

July 2024

Central-West Orana REZ - Local Community Small Grants (LCSG) 2024-25 Grant Guidelines

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1 Background

The Central-West Orana Renewable Energy Zone (REZ) **Community and Employment Benefit Program** (the Program) will invest millions of dollars into regional communities that host the required infrastructure to enable the renewable energy transition. It is about making a serious contribution to the prosperity of regional communities over time.

The NSW Electricity Infrastructure Roadmap (the Roadmap) is the NSW Government's plan to transition the NSW electricity system into one that is cheap, clean and reliable. The Roadmap aims to achieve 12 gigawatts (GW) of renewable energy generation and 2 GW of storage by 2030, as well as net zero emissions by 2050. The Roadmap is enabled by the Electricity Infrastructure Investment Act 2020 (EII Act) and the Electricity Infrastructure Investment Regulation 2021 (EII Regulation).

The Roadmap and the EII Act identify the role of regional communities in the NSW energy transition, including hosting the new transmission lines, wind, solar, storage and related infrastructure. The EII Act and EII Regulation promote community and employment benefits alongside energy and infrastructure development in REZs in NSW.

1.1 Community and Employment Benefit Program

The Program has been established to share the benefits of the renewable energy transition with the local communities that will host the infrastructure and generation projects.

The Program will set out how the Energy Corporation of New South Wales (EnergyCo) will administer funding for community and employment purposes in accordance with the EII Act and EII Regulation and other statutory obligations, such as the *NSW Grants Administration Guide 2024*.

The objectives of the Program are to:

1. **Improve liveability** in regional communities by supporting better access to health services, housing and accommodation, telecommunication connectivity and other public services and infrastructure;
2. **Support regional economic development** through tourism programs and infrastructure and legacy projects that provide enduring benefits for host communities;
3. **Improve outcomes for First Nations people** by increasing capacity of First Nations organisations and providing additional services and infrastructure to support First Nations people.
4. **Improve community connection** by making it easier for people to access quality sport, recreation and other community facilities, as well as arts and cultural programs that bring people together;
5. **Improve and create local employment opportunities** through training and skills programs or infrastructure that increases the capacity of the local community to benefit from local employment opportunities; and
6. **Boost resilience and innovation** through community energy programs and environmental improvement programs.

1.2 Program funding

In the Central-West Orana REZ, the Program is being forward funded by the NSW Government with a total of \$128 million allocated for community and employment benefits to 2028.

1.3 Program funding streams

There are four grant funding streams available under the Program to enable eligible activities that deliver community and employment purposes:

- **Local Community Fund:** open to not-for-profit community organisations, Local Aboriginal Land Councils, Aboriginal community organisations and local councils (where they are in partnership with or in support of a community project). It will fund projects that improve community amenity, increase community connection and boost resilience and innovation;
- **Local Community Small Grants:** open to not-for-profit community organisations, Local Aboriginal Land Councils, Aboriginal community organisations and local councils (where they are in partnership with or in support of a community project). It will fund small-scale activities, events, initiatives or projects that deliver benefits to the local community in the geographic area that forms the Central-West Orana REZ;
- **First Nations Fund:** open to Local Aboriginal Land Councils and not-for-profit incorporated Aboriginal community organisations. It will fund projects that increase capacity of local Aboriginal organisations, improve Aboriginal employment opportunities and improve outcomes for Aboriginal people by supporting better access to health services, housing and accommodation and other cultural programs or services; and
- **Legacy Infrastructure Fund:** open to Dubbo Regional Council, Mid-Western Regional Council, Upper Hunter Shire Council and Warrumbungle Shire Council. It will fund infrastructure projects that support regional economic development, improve liveability and improved community amenity.

If unsure, applicants are encouraged to seek advice as to the most suitable fund for their project (refer to Section 3).

1.4 Community or employment benefits

Program funding may be used for a community or employment purpose. As per the EII Act:

- **Community purpose** means a purpose that benefits the local community in the geographic area that forms the REZ to which the access scheme applies; and
- **Employment purpose** means a purpose that promotes employment, skills and training for employees in the geographic area that forms the REZ to which the access scheme applies who are affected by changes in electricity generation in the State.

The EII Regulation defines the types of community or employment benefits that can be funded through the Program, presented in **Table 1** below:

Table 1: List of community purposes and employment purposes as defined by the EII Regulation.

Community purposes	Employment purpose
(a) public or community services or infrastructure, (b) health services or infrastructure, (c) accommodation or housing, (d) local or regional energy programs or infrastructure, (e) environmental programs or infrastructure, (f) parks and recreation infrastructure,	(a) employment programs and associated services and facilities, (b) skills and training programs and associated services and facilities, (c) a program, service or facility that supports the relevant employees to gain employment skills or experience relevant to employment.

(g) education programs or research, (h) arts or cultural programs, (i) tourism programs or infrastructure, (j) services, programs or infrastructure for First Nations people, (k) other services, programs or infrastructure that benefit the relevant local community.	
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1.5 Community consultation

In early 2022, EnergyCo commenced community consultation to identify key community benefit initiatives to be delivered through the Program. Consultation was conducted through Community Reference Group and First Nations Working Group meetings, intergovernmental and council steering committees, a community survey (over 290 responses) and several community information sessions, with full findings available in the [Community Feedback Report](#).

EnergyCo has also carried out studies to investigate key priorities identified by local communities, First Nations stakeholders and councils, with the findings available [here](#).

EnergyCo conducted further community consultation through the Central-West Orana REZ in early 2024, with the results available in the [Community and Employment Benefit Program Consultation Feedback Report](#). These findings have informed these Guidelines.

2 Local Community Small Grants

The purpose of Central-West Orana REZ LCSG is to provide a funding pathway for small scale, ad hoc projects that meet or support a community or employment purpose as outlined in the in EII Act and EII Regulation and are not eligible for funding under other Program funds.

The objectives of LCSG are to allow for the provision of grants in support of:

- Small scale activities, events, initiatives or projects that deliver benefits to the local community in the geographic area that forms the Central-West Orana REZ; and/or
- Community needs within the Central-West Orana REZ that arise unexpectedly and/or are time sensitive.

The grants are non-competitive. Applicants referred to apply for a LCSG will be required to submit an application through SmartyGrants to be assessed individually before being recommended for funding to the Executive Director, Planning and Communities, EnergyCo (the Executive Director) as the final decision-maker.

3 Key Dates

Applications open	15 July 2024
Applications close	4:00pm, 14 July 2025 (or until funds are exhausted)
Application outcome date	Within 6 weeks of submission of a completed application
Project completion	Within 12 months of Funding Agreement execution

4 Funding Information

The NSW Government will provide \$500,000 through the LCSG to eligible local community organisations to deliver initiatives that provide benefits to local communities in the Central-West Orana REZ.

4.1 Grant Amounts

Funding applications must range from a minimum of **\$2,000** and a maximum amount of **less than \$50,000**. A total of **\$500,000** is allocated for LCSG.

4.2 Unspent Funds

Successful Applicants will be required to pay back unspent funds or those funds which have not been spent in accordance with the Funding Agreement.

4.3 Source Agency

EnergyCo is a statutory body constituted under the *Energy and Utilities Administration Act 1987*. EnergyCo is responsible for coordinating the delivery of REZs in NSW and, in accordance with the EII Act, EnergyCo has been appointed as the Infrastructure Planner for each of the five REZs that have been declared.

As the Infrastructure Planner, EnergyCo has a statutory function to administer, manage and make payments for community and employment benefits and to develop guidelines in relation to this function.

The Department of Primary Industries and Regional Development (DPIRD) will support EnergyCo in the administration, management, and distribution of funds to be used for community and employment benefits.

5 Funding Decisions and Administration

Funding decisions, including approvals, are made by the Executive Director, Planning and Communities, EnergyCo.

LCSG are administered by DPIRD in compliance with the NSW Government's *Grant Administration Guide 2024*. The Regional Programs and Partnerships (RPP) team within DPIRD will assess all applications before providing a brief to the Executive Director with funding recommendations.

6 Application Process

Applicants may be referred to apply for a LCSG via EnergyCo or the Regional Coordination and Delivery team within DPIRD. When applicants are referred to a LCSG they will receive a request to complete an application through the SmartyGrants platform.

Funding requests will only be considered if the project aligns to the objectives of the EII Act and EII Regulation and where there is no suitable alternative funding pathway under the three other funds in the Program.

All requests to submit an application for a LCSG are to be in writing via letter or email.

The request must include:

- Organisation name and contact details;
- Total amount of funding requested;
- The purpose and scope of the funding;
- When the funding will be spent, including project end date; and
- Where possible, applications should be submitted a minimum of 6 weeks prior to an event to allow for the administration process.

Where information in the funding request is unclear or further information is required, DPIRD may seek clarification prior to progressing with the application and assessment process.

The following steps outline the application and assessment process:

- The RPP team within DPIRD will email the referred organisation to request they complete an application form through the SmartyGrants platform.
- The submitted application will be assessed by the Assessment Team, including EnergyCo and DPIRD, against the eligibility criteria and guidelines. The Assessment Team can seek any additional information from the applicant where necessary for the assessment process.
- A brief will be prepared with recommendations to approve or decline projects for funding for the Executive Director's consideration. This will include letters of offer where appropriate.
- The brief and projects will be approved or declined by the Executive Director and reasons for the decisions recorded.
- The Executive Director returns the signed brief and letters of offer to DPIRD for dispatch.
- Approved projects will receive a signed letter of offer. Grant amounts less than \$25,000 will receive a Small Funding Agreement with their letter of offer. Grant amounts greater than \$25,000 will have a Funding Agreement attached to their SmartyGrants account.
- Unsuccessful applicants will be notified in writing of the outcome of their application and will be offered feedback.
- Details of all successful grants will be added to the NSW Government online Grants and Funding Finder 45 days after Funding Agreement execution.

7 Eligibility Criteria

7.1 Eligible Applicants

Eligible applicants include:

- Incorporated not-for-profit community organisations;
- Local Aboriginal Land Councils;
- Incorporated Aboriginal community organisations (i.e. initiated by, controlled and operated by Aboriginal people and/or governed by a board or committee of Aboriginal people);
- Local councils (*if they are in partnership with or in support of a community project*); and
- Committees under section 355 of the *Local Government Act 1993* (NSW) must apply via the relevant council.

Applicants must provide evidence that they are an incorporated entity by providing either an Australian Business Number (ABN) or an Australian Company Number (ACN). Eligible organisations

that are unincorporated must provide evidence that they are registered with NSW Fair Trading under the *Associations Incorporation Act 2009* (NSW) or another Act.

Eligible Applicants must have or be able and willing to purchase at least \$20 million public liability insurance.

7.2 Eligible Projects

Eligible projects must be small scale, ad hoc projects (including activities, events or initiatives) that deliver a community or employment purpose. As per the EII Act:

- **Community purpose** means a purpose that benefits the local community in the geographic area that forms the REZ to which the access scheme applies; and
- **Employment purpose** means a purpose that promotes employment, skills and training for employees in the geographic area that forms the REZ to which the access scheme applies who are affected by changes in electricity generation in the State.

The EII Regulation defines the types of community or employment benefits that can be funded, presented in **Table 1**.

Potential grant recipients are required to confirm that they have not received previous NSW government grant funding for the same activity or project or, if they have, that the previous grant did not fund the relevant activity or project in full and additional funding is required.

Eligible projects must be completed within 12 months of Funding Agreement execution.

7.3 Eligible Project Locations

Projects must be delivered within the Central-West Orana REZ geographic area (as defined [here](#)) and provide primary benefit to local communities impacted by the Central-West Orana REZ. Applicants are *strongly encouraged* to submit applications that deliver projects and activities into villages and smaller communities most impacted by REZ activities.

7.4 Eligible Project Costs

Eligible projects are:

- Small scale, ad hoc projects that meet or support a community or employment purpose;
- Require between \$2,000 and \$50,000 in LCSG funding;
- Not eligible to be funded via another existing Community and Employment Benefits Grant program currently open for applications; and
- Those that can be acquitted through an evidence-based process, such as future provision of an invoice, bank transaction statement or via the submission of a statutory declaration.

7.5 Ineligible projects include

Ineligible projects include those that are:

- Not submitted by an eligible entity;
- Not being delivered within an eligible location;
- For recurrent or ongoing funding for annual events and/or festivals;
- To fund travel, including travel for competitions or events such as sporting events;
- For retrospective projects;

- For projects that should be funded under other existing NSW Government programs or services;
 - Related to operational expenditure or costs associated with existing ongoing staff;
 - Related to the recovery of costs for existing debts and/or budget deficits;
 - Providing direct commercial and/or exclusive private benefit to an individual or business; and/or
 - Not clearly providing benefits that will significantly contribute to the objectives of the LCSG and/or the community or employment purposes as set out in the EII Act or EII Regulation.
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8 Assessment Criteria

The Assessment Team including EnergyCo and DPIRD will assess applications against whether they will be an efficient, effective, economical and ethical use of money. The Assessment Team may request additional information from the application if required. Advice may also be sought from other NSW Government agencies to assist in the assessment of projects.

In compliance with legislative amendments to the *NSW Grants Administration Guide 2024* (Section 6.1.4), ad hoc grants must be assessed against the following criteria:

- Project for which funding is proposed to be provided is deliverable within the proposed time frame and scope;
- The proposed grant recipients have sufficient capacity and expertise to deliver the project;
- The grant will provide community benefit;
- The grant will achieve value for money; and
- Alignment with NSW Government policy objectives.

Applications will also be assessed to ensure they align with the community or employment purposes as defined by the EII Regulation.

9 Decision Making

The decision making process for the LCSG is detailed below:

- The LCSG must be administered in accordance with the *NSW Grants Administration Guide 2024*.
 - Written advice will be prepared on the merits of each grant proposal, in accordance with the requirements at section 6.3.1 of the *NSW Grants Administration Guide 2024*, for the Executive Director's consideration.
 - While a Member of Parliament may make representations on behalf of a community group/organisation for a request for funding, they will have no involvement in the decision-making process. Any representations made by Members of Parliament will be recorded in writing.
 - Any conflicts of interest are required to be declared and managed in accordance with the DPIRD Code of Conduct.
 - The Executive Director will not approve or decline a grant without first receiving written advice on the merits of the proposed grant.
 - All decisions in the recommendation and approval process must be documented. The Executive Director's decision to approve or decline a project must be recorded in writing, including any reasons for departing from the recommendations of the Assessment Team. Decision records must be managed in accordance with the requirements of the *State Records Act 1998* (NSW).
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- Where the request is supported, the Executive Director has discretion to determine the funding amount (this may be either the full funding amount requested, or part-funding of the funding request). The Executive Director's decision and reason to depart from the funding amount recommended in the brief must be recorded in writing.
 - Organisations will be advised, in writing, of the outcome of their application.
 - All approved grants will be published on the NSW Government Grants and Funding Finder no later than 45 calendar days after the grant agreement takes effect.
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10 Successful Applications

10.1 Funding Agreement

Successful applicants will be notified in writing and be required to enter into a Funding Agreement with the NSW Government.

To enter a Funding Agreement, successful applicants will be required to confirm project information and provide a copy of all relevant and applicable insurances, project approvals (e.g. development approvals, landowner's consent) and/or other supporting documentation relevant to the project or as requested by the NSW Government as part of the contracting process.

The first grant payment will be made once all required documentation has been provided to, and approved by the NSW Government, and the Funding Agreement has been signed by both parties.

The NSW Government makes no binding funding commitment to an applicant until both parties sign a Funding Agreement. Successful applicants must not make financial commitments for funded activities until Funding Agreements have been executed by both parties.

Grant payments will be set out in the Funding Agreement. Timing and requirements will vary at the NSW Government's discretion, depending on the scope and risk of the project. Evidence of expenditure will be required to claim instalments and acquit eligible costs.

Successful applicants may be required to submit progress reports to the NSW Government as outlined in the Funding Agreement.

10.2 Confidentiality

Applicants must keep funding decisions and assessment outcomes confidential until announced by the NSW Government or the applicant is advised that announcement can proceed. Successful applicants may be required to provide a confidentiality undertaking. This means they must keep the outcome of the application process confidential until the NSW Government makes a public announcement.

Upon entering into a Funding Agreement, details about the Funding Agreement may be made publicly available (subject to information which the NSW Government deems to be commercial in confidence).

The applicant agrees not to disclose any confidential information pertaining to the grant application or Funding Agreement without prior written consent of the NSW Government.

10.3 Unsuccessful applications

Unsuccessful applicants will be notified in writing of the outcome of their application.

10.4 Variations

Requests for variations or changes to the project will only be considered in limited circumstances and in accordance with the Funding Agreement.

Applicants must advise the NSW Government of any changes to their legal status or of changes or delays to their project in accordance with the Funding Agreement.

10.5 Taxation

For applicants registered for GST and where it is payable, successful applicants will be paid the approved grant amount plus 10 per cent. Where an applicant is not registered for GST, it is not payable on grant amounts. Applicants not registered for GST must incorporate any GST to be paid by them to third parties into their application. GST is not applied to grant payments to councils or other government agencies.

Grants are assessable income for taxation purposes, unless exempted by taxation law. It is recommended applicants seek independent professional advice about taxation obligations or seek assistance from the Australian Taxation Office. The NSW Government does not provide advice on individual taxation circumstances.

10.6 Evaluation and audit

Successful applicants may be required to participate in a program evaluation to determine the extent to which their projects have contributed to the objectives of the Community and Employment Benefits Program. The evaluation will require applicants to provide evidence of how projects have resulted in measurable outcomes and benefits that are consistent with the objective of the program.

The NSW Government reserves the right to undertake an audit of grant funding within a period of 7 years from the signing of the Funding Agreement.

10.7 Acquittal process

After grant payment, a completion report for acquittal of the grant will be provided. The completion report is due one month after completion of the project as per the Funding Agreement.

- Completion reports must include evidence of expenditure for grant funding in line with the purposes stated in the letter of offer. Examples of expenditure include bank transaction statements, valid tax invoices or statutory declarations.
- Completion reports may include photographs, videos, media extracts or case studies. Recipients may also be required to supply additional information regarding the quantity and description of activities funded and participation statistics.

11 Additional information

11.1 Applicant Support

If applicants have any questions regarding the application process applicants should contact energyco@regional.nsw.gov.au.

11.2 Complaints

Any concerns about the fund or individual applications should be submitted in writing to

energyco@regional.nsw.gov.au. If you do not agree with the way the Department handled the issue, you may wish to contact the NSW Ombudsman via ombo.nsw.gov.au.

11.3 Government Information (Public Access) Act 2009

Applicants should be aware that information submitted in applications and all related correspondence, attachments and other documents may be made publicly available under the *Government Information (Public Access) Act 2009* (NSW). Information that is deemed to be commercially sensitive will be withheld.

The *Government Information (Public Access) Act 2009* (NSW) makes government information accessible to the public by:

- Requiring government agencies to make certain sorts of information freely available;
- Encouraging government agencies to release as much other information as possible;
- Giving the public an enforceable right to make access applications for government information; and
- Restricting access to information only when there is an overriding public interest against disclosure.

11.4 Ethical Conduct

Applicants must not participate in any anti-competitive conduct.

It is a condition of the application process that no gifts, benefits or hospitality are to be made to any department/agency employee at any time. Any inducement in contravention of this condition may result in an applicant's application not being considered.

11.5 NSW Government Rights

The NSW Government may, in its absolute discretion, and without limiting any other right which the NSW Government may have, do all or any of the following at any time:

- Require additional information from an Applicant;
- Change any of the requirements of these Guidelines;
- Alter or vary any process, procedure or timing related to the grant opportunity, including any process, procedure or timing regarding the consideration or the evaluation of any application or all applications;
- Suspend or terminate the grant opportunity;
- Negotiate with one or more preferred Applicants without prior notice to any other Applicant;
- Terminate any negotiations being conducted with any Applicant;
- Readvertise for new Applicants;
- Consider any non-conforming application;
- Terminate further participation in the grant opportunity by any Applicant for any reason (including if the NSW Government reasonably considers an application to contain any false or misleading claims or statements);
- Not proceed with any Funding Agreement; or
- Proceed with a Funding Agreement in ways not contemplated in these Guidelines.

11.6 Intellectual Property

All intellectual property rights in these Guidelines remain the property of the NSW Government. Applicants are permitted to use these Guidelines for the purpose of preparing an application only, and if successful, managing grant expenditure in accordance with these Guidelines. Applicants must not use these Guidelines, or any information contained in these Guidelines for any other purpose.

Applications and information submitted in response to these Guidelines may be used by the NSW Government for promotional material if successful in accordance with the Funding Agreement, unless otherwise agreed between the Applicant and the NSW Government. The Applicant agrees that the NSW Government may make copies and reproduce applications for any purpose related to the grant opportunity. In addition, the NSW Government will retain (electronic and hard) copies of all applications.

11.7 Publicity and Announcements

The NSW Government may choose to publicly announce funding for individual applications. It may also use non-identifying information provided in the Funding Agreement to develop case studies.

All recipients of NSW Government funding must acknowledge this financial support as per the Funding Acknowledgement Guidelines for Recipients of NSW Government Grants available at nsw.gov.au/branding/sponsorship-and-funding-acknowledgment-guidelines.

Following entry into the Funding Agreement, publicity and announcements are to be made in accordance with the Funding Agreement.

11.8 No Offer

These Guidelines are not an offer, recommendation or invitation by the NSW Government in respect of any contract or commitment and are subject to a Funding Agreement being fully executed by the parties involved.

11.9 Addenda

The NSW Government may, in its absolute discretion, issue an addendum to these Guidelines. In each case, an addendum becomes part of these Guidelines.

11.10 Disclaimer

Information in these Guidelines is provided as general information only and is not intended as a substitute for advice from a qualified professional.

The NSW Government recommends that users exercise care and use their own skill and judgment when using information from these Guidelines and that users carefully evaluate the accuracy, currency, completeness, and relevance of such information. Users should take steps to independently verify the information in these Guidelines and, where appropriate, seek professional advice.

These Guidelines are subject to change at any time at the sole discretion of the NSW Government.

© State of New South Wales through EnergyCo 2024. The information contained in this publication is based on knowledge and understanding at the time of writing March 2024. However, because of advances in knowledge, users are reminded of the need to ensure that the information upon which they rely is up to date and to check the currency of the information with the appropriate officer of EnergyCo or the user's independent adviser.

