

# Local Battery Manufacturing Program

Guidelines – Production Scale-up Stream (Up to \$5 Million)

# **Contents**

1.	About the Program	3
	1.1. Program Purpose	3
	1.2. Program Administration, Structure and Budget	3
	1.3. Program Scope	4
2.	Production Scale-up Grant Stream - Overview	4
	2.1. Stream Objectives	4
	2.2. Stream Structure and Available Funding	5
3.	Applicant Eligibility Criteria	5
	3.1. Essential Eligibility Requirements	
	3.2. Ineligibility to Apply	6
4.	Eligibility of Activity Costs	7
	4.1. Eligible Activity Costs	
	4.2. Ineligible Activities and Expenditure	
5	Assessment Criteria	9
٠.	5.1. Alignment with Program Purpose and Stream Objectives – 20%	
	5.2. Strength of Proposal – 30%	
	5.3. Value for Money – 25%	
	5.4. Relevant Experience and Expertise – 25%	10
6.	Application Process	10
7	Assessment Process	
١.		
8.	Notification of Outcomes	
	8.1. Provision of Feedback	
	8.2. Dispute Resolution	11
9.	Contract and Payment of Grant Funds	
	9.1. Financial Assistance Agreements	
	9.2. Grant and Project Expiry Dates	
	9.3. Announcement of Grants	
	9.4. Variations	
	9.5. Non-Compliance with Agreement Terms	
10	.Further Information and Conditions	13
	10.1. Media	13

10.2. Monitoring, evaluation and reporting	14
10.3. Freedom of Information, Confidentiality and Disclosure of Information	14
10.4. Privacy Statement	15
10.5. Intellectual Property	15
10.6.No Legal Relationship	16
10.7. Reservation of Rights	16
10.8. Exclusion of Liability	17
10.9. Tax Information for Applicants	17

# 1. About the Program

# 1.1. Program Purpose

The \$50 million Local Battery Manufacturing Program (the Program) is a key election commitment, as part of the Cook Labor Government's Made in WA Plan, aimed at strengthening Western Australia's manufacturing sector.

The Program is designed to support primarily the local manufacturing of residential batteries and battery components, as well as industrial and commercial applications, increasing Western Australia's industry participation in battery energy storage supply chains.

Through the delivery of grants and low-interest loans, the Program seeks to reduce barriers to market entry and growth, enabling a more sustainable and competitive battery energy storage industry in Western Australia. The Program will support manufacturers to scale up their businesses, boost productivity and create more local jobs.

Enhancing local manufacturing capability and capacity across battery energy storage supply chains directly supports the Western Australia Government's broader goals of economic diversification, decarbonisation and energy transition.

# 1.2. Program Administration, Structure and Budget

The Program is scheduled to run from 1 July 2025 to 30 June 2029 (Program Period) and will be administered by the Department of Energy and Economic Diversification (the Department).

The Program will deliver financial support to businesses via grants and low-interest loans, with an indicative funding allocation of \$30 million for grants and \$20 million for low-interest loans.

Applicants will be permitted to apply for funding across the grants and loan streams of the Program up to a maximum amount of \$10 Million. Each stream will have its own funding limits and eligibility requirements. Funding above this amount may be approved on a case-by-case basis by the Premier where an opportunity presents a significant and robust value proposition.

These Guidelines should be read in conjunction with any funding announcements or updates from the Department.

Applicants should note that these Guidelines may be varied or revoked at any time, at the absolute discretion of the Minister and/or the Department.

Upon approval by the Minister for State Development (Minister), this financial support will be provided in accordance with the authority available under section 10 of the *Industry and* 

Technology Development Act (WA) 1998. Provision of financial support is at the discretion of the Minister or his delegated officer. Meeting the eligibility criteria does not automatically entitled applicants to receive financial support.

# 1.3. Program Scope

The Program is focused on supporting increased local manufacturing of batteries and battery components for residential, as well as medium-scale batteries typically associated with urban and rural industrial and commercial applications.

The Program supports a wide range of activities across the battery energy storage supply chain. This includes cell manufacturing or equivalent, and battery manufacturing inclusive of battery module, pack and/or system design and assembly. Battery recycling is also an eligible activity.

The Program is battery-chemistry agnostic and therefore inclusive of a range of battery technologies.

Local supply to the domestic market, and supply to international markets through export opportunities will be supported under the Program.

The Program considers and targets different levels of production maturity through differentiated grant and loan streams. Future streams may have a chemistry-specific focus.

# 2. Production Scale-up Grant Stream - Overview

# 2.1. Stream Objectives

The Production Scale-up Stream (Stream) is designed to provide financial support to existing battery manufacturers for projects that scale-up their operations, including through:

- Enhancing their capability and capacity to manufacture batteries;
- Improving competitiveness and market share;
- Creating diversification across the manufacturing supply chain;
- Lowering the commercial risk and uncertainty which can be associated with manufacturing activities; and/or
- · Creating jobs.

A Project is here defined as a specific program of work that is subject of an application.

# 2.2. Stream Structure and Available Funding

All applications received under Stream will be competitively assessed and scored. The maximum amount available under this Stream is \$5 million per grant.

The grant will cover up to 50% of eligible activity costs, excluding GST. Applicants are required to contribute the remaining 50%, which must be in cash or cash equivalents. In-kind contributions will not be accepted. Applicant contributions based on funding from other Western Australian Government support programs will not be accepted.

To receive the maximum grant amount of \$5 million, applicants must demonstrate eligible costs of at least \$10 million exclusive of GST. Grants greater than \$5 million may be considered on a case-by-case basis in accordance with the provisions of the *Industry and Technology Development Act 1998*. Grants under this Program exclude GST.

This Stream will be structured in rounds with specific opening and closing dates, which will be announced through official channels. All submitted applications will be assessed and grants will be awarded prior to launch of any subsequent rounds. The Department will conduct Program monitoring and evaluation in between rounds to ensure continuous improvement of the Program.

# 3. Applicant Eligibility Criteria

# 3.1. Essential Eligibility Requirements

To be considered eligible for funding under the Stream, applicants must meet all the following criteria at the time of application submission:

- Have an Australian Business Number (ABN).
- Have a minimum of 50% Australian ownership.
- Be a for-profit entity, or an incorporated not-for-profit Aboriginal Corporation operating as a commercial enterprise.
- Be a legally registered entity that can enter into a Financial Assistance Agreement (FAA) with the Department, and can include a corporate trustee applying on behalf of a trust.
- Be operating within the battery energy storage supply chain, within the scope identified in 1.3 of these Guidelines.
- Have been operating for at least 12 months at the time of the application submission or have evidence of market acceptance of the Project (e.g. offtake agreements).
- Be registered for GST for a minimum of 12 months and intend to remain registered for a further 12 months at minimum.
- Be a solvent business and remain so throughout the Project duration.

- Provide evidence of a physical business presence including FTEs in Western Australia.
   Where a business operates in multiple locations, headquarters may be located outside of WA.
- Businesses seeking funding for activities in support of full or partial relocation of operations to Western Australia will only be considered where:
  - sufficient intent to establish local presence is demonstrated (e.g. evidence of engagement with a commercial real estate agent to acquire or lease business premises in WA).
  - the relocation introduces new forms of activity into the Western Australian economy i.e. when it does not directly complete with existing Western Australian manufacturers.
- Be a business that intends to continue operating in Western Australia for at least another 3 years or until the completion of the funded Project, whichever is longest, and to progress any completed grant-funded and flow-on activities and outcomes in Western Australia.

# 3.2. Ineligibility to Apply

The following examples of factors which would render an applicant ineligible to apply for funding under the Stream. This list should not be considered exhaustive and should be used for guidance purposes only. For specific circumstances not covered by these guidelines, applicants are encouraged to contact the Department for further guidance.

You are not eligible to apply if you are:

- An individual:
- A trust;
- A charity;
- A not-for-profit organisation as a sole or lead applicant (excluding an Aboriginal business);
- A government body of any kind as sole or lead applicant (including local councils, statutory authorities, state and Commonwealth government departments and government trading enterprises);
- Unable to demonstrate operation within the battery energy storage supply chain, within the scope identified in 1.3 of these Guidelines; and/or
- Selling or planning to sell your business during the period in which the proposed Project would be delivered.

# 4. Eligibility of Activity Costs

# 4.1. Eligible Activity Costs

This section provides guidance on the eligibility of expenditure under the Stream and may be updated from time to time. Applicants are recommended to refer to the most current version of these Guidelines on the wa.gov.au website before preparing and submitting their applications.

The final decision on whether activities and/or expenditure are considered eligible will be made by the chairperson of each round's evaluation panel, in alignment with the information provided in these Guidelines.

To be considered eligible, activities/expenditure must:

- Be aligned with the Program and Stream objectives.
- Be a direct cost of the Project.
- Be incurred by the applicant. Expenditure incurred by third parties will not be funded.
- Take place within the Project Period. Retrospective activities/expenditure (undertaken before an application to the Program is submitted) will not be funded.
- Not have received any form of financial support from other Western Australian Government entities.
- Take place in Western Australia. Where activities cannot occur within Western Australia, applicants must clearly demonstrate how those activities link to and support their participation in battery energy storage supply chains within Western Australia.

The following activities are eligible for funding:

a. Purchase of capital equipment.

This category covers the purchase through a quotation process involving, where possible, at least two quotations of machinery necessary to commence or expand battery manufacture. All quotes must have been obtained within six months prior to the application submission. Older quotations will not be considered.

b. Workforce training.

Funding can also be sought for the training of workforce in the operation of purchased capital equipment. Training must be accredited where possible or provided by suitably experienced and credentialed entity or individual.

c. Costs associated with upgrading existing or new premises.

Applicants can seek support in upgrading facilities to accommodate the introduction of, or increase in, the manufacture of batteries. This can relate to either owned premises or leased premises depending on the terms of the lease.

d. Engaging business and manufacturing expertise.

Coverage may include later stage feasibility studies; market diversification and penetration advice; manufacturing efficiency advice; consideration of relocation of capacity to Western Australia. Applicants will be required to demonstrate that the studies will be conducted by experienced specialist consultants, who are external to the applicant and engaged through a quotation process, involving at least two quotations.

# 4.2. Ineligible Activities and Expenditure

This section provides guidance on expenditure considered ineligible under the Stream and may be updated from time to time. Applicants are recommended to refer to the most current version of these Guidelines on the wa.gov.au website before preparing and submitting their applications.

This section is not exhaustive and applies to all activities and expenditure, including grantfunded and applicant contributed costs.

The final decision on whether activities and/or expenditure will be considered ineligible will be made by the chairperson of each round's evaluation panel, in alignment with the information provided in these Guidelines.

Examples of ineligible expenditure and activity include:

- Works carried out by consultants without the appropriate expertise; who are not at arm's length from the applicant; or at facilities without appropriate accreditation.
- Early-stage research and development (i.e. any activity which occurs significantly prior to the development of a finalised prototype).
- Works carried out by third parties where the Department determines there is a conflict of interest.
- Support of any legal advice and/or resulting action.
- Any cost that is considered "business as usual" or operational expenditure (e.g. staff wages, office expenses, advertising, and accounting).
- Where the requested activities are not directly relevant to an applicant's operation within the identified scope of the Program and round (e.g. seeking funding for ISO 9001 accreditation, which relates to quality management systems and has relevance to businesses operating in a wide variety of industries).
- Purchase of property or costs related to leasing a premises.

In cases where an application contains eligible and ineligible activities and costs, assessment will focus on the eligible activities and any funding support offered will cover eligible costs only.

# 5. Assessment Criteria

# 5.1. Alignment with Program Purpose and Stream Objectives – 20%

Applicants will be required to demonstrate how their requested activities align with the objectives of the Program and funding Stream.

This demonstration will require applicants to identify how undertaking the proposed Project:

- Strongly relates to their current or intended future local battery manufacturing ability;
- Are necessary precursors which have a substantial likelihood of success in leading to further local battery manufacturing activity; and
- Will reduce identified barriers to their ability to undertake local manufacturing activities within the identified scope of the Program.

# 5.2. Strength of Proposal – 30%

Applicants will be required to demonstrate the overall strength, credibility and feasibility of their Project, including its strategic rationale, their operational readiness, and capacity to deliver the proposed Project successfully. This involves providing evidence of:

- A clear and detailed Project plan, including defined objectives, timelines, milestones
  deliverables, roles and responsibilities, key financial and operational assumptions and
  anticipated outcomes of the Project, including financial projections.
- The Project's alignment with the applicant's long-term business strategy.
- A clear rationale for undertaking the Project now.
- A solid understanding of the market, customers and competitive landscape, including clear articulation of opportunities and risks.
- Business financial stability and capability of sustaining the Project, including evidence of ability to co-contribute the required funding amount.
- Mitigation strategies for identified risks.

# **5.3.** Value for Money **– 25%**

Applicants will be required to demonstrate that the proposed Project delivers optimal outcomes relative to the resources invested, reflecting that funds are used efficiently, effectively and economically to achieve measurable benefits. This involves providing:

- A detailed outline of activity costs with clear justifications for them.
- Evidence that the Project delivers strong outcomes for the level of funding requested.
- Evidence that the funds will lead to sustainable benefits such as job retention and/or creation, enhanced productivity and/or increased competitiveness in existing markets.
- Evidence of use of local supply chains (i.e. suppliers and partners).
- Evidence that the applicant is committed to creating wider positive effects for the State, including enhanced local content in battery manufacturing.

# 5.4. Relevant Experience and Expertise - 25%

Applicants will be required to demonstrate that they possess or are able to acquire the required knowledge and ability to successfully undertake the requested activities.

This will be done through:

- Presenting evidence of a prior track record in successful completion of similar activities;
- An appropriate management and operational team with clearly defined roles;
- Demonstration of key personnel (including third-party consultants where appropriate) having appropriate knowledge and experience.

# 6. Application Process

Eligible applicants must submit their application online via the SmartyGrants portal. Applicants must create an online account via the portal and complete all parts of the application form, including attaching required documentation. Applicants can submit one application in this Stream per round.

Applicants have the ability to preview the application form before starting a submission, and the ability to save their progress before final submission. Once submitted, applicants may also make changes until the advertised round close time.

Applicants are responsible for ensuring their application is complete and accurate before submission. Unsubmitted applications will not be considered. Where submissions are incomplete, the evaluation panel Chairperson will determine whether this renders an applicant ineligible, or whether this should simply be reflected in the evaluation and scoring process.

Before applying, applicants should thoroughly review the relevant guidelines and preview the application form. It is recommended that applicants contact the Department for further advice if they remain unsure about elements of their eligibility or any other requirements.

All applications must be submitted online via the SmartyGrants portal by the advertised deadline. No submissions via email, registered post or any other format will be accepted. Late submissions will not be accepted.

# 7. Assessment Process

All applications will be competitively assessed by an internal evaluation panel with at least three members from the Department. Each member of the evaluation panel will be required to independently complete an assessment form for every submission.

Once all panel members have completed an individual assessment for all submitted applications, a consensus meeting will be held to agree upon scoring and make a determination to recommend or not recommend applications for funding.

The panel may seek clarification or request additional information from an applicant if required.

# 8. Notification of Outcomes

All applicants will be sent a letter notifying them of the outcome of their submission. Unsuccessful applicants will be able to re-apply for future rounds, should future rounds be made available.

A Financial Assistance Agreement (FAA) will be subsequently sent to successful applicants for signature and return (via the SmartyGrants portal) within 30 days of receipt.

#### 8.1. Provision of Feedback

Upon the applicant's request, feedback will be provided either via email or over the phone with the aim of supporting the applicant to improve any future submissions. Feedback will be based on commentary from the consensus meeting. To avoid unfair advantage in future rounds, feedback will be high-level and scoring will not be disclosed.

# 8.2. Dispute Resolution

Unsuccessful applicants who wish to dispute the outcome of their submission must do so in writing, via email to the Departmental point of contact identified in their letter of outcome. This action must be undertaken within 10 working days of receipt of the letter of outcome.

The Department will provide a written explanation to the applicant as to why their submission was unsuccessful and/or considered ineligible.

Any applicants wishing to dispute this, must again do so in writing, via email to the Executive Director, Industry Development Division who approved the round recommendation report. The Executive Director will respond within 10 working days. The written decision of the Executive Director will be final.

# 9. Contract and Payment of Grant Funds

# 9.1. Financial Assistance Agreements

Recipients of grants under the Stream will receive a FAA from the Department, alongside notification of their successful outcome. The FAA will specify, amongst other things, the amount of grant funding awarded, the proportion of eligible expenditure covered, the activities it has been awarded for, milestones to be met, grant payment schedule, reporting requirements and any special conditions.

FAAs contain detailed conditions relating to compliance and monitoring of the funding recipient. This includes, amongst other things:

- Audit rights by the State.
- Reporting requirements.
- Record keeping.
- Insurance.
- Repayment of unspent funds.
- Confidentiality.
- Media announcements.
- Dispute resolution.
- Key contact personnel.
- Giving of notices.
- Key dates (e.g. commencement/finalisation).
- Intellectual Property.
- Default events.
- Variations.

By signing and returning their FAA to the Department via upload to the SmartyGrants portal, recipients will confirm acceptance of the grant and its terms.

Payments under the Stream are based on the achievement of milestones and/or reporting requirements, in accordance with the FAA.

Payments require a tax invoice (GST-exclusive) to the Department and any supporting documentation and must quote a purchase order number which will be provided by the Department.

If a recipient's fully executed FAA, or subsequent payment claim are not received by their respective due dates, the grant approval will lapse and the FAA will be terminated.

# 9.2. Grant and Project Expiry Dates

FAAs must be signed and returned (fully executed) within 30 days of receipt by the recipient, or the grant approval may lapse and the FAA may be terminated.

Funded activities must commence within 3 months of FAA execution, or the grant approval may lapse and the FAA may be terminated.

#### 9.3. Announcement of Grants

The State Government maintains the right to announce publicly the decision to award grants to successful applications. It is acknowledged that publicly listed companies receiving a grant must inform stock exchanges when they are informed of this decision.

#### 9.4. Variations

Any variations to the terms of the FAA must be sought by the applicant in writing, via email, and include supporting rationale. Variations may be sought broadly either to extend the Project expiry date, amend milestone achievement dates or to alter the funded activities. The Department has absolute discretion in deciding whether to accept a variation request.

Variation requests seeking to increase the amount of grant funding received will not be considered. Where expenditure amounts to less than this amount, a variation is not required.

# 9.5. Non-Compliance with Agreement Terms

Failure of a signatory to comply with the terms of the FAA may result in a decision by the Minister to terminate that FAA, should rectification prove to be unfeasible. Any funds remaining will be managed according to the conditions contained with the FAA.

# 10. Further Information and Conditions

#### 10.1.Media

All media enquiries or public announcements relating to the Program are coordinated and managed by the Department's Media team. Where possible, all media and communications will be undertaken jointly with successful applicants. Recipients must:

- Seek and obtain the Department's approval before making public statements, or contacting or responding to the media, regarding successful or unsuccessful applications through the Program.
- Provide the Department with at least 25 business days' notice of any proposed media event.
- Provide any proposed media or public statement to the Department for approval prior to its release as well as make any changes or amendments to the form, content or manner reasonably requested by the Department.

# 10.2. Monitoring, evaluation and reporting

Successful applicants will be required to cooperate with an evaluation that is undertaken during and/or after completion of the Program. Successful applicants will also be required to submit progress and completion reports, assess the progress of the financial assistance against milestones, outputs and outcomes, and provide evidence of completion.

After completion, applicants must submit annual evaluation reports assessing success in meeting stated objectives, outputs and outcomes. Depending on the significance, these evaluation reports may be required for up to 3 years following completion of the Program.

Successful applicants may be required to contribute information on outcomes, including longer-term impacts beyond completion, for use in Program evaluation reviews and marketing or media materials. It is the responsibility of successful applicants to put in place adequate collection arrangements to capture appropriate data relating to outputs and outcomes.

These arrangements will assist the State to undertake a robust evaluation of the Program.

# 10.3. Freedom of Information, Confidentiality and Disclosure of Information

Applicants must keep confidential any dealings with the State (including the Department) about their application, including any financial assistance offered, but may make disclosures to advisors who are under an obligation of confidence or if required by law.

The State reserves the right to publicly disclose the names of applicants, general information about the assistance provided, and details about the anticipated economic outcomes and benefits to the State. The State may also disclose confidential information of, or provided by, the applicant:

- if required to be disclosed by law
- to its advisors, consultants and contractors
- to any government agency.

Applicants are informed that the Department is subject to the *Freedom of Information Act* 1992 (WA), which provides a general right of access to records held by State agencies and local governments.

Applicants are advised that information pertaining to the receipt of State financial assistance will be tabled in the WA Parliament. This information could include the name of the recipient, the amount of the assistance, the name of the Project and a brief description thereof. This could result in requests for more details to be released publicly. **Applicants should clearly identify all commercial-in-confidence material, noting that the Project name, applicant's name, financial assistance amount, total cost and brief description will be published for all successful applicants.** 

Successful applicants should be aware that their organisation's name, Project name and amount of funding approved will appear on the Department's website.

The Department (including the State) reserves the right to discuss an application with a third party if it is deemed necessary to assist in assessing the application.

State agencies are subject to legislative and administrative accountability and transparency requirements of the State, including disclosures to the WA Parliament and its Committees. As such, applicants should be aware that disclosure of information outside of State agencies may occur if the information is required or authorised to be disclosed by law.

# 10.4. Privacy Statement

Information provided by applicants or collected by the Department in relation to an applicant or their application may be used in the administration of the Program and in the assessment of their application.

The Department will store personal information collected in this process, supporting documentation and any Program administration, monitoring and evaluation activities in compliance with its obligations under the *Privacy Act 1988* (Cth), the *Privacy and Responsible Information Sharing Act 2024* (WA) and the Australian Privacy Principles.

# 10.5.Intellectual Property

Any intellectual property rights that may exist in the application will remain the property of the applicant or the rightful owner of those intellectual property rights.

Any part of the application considered to contain any intellectual property rights should be clearly identified by the applicant. The applicant grants to the Department (and will ensure that relevant third parties grant) a permanent, non-exclusive, irrevocable licence to use, communicate and reproduce the intellectual property in the application for the purpose of administering the Program excluding commercial use.

# 10.6.No Legal Relationship

These Guidelines, the submission of an application, and any communications between the applicant and the State does not create any legal relationship, an offer to enter into any contract, or a process contract or any contract-like obligation between the applicant and the State.

Neither these Guidelines nor any other document shall create or give rise to any legal or equitable rights or obligations; such rights or obligations shall only come into being if and when a legally binding FAA is formally executed between the applicant and the State.

# 10.7. Reservation of Rights

These Guidelines are approved under section 10 of the *Industry and Technology Development Act (WA) 1998*.

The Department (inclusive of the State) reserves the right at its absolute discretion to administer the Program in such manner as it sees fit and may:

- change the scope, structure, purpose, processes, procedures, terms of participation in and timing of the Program including any aspect of these Guidelines such as the eligibility and review criteria
- request additional information or clarification from any applicant or conduct due diligence as outlined in these Guidelines
- take into account any information from its own and other sources (including State agencies or advisors)
- accept or reject any application, having regard to these Guidelines or any other matter which the State considers relevant, including limitations on the funds available under the Program
- exercise a right, discretion, perform any act or omit to perform any act under these Guidelines
- terminate the participation of any applicant
- at its absolute discretion, exclude the relevant application from the assessment process at any time, if the applicant has made any false or misleading statements
- exclude an application from consideration where the Department believes it has been compiled using information improperly or unlawfully obtained from the department
- terminate or not proceed with the Program in the manner outlined in these Guidelines, or at all.

# 10.8. Exclusion of Liability

Applicants are wholly responsible for their own costs and expenses whatsoever incurred in preparing their application and in any way associated with developing, preparing and submitting the application (irrespective of whether or not the application proceeds or is accepted or rejected).

Without limiting the above, the applicant releases the Department (including the State) from all liability in respect of the application process. The Department is not liable for any loss, expense, cost or damage incurred by the applicant in any way including, but not limited to:

- the preparation or submission of the application
- any exercise, or performance of, or failure of the Department to exercise or perform any rights, obligations, or duties under these Guidelines
- otherwise in connection with these Guidelines or the Program.

# **10.9.Tax Information for Applicants**

Financial assistance under the Program may be assessable income for taxation purposes. The Department recommends that applicants seek independent professional advice on their taxation obligations or seek assistance from the Australian Taxation Office. The Department does not provide tax advice.