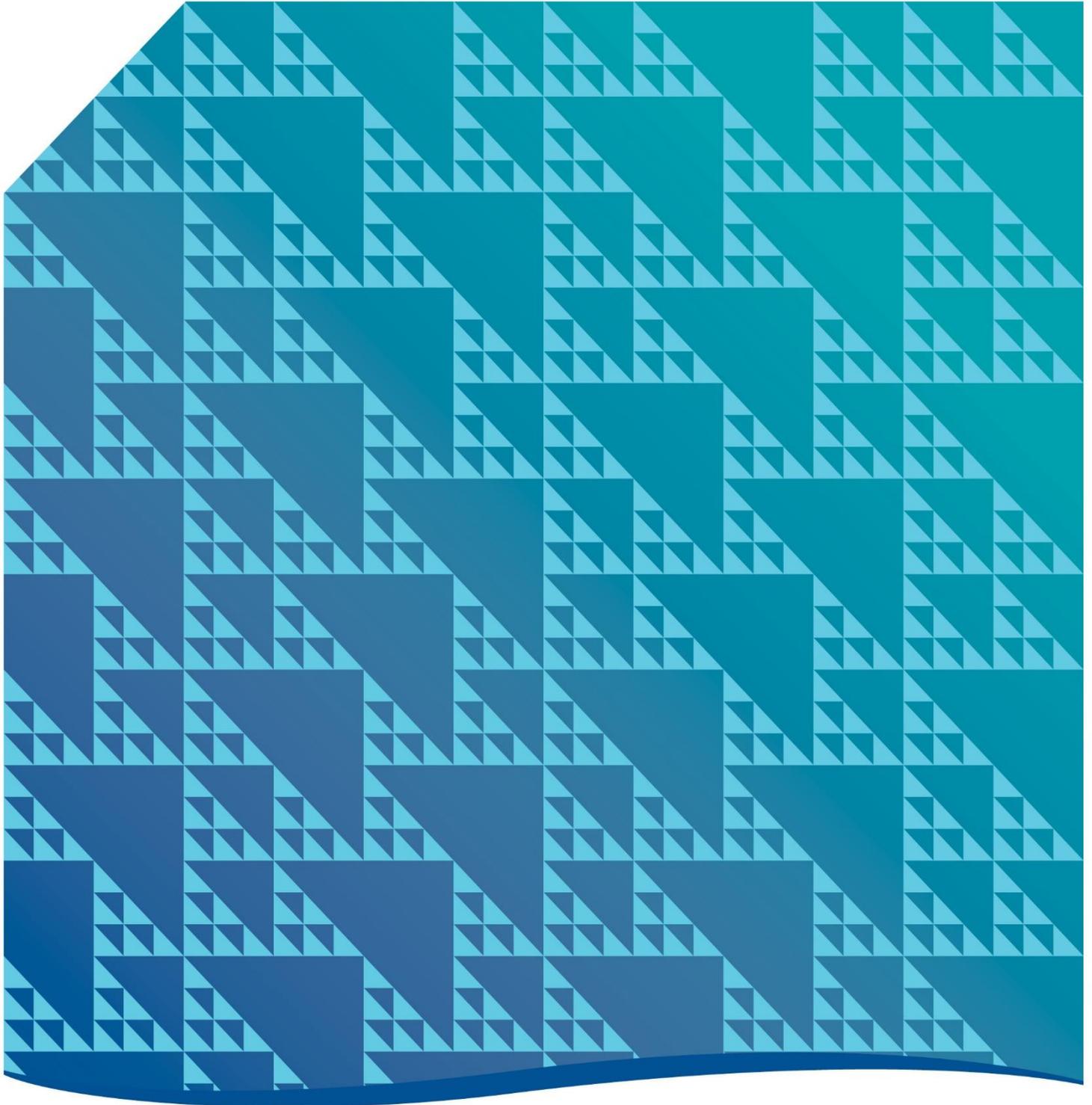


# Guidelines



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# Background

The On-farm Energy Audit and Capital Grant Program (the Program) is an initiative of the Tasmanian Government, providing grants to Tasmanian Farm Businesses. It supports the government's AgriVision 2050 policy, which aims to increase the value of agriculture and agri-food sectors.

The Program has two components:

**Audit Grants:** Audit Grants provide a subsidy to assist eligible Tasmanian Farm Businesses to engage a qualified professional to review their farm energy use, infrastructure and systems and identify savings strategies. This may include advice on pumping and efficient irrigation systems, general farm operations, solar, domestic usage, and farm machinery and equipment.

**Capital Infrastructure Grants:** Capital Infrastructure Grants provide a subsidy to assist eligible Tasmanian Farm Businesses to purchase new energy-saving or energy-efficient capital infrastructure to support improved or optimised on-farm energy efficiency, as recommend by an Energy and/or Irrigation Audit prepared by a suitably qualified professional. This may include, for example, irrigation pumps, lighting, insulation, ventilation infrastructure, solar panels, solar powered battery storage, or heating or cooling infrastructure.

## Key features

- The Program has an annual financial year allocation for three years (2018/19 – 2020/21) and the program will be closed if the allocation for any financial year is fully exhausted. Maximum grant assistance available under the Program is \$20 000 per applicant, which can be spread across an Audit Grant and a Capital Infrastructure Grant. Applicants can be approved for funding under each Grant type only once.
- Audit Grants:
  - For every \$2 of grant funds provided, successful applicants must contribute at least \$1, with grant funds provided to assist them to engage a suitably qualified professional to undertake Energy Audit(s) and/or Irrigation Audit(s).
  - Minimum grant assistance for an Audit Grant is \$1 000 (which equates to an audit cost of \$1 500).
- Capital Infrastructure Grants:
  - For every \$1 of grant funds provided, successful applicants must contribute at least \$1, with grant funds provided to assist them with the purchase of energy-saving or energy-efficient capital infrastructure.
  - Minimum grant assistance for a Capital Infrastructure Grant is \$1 000 (which equates to a purchase cost of \$2 000).

# Eligibility criteria

A business is eligible to apply for funding under the Program if they:

1. Meet the Definition of a Tasmanian Farm Business, as per these Guidelines.
2. Operate as a sole trader, trust, partnership or private company.
3. Are registered for tax purposes in Australia with an Australian Business Number (ABN); are registered for GST; and are classed as a primary producer by the Australian Tax Office.
4. Have an annual sales turnover (revenue generated) of \$5 million or less.

Applicants should note that complying with the eligibility criteria does not automatically mean an application to the Program will be approved.

Ineligible applicants include:

1. Any public company under the meaning as defined in the *Corporations Act 2001*;
2. Any government body including councils, government agency, publicly listed companies, government business enterprises, absentee landlords, forest activities and recreational activities;
3. An energy or irrigation consultant or advisor; and
4. Any business/person that is under external administration or bankruptcy.

The Program allows for eligible businesses to apply once for each type of Grant under the program. Successful applicants can receive up to \$20 000 in total funding (Audit Grant plus Capital Infrastructure Grant).

# Application process

Potential applicants are encouraged to discuss their eligibility and project with the Department of State Growth prior to submitting an application.

An Assessment Panel will be appointed by the department to assess applications and eligibility under the Program.

Applicants deemed by the Assessment Panel to be ineligible for the Program will be notified in writing. The decision by the Assessment Panel shall be final with no right of review or appeal.

Audit Grant application process:

1. Potential applicants should read the Program Guidelines to ascertain eligibility.
2. Potential applicants should identify an appropriate qualified professional that they believe is capable of undertaking an Energy Audit and/or Irrigation Audit in accordance with the intent of the Program and the definitions contained in these Guidelines. See the 'Tips on finding a suitably qualified professional' section below for further information.
3. Potential applicants should request and receive from the nominated qualified professional a scope of works, outlining the services to be provided, along with an itemised quote to undertake the works and a brief profile of the professional.
4. Applicants should complete and lodge an application online through SmartyGrants. As part of the application process applicants will be required to provide copies of the above documents (the scope of works, profile of the selected professional and the quote).
5. Applicants will be advised of the outcome of their application in writing within approximately four weeks.
6. Successful applicants will receive a Grant Agreement for acceptance, signature and return to the department.

Capital Infrastructure Grant application process:

1. Potential applicants should read the Program Guidelines to ascertain eligibility.
2. Potential applicants will need to, as part of their application, provide evidence of the need for the purchase of new on-farm infrastructure, and the manner in which it will provide energy savings or is energy-efficient. This must take the form of recommendations or advice in an Energy and/or Irrigation Audit as defined for this Program. It is not mandatory that the Energy and/or Irrigation Audit has been funded under this program.
3. Applicants should complete and lodge an application online through SmartyGrants. As part of the application process applicants will be required to provide a copy of the Energy and/or Irrigation Audit, along with an itemised quote for the capital infrastructure to be purchased.
4. Applicants will be advised of the outcome of their application in writing within approximately four weeks.
5. Successful applicants will receive a Grant Agreement for acceptance, signature and return to the department.

# Assessment criteria

## Audit Grants

The Assessment Panel will consider:

- The experience and qualifications of the applicant's selected professional.
- The value for money represented by the Project (as per the provided profile, scope of works and quote).

### Tips on finding a suitably qualified professional

1. Ask another farmer that has already had an energy audit and/or irrigation audit in your sector.
2. Seek a referral. Check with local agribusiness experts about whether they are aware of appropriately qualified energy and/or irrigation professionals which specialise in your sector.
3. Seek advice from the Australian peak industry bodies, such as the Energy Efficiency Council or Irrigation Australia.
4. Be aware that consultants may make commercial gains from marketing a particular technical solution; ensure that advice or recommendations are appropriately designed and sized for your operation.

When selecting a qualified professional, applicants may wish to ask the below questions:

1. Have you assessed other businesses in my sector?
2. How much do you know about my industry/business and specialist equipment?
3. Can you provide references from other business owners (ideally in my sector) you have audited?
4. What types of audits are you experienced and qualified to provide at my site?
5. What type of audit do you think my business needs and why?
6. Can you help me with implementing the opportunities you identify?
7. Does your company guarantee the savings identified will cover all project costs?
8. Do you sell products? What do you sell?
9. Do you have appropriate public liability and professional indemnity insurance?
10. What areas of my business do you think will provide the greatest opportunities for reduced energy bills?
11. Will you check that I am on an appropriate electricity tariff?

## Capital Infrastructure Grants

The Assessment Panel will consider:

- Whether there is a clear link between the Energy and/or Irrigation Audit and the proposed capital infrastructure purchase.
- The value for money represented by the Project.
- The quantifiable energy savings and energy efficiencies introduced to the business by the proposed purchase.
- The experience and qualifications of the applicant's selected infrastructure provider.

# Successful applicants

Successful applicants should note that additional reports on the outcomes of the funded Project may be requested up to 18 months after grant payment.

### **Audit Grants:**

Successful applicants will need to submit the following information, to the satisfaction of the Department of State Growth, prior to grant payment being made:

- A copy of the final invoice from the selected professional to you, for the Energy Audit(s) and/or the Irrigation Audit(s).
- A copy of the detailed written report provided by the suitably qualified professional (meeting the agreed scope of works and the Program Guidelines) on the activities undertaken and advice provided.
- A signed statement that you are satisfied that the work undertaken by the qualified professional has met the scope of works.
- A tax invoice made out to the Department of State Growth for two thirds of the invoice amount for the Energy Audit(s) and/or Irrigation Audit(s), which must not exceed the approved grant amount as per the Grant Agreement.

It is the responsibility of the successful applicant to ensure compliance with the invoice terms and payment of the invoice received from the suitably qualified professional. The Department of State Growth bears no responsibility for payment by the successful applicant to the professional undertaking the Energy Audit(s) and/or Irrigation Audit(s).

### **Capital Infrastructure Grants:**

Successful applicants will need to submit the following information, to the satisfaction of the Department of State Growth, prior to grant payment being made:

- A copy of the final invoice from the infrastructure provider to the successful applicant, for the approved purchase.
- Evidence of full payment of the invoice.
- A tax invoice made out to the Department of State Growth for one half (50 per cent) of the infrastructure provider's invoice amount (excluding GST) for the purchase, which must not exceed the approved grant amount as per the Grant Agreement.

N.B. - For both Grant types under the Program, the Project must take place within six months of the Grant Agreement being signed.

## **Eligible expenditure**

### **Audit Grants:**

Eligible expenditure includes Energy Audit(s) and/or Irrigation Audit(s) as per the Definitions provided in these Guidelines.

For projects that may be deemed eligible under the Program please see:

- Appendix I – energy audit examples.
- Appendix II – irrigation audit examples.

### **Capital Infrastructure Grants:**

Eligible expenditure includes the purchase of new energy-saving or energy-efficient capital infrastructure to support improved or optimised on-farm energy efficiency that has been recommended in an Audit prepared by a suitably qualified professional, to the satisfaction of the Assessment Panel. This may include, but is not limited to, irrigation pumps, lighting, insulation, ventilation infrastructure, solar panels, solar powered battery storage, or heating or cooling infrastructure.

# Ineligible expenditure

## **Audit Grants:**

Ineligible expenditure includes capital purchases (pending application and approval, these may be funded under the Capital Infrastructure Grants component of the Program), advice in relation to domestic usage (where it is not part of the on-farm business operations), and advice in relation to vehicle fuel costs.

## **Capital Infrastructure Grants:**

Ineligible expenditure includes:

- Energy or irrigation audits (assistance for audits may be provided under the Audit Grant component of the Program).
- Capital infrastructure that has not been recommended by an audit and cannot be proven to provide quantifiable energy savings or cannot be proven to be energy-efficient, to the satisfaction of the Assessment Panel.
- Capital purchases that have already taken place prior to Grant approval.
- In-kind expenses or contributions.
- Purchase of any infrastructure that is also funded through any other government funding program.
- Temporary solutions, such as equipment hire.

# Definitions

**Assessment Panel** means the Panel appointed by the Department of State Growth to assess applications and eligibility under the Program.

**Audit Grant** means the component of the Program providing a subsidy to assist eligible Tasmanian Farm Businesses to engage a qualified professional to review their farm energy use, infrastructure and systems and identify savings strategies. This may include advice on pumping and efficient irrigation systems, general farm operations, solar, domestic usage, and farm machinery and equipment.

**Capital Infrastructure Grant** means the component of the Program providing a subsidy to assist businesses to purchase new energy-saving or energy-efficient capital infrastructure to support improved or optimised on-farm energy efficiency.

**Energy Audit** means an inspection, review and written report prepared by a suitably qualified energy professional. The audit should include analysis of energy used within the business. The audit should provide recommended actions to reduce energy usage while maintaining or increasing farm production and profitability. The audit may be Type 1 (basic energy audit), Type 2 (detailed energy audit) or Type 3 (precision subsystem audit). If a business intends to apply for a Capital Infrastructure Grant under the Program, the Energy Audit must also provide recommendations about capital infrastructure that will assist in delivering energy savings or optimal energy use. See <https://www.energy.gov.au/business/conduct-energy-assessment> for further details on types of audits.

**Grant Agreement** means a Grant Agreement entered into between an approved applicant and the Crown in Right of Tasmania.

**Irrigation Audit** means an inspection, review and written report prepared by a suitably qualified irrigation professional. The audit should include inspection and measurement of the efficiency and effectiveness of the on-farm irrigation infrastructure and system, as it pertains to optimising energy use; and recommendations and advice as to improvements that may be made. It may include review and advice on reduced energy use through, for example, irrigation scheduling; irrigation infrastructure maintenance; and potential implementation of new or updated infrastructure which may provide energy savings. For the purposes of this Program an Irrigation Audit will not be taken to mean any investigation, analysis or advice that is of an agronomic nature; this may include soil analysis, use of herbicides or pesticides, fertilisation, or crop water requirements. If a business intends to apply for a Capital Infrastructure Grant under the Program, the Irrigation Audit must also provide recommendations about capital infrastructure that will assist in delivering energy savings or optimal energy use.

**Project** means a project which is the subject of a Grant Agreement under the Program.

**Program** means this On-farm Energy Audit and Capital Grant Program.

**Tasmanian Farm Business** means a small to medium sized operation, where its products and services are produced in Tasmania and it is engaged in the business of primary production. A Tasmanian Farm Business is involved in the agriculture, horticulture, pastoral, apiculture and/or aquaculture industries in Tasmania. A Tasmanian Farm Business, in conjunction with its primary production activities, may also undertake activities related to agri-tourism, or include a value-adding/processing facility. Stand-alone or dedicated agri-tourism or processing facilities will not be considered to be a Tasmanian Farm Business.

# Taxation and financial implications

Grants under the Program attract GST. Grant payments to successful applicants are increased to compensate for the amount of GST payable.

The receipt of funding from this Program may be treated as income by the Australian Taxation Office (ATO). While grants are typically treated as assessable income for taxation purposes, how they are treated will depend on the recipient's particular circumstances.

It is strongly recommended that potential applicants consider seeking independent advice about the possible tax implications for receiving the Grant under the Program from a tax advisor, financial advisor and/or the ATO, prior to submitting an application.

## Confidentiality

The relevant parties will use and disclose the information provided by applicants for the purposes of discharging their respective functions under the Program Guidelines and otherwise for the purposes of the Program and related uses.

The department may also:

1. Use information received in applications in any other departmental business.
2. Use information received in applications and during the performance of the Project for reporting.

## Administration and contact details

The Program will be administered by the Department of State Growth on behalf of the Crown in the Right of Tasmania. Any person requiring further advice or information on the Program, or submitting an application, is asked to direct enquiries to: [eip@stategrowth.tas.gov.au](mailto:eip@stategrowth.tas.gov.au) or Business Tasmania on 1800 440 026.

## Timeframes

All potential applicants must read the Guidelines carefully to determine their eligibility for funding under the Program. Applications under the Program can be submitted at any time, until such time as the Program closes, or until funds have been exhausted. Should the evaluation panel request further information to support or clarify an application, this information must be provided within the requested timeframe, normally two weeks, or the application may be rejected.

# Publicity of grant assistance

The Department of State Growth disburses public funds and is therefore accountable for the distribution of those funds. As part of the accountability process, the department may publicise the level of financial assistance, the identity of the recipient, the purpose of the financial assistance, and any other details considered by the department to be appropriate.

# Right to information

Information provided to the Department of State Growth may be subject to disclosure in accordance with the *Right to Information Act 2009*.

# Personal information protection

Personal Information will be managed in accordance with the *Personal Information Protection Act 2004*. This information may be accessed by the individual to whom it related, on request to the Department of State Growth. A fee for this service may be charged.

# Disclaimer

Although care has been taken in the preparation of this document, no warranty, express or implied, is given by the Crown in Right of Tasmania, as to the accuracy or completeness of the information it contains. The Crown in Right of Tasmania accepts no responsibility for any loss or damage that may arise from anything contained in or omitted from or that may arise from the use of this document, and any person relying on this document and the information it contains does so at their own risk absolutely. The Crown in Right of Tasmania does not accept liability or responsibility for any loss incurred by an applicant that are in any way related to the Program.

# Appendix I – Energy Audit examples

## **Seafood business**

An oyster farm with an onshore shed, two holding ponds and electrical equipment engaged a qualified professional to complete an AS/NZS 3598:2000 Type 1 Energy Audit. A professional provided an abbreviated report with a short list of key energy saving opportunities with estimated figures on savings and costs. They provided tips about maintaining their existing equipment, purchasing a different sized pump, investigating variable speed drives and installation of solar PV to replace or supplement existing energy sources.

## **Dairy farm business**

An energy professional examined energy consumption patterns and current and likely future needs of a dairy farm business which was consistent with AS/NZS 3598:2000 Type 2 Energy Audit. They established the operation's baseline energy consumption in relation to industry benchmarks for dairy sheds; analysed the property's energy use; and identified areas in which there appeared to be potential for energy and cost savings.

Energy measurements included the performance of dairy equipment and the provision of hot water, lighting and cooling to both the dairy and the main office. The audit also examined the business's energy tariffs and looked at current energy use on the property, including on-site solar potential, and energy consumption of on-farm residences.

The audit led to significant immediate savings through renegotiating the electricity tariff, recovering waste heat from the chiller, installing new lights and optimising the cooler. Long term opportunities were identified and included installing solar, replacing the chiller unit and installing air conditioning in the office building.

## **Fruit orchard and processing business**

A medium sized apple business that grows, packs and stores fresh apples engaged an energy audit professional to conduct an assessment of their cold storage and packing operations. The professional provided a report with four recommendations including lighting upgrades, installing lighting sensors, installing controllers on its compressors and installing an automatic door.

# Appendix II – Irrigation Audit examples

## **Vegetable farm business**

A qualified professional was engaged to review the efficiency and effectiveness of the irrigation infrastructure and system on a medium-sized vegetable farm. There was one on-farm centre pivot and several centrifugal pumps which, using energy, draw water from the site dam to serve the nearby pivot irrigator or to transfer to the site main dam.

An audit of the pumping systems evaluated reducing head losses and optimising pumping systems. The report provided an irrigation schedule, made maintenance recommendations and estimated potential savings from implementing new irrigation technologies, products and practices.

Of the energy-saving opportunities evaluated, three initiatives were identified, providing potential short-term cost savings and a two year payback period.

## **Mixed farming business**

Irrigation Audits of centre pivot farms have shown that irrigation can account for upwards of 50 per cent of a total farm energy bill. An audit of a mixed farming business identified opportunities for new technologies such as smart metering and automation, changing the size of the pumps and regular pump maintenance. The report dismissed the opportunity for solar due to the time-critical nature of irrigation and high power requirements.

## **Seafood business**

An abalone business consisting of a nursery with juvenile and grow-out tanks completed an Irrigation Audit to improve the efficiency of the pumping systems. The qualified professional identified savings that could be realised immediately by reducing the pump head and significant additional savings with hydraulic optimisation, which required capital expenditure with a return on investment in 2.5 years.



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