

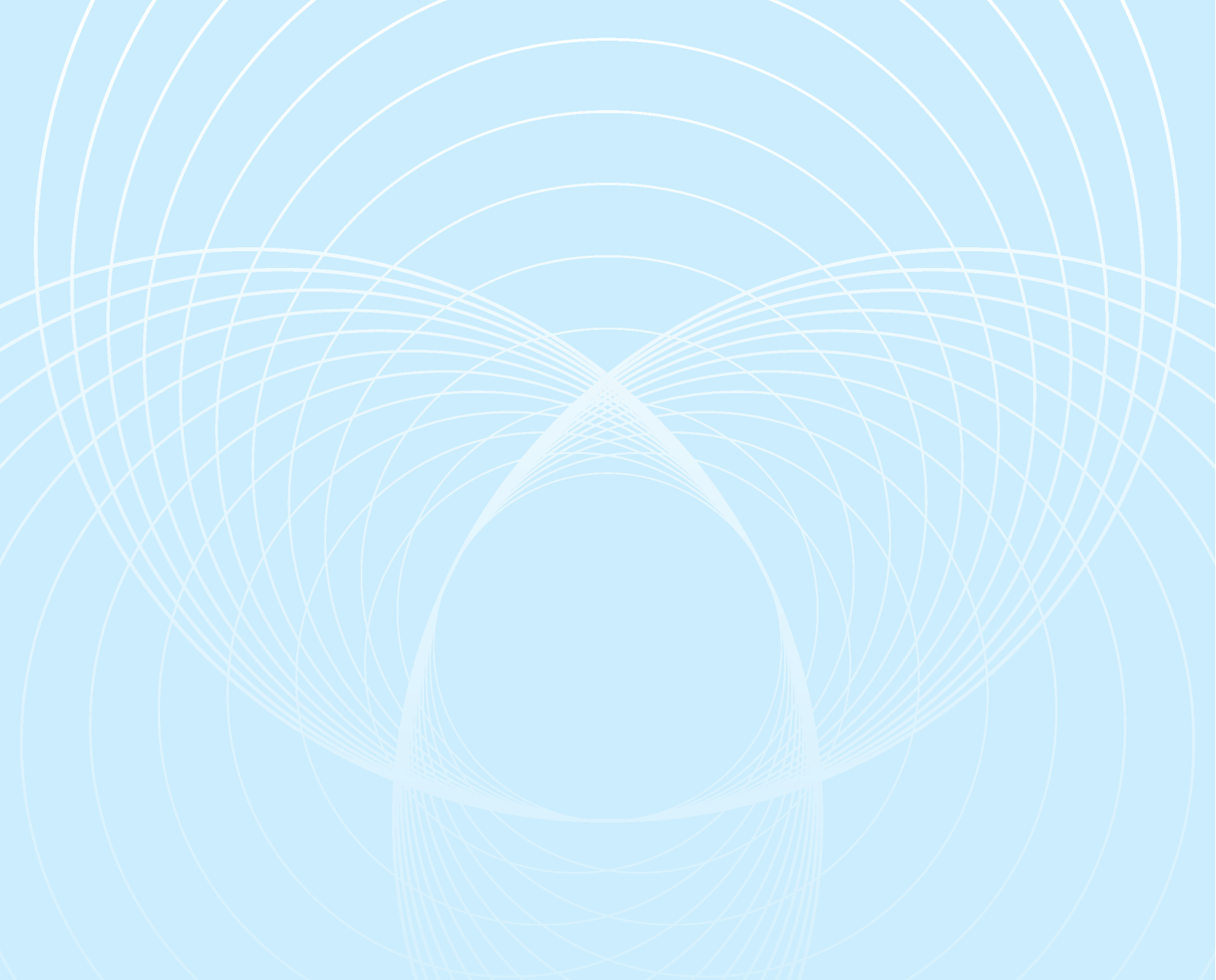
Department of Climate Change,
Energy, the Environment and Water

Community Housing Energy Performance Grant

Grant guidelines

September 2024





Acknowledgment of Country The Department of Climate Change, Energy, the Environment and Water acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

Published by NSW Department of Climate Change, Energy, the Environment and Water

dceew.nsw.gov.au

Title Community Housing Energy Performance Grant

Sub-title Grant guidelines

First published September 2024

ISBN 978-1-76058-802-1

Copyright and disclaimer

© State of New South Wales through the Department of Climate Change, Energy, the Environment and Water 2024. Information contained in this publication is based on knowledge and understanding at the time of writing, September 2024, and is subject to change. For more information, please visit dceew.nsw.gov.au/copyright

Contents

Contents	3
Executive Summary	6
1. Overview of the CHEP grant program	8
1.1 Purpose and objectives	10
1.2 Funding and budget	10
2. Selection criteria	16
2.1 Eligibility criteria	16
2.2 Merit criteria	17
3. Application process	19
3.1 How to apply for funding	19
4. Assessment process	20
4.1 Assessment of grant applications	20
4.2 Due diligence	20
4.3 Final decision	20
4.4 Publication of grants information	21
5. Successful grant applications	22
5.1 Grant funding agreement	22
5.2 Funding offer	22
5.3 Grant payment	23
5.4 Indicative reporting and acquittal requirements	23
5.5 Evaluation	27

6.	<u>Additional information & resources</u>	28
6.1	<u>Commencement and authority for CHEP grant program guidelines</u>	28
6.2	<u>Confidentiality and information disclosure</u>	28
6.3	<u>Complaints</u>	29
6.4	<u>Conflict of interest</u>	29
6.5	<u>Grant acknowledgement</u>	30
6.6	<u>Discretion of the Department</u>	30
6.7	<u>No contract or liability</u>	30
6.8	<u>Privacy</u>	30
 <u>Appendix 1: Template Funding Agreement</u>		31
 <u>Appendix 2: Outline of Implementation Plan</u>		32
 <u>Appendix 3: Risk Guide</u>		33

Grant program details	
Opening date and time	23/09/2024 09:00 AM AEST
Closing date and time	1/11/2024 05:00 PM AEDT
Application outcome date	07- 15 December 2024
Project delivery timeframe (for successful applications)	From execution of funding agreements with successful applicants to 31 December 2026
Evaluation timeframe (for successful applications)	1 July 2024 – 30 June 2027
Decision-maker	Deputy Secretary, Energy, Climate Change and Sustainability
NSW Government agency	Department of Climate Change, Energy, the Environment and Water, NSW Government (the Department)
Type of grant opportunity	Targeted, competitive
Grant value (total available funding for the grant and the available individual grant amounts, excluding GST)	Total grant value is up to \$18.3 million Individual grant amounts will be between \$50,000 and \$3,000,000 depending on the respective CHP tiers.
Enquiries	Brooke Collins A/Manager, Energy Programs DCCEEW E: shepi@dpie.nsw.gov.au

Executive Summary

The \$175 million NSW Social Housing Energy Performance Initiative (SHEPI) will provide energy efficiency upgrades for approximately 24,000 social housing properties across the state.

Under SHEPI, the NSW Department of Climate Change, Energy, the Environment and Water (the Department) will administer approximately \$18.3 million in grant funding to Community Housing Providers (CHPs) as part of the Community Housing Energy Performance (CHEP) grant program. The CHEP grant program will upgrade approximately 3,500 social housing properties owned and/or managed by CHPs. Additional incentive payments, totalling up to \$1 million, will also be available for successful CHPs to encourage timely delivery of the energy upgrades.

These grants will enable CHPs to identify, prepare and scale up the installation of energy upgrades at their properties. These upgrades may include heat pump hot water systems, ceiling fans, reverse-cycle air conditioners, solar systems, insulation and draught proofing to make the homes more comfortable in summer and winter.

Applications for this grant will be open from 23 September 2024 09:00 AM AEST. The Department may vary or extend this timeframe at its full discretion.

The grants will be allocated based on a merit assessment of the applications. The key eligibility and merit criteria include:

- applicants making a mandatory co-contribution towards the cost of the upgrades, based on their respective NRSCH tier
- prioritising upgrades in climate zones where extreme heat and cold are experienced
- homes built before the introduction of the Building Sustainability Index (BASIX) in 2004.

The Department will fund up to \$3,000,000 to each applicant to cover the capital cost of energy upgrades in CHP owned and/or managed social housing properties.

Applicants must submit their applications online through the NSW Government Grants Management System (GMS). All applications will be assessed after the grant application period closes. A targeted, competitive process will be used, and applications will be comparatively assessed on merit using the selection criteria.

Applications will be assessed in two stages:

- Stage 1 – check against the eligibility (pass/fail) criteria
- Stage 2 – applications that meet the eligibility criteria will be comparatively assessed against the merit criteria. Applications will only be assessed against others within their relevant tier.

Successful applications will be awarded a funding deed. All installations must be completed by 31 December 2026.

1. Overview of the CHEP grant program

The NSW and Commonwealth governments will implement the \$175 million SHEPI program to upgrade approximately 24,000 NSW social housing homes by 30 June 2027. This initiative will support a range of energy performance upgrades to improve the liveability of social housing properties and help social housing tenants reduce their energy bills.

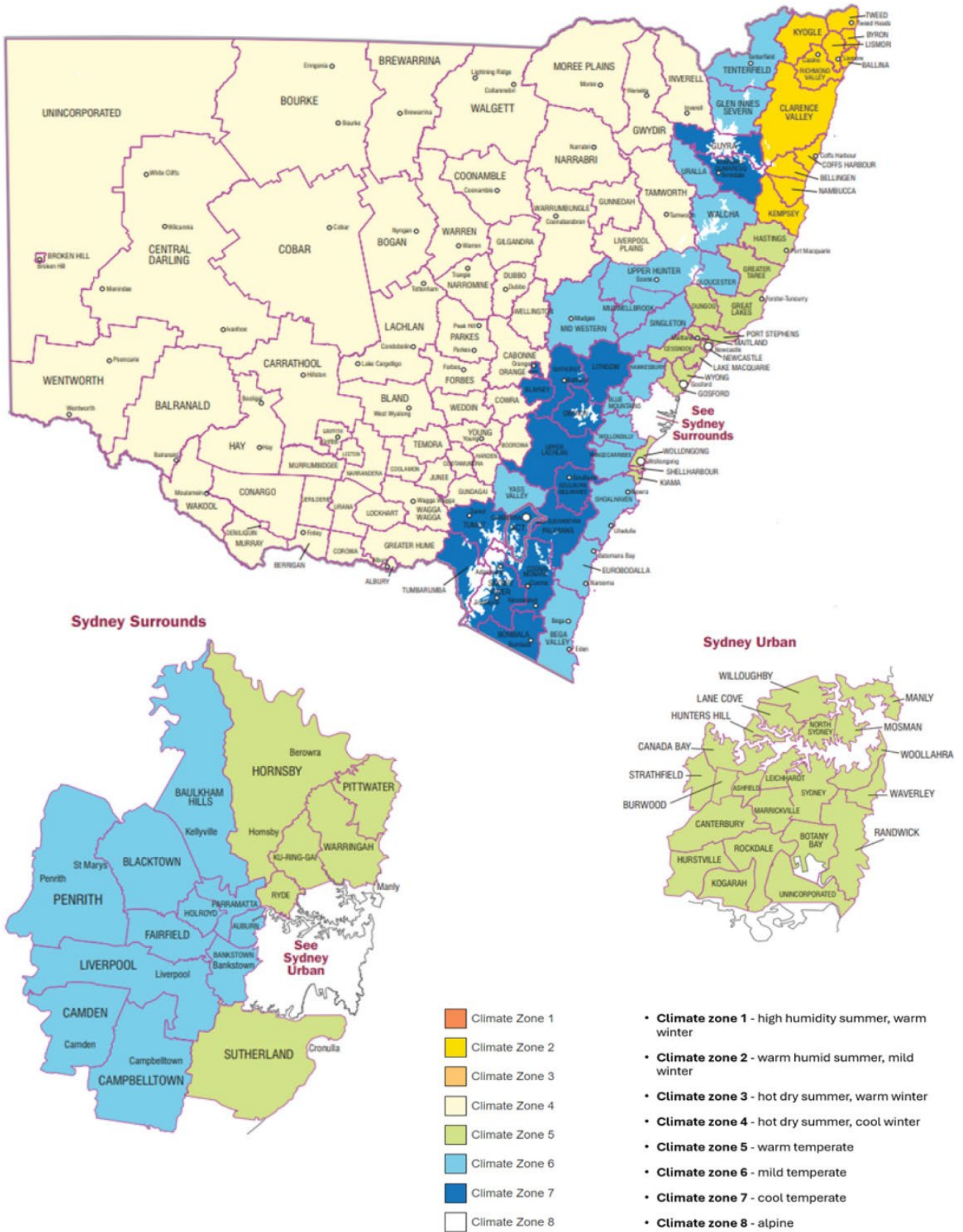
Energy performance upgrades that may be installed under SHEPI include:

- appliance upgrades of air conditioning, heat pump hot water systems and LED lighting
- thermal shell upgrades such as insulation, draught proofing and window shading
- renewable energy such as solar systems and solar sharing.

The majority of social housing in NSW was built more than 20 years ago, before the introduction of minimum energy efficiency standards. SHEPI may prioritise upgrades to homes in a combination of remote, regional and metropolitan areas that are:

- built before the introduction of BASIX in 2004
- in climate zones where extreme heat and cold are experienced (National Construction Code (NCC) climatic zones 4, 6, 7 and 8). The map below shows an overview of the NCC climatic zones across the state. More details are available on the [Australian Building Codes Board website](#).

Figure 1: NSW Climate zones maps



SHEPI will bring together Homes NSW, which includes the Land and Housing Corporation (LAHC) and the Aboriginal Housing Office (AHO), and CHPs for a joint approach to upgrade public, community and Aboriginal social housing. The Department is leading this initiative.

Under SHEPI, the Department will administer approximately \$18.3 million in grant funding to CHPs to upgrade approximately 3,500 community housing properties through the CHEP grant program. Additional incentive payments, totalling up to \$1 million, will also be available for successful CHPs to encourage timely delivery of the energy upgrades.

The Department has developed these grant guidelines for the CHEP grant program.

The CHEP grant program is open to CHPs in NSW that are registered, approved and compliant under the National Regulatory System for Community Housing in one of 3 categories of registration referred to as tier 1, tier 2 and tier 3. More details on registration and eligibility requirements for each tier are available on the [NRSCH website](#).

All CHEP funded installations must be completed by 31 December 2026.

All applicants are encouraged to read all details in these guidelines before applying.

1.1 Purpose and objectives

The program has the following objectives:

- 1 Improve the thermal comfort of tenants in social housing properties by providing split system air conditioning systems, ceiling fans and ceiling insulation, and supporting home improvements such as draught proofing and window shading.
- 2 Reduce tenants' energy consumption by installing energy efficient equipment such as solar systems and heat pump hot water systems.
- 3 Reduce the financial cost of energy for tenants by improving the energy performance of social housing properties.
- 4 Reduce carbon emissions from social housing properties to contribute to NSW Government emission reduction targets.

1.2 Funding and budget

Applicants are required to provide a preliminary budget in their application. Successful applicants must supply a detailed implementation plan and budget before the funding agreement is executed. Applicants must submit a proposed grant payment profile that aligns with the project's deliverables.

The Department will make an initial payment of up to 15% of the grant amount when the funding agreement is executed. This is subject to the Department approving a detailed project implementation plan, budget, risk management plan, risk register, tenant engagement plan

and confirmation of co-contribution funding by the applicant. Subsequent payments will be tied to the project’s forecasted milestones and the associated expenditures (including CHP contribution and grant funding), which must be outlined in the application. Grant funding will then be made in stages, subject to the successful completion of program deliverables and agreed milestones. See Appendix 2 for an outline of the implementation plan and Appendix 3 for guidance on risk.

When assessing applications, the Department may engage external independent advisors to provide technical advice as required. The application will be assessed comparatively within each CHP tier based on merit criteria. See section 2 for details of the eligibility and merit criteria.

1.2.1. Funding availability

The total value of the grants available under the CHEP grant program is approximately \$18.3 million. Additional incentive grants totalling up to \$1 million, will also be available to encourage timely delivery of the energy upgrades.

Successful CHPs are required to make a minimum co-contribution to project funding. Applicants that can contribute more funding will be scored higher in merit criteria 1.

The total grant availability has been split and allocated across each of the 3 tiers of CHPs.

The total grant amount available for the program is split by tier and outlined in Table 1 below.

Table 1: Total grant funding available and minimum mandatory contribution per tier

Category	Indicative grant availability per tier	Minimum mandatory co-contribution (as % of total cost)
Tier 1	\$14 million	25%
Tier 2	\$3 million	15%
Tier 3	\$1 million	10%
Total	\$18 million (approximately)	

The Department has allocated funding caps for each tier and reserves the right to move funding between tiers depending on grant application response.

The minimum and maximum grant funding thresholds available per individual CHP (per tier) are outlined in Table 2 below.

Table 2: Maximum and minimum grant funding thresholds available (excluding GST) per CHP tier

Category	Minimum grant available per CHP	Maximum grant available per CHP
Tier 1	\$500,000	\$3,000,000
Tier 2	\$350,000	\$1,750,000
Tier 3	\$50,000	\$250,000

CHP contributions must be actual expenditure (cash) to deliver the approved energy upgrades and must align with agreed CHP co-contribution percentage (minimum contribution requirements shown in Table 1 above).

Both CHP contribution and grant funding amounts must only be used toward the total project budget and on eligible project expenditure. Eligible project expenditure is determined as capital costs for the installation of eligible activities (as defined in section 1.2.4). Eligible expenditure is calculated as the GST exclusive amount.

A list of ineligible expenditure can be found in section 1.2.5.

Co-contributions can be provided by the applicant’s organisation or through arrangements with partner organisations, non-profit organisations, or other government groups. Applicants will be required to declare and provide evidence for all sources of funding, including details of partners contributing to project costs in their applications.

All applicants will need to confirm their co-contribution funding and provide relevant supporting evidence at the time of submitting their application (for example, through confirmation letters from funding bodies or private investors, bank statements or credit note).

Any other funding for the project must not duplicate the expenditure covered by grant funding under this application.

The Department may run an additional grant funding round if the total grant funding has not been exhausted after the funding agreements are executed.

1.2.2. Incentivising grants

An additional 5% of the grant amount requested by the applicant will be available as incentive grant credit if each of the Milestones are delivered on or before the delivery dates outlined in an applicant’s implementation plan. Incentive grants encourage applicants to outline a realistic and achievable plan for delivery, ensuring alignment to the quality standards of the program.

The incentive grant credit will be accumulated and paid out in Milestone 6. Further details are available in section 5.4.

1.2.3. Project start date

The project start date will be when the funding agreement is successfully executed. Energy upgrade activities commenced between 1 July 2024 and the project start date may be included, at the sole discretion of the Department, if they fulfil all the project requirements and objectives.

Successful applicants (grantees) must submit details of all installations commenced before project start date, with a declaration by the applicant's CFO (or equivalent delegation official). Additionally, applicants must submit a technical audit undertaken by a certified third-party auditor at their own cost, of 10% of the total upgrades completed before project start date. This is to demonstrate that these prior upgrades comply with the program requirements.

The Department reserves the right to reject the installations done prior to the project start date.

1.2.4. Eligible activities

Grant funding must be used to install one or more of the following eligible upgrades:

- solar PV systems
- reverse-cycle air conditioners
- heat pump hot water systems
- LED lighting
- ceiling fans
- window shading
- ceiling insulation
- draught proofing.

These upgrades must be installed on social housing properties owned or managed by CHPs.

Any applications that request funding for alternative activities (or that include a request for funding for ineligible activities and funding exclusion) will be deemed ineligible. If an applicant would like to include any energy upgrade technology that is not listed above, the applicant can request a clarification from the Department.

Successful applicants (grantees) will also need to ensure that:

- Installations of eligible upgrade technologies must be undertaken by accredited installers only.

- All products installed should be accredited by the relevant accrediting body. A non-exhaustive list of relevant accrediting bodies can be found at Table 3.
- Only products from manufacturers with an office in Australia and an easy warranty claim process should be used.
- Any rebates or savings from the following schemes, provided as a point-of-sale discount or revenue-generated, should be used to cover further upgrades in the Program.
 - All successful applicants (grantees) are highly encouraged to claim [small-scale technology certificates \(STCs\)](#) for solar installations.
 - All successful applicants (grantees) are highly encouraged to claim [energy savings certificates \(ESCs\)](#) for other energy upgrades.

Table 3: Non exhaustive list of eligible technology and associated accrediting body

Product / Installation	Accrediting body
Solar photovoltaic (PV) modules	<ul style="list-style-type: none"> • For products - Clean Energy Council • For installers - Solar Accreditation Australia
Inverter	<ul style="list-style-type: none"> • For products - Clean Energy Council • For installers - Solar Accreditation Australia
Hot water heat pump	<ul style="list-style-type: none"> • Clean Energy Regulator • Accepted Products - TESSA Portal (nsw.gov.au)
Double glazed windows	<ul style="list-style-type: none"> • Australian Glass & Window Association
Insulation	<ul style="list-style-type: none"> • Energy Efficiency Council
Air conditioner	<ul style="list-style-type: none"> • Australian Refrigeration Council • Installation should follow guidance from Air conditioning and refrigeration licences NSW Fair Trading • Installers should hold an NSW Fair Trading licence or certificate to do air conditioning and refrigeration work
Ceiling fan	<ul style="list-style-type: none"> • Any installation involving electrical work must be installed by an electrician with a current electrical license for NSW.
Lighting	<ul style="list-style-type: none"> • Accepted Products - TESSA Portal (nsw.gov.au)

The majority of the funding per property must be used on the energy upgrade itself, although maintenance to directly enable the energy upgrade (for example, roof upgrades to enable installation of solar) may also be considered for funding. Expenditure on these enabling works must not exceed 10% of the total project budget (grant funding plus CHP co-contribution). The Department has the right to exclude any expenditure above the threshold for enabling works.

1.2.5. Ineligible activities

Batteries are currently excluded from this program.

Properties defined as [affordable housing](#) are not eligible for upgrades under the CHEP grant program.

Energy upgrades to public housing properties that are owned and managed by the state government are being delivered through other areas of the SHEPI program.

1.2.6. Funding exclusions

The Department may limit or exclude expenditure from the eligible project expenditure costs (as defined in section 1.2.4) in a funding agreement or otherwise by notice to you.

Examples of ineligible expenditures include:

- expenditure on general maintenance activities on housing properties of the applicant
- expenditure on roof replacements or other upgrades to the properties receiving energy upgrades
- upgrades to communal spaces
- program administration cost
- staff costs related to the delivery of the program (including administration and project management costs).

1.2.7. Requirement to share data

The project outcomes and data for all the projects funded under the CHEP grant program must be shared with the Department, and successful applicants (grantees) must consent for this information to be shared with the Commonwealth Government and publicly.

2. Selection criteria

2.1 Eligibility criteria

To be eligible for grant funding, an applicant must meet all eligibility criteria outlined below.

2.1.1. Eligible applicant

All CHPs registered in NSW as approved and compliant with [NRSCH](#) are eligible to apply.

2.1.2. Insurances and financial viability

The application must demonstrate that the applicant:

- holds and complies with all relevant insurances, including:
 - public liability insurance (\$20 million per claim)
 - workers compensation insurance (as required by law)
 - comprehensive motor vehicle insurance.
- has a valid ABN and is registered for GST
- is the legal owner or manager of the property and has the rights to carry out the project in agreement with the owner(s) of the property
- is not subject to any insolvency event, including the subject of an order or resolution for winding up or dissolution (other than for the purposes of reconstruction or amalgamation) or the appointment of a receiver, liquidator, administrator or similar
- has consented to make the following minimum mandatory contribution as a percentage share of the eligible expenditure (project budget)
 - Tier 1: 25%
 - Tier 2: 15%
 - Tier 3: 10%.

2.1.3. Project location

All CHP-owned and/or managed community housing properties located in remote, regional and/or metropolitan areas of NSW are eligible.

2.2 Merit criteria

This section sets out the merit criteria that applications will be scored against including the weighting of each criterion and how applicants will be expected to respond to them.

Applicants will only be assessed against other applications within their relevant tier.

All applications assessed against the merit criteria will be allocated a score out of 100.

The highest scoring applicants within each tier will be awarded grant funding, up to their requested amount, until grant funding allocations are exhausted. Successful applicants will typically be awarded 100% of the requested grant amount unless the remaining available budget cannot cover this amount in full.

2.2.1. Merit criterion 1: CHP co-contribution

This criterion is worth 30% of the assessment score.

Each applicant must agree to make the minimum contribution percentage relevant to their tier. They may choose to contribute at a higher rate.

All applicants must submit evidence of their co-contribution. Applicants who contribute more than the minimum co-contribution will be scored more highly. There is no maximum co-contribution percentage in each tier. The information provided in the application must be maintained throughout implementation.

The funding agreement will require successful applicants to provide financial reports and other evidence verifying eligible expenditures on the project for each milestone period.

2.2.2. Merit criterion 2: Project effectiveness – property age

This criterion is worth 25% of the assessment score.

The program prioritises energy upgrades in properties that were built before the introduction of BASIX (in 2004).

Applicants should indicate the number of pre-BASIX homes that will receive energy upgrades through the requested grant funding.

2.2.3. Merit criterion 3: Project effectiveness – property location

This criterion is worth 25% of the assessment score.

The program prioritises energy upgrades to homes in climate zones where extreme heat and cold are experienced.

Applicants should indicate the number of properties in climate zones 8, 7, 4 and 6 that will receive energy upgrades through the requested grant funding.

2.2.4. Merit criterion 4: Value for money

This criterion is worth 10% of the assessment score.

The CHEP grant program aims to increase the energy efficiency of NSW housing properties.

The applicants should justify how the funding requested from the NSW Government is essential for their project to install energy upgrades and achieve thermal comfort, and energy savings for social housing tenants.

Applicants will also be assessed on the number of unique properties being upgraded and the total number of upgrades that will be delivered with their requested grant amount.

A single property receiving multiple upgrades, such as insulation, electrical appliances and LED lighting will be considered as one unique property with multiple upgrades.

Applicants expecting to receive discounts from STCs and ESCs should include the discounted prices in their application and provide information on the use of these schemes in their project implementation plan. Applicants that can demonstrate the inclusion of STC and ESC discounts in their projects may be scored more favourably for this merit criterion.

2.2.5. Merit criterion 5: Project delivery

This criterion is worth 10% of the assessment score.

The application must demonstrate:

- the applicant's experience in successfully delivering similar projects. This includes situations where the applicant has received funding from NSW or another jurisdiction for similar work in the last 5 years
- capacity and capability of the applicant to undertake the proposed project, including:
 - a project implementation plan (an indicative implementation plan template has been included as Appendix 2 to these guidelines)
 - how the applicant will manage delivery.

3. Application process

3.1 How to apply for funding

Step 1: Before applying for funding

Before applying you should:

- read these grant guidelines
- read the frequently asked questions and any other documents published on our website.

Step 2: Submit application

Complete the online application form on the NSW Government Grants Management System (GMS) and submit it. Once you have submitted the application, you will receive an email notification with a reference number to confirm it has been received.

NOTE: If you don't receive email notification, please email shepi@dpie.nsw.gov.au.

Step 3: Application review

An assessment panel will review your application against the eligibility and merit criteria. During the assessment period, the Department may ask for more information. You will have 5 business days from the date of the written request to provide a response.

The Department expects application reviews to take between 4 to 6 weeks.

Step 4: Notification

If your application is successful, the Department will send you a written offer and the funding agreement. If your application is not successful, the Department will notify you.

Step 5: Execute funding agreement

Once the funding is awarded, the Department will execute the funding agreement with you.

4. Assessment process

4.1 Assessment of grant applications

Applications must be completed in full and include all the information specified. If you do not provide the specified information in the format required, the Department may seek supplementary information or clarification from you. Your application may be deemed unsuccessful if this information is not provided in your application.

An assessment panel consisting of independent experts and NSW Government staff will be established to assess your application. Applications must be assessed as satisfying all eligibility criteria. Only eligible applications will be assessed against the merit criteria.

The assessment panel will make recommendations to the delegated decision maker regarding which applications best meet the criteria and objectives of the program.

4.2 Due diligence

The Department may undertake due diligence on an application at any time during the assessment process. Due diligence undertaken by the Department may include, but is not limited to:

- contacting applicants
- disclosing information by applicants to a third party with respect to the eligibility criteria and merit criteria.

The Department will assess the applicant, including conducting due diligence checks to confirm the project eligibility requirements and merit criteria. You must comply with any request for information as part of these due diligence checks. As a result of the due diligence, the Department may, in its discretion, require that the applicant provide additional information (for example, confirmation of co-contribution).

4.3 Final decision

The Deputy Secretary, Energy, Climate Change and Sustainability, within the Department is the delegated decision maker and their decision is final in all matters, including the:

- approval of applications for funding
- amount of funding awarded
- terms and conditions of funding.

Resubmission of applications or requests to re-evaluate will not be accepted unless otherwise decided by the Department.

The Department will advise you in writing about the outcomes of the assessment of your application.

4.4 Publication of grants information

The Grants Administration Guide (**Guide**) requires that certain information is published in relation to grants awarded no later than 45 calendar days after the grant agreement takes effect (see section 6.5 of the Guide and Appendix A to the Guide). This information is also open access information under the Government Information (Public Access) Act 2009 (NSW) (**GIPA Act**), which must be made publicly available unless there is an overriding public interest against disclosure of the information. In accordance with these requirements, relevant information about the grants awarded will be made available on the NSW Government Grants and Funding Finder as soon as possible after the grant funding is approved or declined.

5. Successful grant applications

5.1 Grant funding agreement

All successful grant applicants will enter into a funding agreement with the Department and at this stage, the applicant will become the Grantee.

This agreement will detail the applicant's and any other relevant parties' obligations in relation to the project. A funding agreement template is available in Appendix 1.

Applicants should be aware that the Department expects the terms of an executed funding agreement to reflect the applicant's careful and thorough expectations for the project's development. For example, you should ensure a rigorous and realistic basis for the project milestone timing, associated payment and outcomes for the project as set out in the funding agreement.

Prior to executing a funding agreement, the Department will require the following documentation to be submitted for review and approval:

- risk register, including management and mitigation measures
- tenant engagement plan, including details of tenant engagement processes and activities
- data collection and monitoring plan, including ensuring compliance with reporting requirements and completion of the data collection spreadsheet
- details of already commenced work, if any, that an applicant is requesting be included in the project, including supporting evidence and any necessary audit reports. Note that work commenced prior to 1 July 2024 cannot be included in the project.

5.2 Funding offer

Any payment of funds is subject to the Department making a funding offer and executing a funding agreement. Applicants who receive an offer to negotiate must keep the offer confidential until the execution of a funding agreement. If a project is successful in obtaining a funding offer, the applicant must seek prior consent from the Department before making any public communications about the outcome of the funding round.

5.3 Grant payment

Grant payments will be made once each milestone is successfully completed. Grantees will be required to submit evidence that the milestone has been completed. This will include a submission of the relevant milestone completion report and documentation of the expenditure related to that milestone, such as receipts, invoices, details of procurement activities and any other financial information required by the Department.

5.4 Indicative reporting and acquittal requirements

Grantees are required to provide reporting in line with the requirements of the executed funding agreement. The Department will monitor progress through:

- regular engagement between the Department and the grantee officials to ensure effective management and delivery
- a regular progress review to assess progress, including:
 - implementation, delivery, risk management and funding of the project
 - benefits delivered to targeted cohort and targeted upgrade selection
 - stakeholder consultation, engagement and communication activities.
- potential audit of up to 10% of the program installations to support accountability for quality and safety throughout the life of the program.

The Department will make payments when the project meets agreed milestones. Payments will be made in arrears upon satisfactory completion and acceptance of the progress milestones. Payments must be utilized for eligible expenditures in line with these guidelines and the funding agreement.

At each milestone, grantees must report on progress against their commitments for upgrading pre-BASIX properties and those in priority climate zones.

Grant payments will be made upon grantees successfully meeting the relevant milestone requirements outlined in Table 4 below. The Milestone 1 advance payment is intended to facilitate a streamlined start to the program to ensure robust program planning and adequate resourcing from grantees.

An additional 5% of the grant amount will be available as an incentive grant if each of the Milestones are delivered on or before the relevant Milestone due dates. These funds will be accumulated as grant credits for Milestones 2-6 and the total cumulative grant credit will be made available to grantees in Milestone 6.

If a grantee misses the due date for any of these Milestones, the additional incentive grant credit for that specific Milestone will be forfeited. The grantee may be awarded the incentive grant credit for the next Milestone period upon delivery of that Milestone within the due date.

The cumulative incentive grants will be paid out only in Milestone 6 and must be used for capital cost of energy upgrades.

Example:

An eligible project has a total cost of \$100, for which a grantee has requested grant funding to cover 50% of the eligible costs. An additional 5% incentive grant of the grant amount will be offered to encourage them to complete milestones on time. If the grantee:

1. Delivers all Milestones on time, as per the schedule, the total eligible project cost would be increased up to \$102.50. The grantee will still only be required to co-contribute \$50 (50%). The additional \$2.50 grant will be available in Milestone 6 and must be used to fund the capital cost of energy upgrades.
2. Misses the due dates to deliver Milestones 3 and 5 but delivers the other Milestones on time, they will receive incentive grants up to \$1.50 only. The total eligible project cost would be increased to \$101.50. The grantee will still only be required to co-contribute \$50. The additional \$1.50 grant will be available in Milestone 6 and must be used to fund the capital cost of energy upgrades.
3. Misses all the milestone delivery due dates, no additional incentive funds will be available.

Table 4: Milestone delivery

Milestone	Description	Due date	Funding	Evidence required	Incentive credits available*	Incentive amount available
Milestone 1	Execution of funding agreement	None	15% of total grant funding	<p>Executed funding agreement</p> <p>Risk management plan/risk register</p> <p>Tenant engagement plan</p> <p>Data collection and monitoring plan</p> <p>Details of commenced work (if applicable)</p>	None	None
Milestone 2	Complete installs to 20% of unique properties	<p>DD.MM.YY</p> <p>To be defined in the project implementation plan</p>	20% of total grant funding	<p>Details of completed work via the data collection spreadsheet.</p> <p>Summaries of installations commissioned/completed, with commissioning certificates (where applicable).</p> <p>An authorised financial statement showing payments made (including 20% of CHP co-contribution amount spent) to date, demonstrating expenditure by the applicant. For example, purchase order summaries or SAP reports</p>	1% additional grant as incentive credit	None

Successful grant applications

Milestone 3	Complete installs to 40% of unique properties	DD.MM.YY To be defined in the project implementation plan	20% of total grant funding	Same as above		1% additional grant as incentive credit	None
Milestone 4	Complete installs to 60% of unique properties	DD.MM.YY To be defined in the project implementation plan	20% of total grant funding	Same as above		1% additional grant as incentive credit	None
Milestone 5	Complete installs to 80% of unique properties	DD.MM.YY To be defined in the project implementation plan	20% of total grant funding	Same as above		1% additional grant incentive credit	None
Milestone 6	Complete all installs	DD.MM.YY To be defined in the project implementation plan	5% of total grant funding	Same as above. Evidence of all installs completed, including installs completed using accumulated incentive credit grants. Project closure report (with Milestone 6 or within 90 days of project completion)		1% additional grant incentive credit	Up to 5%

*Incentive credits available if Milestone is achieved on or before due date

5.5 Evaluation

The Department will evaluate the program to determine how funded projects have contributed to the program's objectives.

The mid-term evaluation is scheduled to be conducted in 2025 and will review a range of program design and delivery measures to ascertain the success of implementation and provide insights into future program design and development. The mid-term evaluation will assess:

- if the program design is appropriate to meet the intended outcomes, including reviewing the extent to which the program is on track to meet those outcomes
- if the program delivery mechanisms are efficient and effective.

The mid-term evaluation will analyse existing program reporting data to measure the delivery of the program against targets. To support the Department in its evaluation requirements, successful grantees must agree to complete regular reporting requirements via the data collection spreadsheet (Schedule D to the funding agreement). Grantees' reporting requirements are outlined in the in Schedule B of the funding agreement (Appendix 1). The Department may also interview you or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the funding was in achieving its objectives as part of the evaluation activities. In addition to this data, the Department may also develop and distribute a tenant survey for participating households, throughout the life of the program.

The Department will evaluate the program at its end to assess outcomes against objectives. We may contact you up to 3 years after you finish your project for more information to assist with this evaluation.

You consent to the use of your information for this purpose by:

- the Department
- Commonwealth Government
- the Minister or Minister's office
- the NSW Ombudsman and Audit Office of NSW
- Department staff, consultants, and advisors
- any agency or body of the NSW Government, or any other organisation or individual considered by the Department to have a need or an entitlement to know what information (including any federal, state, or territory agency or body), where that need or entitlement to know that information arises out of or in connection with the purpose above.

6. Additional information & resources

6.1 Commencement and authority for CHEP grant program guidelines

The Department has the authority to award funding and execute and amend the funding agreements that allow the NSW Government to provide this funding.

6.2 Confidentiality and information disclosure

Unless otherwise stated, any commercial-in-confidence information provided by you as part of, or in connection with, a registration, application or negotiation process will be treated confidentially by the Department.

The Department may disclose commercial-in-confidence information provided by you to the following parties:

- Commonwealth Government
- the Minister or Minister's office
- the NSW Ombudsman and Audit Office of NSW
- Department staff, consultants and advisors
- any agency or body of the NSW Government, or any other organisation or individual considered by the Department to have a need or an entitlement to know that information (including any federal, state or territory agency or body), where the need or entitlement to know that information arises out of or in connection with the Department's assessment, verification or due diligence of any aspect of your application
- where authorised or required by law to be disclosed, to those parties.

If the Department discloses commercial-in-confidence information to any of the above parties, we will inform the party that the information is strictly confidential. The Department will otherwise only disclose commercial-in-confidence information provided by you with your consent.

6.3 Complaints

Complaints concerning the CHEP grant program funding should be emailed to shepi@dpie.nsw.gov.au.

Complaints will, in the first instance, be reviewed by the program team. If the program team cannot resolve the complaint within 30 business days of receipt, the complaint will be escalated to the Manager. If the complaint is still not resolved satisfactorily, the NSW Ombudsman can be reached for an external review of the administrative actions of the Department.

6.4 Conflict of interest

Applicants must disclose any actual, potential or perceived conflicts of interest as part of their application or, if successful, as they arise during project implementation. Conflicts of interest are any factors that could compromise the judgement, decisions, or actions of a person or group of people.

Such conflicts may relate to:

- engaging consultants to assist you with the application who have advised or are currently advising the Department
- procurement or employment
- direct negotiations
- sponsorships
- partnerships
- any other situations which could lead to an unfavourable advantage.

If the Department permits a consultant to engage with the grantee, the project team will consider seeking assurance from the consultant or service provider that it will put appropriate processes in place to manage probity risks, for example, appropriate information barriers and separation of roles.

As part of ongoing reporting requirements (for example, project milestone report), grantees are required to update any conflicts of interest, where applicable. Grantees will be asked whether any conflicts of interest have arisen during the reporting period or if any are likely to arise. Updated declarations and confirmations are required from grantees when new personnel join the project or at the commencement of a new project or phase within a project.

NOTE: Grantees are advised to contact us if you are unsure whether something constitutes an actual, potential or perceived conflict of interest.

All program staff and assessment panel members will undergo a conflict of interest process as part of any application assessment.

6.5 Grant acknowledgement

If a successful applicant makes a public statement about a funded project, they are required to acknowledge the support provided by the Department.

6.6 Discretion of the Department

Notwithstanding anything else in these guidelines, by applying you acknowledge and agree the Department has the right (at its absolute discretion) to reject, refuse to consider or cease to assess an application at any time, if it is of the view (at its absolute discretion) that an application is unlikely to be successful.

6.7 No contract or liability

Despite any part of these guidelines, or any other documentation that forms part of this process (in part or together), by applying, applicants:

- acknowledge that neither the applicant nor the Department intends to create any contract or other relationship under which the Department is obliged to conduct the process in relation to the funding in any manner or at all and that there is in fact no such contract or other relationship in existence
- accordingly, acknowledge that neither this document nor any submission will create any legal or other obligation upon the Department to conduct the process in any manner or at all
- release the Department from any claim it may otherwise have been able to make or bring against the Department, arising out of or in connection with the Department's conduct.

Potential applicants and interested parties should refer to our [website](#) for up-to-date information. Any questions or clarifications can be emailed to shepi@dpie.nsw.gov.au.

6.8 Privacy

We use the information you supply to us for processing and assessing your application. While we do not publicly release your application as a matter of policy, we may be required to do so under the Government Information (Public Access) Act 2009 or another lawful requirement. The Department may also disclose information you supply to us for the purpose of evaluating and/or auditing its grant programs. If you require strict commercial and/or personal confidentiality, you should address this in your application. More information on the Government Information (Public Access) Act 2009 is available on the [NSW Government website](#).

Appendix 1: Template Funding Agreement

Download the [template funding agreement](#).

Appendix 2: Outline of Implementation Plan

- I. Implementation Plan
 - a. Overview of the goals/expected benefits
 - b. Target unique properties – number, types, age (built before/after introduction of BASIX in 2004), location (priority climate zones)
 - c. Types of energy upgrades (technology)
 - d. Program delivery mechanisms
 - e. Summary of the work plan until project close (closure must be no later than December 2026)
- II. Finance
 - a. Budget (by milestones with time plan).

Indicative Table

Date	Milestone	Number of Properties upgraded	Co-contribution by Grantees	Grant payments by the Department
For example 05.12.2024	Milestone 1	None – Advance payment	-	Indicative: \$ 15,000 (15% of grant funding)
31.01.2025	Milestone 2	20 (20% of the target properties)	50% \$20,000	Indicative: \$ 20,000 (20% of grant funding)
	Milestone 3			
			

- b. Delivery readiness (existing purchase orders with Suppliers/ installers or other existing arrangements for program delivery, if available, can be included)
 - c. Tentative cost of each upgrade type (please include a dollar (\$) value (excluding GST) for each type of upgrade)
- III. Governance
 - a. Governance structure (oversight and accountability)
 - b. Quality assurance (existing audit and inspection practices, if available)
 - c. Project implementation team
 - d. Delivery partners and other stakeholders
- IV. Revenue from certificates (if applicable information on any plans for utilising STCs and ESCs)

Appendix 3: Risk Guide

Background

All grantees must develop a risk management plan including work, health safety management and risk register for implementing the CHEP grants. The risk management plans, and risk registers will be live documents.

Purpose of the document

This risk guide should be used by the CHEP grantees to prepare their implementation plan. Successful grantees are required to submit detailed, program-specific risk management plans and/or a risk register. These plans will be developed and submitted as part of the first milestone under the Funding Agreement.

Grantees will be required to outline the risks, controls, mitigations and treatments in the risk management plan or register. The below list sets out indicative risk considerations to guide the grantees in the development of their plans. It is not intended to be an exhaustive/limited list. The grantees must consider additional risks specific to their project and develop appropriate mitigation/treatment plans.

Some examples of the CHEP program level risks along with their controls and mitigation measures have been identified in the below table. These controls aim to reduce the potential impact of the risks associated with undertaking the energy performance upgrade activities funded through CHEP. Grantees must identify controls to manage each risk identified.

Table 6: Indicative list of risks

Risk themes	Program risks identified	Considerations for grantee's risk management plans
Program design and strategy	<ul style="list-style-type: none"> The program does not achieve its objectives to provide additional benefits to social housing tenants through reduced energy bills and consumption and/or increased thermal comfort. 	<ul style="list-style-type: none"> Grantee's implementation plan should consider the intended program outcomes, aligned to the design parameters, including consideration of: <ul style="list-style-type: none"> – value for money to ensure meaningful benefits delivered to households, while also ensuring breadth of impact – CHEPs target cohorts, and where possible, prioritising: <ul style="list-style-type: none"> • properties built before the introduction of BASIX in 2004;

	<ul style="list-style-type: none"> • Poorly targeted cohorts or energy upgrades selections. • Failure to deliver targeted number of unique properties. • Insufficient risk management practices in place. 	<ul style="list-style-type: none"> • in climate zones where extreme heat and cold are experienced (National Construction Code (NCC) climatic zones 4, 6, 7 and 8) - select upgrades that are expected to provide benefits to tenants, and ensure upgrades are appropriately tailored to properties, unique housing stock, locations, and regional considerations - ensure upgraded properties are likely to be retained in the social housing portfolio to benefit social housing tenants.
<p>Delivery and implementation timeline</p>	<ul style="list-style-type: none"> • Planned installs not completed by 31 December 2026. • Unutilised and/or lapsing grant funds due to installs not completed. 	<ul style="list-style-type: none"> • Grantees are encouraged to consider the speed of implementation of the program while designing their implementation plan. • Program implementation plans should consider existing workforce and supply chains constraints for proposed upgrades in the locations identified.
<p>Risk management, safety training and competency requirements</p>	<ul style="list-style-type: none"> • Insufficient risk management in place. • Work Health and Safety (WHS) issues in the implementation and program delivery. • Issues related to tenant and property safety in the implementation and delivery of program. 	<ul style="list-style-type: none"> • Grantees will be required to develop detailed program specific risk management plans and risk registers, with a focus on work, health and safety, including considerations such as: <ul style="list-style-type: none"> - WHS risk management plans and risk registers (as aligned with existing risk management processes and procedures) - identification of relevant worker safety regulation, including compliance and enforcement protocols - accreditation and licensing, including that installation must be completed to industry standards and ensuring that installers are qualified and skilled - relevant guidelines and industry standards - protocols to help ensure appropriate installer behaviours

		<ul style="list-style-type: none"> - emphasise safety and responding to and reporting of safety incidents - reporting on hazards, near misses, lessons learned and continual improvement - outline risks, controls, mitigations and treatments appropriate to the programs and upgrade types.
<p>Tenant engagement and community expectations</p>	<ul style="list-style-type: none"> • Issues related to tenant and property safety in the implementation and delivery of the program. • Poorly targeted cohorts or energy upgrade selections. • Initiative does not meet community expectations. • Issues in delivering appropriate consumer protection and related engagement to social housing tenants. 	<ul style="list-style-type: none"> • Grantees are required to develop and submit tenant engagement plan as part of first milestone under the Funding Agreement which should consider, but is not limited to, the following: <ul style="list-style-type: none"> - alignment, where possible, with community expectations within the program’s design and delivery scope and housing stock - ensure social housing tenants are appropriately engaged and informed about the upgrades in their dwellings and protocols are developed for seeking and obtaining genuine consent - consider the potential for tenant refusal of property access for upgrades and audits, strategies for difficult tenant management and capacity to identify alternate properties for upgrades if tenant refusal is encountered - consider potentially conflicting accessibility requirements of a range of diverse and vulnerable cohorts - consider tenant engagement processes and links to the risk management plans/risk registers to prevent, mitigate and manage damage to the upgrades by tenants - outline how consumer protection information will be communicated to

		<p>beneficiaries, including ensuring consumers are adequately informed about the risks associated with the energy performance upgrades</p> <ul style="list-style-type: none"> - establish program-specific complaints, feedback and response protocols and/or leverage existing arrangements where appropriate. • Grantees are encouraged to outline broad installation methods and appliance standard requirements (where relevant) as part of their program plans and how these address potential concerns such as perception issues, especially in cases where specific historical issues have been identified (e.g., heat pumps and insulation).
<p>Audit and inspection arrangements</p>	<ul style="list-style-type: none"> • WHS issues including electrical risks in the implementation and delivery of the program. • Issues related to tenant and property safety in the implementation and delivery of the programs. 	<ul style="list-style-type: none"> • Grant recipients will be required to outline audit and inspection arrangements in the program implementation plan and risk management plan and risk register, which may include certificates of completion and post-installation inspections. • Grantees should identify any hazards of an electrical nature arising from the installation of the energy upgrades. It should be also ensured that all persons undertaking the works are made aware of such hazards and implement the control measures in place to eliminate or minimise electrical related risks (e.g., preinstall assessment for insulation).

Community Housing Energy Performance Grant

Grant Guidelines



For more information

Please contact the Department at

www.energy.nsw.gov.au | shepi@dpie.nsw.gov.au