Merit Criteria* by the *Solar Flagships Council*. *Applicants* should note that in evaluating *Proposals* and *Full Applications* against each of the *Merit Criteria*, the *Solar Flagships Council* will consider the entirety of the *Proposal* or *Full Application* and will include an assessment of risk in relation to each *Merit Criteria*.

The *Solar Flagships Council* is to assign weighting to each of the *Merit Criteria*. To provide *applicants* with an indication of the relative importance of each *Merit Criterion*, the criteria have been labelled in brackets after each criterion as either "critical" or "important". This is based on how each of the criteria contributes to the *Solar Flagship Program's* objectives, in particular the primary objective.

*Projects* that score below a threshold, as determined by the *Solar Flagships Council*, for one or more of the *Merit Criteria* marked "critical" or in regards to criteria 6.1.8 and 6.1.10 (applicant technical, and management capabilities) may be excluded from further evaluation, at the discretion of the *Minister* or his delegate.

Where the cost and revenue estimates or the amount of funding sought from the *Solar Flagships Program* for a *short-listed project* materially changes between the *Proposal* and *Full Application* stages, the *Solar Flagships Council* may penalise the merit assessment of a *project*, depending on the reasons for the change in estimates and how it affects the competitiveness of that *project* in the selection process.

In making this assessment, the *Solar Flagships Council* will consider the impacts of interest rate and currency exchange rate variations

Whether a change is "material" for the purposes of the above paragraph will be determined at the absolute discretion of the *Solar Flagships Council* and the *Department*.

The scores from the assessment of each *project* against the *Merit Criteria*, including the level of risk associated with the *project* and the funding sought from the *Solar Flagships Program*, will be taken into account in determining the *applicants* whose *projects* represent best overall value for money in accordance with the objectives of the *Solar Flagships Program*.

### 6.1. Solar Flagships Program Merit Criteria

Eligible *Proposals* and *Full Applications* will be assessed for value for money against the following *Merit Criteria*.

#### 6.1.1. **The funding sought from the Solar Flagships Program for the project, compared with the expected electricity output of the plant, excluding output from energy sources other than solar energy. (Critical)**

This criterion assesses the amount of value delivered by *Commonwealth* funding, measured in terms of the expected solar electricity output of a *project*, for every dollar of funding provided by the *Solar Flagships Program*.

This criterion gives merit to proposed *projects* that are cost efficient with high solar electricity output for a given *project* capacity.

This requirement will be assessed by a method to be determined by the *Solar Flagships Council* from a *project's* indicative and final budgets.

**6.1.2. *The funding sought from the Solar Flagships Program for the project, compared with the funding being contributed to the project by the applicant and other sources, including state and territory governments. (Critical)***

This criterion rewards those *projects* that are able to obtain a greater share of external funds.

This requirement will be assessed by the *Solar Flagships Council* based on a *project's* indicative and final budgets.

**6.1.3. *Commercial viability of the project including the cost of the project compared with the expected electricity output of the plant from solar energy and eligible supplementary energy sources, noting that eligible supplementary energy sources may contribute no more than 15 percent of the net electricity output from the plant. (Critical)***

This criteria focuses upon a *project's* ability to operate on a commercial basis within a competitive electricity market.

An assessment against this criteria will consider the standalone economics of a *project* in terms of its expected total costs against its expected total revenues and cash flow. This requirement will be assessed by the *Solar Flagships Council* based on a *project's* indicative and final budgets.

For *solar thermal projects*, this assessment will include revenues earned from use in electricity generation, up to allowed limits, of *eligible supplementary energy sources*, rewarding *applicants* who innovatively combine *eligible supplementary energy sources* with solar power to maximise their *project's* revenue.

It is important to note the *project* budget will form the basis of performance agreements to be included in a successful *applicant's Deed*.

**6.1.4. *The risk associated with the project including:***

- 6.1.4.1. *the technical risk of scale up of the technology to be used in the project;***
- 6.1.4.2. *the implementation risk associated with the capability of the applicant to deliver the proposed plant to specification at the proposed location and within the time proposed;***
- 6.1.4.3. *the risk associated with the ability of the proposed plant to operate at the planned specifications over the life of the project;***

- 6.1.4.4. the risk associated with the ability of the proposed plant to operate within the range forecast in the financial plan for the project; and**
- 6.1.4.5. the risks that the project will be able to secure finance to deliver the project. (all risk assessments are of Critical importance)**

All material provided by *applicants* will be used in an assessment of *project* risk by the *Solar Flagships Council*. The assessment of risk in respect of each *project* may, without limitation, also take into account:

- a) risks identified from sources other than the *applicant*;
- b) risks identified as part of conducting the overall risk assessment; and
- c) other risks identified during the evaluation of each project.

*Projects* that have a higher likelihood of successful completion and operation will score higher against this criterion.

Financial risk assessments will evaluate the likelihood that a *project* will operate within the range of costs and revenues forecast by the *applicant*, as well as the likelihood that the *project* will be able to secure debt and equity finance. In this regard off-take agreements with a reputable entity would provide evidence to demonstrate that the *applicant* can attain the revenues anticipated in *project* budget forecasts, and a longer term off-take agreement will be regarded as being more meritorious than a short term agreement.

Technical risk assessments will consider whether a *project* has provided sufficient evidence to assess whether the technology will operate at the specifications indicated throughout the life of the *project*. *Applicants* should provide evidence to support any claims, such as supplier guarantees, *project* diagrams, detailed calculations and details of any assumptions. For example, this evidence could include:

- d) for *PV projects*: detailed information on the expected decay of their *PV* panels (e.g. expected decay functions) which are supported by supplier guarantees from the technology provider; and
- e) For *solar thermal projects*: detailed information on the expected efficiency of the operation of any hybridised generation, such that these specifications could be technically audited during the assessment process.

Where *projects* are deemed by the *Solar Flagships Council* as presenting unacceptable levels of risk to the *Commonwealth*, the *Minister* or his delegate may choose to exclude a *project* from further consideration, despite the *project* and *applicant* meeting the *Eligibility Criteria*.

- 6.1.5. Inclusion of energy storage as an element in the project, with projects including some significant use of storage having higher merit. (Important)**

The Australian Government considers that the demonstration of energy storage in a commercial context will provide important information for the solar power industry, as well as assisting the development of energy storage technologies.

Merit will be awarded to *projects* that include some energy storage capability, with higher merit for those *projects* that can demonstrate the storage has significant useful purpose. For example, a *project* might target the amount and use of energy storage towards smoothing intermittency from passing cloud cover, meeting network peaks, storage related research (e.g. intelligent combination of storage and energy forecasting or innovative storage design) or to provide support to the surrounding network.

In considering the inclusion and use of energy storage, *applicants* should note that the commercial viability of *projects* is of greater importance than the inclusion of energy storage in assessment of a *project's* merit.

Merit may be demonstrated by:

- a) the inclusion of energy storage in the *project* plan, design specifications and budget; and
- b) documentary evidence demonstrating the significant use of the energy storage included.

**6.1.6. Inclusion of Australian industry participation, including participation by small and medium size enterprises, with such participation indicating higher merit. (Important)**

Merit will be awarded to *projects* that include a greater portion of Australian industry participation, including small and medium sized enterprises, throughout the *project* value chain.

Merit may be demonstrated by:

- a) providing a clear and comprehensive Australian industry engagement strategy, outlining how the *applicant* plans to:
  - (i) maximise Australian industry involvement in the *project*;
  - (ii) expand real and sustainable employment opportunities in the Australian solar industry;
  - (iii) increase export and uptake of Australian renewable energy technology, including by way of licensing of technology IP;
- b) documentary evidence of agreements with suppliers and subcontractors to provide Australian sourced *project* goods and services; and
- c) demonstration of innovative or optimised business models and processes for the deployment of large scale solar in Australia.

The Australian industry participation activities proposed may be included as required activities in the terms and conditions of the successful *applicant's* Deed.

**6.1.7. The opportunities the project may create for regional development with such participation indicating higher merit. (Important)**

Locating *projects* in regional areas is a demonstration of merit, where these *projects* may create opportunities to support regional development.

Merit may also be demonstrated by:

- a) sourcing supplies of *project* goods and services from businesses in regional areas; or
- b) demonstrating an increase in regional employment opportunities.

The *applicant's* proposed activities to create opportunities for regional Australia may be included as required activities in the terms and conditions of a successful *applicant's Deed*.

**6.1.8. Management capability of the applicant, with applicants assessed to have greater capacity to manage the development of a major infrastructure project having higher merit. (Important)**

Merit may be demonstrated by:

- a) providing evidence of an appropriate level of expertise in:
  - (i) *project* management, with particular regard to the scale of the proposed *project*; and
  - (ii) business management, including in human resources and financial management;
- b) providing evidence of management of a core business that is directly relevant to the *project*; and
- c) providing a detailed *project* business plan that includes:
  - (i) a risk management plan;
  - (ii) a *project* management plan, with particular regard to the scale of the proposed project;
  - (iii) acknowledgement of relevant state and territory and network approval processes, a high degree of certainty that these will be satisfied and evidence of state and territory government endorsement; and
  - (iv) a post *project* plan for the ongoing plant operation, maintenance and eventual plant closure.

**6.1.9. Financial capacity of the applicant and the proposed supporting consortium including the ability of the applicant to fund the costs of the project as they fall due. (Critical)**

The purpose of this criterion is to ensure that *applicants* have the financial capacity to successfully raise and manage the significant levels of investment required for successful *projects*.

Merit may be demonstrated by the *applicant* by providing as much detail and evidence of its financial capacity and its ability to fund the project at each selection stage as possible.

Noting the time required to source and confirm *project* funding, at the *Proposal* stage *applicants* should at least indicate the likely source(s) of

funding available to finance the *project* and the structure of any proposed financing arrangements, including:

- a) The extent, if any, to which the *project* will be financed by third parties and in what form (including details of the types and levels of debt, equity and hybrid financing and names of banks or institutions supporting the offer).

By the *Full Application* stage *applicants* should provide a detailed financial capability statement and financial requirements plan, linked to the detailed *project* budget. These details could include:

- b) evidence that the required funding is in hand, has been committed by external funding sources, or is expected to be available to meet the costs of the *project* not met by *Solar Flagships Program* funding as they fall due;
- c) details of all projected cash flows into and out of the *project*, including key operational and financial assumptions and comfort that these projections are reasonable;
- d) the structure and form of financing arrangements, including details of the types and levels of debt, equity and hybrid financing and the names of banks or institutions supporting financing arrangements;
- e) The state of negotiations on and the key commercial terms of any major *project* financial agreements, such as its:
  - (i) power purchase agreement;
  - (ii) construction agreement;
  - (iii) technology supply agreement;
  - (iv) land access/ownership agreement.
- f) financial viability including evidence that the *applicant* has a positive cash flow (where the *applicant* is a recently established joint venture or special purpose vehicle, the financial viability of the members of the joint venture or parent company); and
- g) financial stability or growth of the *applicant* and any significant third parties over the last three years.

Documentary evidence can be provided in the form of long term off-take agreements, joint venture agreements, letters of intent, loan documents, or directors' guarantees.

*Applicants* do not need to demonstrate that the full amount of funding required to develop the *project* is in hand at the time of submitting a *Proposal* or *Full Application*. However an *applicant* should be able to show where it expects to source funding to meet the costs of the *project* not met by the *Solar Flagships Program* funds as they fall due.

After submitting a *Full Application*, a *grant offer* may be made to an *applicant* that is still to finalise financial commitments to fund the project. *Applicants* will need to finalise financial commitments as a condition precedent to the *Deed* coming into effect.

**6.1.10. Technical strength of the project and the technical capability and resources available to the applicant and the proposed supporting consortium. (Important)**

*Applicants* will be assessed on their technical capability and the technical merits of their *projects*, including the ease with which their *projects* can be integrated into an Australian electricity market.

Merit may be demonstrated by the *applicant* submitting a technical capability statement that:

- a) provides evidence of the extent to which the technology is technically demonstrated, and capable of being integrated into the electricity network at that site, within the scope of *project* costs; and
- b) demonstrates the *applicant* and any supporting consortium's technical capacity to undertake the *project*, including:
  - (i) adequate infrastructure, facilities and equipment available to meet the short and long term requirements of the *project*;
  - (ii) appropriately skilled technical staff or sub-contractors;
  - (iii) a well articulated *project* plan, including methodologies and milestones linked to a feasible timeframe; and
  - (iv) a strong track record in project development.

**6.1.11. The potential of the project to build and retain local, and attract international solar energy expertise to Australia and increase Australia's share of the global market for solar energy technologies. (Important)**

This criterion considers the potential of a *project* to achieve the *Solar Flagships Program's* objective of furthering the development of the Australian solar industry and providing the foundation for large-scale, grid connected, solar power in Australia.

The merit assessment will consider:

- a) the potential of the *project* to provide benefits for industry development, which may include diffusion of knowledge and skills, diffusion of new products and services, and increased collaboration between businesses and research institutions;
- b) whether the *applicant* clearly outlines a model to drive solar technology cost competitiveness in Australia through scale, innovation in implementation or other credible means; and
- c) improvements in reliability of supply and the ability to integrate and manage the effect of the *project's* intermittent energy source in the surrounding electricity network.

**6.1.12. Degree of acceptance by the applicant of the terms and conditions of the Deed. (Important)**

A copy of the proposed *Deed* is available on the *Solar Flagships Program* webpage at [www.ret.gov.au](http://www.ret.gov.au). This draft *Deed* is made available to provide *applicants* with an opportunity to understand and respond to the terms and conditions under which the *Commonwealth* intends to provide *Solar Flagships Program* funding support. The *Commonwealth* reserves the right to amend the draft *Deed*.

The *Deed* is separate from the *Feasibility and Design Studies Funding Deed*, which *applicants* must accept the terms and conditions of to receive funding.

At the *Proposal* stage, *applicants* are expected to provide a broad statement regarding their degree of compliance with the draft *Deed*. This will be in the form of a statement by *applicants* that they have read and understood the general conditions upon which support is provided.

At the *Full Application* stage, *applicants* will be required to review the draft *Deed* and provide full details of whether they are able to comply with each of the terms and conditions contained in the draft *Deed*. Where an *applicant* indicates non-compliance a detailed explanation as to why is required. Full compliance is the preferred position.

The *Department* will consider an *applicant's* proposed draft *Deed* amendments but is not required to agree with any amendments sought by the *applicant*. Where proposed amendments are deemed to present unacceptable levels of risk to the *Commonwealth*, the *Department* may refuse to consider those proposed amendments.

To allow for comparison of *project* bids, *project* budgets, including cost and revenue estimates in *Proposals* and *Full Applications* must be developed on the basis that funding is to be provided to the *applicant* under the terms and conditions of the original draft *Deed*.

Where *applicants* are seeking to deviate from the draft *Deed's* terms and conditions, these areas of non-compliance may be factored into the risk assessment of a *project*.

## 7. Preparing to Apply

### 7.1. Expected Information

To be eligible to participate in the *Solar Flagships Program*, *applicants* will need to provide the evidence and information requested in the Conditions for Participation and *project Eligibility Criteria* sections of this document.

Further to this, *applicants* will also need to provide evidence to demonstrate their *project's* competitiveness against the *Merit Criteria*, as outlined in the previous section.

The documentation expected to be provided by an *applicant* in the *Full Application* stage will be consistent with, but more concrete and detailed than the documentation to be provided in the *Proposal* stage. At both stages, *applicants* must complete the *Solar Flagships Program Proposal Form*.

To assist *applicants*, some guidance is provided in this section on the minimum level of information that should be provided at each stage and the type of documentation expected from *applicants*. *Applicants* should provide as much evidence and detail as they can to support their *projects* at each selection stage. Please note this information is not exhaustive and an *applicant* is free to provide any information it considers will demonstrate its eligibility for and competitiveness within the *Solar Flagships Program*.

The level of information expected is outlined in the table in section 7.1.1 on the next page and guidance on expected documentation is detailed in section 7.1.2.

### 7.1.1. Supporting information

A table providing indicative guidance to *applicants* on the minimum level of information expected at each stage of the selection process is outlined below.

**Table 1: Stage 1 and 2 Expected Information Guide**

Category	Stage One: <i>Proposal</i>	Stage Two: <i>Full Application</i>
<i>Applicant</i> and Consortia	<p><i>Applicants</i> should provide an indication of key partners, responsibilities, governance arrangements and relationships between all parties:</p> <ul style="list-style-type: none"> <li>• Consortium structure should outline members and identify proposed member roles including:               <ul style="list-style-type: none"> <li>○ <i>applicant</i> (lead member)</li> <li>○ technology partner</li> <li>○ <i>project</i> developer (s)</li> <li>○ proposed construction firm(s)</li> <li>○ proposed market participant(s)</li> <li>○ proposed <i>EIF</i> eligible <i>research partner</i></li> <li>○ proposed key suppliers</li> <li>○ equity and debt providers</li> </ul> </li> <li>• Evidence should demonstrate:               <ul style="list-style-type: none"> <li>○ relevant experience</li> <li>○ business and financial information, including technical management and financial capacity</li> <li>○ a indicative governance plan, outlining the proposed design, operation, responsibilities and accountabilities of the consortium.</li> <li>○ Intended supply contracts and guarantees</li> </ul> </li> </ul>	<p><i>Applicants</i> should provide full details of key partners, responsibilities, governance arrangements and relationships between all parties:</p> <ul style="list-style-type: none"> <li>• Consortium structure should outline members and identify member roles including:               <ul style="list-style-type: none"> <li>○ <i>applicant</i> (lead member)</li> <li>○ technology partner</li> <li>○ <i>project</i> developer (s)</li> <li>○ construction firm(s)</li> <li>○ market participant(s)</li> <li>○ <i>EIF</i> eligible <i>research partner</i></li> <li>○ key suppliers</li> <li>○ equity and debt providers</li> </ul> </li> <li>• Evidence should demonstrate:               <ul style="list-style-type: none"> <li>○ relevant experience</li> <li>○ business and financial information, including technical, management and financial capacity</li> <li>○ a governance plan, providing detailed information on the design, operation, responsibilities and accountabilities of the consortium.</li> <li>○ details of any funding agreements within the consortium</li> <li>○ confirmed supply contracts and guarantees</li> </ul> </li> </ul>

Category	Stage One: <i>Proposal</i>	Stage Two: <i>Full Application</i>
Project Design	<p><i>Applicants</i> should provide an indicative overview of the <i>project's</i> design, including:</p> <ul style="list-style-type: none"> <li>• Proposed technology, e.g. <ul style="list-style-type: none"> <li>○ <i>solar thermal</i> or <i>PV</i></li> <li>○ technology type e.g. thin film, trough, poly silicone</li> <li>○ plans for operation of storage or hybridisation (if any)</li> <li>○ proposed cooling technology (for <i>solar thermal</i>)</li> <li>○ any innovations to be made to the existing design</li> </ul> </li> <li>• Proposed plant size and structure, e.g. <ul style="list-style-type: none"> <li>○ solar field</li> <li>○ generation capacity</li> <li>○ development stages</li> <li>○ any integration with other infrastructure</li> </ul> </li> <li>• expected operational parameters, e.g. <ul style="list-style-type: none"> <li>○ capacity factor</li> <li>○ output</li> <li>○ use of resources (land, gas, water)</li> <li>○ expected capacity deterioration</li> <li>○ plant availability/outage</li> </ul> </li> <li>• The source of plant and balance of plant components</li> <li>• An indicative <i>project</i> timeline scheduling <i>project</i> commissioning by 31 December 2015, covering: <ul style="list-style-type: none"> <li>○ engineering</li> <li>○ procurement</li> <li>○ construction</li> <li>○ the commissioning schedule</li> <li>○ grid connection</li> </ul> </li> <li>• if greater than 30 MW, evidence including detailed plant designs and specifications, demonstrating the underpinning technology has been demonstrated overseas.</li> <li>• If using a replicable module under 30 MW in size, proof of construction firm backing for proposed technology scale up plans</li> <li>• Evidence of ownership of, or access to, intellectual property required to undertake the <i>project</i></li> </ul>	<p><i>Applicants</i> should provide detailed <i>project feasibility and design studies</i>, any engineering specifications (including all calculations and underlying assumptions) for the plant outlining:</p> <ul style="list-style-type: none"> <li>• Technology use, e.g. <ul style="list-style-type: none"> <li>○ <i>solar thermal</i> or <i>PV</i></li> <li>○ technology type e.g. thin film, trough, poly silicone</li> <li>○ operation of any storage or hybridisation (if any)</li> <li>○ cooling technology (for <i>solar thermal</i>)</li> </ul> </li> <li>• Plant size and structure, e.g. <ul style="list-style-type: none"> <li>○ solar field</li> <li>○ generation capacity</li> <li>○ development stages</li> <li>○ any integration with other infrastructure</li> </ul> </li> <li>• Forecast operational parameters , e.g. <ul style="list-style-type: none"> <li>○ capacity factor</li> <li>○ output</li> <li>○ use of resources (land, gas, water)</li> <li>○ expected capacity deterioration</li> <li>○ plant availability/outage</li> </ul> </li> <li>• The source of plant and balance of plant components</li> <li>• A detailed project timeline scheduling <i>project</i> commissioning by 31 December 2015, with analysis of risks and contingencies, covering: <ul style="list-style-type: none"> <li>○ engineering</li> <li>○ procurement</li> <li>○ construction</li> <li>○ the commissioning schedule</li> <li>○ grid connection</li> </ul> </li> <li>• if greater than 30 MW, evidence including detailed plant designs and specifications, demonstrating the underpinning technology has been demonstrated overseas.</li> <li>• If using a replicable module under 30 MW in size, proof of construction firm backing for proposed technology scale up plans.</li> <li>• Evidence of ownership of, or access to, intellectual property required to undertake the <i>project</i></li> </ul>

Category	Stage One: <i>Proposal</i>	Stage Two: <i>Full Application</i>
Location	<p><i>Applicants</i> should provide details of:</p> <ul style="list-style-type: none"> <li>• Proposed <i>project</i> locations or regions</li> <li>• Evidence demonstrating no foreseeable obstructions to owning/using required land</li> <li>• Estimated site solar resource</li> <li>• For <i>solar thermal projects</i>, access to supporting resources such as cooling water or gas.</li> <li>• Plans of how the site choice will be finalised</li> </ul>	<p><i>Applicants</i> should provide details of:</p> <ul style="list-style-type: none"> <li>• Confirmed locations for their <i>projects</i></li> <li>• Evidence of access to or ownership of required land for <i>project</i> duration</li> <li>• Evidence of access to supporting resources (water, gas etc...) for <i>project</i> duration</li> <li>• At least 4 months of data confirming site solar resource</li> </ul>
Grid connection	<p><i>Applicants</i> should provide:</p> <ul style="list-style-type: none"> <li>• information that supports that the <i>project</i> will be connected to the NEM or the SWIS by 31 December 2015</li> <li>• Plans for addressing grid connection issues <ul style="list-style-type: none"> <li>○ Preliminary plan for transmission connection, including the proposed location, the connection point on the transmission/distribution network and commissioning date.</li> <li>○ Basic grid compatibility specifications</li> </ul> </li> </ul>	<p><i>Applicants</i> should provide details and plans regarding the following:</p> <ul style="list-style-type: none"> <li>• A completed corridor selection study</li> <li>• A plan for detailed network connection analysis</li> <li>• A response to an initial grid connection enquiry</li> <li>• Evidence that a grid connection application study is underway, including (for the NEM) a set of proposed generator performance standards as required under the National Electricity Rules</li> <li>• A plan for negotiations with network service providers</li> <li>• A detailed timeline of planned grid connection activities</li> <li>• A detailed model of the generation plant to be connected</li> </ul>
Regulatory Approvals	<p><i>Applicants</i> should provide details of:</p> <ul style="list-style-type: none"> <li>• A list of approvals and authorisations required for the project, and their status at the time of <i>Proposal</i> submission</li> <li>• A plan describing how relevant regulatory processes are to be finalised</li> </ul>	<p><i>Applicants</i> should provide details of:</p> <ul style="list-style-type: none"> <li>• A plan describing how relevant regulatory processes are to be finalised</li> <li>• A detailed timeline of required approval and licensing activities.</li> <li>• details of site environment impact analysis work to <i>Full Application</i> closing date</li> </ul>

Category	Stage One: <i>Proposal</i>	Stage Two: <i>Full Application</i>
Financing	<p><i>Applicants</i> should provide details of:</p> <ul style="list-style-type: none"> <li>• Indicative financing requirements and details of key financial assumptions on which the project is formulated</li> <li>• If using a replicable module under 30 MW in size, proof of financial firm backing for proposed scale up plans</li> <li>• Indicative sources of financing and leverage, including: <ul style="list-style-type: none"> <li>○ Whether on/off balance sheet</li> <li>○ Ratios of debt, <i>project</i> finance and equity</li> <li>○ Sources of finance, and expected financing costs</li> <li>○ Other forms of support (e.g. state and territory governments) and funding conditions.</li> </ul> </li> <li>• Indicative support from debt financiers</li> </ul>	<p><i>Applicants</i> should provide detailed documentary evidence (letters of intent, guarantees, signed agreements) demonstrating:</p> <ul style="list-style-type: none"> <li>• Final financing requirements</li> <li>• If using a replicable module under 30 MW in size, proof of financial firm backing for proposed scale up plans</li> <li>• the structure of financing arrangements for the project</li> <li>• the state of negotiations on and the key commercial terms of any major financial agreements</li> <li>• Final sources of financing and leverage, including: <ul style="list-style-type: none"> <li>○ Debt on/off balance sheet</li> <li>○ Ratios of debt, <i>project</i> finance and equity</li> <li>○ Sources of finance, and financing costs</li> <li>○ Other forms of support (e.g. state and territory governments) and funding conditions.</li> <li>○ Agreements with debt financiers</li> </ul> </li> </ul>
Off-take agreement	<p><i>Applicants</i> should provide:</p> <ul style="list-style-type: none"> <li>• Plans to obtain a commercial off-take agreement</li> </ul>	<p><i>Applicants</i> are required to provide:</p> <ul style="list-style-type: none"> <li>• A commercial off-take agreement either contractually or through ownership, for as long a period as attainable.</li> </ul>
Project Cash Flows	<p><i>Applicants</i> should provide:</p> <ul style="list-style-type: none"> <li>• Indicative CAPEX requirements, for the components of each replicable module within each project stage <ul style="list-style-type: none"> <li>○ These should indicate any assumptions about cost reductions over time (due to experience, scale etc)</li> </ul> </li> <li>• Indicative OPEX costs, for the components of each replicable module within each project stage</li> <li>• Indicative revenues</li> <li>• Indicative timings of costs and revenues</li> <li>• Details should include all assumptions and calculations and indicate sensitivity to external factors (eg CPRS, currency value, etc)</li> </ul>	<p><i>Applicants</i> should provide detailed documentary evidence of:</p> <ul style="list-style-type: none"> <li>• CAPEX requirements, for the components of each replicable module within each project stage <ul style="list-style-type: none"> <li>○ These should indicate any assumptions about cost reductions over time (due to experience, scale etc)</li> </ul> </li> <li>• OPEX costs, for the components of each replicable module within each project stage</li> <li>• Forecast <i>project</i> revenues</li> <li>• Timings of costs and revenues</li> <li>• Details should include all assumptions and calculations and indicate sensitivity to external factors (eg CPRS, currency value, etc)</li> </ul>

Category	Stage One: <i>Proposal</i>	Stage Two: <i>Full Application</i>
Risk analysis	<p><i>Applicants</i> should provide details of:</p> <ul style="list-style-type: none"> <li>• Their preliminary risk analysis and mitigation approach, highlighting key risks and uncertainties, including: <ul style="list-style-type: none"> <li>○ delivery and delivery timing risks</li> <li>○ risks to operating performance</li> <li>○ economic risks</li> </ul> </li> </ul>	<p><i>Applicants</i> should provide details of:</p> <ul style="list-style-type: none"> <li>• Their risk analysis and mitigation approach, highlighting key risks and uncertainties, including: <ul style="list-style-type: none"> <li>○ delivery and delivery timing risks</li> <li>○ risks to operating performance</li> <li>○ economic risks</li> </ul> </li> </ul>
<i>EIF</i> Proposal	<p>At a minimum, <i>applicants</i> should provide details of:</p> <ul style="list-style-type: none"> <li>• their proposed <i>EIF</i> eligible <i>research partner</i> or, if appropriate, a description of the proposed research partnership which identifies the <i>EIF</i>-eligible research organisation that will lead the partnership;</li> <li>• the existing or proposed nature of the legal and commercial relationship with the research institution or research partnership;</li> <li>• the role of the research institution in the project; and</li> <li>• the nature and purpose of the proposed research infrastructure.</li> </ul>	<p>The <i>research partner</i> of an <i>applicant</i> should provide:</p> <ul style="list-style-type: none"> <li>• A full <i>Solar Flagships Program – Research Infrastructure Component Application Form</i> (to be assessed by the <i>EIF Advisory Board</i>)</li> </ul>
Industry engagement & regional development	<p><i>Applicants</i> should provide details of:</p> <ul style="list-style-type: none"> <li>• A preliminary Australian industry engagement strategy, outlining: <ul style="list-style-type: none"> <li>○ An indicative pathway to engage and develop the Australian solar industry</li> <li>○ Proposed ideas to increase Australian skills &amp; expertise in solar power</li> <li>○ proposed methods to increase Australian large scale solar knowhow and knowledge</li> <li>○ proposed methods to share project technical and economic knowledge</li> </ul> </li> <li>• This strategy should detail impacts for regional industry development, where relevant</li> </ul>	<p><i>Applicants</i> should provide details of:</p> <ul style="list-style-type: none"> <li>• A final Australian industry engagement strategy, outlining: <ul style="list-style-type: none"> <li>○ A proposed pathway and activities to engage and develop the Australian solar industry</li> <li>○ Activities to increase Australian skills &amp; expertise in solar power</li> <li>○ proposed methods to increase Australian large scale solar knowhow and knowledge</li> <li>○ proposed methods to share project technical and economic knowledge</li> </ul> </li> <li>• This strategy should detail impacts for regional industry development, where relevant</li> </ul>
<i>Funding Deed</i>	<p><i>Applicants</i> should provide:</p> <ul style="list-style-type: none"> <li>• a broad statement indicating their expected degree of compliance with the draft <i>Deed</i>.</li> <li>• Indicative level of <i>Commonwealth</i> support to be requested</li> <li>• Indicative timing of proposed milestones and linked <i>grant</i> payments</li> </ul>	<p><i>Applicants</i> are required to:</p> <ul style="list-style-type: none"> <li>• review each clause of the draft <i>Deed</i> and provide an indication whether they are either willing to comply with that clause or how and why they wish to deviate from that proposed clause.</li> </ul> <p><i>Applicants</i> should confirm and provide detailed reasoning for:</p> <ul style="list-style-type: none"> <li>• The level of <i>Commonwealth</i> support requested</li> <li>• The timing of proposed milestones and linked <i>grant</i> payments</li> </ul>

Category	Stage One: <i>Proposal</i>	Stage Two: <i>Full Application</i>
State/Territory Government endorsement	<p><i>Applicants</i> are required to provide:</p> <ul style="list-style-type: none"> <li>• A letter of endorsement from the relevant state or territory governments governing the jurisdictions where <i>projects</i> are proposed to be located.</li> </ul>	<p><i>Applicants</i> are required to provide:</p> <ul style="list-style-type: none"> <li>• A letter reconfirming endorsement from the relevant state or territory governments governing the jurisdictions where <i>projects</i> are proposed to be located.</li> </ul>

### 7.1.2. Project Documentation

To assist *applicants* to provide information and evidence to support their *Proposals* and *Full Applications*, this section provides a summary of the documents and evidence suggested or required in sections 4, 5 and 6 of this document. This includes, but is not limited to:

- a) a substantially completed *Solar Flagships Program Proposal Form* for each of the *Proposal* and *Full Application* stages;
- b) a *project* business plan, consisting of:
  - (i) a *project* description;
  - (ii) *project Feasibility and Design Studies* approach and milestones;
  - (iii) a *project* budget and financial requirements plan;
  - (iv) *project* governance arrangements;
  - (v) detailed *project* schedule;
  - (vi) a *project* regulatory approvals plan; and
  - (vii) a post *project* plan for the ongoing plant operation, maintenance and eventual plant closure;
- c) evidence to support *project* claims, including:
  - (i) supplier guarantees;
  - (ii) construction contracts, with penalty clauses;
  - (iii) details required to audit the *project* specifications, including details of *project* calculations and assumptions;
  - (iv) evidence to demonstrate the use of energy storage is significant in nature;
  - (v) evidence of regional employment opportunities and benefits to regional Australia;
  - (vi) evidence that *project* business models are optimised for the deployment of large scale solar in Australia;
  - (vii) letters of endorsement from the relevant state/territory government (this is mandatory at both the *Proposal* and *Full Application* stages); and
  - (viii) a signed off-take agreement (this is mandatory at the *Full Application* stage);
- d) evidence to support *applicant* claims, including:
  - (i) a Technical Capability Statement, demonstrating relevant *applicant* experience and capability;
  - (ii) a Financial Capability Statement, demonstrating relevant *applicant* experience and capability;
  - (iii) a Management Capability Statement, demonstrating relevant *applicant* experience and capability; and
  - (iv) an Australian Industry Participation Plan demonstrating contribution to the *project* by Australian industry, including small and medium size Australian enterprises;
- e) details regarding compliance with the draft *Deed*, on a clause by clause basis (this is mandatory at the *Full Application* stage); and
- f) a *Solar Flagships Program Research Infrastructure Component Application Form* completed by an *applicant's* research partner (this is mandatory at the *Full Application* stage).

## **7.2. Proposal preparation**

### **7.2.1. Queries and Questions**

As an initial step any queries *applicants* may have regarding their *Proposals* or *Full Applications*, including questions in relation to the research infrastructure component and the *EIF*, should be directed to the *Solar Flagships Program* email address at: solar.flagships@ret.gov.au.

The *Solar Flagships Program* team will endeavour to promptly respond to *applicant's* queries and may choose to publish *applicant's* questions and answers for the benefit of other *applicants*, without disclosing the source of any questions, or revealing confidential information.

The *Department* will not be obliged to respond to any queries received less than seven calendar days prior to the closing date for submission of a *Proposal* or a *Full Application*.

Please note that only information communicated to *applicants* from the *Solar Flagships Program* email address or posted on the *Solar Flagships Program* webpage will be considered definitive for the purposes of communication with *applicants*.

### **7.2.2. Applicant Workshops**

The *Department* may arrange one or more workshops for *applicants* to provide information on developing *Proposals* and *Full Applications* and the selection process.

The times and places of these workshops will be advised on the *Solar Flagships Program* webpage at [www.ret.gov.au](http://www.ret.gov.au), with an email notification sent to *applicants* who are registered to receive *Solar Flagships Program* updates.

### **7.2.3. Language, Measurement and Currency**

The *Proposal* and the *Full Application*, including all attachments and supporting material should be written in plain English.

Unless otherwise specified, any measurements should be expressed in Australian legal units of measure. Any prices quoted should be in Australian dollars.

### **7.2.4. Applicants to inform themselves**

When preparing *Proposals* and *Full Applications*, *applicants* need to be aware that it is their responsibility to inform themselves of the responsibilities and risks associated with applying for funding from the *Solar Flagships Program*.

Lodgement of a *Proposal* or *Full Application* will constitute evidence of and an acknowledgement by each *applicant* that:

- a) it has examined this *Information Guide* and any documents referred to in this *Information Guide* (including the *guidelines*) and any other information made available in writing by the *Department* to *applicants*;
- b) it has read, taken appropriate advice on and fully understands this *Information Guide* and its requirements;
- c) it has sought and examined all necessary information obtainable through reasonable enquiries relevant to the risks, contingencies and other circumstances having an effect on its *Proposal* or *Full Application*;
- d) in lodging a *Proposal* or *Full Application*, it did not rely on:
  - (i) any express or implied statement, letter, document or arrangement whether oral or in writing or other conduct; or
  - (ii) any warranty or representation, whether oral, written or otherwise,made by or on behalf of the Australian Government or the *Department* or any of its officers, employees, agents or advisers other than any statement, warranty or representation contained in the *guidelines*, this *Information Guide* or in a written response by the *Department* from its solar.flagships@ret.gov.au email address, or as published on the *Solar Flagships Program* website, as clarifying, adding to or amending this *Information Guide*;
- e) it complies with the requirements of all clauses in this *Information Guide* concerning an *applicant's* conduct, changes to the *applicant* and in relation to compliance with laws;
- f) it declares it has no conflict of interest relating to submitting a *Proposal* or *Full Application* for *Solar Flagships Program* funding unless an actual or potential conflict is declared in the *Solar Flagships Program Proposal Form*;
- g) it has satisfied itself as to the correctness and sufficiency of its *Proposal* and, if relevant, its *Full Application*; and
- h) subject to any funding agreed under any funding deed entered into with the *Commonwealth*, it is responsible for all of its costs and expenses related to:
  - (i) preparing a *Proposal* and, if *short-listed*, a *Full Application*;
  - (ii) any subsequent negotiation; and
  - (iii) any other action including any dispute or response in relation to this *Information Guide* or at law.

### **7.2.5. Improper assistance, collusive behaviour and inducements**

To ensure the highest standards of ethical behaviour throughout the selection process, at all stages of preparing and lodging a *Proposal* or a *Full Application*, *applicants* must not:

- a) compile their *Proposal* with the improper assistance of employees or ex-employees of the *Department*, *DIISR*, *DEEWR* or any consultants or advisers to the *Department*, such as the *Solar Flagships Council* or the *EIF Advisory Board*; or
- b) compile their *Proposal* with the use of information improperly obtained or obtained in breach of an obligation of confidentiality or a breach of the *Crimes Act 1914* (Cth).
- c) engage in misleading or deceptive conduct in relation to the selection process;
- d) engage in collusive behaviour, anti-competitive conduct or any other unlawful conduct with any other *applicant* or any other person in connection with the selection process; or
- e) improperly influence, or attempt to improperly influence, any officer, employee or agent of the *Department*, *DIISR*, *DEEWR* or member of the *Solar Flagships Council* or the *EIF Advisory Board* or the Australian Government, or violate any laws or *Commonwealth* policies in connection with the selection process.

The *Department* may exclude from evaluation any *Proposal* or *Full Application* lodged by an *applicant* that, in the *Department's* reasonable opinion, has engaged in any of the behaviours listed above during the selection process.

### **7.2.6. Conflict of Interest**

When completing the *Solar Flagships Program Proposal Form*, *applicants* must declare immediately in writing any circumstances or relationships which are, or could be perceived as, actual or potential conflicts of interest to applying for or participating in the *Solar Flagships Program*. Where an *applicant* declares such conflicts of interest, it must set out its proposed strategy for managing these conflicts. *Applicants* should update their conflict of interest declaration throughout the selection process, as necessary.

The *Department* will assess the situation and decide an appropriate course of action, including but not limited to:

- a) deciding an approach to resolve the conflict of interest; or
- b) removing that *applicant* from further consideration for selection.

### **7.2.7. Due Diligence**

*Applicants* are responsible for conducting their own examinations of matters relating to their *Proposals* or *Full Applications* and *applicants* will be deemed to have made their own enquiries regarding participation in the *Solar Flagships Program*.

The *Department* may choose whether to exclude any *Proposal* or *Full Application* which is “subject to” due diligence or other investigation to be performed after it is submitted.

### **7.2.8. Information Dissemination**

It is intended that elements of technical and economic know-how and information from successful *projects* will be shared broadly with the Australian public research community and the solar industry.

To achieve this goal, successful *applicants* will be required to provide information on the construction, performance and operation of their *projects* within the electricity market for dissemination by the *Australian Solar Institute* or any other government body designated by the *Department*.

Information to be disseminated will be negotiated between the *Department*, the successful *applicant* and the *research partner*. Information to be disseminated is not expected to include the intellectual property of the *applicant*, its *research partner* or any supplier, contractor or *project* partner of the *applicant* where that disclosure may materially affect the *applicant's* commercial advantage.

Successful *applicants* will be required to enter into a legal agreement with the *Australian Solar Institute* or a government body determined by the *Department* for the dissemination of information as a condition of the *grant*.

### **7.2.9. Eligible project expenditure**

*Grant* funding may be paid only in respect of eligible expenditure on the *project*. For *project* expenditure to qualify as eligible expenditure it must be incurred on or after the date of execution of the *Deed* and on or before the specified completion date. This expenditure and funding attached to it will be considered by the *Department* on a case by case basis.

*Eligible Expenditure Guidelines* are to be provided to *applicants* in a stand alone document that will be made available on the *Solar Flagships Program* webpage at [www.ret.gov.au](http://www.ret.gov.au). The *Eligible Expenditure Guidelines* define what expenses will constitute eligible expenditure.

*Applicants* will need to prepare budgets of eligible expenditure for their *project* and submit a preliminary budget with their *Proposal* and a more detailed budget with their *Full Application*. Where *applicants* are in any doubt as to the eligibility of elements of *project* costs, they should discuss the matter with the *Department*. The *Department* will decide, at its absolute discretion, whether or not a particular cost constitutes eligible expenditure and any corresponding funding. All *grant* payments are subject to compliance with the terms set out in any funding deed signed between an *applicant* and the *Commonwealth*.

#### **7.2.10. Feasibility and design studies expenditure**

Expenditure on *Feasibility and Design Studies* must be incurred on or before the closing date for *Full Applications* and is limited to those expenses defined as eligible expenditure in the *Eligible Expenditure Guidelines*.

## 8. Lodging Project Bids

### 8.1. *Proposal* lodgement (for the initial *Proposals* stage)

*Proposals* should be submitted in the form of 3 hard copies and 2 electronic copies. *Proposals* must be received by **5.00pm Australian Eastern Daylight Time (AEDT) on Monday, 15 February 2010.**

### 8.2. *Full Application* lodgement (for the *Full Applications* stage)

*Full Applications* should be submitted in the form of 10 hard copies and 2 electronic copies.

The closing date for *Full Applications* is yet to be determined. *Short-listed applicants* will be advised of the date via email. The date will also be posted on the *Solar Flagships Program* webpage at [www.ret.gov.au](http://www.ret.gov.au). *Applicants* are strongly encouraged to periodically check the *Solar Flagships Program* webpage for updates, and to register for email notification for *Solar Flagships Program* updates.

### 8.3. Lodgement process

*Proposals* and *Full Applications* must be hand delivered to the appropriate address below:

**Delivery address:**

*Solar Flagships Program*  
Energy and Environment Division  
Department of Resources, Energy and Tourism  
Industry House  
10 Binara Street  
Canberra ACT  
Attention: Solar Flagships Program Manager

Electronic copies of *Proposal* and *Full Application* documents should be provided in either Microsoft Word 2003 format or in Adobe Portable Document Format (PDF). Electronic versions of *Proposals* and *Full Applications* must be in CD or DVD format.

Please note that *Proposals* and *Full Applications* cannot be lodged by email or through the postal system.

Where there is a discrepancy between a hard copy of the *Proposal* or *Full Application* and an electronic copy, the electronic copy will take precedence.

Please note that the *Department* will only be accessible for deliveries between 8:30am and 5.00pm on business days. *Applicants* are strongly encouraged to allow adequate time for couriating and delivering *Proposals* and *Full Applications*, as, subject to section 8.4.4, they will be held solely responsible for ensuring their *Proposals* and *Full Applications* are received on time.

Substantially incomplete *Proposals* or *Full Applications* may be rejected.

Before lodgement of *Proposals* or *Full Applications*, *applicants* should initial any alterations or erasures made to their *Proposals* or *Full Applications*.

#### **8.4. Late *Proposals* or *Full Applications***

Late *Proposals* or *Full Applications* may, at the *Department's* sole discretion, be accepted by the *Department* in exceptional circumstances where the *Department* is satisfied that:

- the delay was beyond the control of the *applicant*;
- the *applicant* can demonstrate it completed its *Proposal* or *Full Application* prior to the closing time; and
- the *applicant* did not obtain a material advantage as a result of the *Department* accepting the late *Proposal* or *Full Application*.

#### **8.5. Change to lodgement dates**

The *Department* reserves the right to change the date on which *Proposals* or *Full Applications* may be due. Should this occur the *Department* will provide details of the revised date that *Proposals* or *Full Application* are due on the *Solar Flagships Program* webpage at [www.ret.gov.au](http://www.ret.gov.au).

An email notification will also be sent to potential *applicants* who are registered to receive updates, however *applicants* are strongly encouraged to periodically check the *Solar Flagships Program* webpage for updates.

#### **8.6. Errors, omissions or additional information**

If an *applicant* becomes aware of any discrepancy, error or omission in its *Proposal* or *Full Application* after lodgement and wishes to lodge a correction or additional material, that correction or additional material is required to be in writing and lodged in accordance with section 8.1 or 8.2 (as relevant) prior to the closing date and time.

Except where this *Information Guide* provides otherwise, any corrections or additional information provided by an *applicant* after the closing date and time will be treated as late and will be dealt with as a late *Proposal* or *Full Application* in accordance with section 8.3.

#### **8.7. Unintentional errors of form**

If the *Department* considers that there are unintentional errors of form in a *Proposal* or *Full Application*, the *Department* may request the *applicant* to correct or clarify the error but the *Department* will not permit any material improvement to the *Proposal* or *Full Application*. If the *Department* considers that the corrections would introduce unfairness into the selection process, the corrections will not be admitted for consideration.

## 9. Awarding of *Grants*

### 9.1. Deed Development and Negotiation

The chosen *PV project* and the chosen *solar thermal project* will initially be considered for funding by the *Commonwealth*, subject to negotiation of a mutually acceptable *Deed*.

Successful *applicants* will be provided with a written offer of funding, which will include any conditions on the *grant offer*. The *applicant* will be given 180 days, or as agreed to in writing by the *Department* to negotiate and execute the *Deed* with the *Commonwealth*. The negotiation period will start from the date of the written offer being made. Failure to execute the *Deed* within this time may result in the offer being withdrawn.

The *Minister* or his delegate reserves the right to decide to approach other *short-listed applicants* for funding consideration, should *Deed* negotiations with preferred *applicants* fail to reach agreement upon mutually acceptable funding terms.

The *Deed* will provide a legal framework for making *grant* payments and conducting the agreed *project*. The schedules to the *Deed* will reflect the details that *applicants* provide in their *Full Application* and will set out the activities and payments agreed for the *project* under the *Solar Flagships Program* and establish compliance and reporting obligations.

Negotiating the *Deed* needs careful consideration, especially in terms of attributing *project* costs across the financial years of the project. Once the *Deed* is signed, *project* variations or changes to *project* expenditure claims can only be achieved through a variation to the *Deed*, which is subject to approval by the *Department*.

In circumstances where an *applicant* is sourcing funding through third party arrangements, signed letters of guarantee or finalised documentation outlining investment capital arrangements may be required prior to funding payments being made under the *Deed*.

Under any funding deed, *applicants* will be required to comply with the requirements of all relevant *Commonwealth*, state, territory and local authority laws, when conducting the *project* and otherwise performing obligations under the funding deed.

### 9.2. Publicity

There will be a public announcement of the successful *applicants* for *Solar Flagships Program grants*. The announcement will provide details on individual *projects* including: the value of the *project*, the value of the *grant* and a brief description of the *project*. The announcement will acknowledge that funding will be subject to the *grantee* signing a *Deed* with the *Commonwealth*.

Additionally, in accordance with the Commonwealth Grant Guidelines, the *Commonwealth* is required to publish the award of all grants on its website within seven days of the funding agreement for the grant taking effect. The listing must include the name of the recipient, the program title, the purpose and value of the funding, the grant term and the grant funding location, amongst other things.

In addition to information made available to the *Australian Solar Institute*, from time to time, *grantees* will be asked to cooperate with the *Department* in making information available to the public on the achievements and outcomes of their *project*. The *Deed* will also require *grantees* to provide public reports on the progress of the *project* and the performance outcomes during the demonstration period. *Grantees* must also acknowledge the *Commonwealth's* financial contribution to their *project* when making any *project* related public announcements.

### **9.3. Further information**

To view or download information on the *Solar Flagships Program*, visit the *Solar Flagships Program* webpage at [www.ret.gov.au](http://www.ret.gov.au) or contact the Solar Flagships Program Manager by email at [solar.flagships@ret.gov.au](mailto:solar.flagships@ret.gov.au).

## 10. Other Solar Flagships Program Information

### 10.1. Legal Requirements

The section below outlines some of the legal obligations and requirements that an *applicant* is required to comply with to participate in the *Solar Flagships Program* and sets out the *Department's* rights.

#### 10.1.1. Confidentiality

Information supplied by *applicants* as part of the application process will be treated as commercial-in-confidence by the *Department*.

The use and disclosure of information provided by *applicants* for the *Solar Flagships Program* is regulated by the relevant provisions and penalties of the Public Service Act 1999, the Public Service Regulations, the Privacy Act 1988, the Crimes Act 1914, the Criminal Code and general law.

As part of the assessment of an application, the *Department* may need to consult and provide material from the application to other government agencies or bodies, other organisations, or relevant individuals, in order to substantiate any claims or statements made in the *Solar Flagships Program Proposal Form*, or to otherwise assist in the assessment of the application or management or assessment of the *Solar Flagships Program*. If this occurs, the *Department* will require the parties who are consulted to observe appropriate confidentiality.

Detailed confidential information contained in applications may be disclosed for audit purposes to contractors engaged by the *Department* and to other *Commonwealth* agencies for audit, reporting and law enforcement purposes. Further, the *Department* may release confidential information, if it obtains the *applicant's* consent or if the *Department* is required or permitted by law to do so. This could happen, for example, if the *Department* is required to respond to a resolution of the Parliament or an order of a court.

Following approval of an application, the broad details of an application (for example, the identity of the successful *applicant*, the amount of payment and a brief description of the *project*) may be disclosed by the *Department* for purposes such as promoting the *Solar Flagships Program* and reporting on its operation and policy development. This information may also be used in answering questions from the Parliament and its committees.

Please note that, as a demonstration project, *grantees* will be requested from time to time to cooperate with the *Commonwealth* in making information available to the public on the achievements and outcomes of their *project*. The *Deed* will also require *grantees* to provide public reports on the progress of the *project* and the performance outcomes during the demonstration period.

### **10.1.2. Own advice**

In submitting a *Proposal* and, if relevant, a *Full Application* for *Solar Flagships Program* funding, *applicants* need to be aware of the range of obligations and requirements under Australian law that may affect the conduct of their *project*. To assist *applicants*, some applicable legal and policy requirements are detailed at **Appendix A**.

Each *applicant* should obtain and will be deemed to have obtained its own advice on the impact of laws and *Commonwealth* policies, including those referred to in Appendix A, on its participation in the *Solar Flagships Program* and performance of any *Deed*.

### **10.1.3. Disclosure**

Each *applicant* should disclose any litigation, arbitration, mediation, conciliation or proceeding or any investigations (Proceedings) that to the best of the *applicant's* knowledge, after having made proper enquiry, are taking place, pending or threatened, against them or a Related Body Corporate where such Proceedings will or have the potential to impact adversely upon either:

- the *applicant's* capacity to undertake its *project* if it is awarded a *grant* under the *Solar Flagships Program*; or
- the *applicant's* reputation.

In circumstances where there are no Proceedings, *applicants* should make a statement to that effect.

*Applicants* who fail to disclose Proceedings and are subsequently found to have Proceedings that the *Department* considers in its absolute discretion should have been disclosed will be disqualified from the selection process.

If it is found that a successful *applicant* has undisclosed Proceedings after they are awarded *Solar Flagships Program* funding under a *Deed*, the *Department* has the right to terminate the *Deed* immediately, without any penalty to the *Department*.

The *Department* will consider the *applicant's* response and the commercial, technical or financial capacity of the *applicant* and its consortium members proposed in each *Full Application*, including the existence of any breach or default or alleged breach or default of any agreement, order or award by the *applicant*, as part of the assessment.

#### **10.1.4. Ownership of Proposals and Full Applications**

The *Department* requires rights to access and make use of *Proposals* and *Full Applications* to effectively assess and consider potential *projects* and to perform the reporting duties required for the *Solar Flagships Program*.

In order to fulfil these obligations, before submitting a *Proposal* or *Full Application* the *applicant* must agree that:

- a) once lodged, all *Proposal* and *Full Application* documents will become the *Department's* property (however intellectual property rights relating to the technologies used in the *project* will remain with the *applicant*);
- b) the *Department*, its officers, employees, agents, advisers, Ministers, the *Solar Flagships Council* and other government representatives are granted a licence to retain, use, disclose, copy, modify or do anything else necessary (in the *Department's* absolute opinion) to all material (including that which contains intellectual property rights of the *applicant* or any other person) contained in the *Proposal* or *Full Application* for the purposes of:
  - (i) assessing or clarifying a *Proposal* or *Full Application*;
  - (ii) negotiating any resultant funding deed;
  - (iii) managing a funding deed with an *applicant*;
  - (iv) responding to any challenge to the selection process, auditing and complying with governmental and parliamentary reporting requirements or request for information, including but not limited to requests from a house or committee of the Parliament of the *Commonwealth*;
  - (v) complying with any law; and
  - (vi) any other purpose related to the selection process or above purposes.

In addition the *Department* may make such copies of each *Proposal* or *Full Application* as it requires for the purposes listed above.

#### **10.1.5. Project Reports**

Upon signing a funding deed with the *Department*, the *applicant* will be required to grant the *Commonwealth* a perpetual, non-exclusive right to use, reproduce and adapt the *project* reports and other information provided for the purposes of administering the *Solar Flagships Program* and promoting the objectives of the *Solar Flagships Program*.

The *Commonwealth* does not propose to seek to own or to use intellectual property rights in relation to the underlying technologies being demonstrated under any funding deed.

### **10.1.6. No Contract or Undertaking**

This *Information Guide* will not be constructed to create any binding contract (express or implied) between the *Department* and the *applicant* unless and until a funding deed is entered into with the successful *applicants* (if any). *Applicants* are however required to comply with the obligations expressed to apply to them in this *Information Guide* to be eligible under the *Solar Flagships Program* selection process.

Any conduct or statement whether prior to or subsequent to the issue of this *Information Guide* is not, and must not be deemed to be a binding undertaking of any kind by the *Department* on the basis of any promissory estoppel, quantum meruit, quantum valebat, or any other contractual, quasi-contractual or restitutionary grounds or in negligence.

### **10.1.7. Change in Applicant**

The *Department* is relying upon the information provided by the *applicant* in its *Proposal* or *Full Application*.

The *applicant* must notify the *Department* promptly in writing of any change, after lodgement of its *Proposal* or *Full Application*, that could negatively impact the basis upon which the applicant will have access to the necessary skills, resources or corporate or financial backing to undertake its *project* in accordance with the terms and conditions of any funding deed. Where such notification is provided, the *Department* may in its absolute discretion cease to proceed with, or suspend, the selection or funding process with that *applicant*.

Without limiting the notification requirements of the paragraph above, where such a change would alter any of the information or assurances that the *applicant* has given in its *Proposal* or *Full Application*, the *applicant* must also, as part of its notification:

- identify with specificity (including all relevant page, section, clause, paragraph, schedule, exhibit or other like references to its *Proposal* or *Full Application*, and any other material and information provided to the *Department*) all such information and assurances; and
- state in detail the alterations to such information and assurances required by such change.

### **10.1.8. The Minister's and the Department's Rights**

Without limiting its rights at law or otherwise, the Minister and the *Department*, reserve the right and absolute discretion at any time to:

- cease to proceed with, or suspend, the selection process;
- amend this *Information Guide*, including extending the closing date and time and/or altering the details of the *Solar Flagships Program*, by giving written notice where possible;
- otherwise vary the selection process;

- require additional information or clarification from any *applicant* or anyone else or provide additional information or clarification;
- *short-list applicants*;
- negotiate with any one or more *applicant(s)* and discontinue negotiations;
- call for new *Proposals or Full Applications*;
- reject any *Proposal or Full Application* received after the closing time;
- publish or disclose the names of the successful *applicant(s)*;
- allow or not allow a *Related Body Corporate* to take over a *Proposal or Full Application* in substitution for the original *applicant*; and
- discontinue assessment of a *Proposal or Full Application*; and
- perform security, probity and financial investigations and procedures such as the *Department*, in its absolute discretion, may determine are necessary in relation to each *applicant*, its partners, associates, subcontractors or *Related Body Corporate* or consortium members and their respective employees or officers.

Any time or date in this *Information Guide* is for the sole convenience of the *Department*. The establishment of a time or date in this *Information Guide* does not:

- create an obligation on the part of the *Department* to take any action; or
- create any right in any *applicant* that any action be taken on the date established

The *Department* may, but is not obliged to, notify affected *applicants* if the *Department* exercises any of its rights listed above but will not be obliged to provide any reasons for its actions.

#### **10.1.9. Responsibility for costs**

Except for the funding to be provided under the *Solar Flagships Program*, participation in any stage of the selection process or in relation to any matter concerning the *Solar Flagships Program* will be at each *applicant's* sole risk, cost and expense.

Without limiting the paragraph above, the *Department* and the *Commonwealth* will not be responsible in any circumstance for any costs or expenses incurred by any *applicant* or any other person in responding to or taking any other action in relation to the selection process even if the *Department* exercises or fails to exercise any of its rights under this *Information Guide*, or in respect of any discussions, negotiations, enquiries in relation to taking part in the selection process or any activities undertaken by the *applicant* after its *Proposal or Full Application* is submitted.

In particular, the *Department* and the *Commonwealth* are not liable to any *applicant* on the basis of any promissory estoppel, quantum meruit, quantum valebat, or any other contractual, quasi-contractual or restitutionary grounds or in negligence as a consequence of any matter or thing relating to or

incidental to a *applicant's* participation in the selection process, including (without limitation):

- where an *applicant* is not successful under the selection process;
- where the *Department* varies, suspends or terminates the selection process or negotiates with an *applicant*; or
- where the *Department* exercises, or fails to exercise, any of its other rights under or in relation to the selection process as contained in this *Information Guide*.

#### **10.1.10. Applicable Law**

The law applying in the Australian Capital Territory applies to this *Information Guide* and the selection process.

Each *applicant* must comply with all relevant laws in preparing and lodging its *Proposal* or *Full Application* and taking part in the selection process.

## **10.2. Feedback and contact details**

The Solar Flagships Program Manager will receive and respond to any concerns or feedback offered by *applicants*.

If *applicants* have a question or complaint concerning the *Solar Flagships Program*, the Solar Flagships Program Manager should be the first point of contact. The Solar Flagships Program Manager's contact details are below.

Solar Flagships Program Manager  
Energy Futures Branch  
Department of Resources, Energy and Tourism  
GPO Box 1564  
CANBERRA ACT 2601  
Email: [solar.flagships@ret.gov.au](mailto:solar.flagships@ret.gov.au)

If an *applicant* is not satisfied with the outcome of the Program Manager's review of the issue, the *applicant* can contact the:

General Manager  
Energy Futures Branch  
Department of Resources, Energy and Tourism  
GPO Box 1564  
CANBERRA ACT 2601  
Phone: 02 6213 7879

*Applicants* can also lodge a complaint with the Commonwealth Ombudsman. There is no fee for making a complaint and any investigation conducted by the Ombudsman will be independent. *Applicants* should note that the Ombudsman usually prefers that aggrieved parties first work through relevant internal processes before complaining about a decision.

The Ombudsman has offices in all states and territories. The Ombudsman can be contacted by telephoning 1300 362 072 or by writing to the relevant contact address specified on the Ombudsman's website at [www.ombudsman.gov.au](http://www.ombudsman.gov.au).

## **Applicable Requirements**

This Appendix A outlines a range of *Commonwealth* laws and policies that may impact on the conduct of *projects* under the *Solar Flagships Program*. *Applicants* should seek their own advice on any relevant legislation.

### **Freedom of Information**

The Freedom of Information Act 1982 (FOI Act) gives to members of the public rights of access to official documents of the *Commonwealth* and its agencies.

The FOI Act extends as far as practicable the right of the Australian community to access information (generally documents) in the possession of the *Commonwealth*, limited only by exceptions and exemptions necessary for the protection of essential public interests and of the private and business affairs of persons in respect of whom information is collected and held by *Commonwealth* departments and public authorities.

The *Commonwealth*, in accordance with the Commonwealth Grant Guidelines, is required to publish the award of all grants on its website within seven days of the funding agreement for the grant taking effect. The listing must include the name of the recipient, the program title, the purpose and value of the funding, the grant term and the grant funding location, amongst other things.

### **Australian National Audit Office**

The Auditor-General has statutory powers to obtain information. The Auditor-General Act 1997 (Cth) provides the Auditor-General or an authorised person with a right to have at all reasonable times, access to information, documents and records.

In addition to the Auditor-General's statutory powers and in recognition of the need for the Auditor-General's functions to be conducted in an efficient and co-operative manner, if an *applicant* is chosen to enter into any funding deed, that *applicant* will be required to provide to the Auditor-General or a delegate of the Auditor-General, access to the *applicant's* premises, in respect of any inquiry into or concerning the *project* and to otherwise facilitate monitoring of compliance with that deed. Such access will apply for the term of the deed and for a period of seven years after the date of termination or expiry of the deed.

### **Privacy**

Each successful *applicant* (if any) will need to agree in any funding deed to comply with *the Privacy Act 1988* (Cth), including the Information Privacy Principles, although there may be no legislative requirement to do so.

### **Anti-Terrorism**

Each *applicant's* attention is drawn to the obligations under Part 4 of the *Charter of United Nations Act 1945* (Cth) and the *Charter of United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth).

These laws require any person who holds assets or funds belonging to a person or organisation on the list of persons and entities designated as terrorists to immediately freeze those assets. It is an offence to make any funds or assets available to a person or organisation on the list. The list and more information are available at [http://www.dfat.gov.au/icat/UNSC\\_financial\\_sanctions.html](http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html).

The *Department* will not enter into any funding deed with a person or organisation on the list.

Each successful *applicant* (if any) will be required to comply with all applicable laws dealing with the supply and/or export of goods, services and information to foreign nationals or institutions including under the *Customs Act 1901* (Cth) and the *Weapons of Mass Destruction (Prevention of Proliferation) Act 1995* (Cth).

### **Anti-Money Laundering**

Each successful *applicant* (if any) will be required to comply with any obligations applicable to it contained in the legislation arising from the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

### **Equal Opportunity**

The *Commonwealth* has adopted a policy of not entering into agreements with, or providing discretionary grant or loan funds to, organisations who do not comply with their obligations, if any, under the *Equal Opportunity for Women in the Workplace Act 1999* (Cth) (EOWW Act).

An *eligibility criterion* for funding under the *Solar Flagships Program* is that the *applicant* is not currently named by the Equal Opportunity for Women in the Workplace Agency as not complying with the EOWW Act.

### **Archiving**

*Applicants* should be familiar with the requirements of record keeping in an outsourced environment, particularly the National Archives publication "Records Issues for Outsourcing". Copies can be downloaded from [http://www.naa.gov.au/Images/GDA25\\_tcm2-1129.pdf](http://www.naa.gov.au/Images/GDA25_tcm2-1129.pdf).

### **Environmental regulation**

Each successful *applicant* (if any) will need to agree in any funding deed to comply with the National Model Regulations for the Control of Workplace Hazardous Substances [NOHSC:1005(1994)] and National Code of Practice for the Control of Workplace Substances [NOHSC:2007(2004)], copies of which are available at the Australian Safety and Compensation Council (ASCC) website: [www.ascc.gov.au](http://www.ascc.gov.au).

### **Australian Industry Participation**

The *Commonwealth* seeks to maximise opportunities for Australian industry to participate in major investment projects and global supply markets in line with the Australian Industry Participation National Framework.

Each *applicant* is to detail the extent of the participation of Australian industry, including by small and medium enterprises, as a part of demonstrating merit in the selection process.

## **Occupational Health and Safety**

The *Department* has obligations under the *Occupational Health and Safety Act 1991* (Cth) (OHS Act) in relation to the maintenance of a safe workplace and safe systems of work. The *Department* acts in strict compliance with its obligations.

The successful *applicant(s)* will be required to act in such a way as not by action or omission to place the *Department* in breach of its obligations under the OHS Act. Each *applicant* should be aware that it may also have its own obligations under the law in relation to these matters with which strict compliance will be required.

## **OHS Accreditation Scheme**

The Australian Government is committed to improving occupational health and safety outcomes in the building and construction industry.

Each *applicant's* attention is drawn to the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme (OHS Accreditation Scheme) authorised by the *Building and Construction Industry Improvement Act 2005* (Cth) and the *Building and Construction Industry Improvement (Accreditation Scheme) Regulations 2005* (Cth).

To be assessed for accreditation, *applicants* need to submit an application addressing specific occupational health and safety criteria to the Office of the Federal Safety Commissioner. More information on the OHS Accreditation Scheme is available at [www.fsc.gov.au](http://www.fsc.gov.au) or by contacting the Office of the Federal Safety Commissioner on 1800 652 500.

Section 35(4) of the Building and Construction Industry Improvement Act 2005 (Cth) provides that the *Commonwealth* must not fund building work unless:

- contracts for the building work entered into with builders will be entered into with builders who are accredited persons; and
- at the time of funding, the *Commonwealth* takes appropriate steps to ensure that builders will be accredited persons when they carry out the building work.

Section 35(7) provides that the "*Commonwealth* funds building work" if (amongst other things) it pays for or otherwise finances the building work (either directly or indirectly). Section 35(8) provides that a "builder", in relation to building work, means a person who carries out any of the building work.

At the date of the *Deed*, the successful *applicant(s)* must be fully accredited in accordance with the OHS Accreditation Scheme.

The successful *applicant(s)* will also be required to:

- comply with all conditions of accreditation under the OHS Accreditation Scheme; and
- maintain accreditation while the building work is being carried out.

## **National Code of Practice for the Construction Industry**

In this *Information Guide*, the term "Sanction" refers to any sanction imposed pursuant to the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry (Implementation Guidelines).

A Sanction can take the form of, but is not limited to, a formal warning for breaches of the National Code of Practice for the Construction Industry and/or Implementation Guidelines, a preclusion from tendering for a specified period of time, and/or a reduction in tendering opportunities.

Each *applicant's* attention is drawn to the National Code of Practice for the Construction Industry and the Implementation Guidelines reissued in August 2009. Each *applicant* is expected to obtain its own copy of the National Code of Practice for the Construction Industry and the Implementation Guidelines.

*Applicants* should note that the *Department* has elected to move to the National Code of Practice for the Construction Industry that was reissued in August 2009.

Copies of the National Code of Practice for the Construction Industry and the Implementation Guidelines are available at:

<http://www.deewr.gov.au/WorkplaceRelations/Policies/BuildingandConstruction/Pages/Publications.aspx>.

*Applicants* should be aware that the National Code of Practice for the Construction Industry and Implementation Guidelines apply to:

- the *project*, to the extent that the *applicant*, its related entities or subcontractors are undertaking construction activity; and
- all construction and building work undertaken by the *applicant*, its related entities or subcontractors thereafter as defined in the Implementation Guidelines, including work on all new privately funded construction projects in Australia.

For further information on the definition of privately funded construction projects, see section 3.4 of the Implementation Guidelines. Notwithstanding any other provisions of the *Information Guide*, the *applicant* must consent to the disclosure of information concerning compliance with the National Code of Practice for the Construction Industry and Implementation Guidelines, including details of whether or not a Sanction has been imposed (see section 8.2 of the Implementation Guidelines).

This consent extends to disclosure by the *Commonwealth*, its agencies and ministers, and disclosure to others for the purposes of facilitating compliance with the National Code of Practice for the Construction Industry and Implementation Guidelines and the exercise of their statutory and portfolio responsibilities. *Applicants* should ensure that their related entities, proposed subcontractors and consultants are also aware of, and agree to comply with, these rights of use and disclosure.

Each *applicant* should be aware that the National Code of Practice for the Construction Industry and the Implementation Guidelines apply to all 'construction activity' undertaken by the *applicant*, its related entities, its subcontractors or its consultants.

Under the *Deed*, a successful *applicant* will be required to (to the extent that it is undertaking construction activity):

- comply with the National Code of Practice for the Construction Industry and the Implementation Guidelines, and
- not appoint a related entity, subcontractor or consultant in relation to the *project* to undertake construction activity where the appointment would breach a Sanction imposed by the *Commonwealth* under the National Code of Practice for the Construction Industry.

Each *applicant* should indicate in its *Proposal or Full Application*, in relation to construction activity:

- whether the *applicant* or a related entity of the *applicant* has ever been subject to a Sanction imposed under the National Code of Practice for the Construction Industry and the Implementation Guidelines;
- whether the *applicant* has had a judicial decision against them (not including a decisions under appeal) relating to employee entitlements and has not paid the claim;
- whether the *applicant* has had any adverse court, tribunal, industrial relations commission or Fair Work Australia finding, order or penalty awarded against them in the last two years (and if so provide details);
- how the *applicant* and its related entities have complied with the National Code of Practice for the Construction Industry and the Implementation Guidelines in the past (if the *applicant* has undertaken Australian Government funded construction work in the past);
- how the *applicant* intends to comply with the National Code of Practice for the Construction Industry and the Implementation Guidelines in undertaking the *project* in accordance with the *Deed*, should it be a successful *applicant*; and
- where the *applicant* proposes to subcontract an element of the *project* involving construction activity, either:
  - the information detailed in the points above in relation to each subcontractor, or

- how the *applicant* intends to ensure each subcontractor complies with the National Code of Practice for the Construction Industry and the Implementation Guidelines

Where an *applicant* has been in breach of the National Code of Practice for the Construction Industry or the Implementation Guidelines such that a Sanction has been imposed by the *Commonwealth*, the *Department* may at its discretion decide not to consider the *Proposal or Full Application* any further.