

Economic Recovery Fund – Round 2 Guidelines

South Australian Small Business
Energy Efficiency Grants



Overview

The South Australian Government has committed \$154.2 million to the Economic Recovery Fund (the 'ERF') to assist business and industry to grow secure, well-paid jobs, improve productivity, deliver efficiencies, increase exports, and support innovative, value-adding technologies in South Australia.

A total of \$20 million is available under Round 2 of the ERF, offering grants under the Small Business Energy Efficiency Grants Program (the 'Program').

The Program will support eligible small businesses and not-for-profits to invest in energy efficient equipment or improvements to reduce and manage energy use and costs.

This support may assist businesses to:

- adopt more energy efficient practices
- provide environmentally friendly products and services
- avoid and reduce waste
- adopt new technologies and processes.

The Program is administered by the Office for Small and Family Business (the 'OSFB') within the Department of State Development (the 'Department'), on behalf of the Treasurer.

To access the funding, successful applicants will be required to sign an agreement stipulating obligations of the applicant and the conditions under which assistance is given, including, where relevant, clawback and reporting requirements.

The following guidelines should be read in conjunction with the overarching ERF guidelines available on the Department of Treasury and Finance website: www.treasury.sa.gov.au/ERF.

Available assistance

A total of \$20 million is available in 2024-25 to support South Australian small businesses and not-for-profit organisations, with grants ranging from \$2,500 to a maximum of \$50,000, per eligible business. *Note that all grant amounts **exclude** GST.*

Only **one** application can be submitted per Australian Business Number (ABN), but one or more eligible activities or equipment can be applied for **within** the same application, up to the maximum grant value of \$50,000.

The government will provide up to 50 per cent matched funding through reimbursement of eligible business expenditure from \$5,000 up to \$100,000 (excluding GST and inclusive of the business' financial contribution). Any project expenditure above \$100,000 (excluding GST) will not be eligible for grant funding.

For example:

- *If you spend \$5,000, you may be eligible for a grant of \$2,500.*
 - *If you spend \$100,000 or more, you may be eligible for a grant up to \$50,000.*
 - *If you spend \$120,000, you may be eligible for a grant up to \$50,000.*
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Grants will be available until the grant funding has been fully allocated, or by 29 November 2024, whichever occurs sooner.

Applications will not be considered where retrospective funding is sought for expenditure incurred or committed (i.e. deposit paid or order placed) prior to the application being approved.

Eligibility criteria

Eligible business applicants

An eligible business must:

1. have a valid and active ABN;
2. be registered for Goods and Services Tax (GST) at the time this funding round commenced (29 August 2024). Not-for-profit organisations that are not registered for GST will need to provide their most recent lodged tax return confirming annual turnover was greater than \$75,000;
3. be located and operating in South Australia; and
 - a. be a small business electricity customer (including not-for-profit) that is on a separately metered business tariff with their electricity retailer and consumes less than 160MWh of electricity per year*; **or (if you do not meet this criteria)**
 - b. have an Australia-wide grouped payroll of less than \$1.5 million in 2023-24 [Note the information you provide with your application will be verified against information held by Revenue SA];

4. **not be** a home-based business i.e. operating primarily from the owner's, or an employee's, residence;
5. not be a public company within the meaning of the *Corporations Act 2001*;
6. own or lease the business premises where any work or goods will be installed or used (this premise cannot be a residential property); and
7. be able to provide matched funding of at least 50 per cent of eligible costs.

Embedded electricity networks

**If your business is part of an embedded network and does not receive an electricity bill either directly from an energy retailer or the building owner, you may still be eligible to apply if you can provide a copy of lodged PAYG statements confirming Australia-wide grouped payroll of less than \$1.5 million in 2023-24.*

Business applicants on embedded networks would need to seek their landlord's permission should they wish to undertake any improvements to the premises. As part of the application, you will be required to declare that you have obtained permission from your landlord. Joint applications from a group of businesses on an embedded network are encouraged.

Applicants that are part of an embedded network are encouraged to agree with their landlord how the benefit of the energy efficiency investment will be returned to the applicant/group of businesses, rather than the landlord.

Eligible expenditure

The funding must only be used for eligible project activity and equipment costs that the recipient incurs – refer attached [Appendix 1: Eligible Project Activities and Equipment List](#)

Ineligible expenditure

The funding **cannot** be applied to costs incurred for any of the following:

- Work completed by the applicant, an employee of the applicant, or a related entity¹. Funding must be used for costs incurred through a third-party provider.
- Equipment purchases that are:
 - not used for the primary purpose or operations of the business
 - not related to improving the energy efficiency of the business (e.g. equipment for domestic use or that is primarily for another type of activity at your site)
 - televisions, entertainment systems, laptops, computers and associated equipment
 - used or second-hand equipment
 - vehicles (new or used) including electric vehicle chargers
 - solar panels installed without battery storage

¹ For the purposes of this Program, 'related entity' means:

1. An entity which controls the Applicant or their business, or which is controlled by the Applicant or their business;
2. Where the Applicant business is controlled by an entity (the Principal Entity), any other entity which is controlled by the Principal Entity;
3. An entity which has an investment in the Applicant or their business;
4. An entity in which the Applicant or their business has an investment;
5. An employee of the Applicant business;
6. Any other entity which, in the opinion of the Minister, is related to the Applicant or their business.

- equipment with an energy efficiency rating of less than 4 of 6 stars, where energy ratings are applied
- unrelated to energy efficiency improvements
- for the replacement of equipment that is broken or no longer functional.
- Project development costs such as early-stage feasibility studies, business case development, due diligence, proofs of concept or quotations.
- Ongoing operating and overhead costs including, but not limited to, wages and salaries, recruitment, training and mentoring, procurement fees, rent or other property costs, maintenance and repair costs, utilities, vehicles, furniture.
- Costs associated with switching from electricity to gas.
- Costs of financing, interest and insurance.
- Costs of preparing an application under this Program.

Evidence required

Applicants must provide the following as part of their application:

- Their ABN
- A Certificate of Currency for any business insurance policy *[if the business does not have an insurance policy, the form will give the applicant the option to provide their most recent Business Activity Statement issued by the ATO]*.
- Copies of energy bills covering the previous 12 months.
- For businesses that are on a separately metered business tariff with their electricity retailer or consume more than 160MWh of electricity per year – a copy of lodged PAYG statements confirming Australia-wide grouped payroll of less than \$1.5 million in 2023-24.
- A copy of the business' bank statement, which must show the bank name and logo, business' bank account name(s), BSB and account number.
- Evidence of the reduced energy consumption of the proposed expenditure, where applicable *[The 'Energy Consumption Reduction Calculator' available on the website <https://business.sa.gov.au/programs/small-business-energy-grants> will need to be completed as part of the application]*.
- **For not-for-profit organisations that are not GST registered** – a copy of their most recently lodged tax return.
- **For businesses on an embedded network applying together** – a list of all businesses applying together and their ABNs.
- For unique projects submitted in accordance with section 9 of the *Eligible Project Activities and Equipment List (Appendix 1)*, additional information will be sought as outlined in the application form, including (but not limited to) energy source, usage rates, power rating and details of equipment being replaced/upgraded.
- Evidence of proposed goods or service/s to be purchased, including:
 - **For grant applications up to \$15,000 (total business spend up to \$30,000)**
 - at least one quote from a third-party provider for the work(s) to be undertaken at the applicant's business address; and/or
 - at least one quote from a third-party provider for each of the proposed goods to be purchased (including links to or screenshots of an Australian retailer's online site showing pricing and evidence of energy efficiency rating, where applicable).

For grant applications of \$15,001 to \$50,000 each (total business spend up to \$100,000)

- copies of a minimum of two quotes undertaken by third party providers to confirm the work(s) to be undertaken at the applicant's business address (if applicable, rationale for selecting a higher quote will be required); and/or
- at least two quotes from a third-party provider for each of the proposed goods to be purchased (including links to or screenshots of an Australian retailer's online site showing pricing and evidence of energy efficiency rating, where applicable).

Successful applicants must provide evidence of purchase and proof of payment when claiming reimbursement, along with any relevant Certificate of Compliance for installations.

Application process

Step 1 – Application for purchase approval

- Complete and submit an online application form at <https://business.sa.gov.au/> before purchasing the goods/services. Applications are processed in the order in which they are received. Incomplete and unsubmitted applications will not be considered or approved.
- On receipt of a completed application, the OSFB will verify that you have met the relevant eligibility criteria. The OSFB may contact you to request further information, if required. For unique projects submitted in accordance with section 9 of the *Eligible Project Activities and Equipment List (Appendix 1)*, third party verification of the proposed energy efficiencies may be undertaken by OSFB as part of the assessment process.
- On verification of eligibility, OSFB will issue a Grant Agreement and Acceptance Form, which **must be accepted within 14 calendar days**. If you do not accept within this time, the purchase approval will lapse and your application will be withdrawn.
- The Grant Agreement will specify an upper limit. *Should you incur costs beyond the approved limit, these additional costs will not be eligible for reimbursement.*

Step 2 – Reimbursement

- To claim reimbursement, you must complete and submit a reimbursement form, which will be provided to you.
- Reimbursement will be provided following the provision of a valid tax invoice(s), proof of payment, and Certificate of Compliance for installations (if applicable). The tax invoice(s) must include the supplier name, supplier ABN, purchase date, purchase price and itemised description of goods/services purchased.
- On receipt of a valid tax invoice(s), satisfactory proof of payment, and Certificate of Compliance for installations (if applicable), the grant will be paid into the nominated business bank account within 15 days.

You must complete all purchases of goods and services, including installation, testing and commissioning (where applicable), prior to submitting your claim for reimbursement.

Reimbursement of deposits or progress payments etc will not be provided. Claims for reimbursement must be made within 6 months from the date the Grant Agreement and Acceptance Form is sent to you. Where this is not completed within 6 months, the purchase approval will lapse.

Summary of key dates

Applications open	Tuesday 27 August 2024
Applications close*	Friday 29 November 2024
Purchase and installation	6 months to complete purchases and installation and apply for reimbursement from the date a Grant Agreement and Acceptance Form is sent to you.
Reimbursements paid	Once reimbursement request is approved, payment is processed within 15 days

**Or until funding has been fully allocated (whichever occurs sooner)*

Further information

If you require further information regarding the Program, please refer to the FAQs or contact smallbusinessenergygrants@sa.gov.au.

Additional information

Freedom of information

Applicants should be aware that all documents in the possession of the government, including those about this grant opportunity, are subject to the [Freedom of Information Act 1991 \(SA\)](#) (FOI Act). Information submitted in applications and all related correspondence, attachments and other documents may be made publicly available under the FOI Act.

The FOI Act gives members of the public a legally enforceable right to apply to access documents – subject to certain exemptions – held by government agencies, local government authorities, statutory and regulatory bodies and South Australian universities.

Privacy and information policy

The Department complies with the [Government of South Australia's Information Privacy Principles Instruction](#). The Department collects information (including personal information) as reasonably necessary for the purposes and functions of:

- administering our grants and funding programs

- keeping you informed about the program, relevant upcoming events, grant funding initiatives and outcomes, our services, special events or client feedback surveys, as well as our activities in general
- improving our websites and other services.

The collection and use of information extends to use of such information by the Minister for the purposes as outlined above.

Any information contained in or relating to an application, including information identified by an applicant as confidential information for the purposes of applying for funding under this Program, may be disclosed by the Department to, or used by the Department:

- to its employees, advisers or third parties in order to manage the Program, including but not limited to, for the purposes of verifying information in, evaluating and assessing the application
- for the purpose of verifying other funding income for approved purchases – the Department may provide information to other agencies nominated in your application
- for due diligence, monitoring, reporting and audit purposes
- within the government where this serves the legitimate interests of the Department
- in response to a request by a House or Committee of the Parliament of the Commonwealth of Australia or South Australia
- for training, systems testing and process improvement, including compiling statistics and reports
- if an application is successful, for promotion of project activities and outcomes
- where information is authorised or required by law to be disclosed
- where the information is already in the public domain.

It is the intent of the government to be transparent with regards to financial assistance provided to industry. The government intends to publicly disclose details of all financial assistance provided by the government for this program (which will include, but is not limited to, the name of the successful applicant, details of the Project activity, and amount of grant funding).

Disclaimer

No responsibility for any loss or damage caused by reliance on any of the information or advice provided by or on behalf of the state of South Australia, or for any loss or damage arising from acts or omissions made, is accepted by the state of South Australia, its officers, servants or agents.

The Treasurer may vary these guidelines at any time.

Variation

The Treasurer reserves the right to amend these Guidelines and application terms as required.

Appendix 1: Eligible Project Activities and Equipment List

To qualify for funding, your energy efficient purchase(s) must be from the following list:

1. Power supply and generation

- Install battery storage systems for renewable energy
- Install biomass generation systems
- Install control equipment for energy efficiency
- Install micro wind turbines (if location permits)
- Install solar panels with accompanying battery storage
- Replace or expand switchboards or electricity distribution to facilitate electrification of equipment
- Install voltage optimisation devices

2. Lighting and electrical

- Install automatic lighting control equipment
- Replace non-LED lighting and signage with LED variants
- Install occupancy sensors/motion sensors for lighting
- Install smart power strips

3. Energy efficient appliances – 4-star rating or better

- Replace air conditioners
- Replace clothes dryers and clothes washers
- Replace dishwashers
- Replace refrigerators and freezers
- Replace pool pumps

4. Heating, cooling and refrigeration

- Replace boilers
- Replace HVAC equipment and systems including air conditioning units, chillers, compressor and condensers, with higher efficiency units or components
- Install HVAC system controls e.g. programmable thermostats
- Install refrigeration system controls
- Replace existing fossil fuel or inefficient electric powered equipment for heating, drying or cooling with a heat pump system equivalent
- Install heat recovery processes
- Replace refrigeration unit or freezer, including walk-in refrigerator, refrigerated display case, refrigerated vending machine, with a new high efficiency unit
- Upgrade insulation for refrigeration systems
- Upgrade insulation on a cool room or upgrade a cool room to be airtight
- Install night blinds, glass doors/lids and/or rapid close doors on refrigerated spaces

5. Water heating

- Replace an existing hot water system with a more efficient new heat pump or solar thermal hot water heater
- Replace an existing pool heater with a new heat pump or solar thermal pool heating system
- Install insulation for hot water systems

6. Motors, pumps, fans and compressors

- Replace a motor with a higher efficiency motor, or a lower power motor that is better matched to its duty point.
- Replace a pump, fan or compressor with a more energy efficient equivalent
- Optimise compressed air storage
- Install variable speed drive units for existing motors, pumps, fans and compressors

7. Building upgrades

- Upgrade building sealing e.g. Install draught proofing, weather stripping or airtight seals
- Install external shading to protect windows against sunlight
- Install or upgrade to heavyweight or insulating window blinds (where lightweight or no coverings were previously installed)
- Install or upgrade insulation in roofs, ceiling or walls
- Replace or upgrade existing windows and doors energy efficient variants (e.g. double/triple glazed)

8. Process automation, controls and optimisation

- Install automated energy monitoring and management software
- Install Building Energy Management Systems (BEMS)
- Install sensors, meters, and automation equipment for process optimisation
- Install smart building technology (Internet of Things (IoT) devices for energy management)
- Reconfigure systems for energy reduction in heating, cooling, compressed air

9. Other unique projects/equipment

- Other projects or equipment not listed above will be considered if the project:
 - exceeds \$20,000 in total project/equipment value (excluding GST); and
 - will improve energy efficiency and lead to an ongoing reduction in energy usage/ consumption and costs.

Note additional evidence requirements will apply and projects submitted under this clause will undergo a third-party assessment to verify energy efficiency.

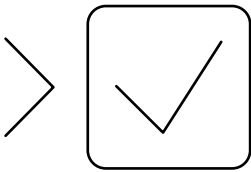
You can include the cost of delivery, installation and commissioning related to equipment purchased under this program.

You can also include the cost of decommissioning, removal and disposal of any old equipment being replaced.

You are not eligible if you purchase equipment that is not related to the primary nature and type of the business, even if it's energy efficient.

Installation requirements

Eligible equipment requiring installation must be installed by a licensed contractor qualified under relevant South Australian laws and holding a current South Australian Trade Licence. As part of your application, you are required to provide a Certificate of Compliance or Electronic Certificate of Compliance for all installations.



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Small & Family
Business

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