

Guidelines

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Background

The Dairy Energy Efficiency Program (the Program) is an initiative of the Tasmanian Government, providing grants to Tasmanian Dairy Farm Businesses. It supports the government's AgriVision 2050 policy, which aims to increase the farm gate value of the agriculture sector to \$10 billion by 2050. The Program has two components:

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

Capital Infrastructure: Provides a subsidy to assist eligible Tasmanian Dairy Farm Businesses to purchase energy-saving or energy-efficient capital infrastructure to support improved or optimised dairy farm energy efficiency, as recommended by an Energy Audit (and an Irrigation Audit if applicable) prepared by a suitably qualified professional. This may include, for example, irrigation pumps, lighting, insulation, ventilation infrastructure, renewable or alternative energy sources (including but not restricted to solar panels, solar powered battery storage, wind or hydroelectric infrastructure) or heating or cooling infrastructure.

Key features

- The Program has a limited funding allocation of \$250 000 and applications will be assessed in order of receipt. Applications will close once the allocation of funds is fully exhausted. Maximum grant assistance available under the Program is \$20 000 per applicant, which can be spread across audit and capital infrastructure. Applicants can be approved for funding only once.
- Applicants who have received funding under the recent On-Farm Energy Audit and Capital Grant Program may only be eligible under this program for funds up to a value of \$20 000 in total. For example, if an applicant received \$2 500 under the On-Farm Energy Audit and Capital Grant Program for an energy audit they may apply for up to \$17 500 should they meet the eligibility criteria of this program.
- Audit:
 - For every \$2 of grant funds provided, successful applicants must contribute at least \$1, with grant funds provided to assist them to engage a suitably qualified professional to undertake Energy Audit(s) and/or Irrigation Audit(s).
 - Minimum grant assistance for an Audit Grant is \$1 000 (which equates to an audit cost of \$1 500).
- Capital Infrastructure:
 - For every \$1 of grant funds provided, successful applicants must contribute at least \$1, with grant funds provided to assist them with the purchase of energy-saving or energy-efficient capital infrastructure.
 - Minimum grant assistance for a Capital Infrastructure Grant is \$1 000 (which equates to a purchase cost of \$2 000).

Eligibility criteria

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

1. Meet the Definition of a Tasmanian Dairy Farm Business, as per these Guidelines.
2. Operate as a sole trader, trust, partnership or private company.
3. Are registered for tax purposes in Australia with an Australian Business Number (ABN); are registered for GST; and are classed as a primary producer dairy business by the Australian Tax Office.
4. The total income from the primary producer dairy business is 50 per cent or more of the applicant's total income.

Applicants should note that complying with the eligibility criteria is only part of the application assessment process (refer to the Assessment Criteria) and does not automatically mean an application to the Program will be approved.

Ineligible applicants include:

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

<https://www.ato.gov.au/business/starting-your-own-business/before-you-get-started/are-you-in-business/>

The Program allows for eligible businesses to apply once under the program. Successful applicants can receive up to \$20 000 in total funding.

Assessment criteria

Audit

The Assessor(s) will use the following criteria:

- The applicant meets the eligibility criteria.
- The proposal is of a professional quality that clearly outlines the objective of the audit and the actual work that will be undertaken. Refer to Appendix I
- The proposal states that the consultant will meet the minimum requirement of an audit set out within these guidelines. Refer to Appendix II
- The level of audit identified by the consultant aligns to the size and complexity of the business operation.
- The consultant's proposal offers value for money considering the quoted cost to meet the above criteria.

NOTE: Applicants should refer to Appendix III for more information on how to select a suitably qualified professional to undertake an audit.

Capital Infrastructure

The Assessor(s) will use the following criteria to approve purchases:

- The applicant meets the eligibility criteria.
- The energy audit and, if applicable irrigation audit, aligns with the work and the proposed capital infrastructure purchase outlined within the quote provided.

- There are quantifiable energy savings and/or energy efficiencies introduced to the business by the proposed capital infrastructure that have been clearly defined in the audit.
- The project represents value for money meeting at least one or more of the below criteria as applicable.
 - o has a maximum of a 10 year payback period,
 - o provides a security of energy supply,
 - o has a warranty on the product or infrastructure to be installed,
 - o the product has a life expectancy that exceeds the payback period.
- The proposal and /or quote for the capital infrastructure and associated installation work provided is to a professional quality and clearly outlines the full scope of work to be undertaken.

Application process

Please note that this is a one-step application process - successful applicants will be allocated up to a maximum of \$20 000 to cover the costs associated with the Energy Audit, and for the purchase and installation of capital infrastructure as per the recommendations of the Energy Audit and for which approval has been granted by the Assessor(s).

Steps	Audit Grant Component
1	Potential applicants should read the Program Guidelines to ascertain eligibility.
2	Engage a professional to provide a quote and scope of works for an Energy Audit in accordance with the intent of the Program and the definitions contained in these Guidelines.
3	Applicants should complete and lodge an application online through SmartyGrants. Applicants will be required to provide the following documents: <ul style="list-style-type: none"> • Audit quote • Scope of works • A statement from the provider that the audit will comply with the minimum standard set out within these guidelines.
4	Applicants will be advised of the outcome of their application in writing within approximately four weeks.
5	Successful applicants will receive a Grant Agreement for acceptance, signature and return to the department and must then complete steps 6 to 11 below.
6	Applicants engage consultants to undertake the Energy Audit in accordance with the approved grant purpose to complete the agreed service, work and/or purchase.
7	On successful completion of step 6, and receipt of correct invoice/s, applicants will need to pay the applicable invoice/s and obtain a receipt or proof of payment in full.
8	Applicants are to complete the acquittal form, via SmartyGrants and supply copies of the relevant documents outlined below: <ul style="list-style-type: none"> • A copy of completed audit report • A statement that you are satisfied with the audit provided by the consultant • A copy of invoice from the audit(s) conducted. • An invoice from you made out to the Department of Primary Industries, Parks, Water and Environment for the approved funding amount for two thirds of the invoice amount for the Energy Audit(s) and, if applicable, Irrigation Audit(s), which must not exceed the approved grant amount as per the Grant Agreement. • A copy of a recent bank statement with BSB and account number, in the business name.

Capital Component	
9	<p>Applicants must seek approval from the program Assessor(s) before proceeding to purchase capital infrastructure and associated works by providing the following:</p> <ul style="list-style-type: none"> • Copies of quotes for the purchase of capital infrastructure and any associated work as per the recommendations clearly outlined within the completed Energy Audit conducted for the dairy business. • Statement from Energy Audit provider confirming work to be undertaken will deliver energy efficiencies outlined in audit.
10	<p>Applicants will be advised to proceed with the purchase of capital infrastructure, or not, in writing within approximately two weeks.</p>
11	<p>On receipt of correctly completed acquittal form and required documentation, funds will be provided to the successful applicant via the bank account details initially provided within the application form.</p> <ul style="list-style-type: none"> • Copy of all invoices • Proof of payment, e.g. receipt or copy of bank statement • Photos of installation • A tax invoice from you made out to the Department of Primary Industries, Parks, Water and Environment for one half (50 per cent) of the infrastructure provider's invoice amount (excluding GST) for the purchase, which must not exceed the approved grant amount as per the Grant Agreement. • A copy of a recent bank statement with BSB and account number in the business name. <p>This process should be completed within 14 days of receiving all the correct information.</p>

Successful applicants

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

Successful applicants will need to complete an acquittal form via SmartyGrants and follow the steps outlined within the Application Process from step 5 onwards.

It is the responsibility of the successful applicant to ensure compliance with the invoice terms and payment of the invoice received from the suitably qualified professional. The Department of Primary Industries, Parks, Water and Environment bears no responsibility for payment by the successful applicant to the professional undertaking the Audit(s).

The Project must be completed within six months of the Grant Agreement being signed.

Eligible expenditure

Audit:

Eligible expenditure includes Energy Audit(s) and, if applicable for the operation, Irrigation Audit(s) as per the Definitions provided in these Guidelines.

For the type of projects that may be deemed eligible under the Program please see Appendix I – summary audit examples.

Capital Infrastructure:

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

Ineligible expenditure

Audit:

Ineligible expenditure includes capital purchases, advice in relation to domestic usage (where it is not part of the dairy business operations), and advice in relation to vehicle fuel costs.

Capital Infrastructure:

Ineligible expenditure includes:

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

Definitions

Assessor means the representative(s) appointed by the Department of Primary Industries, Parks, Water and Environment to assess applications and eligibility under the Program.

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

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

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

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

Irrigation Audit means an inspection, review and written report prepared by a suitably qualified irrigation professional. The audit must include an energy audit and may be focused on the inspection and measurement of the efficiency and effectiveness of the dairy farm irrigation infrastructure and system. It may include review and advice on reduced energy use through, for example, irrigation scheduling; irrigation infrastructure maintenance; and potential implementation of new or updated infrastructure which may provide energy savings. For the purposes of this Program an Irrigation Audit will not be taken to mean any investigation, analysis or advice that is of an agronomic nature; this may include soil analysis, use of

herbicides or pesticides, fertilisation, or crop water requirements. If a business intends to apply for a Capital Infrastructure Grant under the Program, the Irrigation Audit must also include an energy audit and provide recommendations about capital infrastructure that will assist in delivering energy savings or optimal energy use.

National Metering Identifier (NMI) is a unique 10 or 11 digit number used to identify every electricity network connection point in Australia.

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

Program means this Dairy Energy Efficiency Program.

Payback Period is the period of time required to recoup the funds expended on an investment

Tasmanian Dairy Farm Business means a small to medium sized operation, with an annual turnover of \$5 million or less, where its dairy based products and services are produced in Tasmania and it is classed as a primary producer dairy business by the Australian Tax Office. A Tasmanian Dairy Farm Business may also undertake activities related to agri-tourism, or include a value-adding/processing facility. Stand-alone or dedicated agri-tourism, non-dairy farm or processing facilities will not be considered to be a Tasmanian Dairy Farm Business.

Taxation and financial implications

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

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

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

Confidentiality

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

The department may also:

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

Administration and contact details

The Program will be administered by the Department of Primary Industries, Parks, Water and Environment on behalf of the Crown in the Right of Tasmania. Any person requiring further advice or information on the Program, or submitting an application, is asked to direct enquiries to: farmpoint@dpipwe.tas.gov.au or telephoning 1300 292 292.

Timeframes

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

Publicity of grant assistance

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

Right to information

Information provided to the Department of Primary Industries, Parks, Water and Environment may be subject to disclosure in accordance with the Right to Information Act 2009.

Personal information protection

Personal Information will be managed in accordance with the Personal Information Protection Act 2004. This information may be accessed by the individual to whom it related, on request to the Department of Primary Industries, Parks, Water and Environment. A fee for this service may be charged.

Disclaimer

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

Appendix I

Summary of a dairy business audit example

Energy audit

An energy professional examined energy consumption patterns along with current and likely future needs of a dairy farm business. They established the operation's baseline energy consumption in relation to industry benchmarks for dairy sheds; analysed the property's energy use; and identified areas in which there appeared to be potential for energy and cost savings.

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

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

Irrigation audit

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

Appendix II

Energy audit minimum standard

There are three types of energy audits defined in the Australian and New Zealand Standard AS/NZS 3598.2:2014. The standard specifies the appropriate level of investigation and analysis for each type.

Level	Type	Description	Output
1	Basic Energy Audit	Simple high level audit ideally for smaller sites or as a scoping exercise for larger sites.	Provide a quantitative overview of energy performance and identify no-cost and low-cost opportunities. It provides indicative or typical cost and energy saving opportunities.
2	Detailed Energy Audit	Detailed audit with comprehensive review and analysis of equipment, systems and operational characteristics of the whole site using daily energy consumption profiles.	Includes a financial analysis of recommended energy performance improvement actions based on site infrastructure and operational practices and should provide a sufficient level of analysis for medium scale capital investments.
3	Specialised / Precision audit	Detailed audit for complex sites with subsystems and requires additional data gathering to determine highly accurate energy use for process or system operations at the site.	Provides precise information on site subsystems within complex operations. Through reconciling detailed energy data collected over time against the full implementation costs, both internal and external labour, along with project capital costs, this audit will provide detailed calculations of energy savings that can be used to support business cases with a high level of accuracy to meet company capital expenditure processes.

Audits performed should align to the minimum standard outlined in a level 1 audit and where beneficial, complete a level 2 or 3 audit (or part thereof), to explore energy efficiencies specific to the business operation.

Audit reports should include the following:

- An outline of the business site/s, size and type of operation.
- A brief description of the electricity connection points, the National Meter Identifiers (NMI) and/or the meters located at the site/s and associated usage descriptions for each.
- A tariff analysis for each meter and a review of meter configuration to determine any benefits of meter consolidation or tariff changes.
- Details of any financial benefits to changing operational energy usage in relation to energy demand or time of use.
- All opportunities identified must have a clearly defined opportunity cost, cost and energy saving and payback period details.
- Proposed capital infrastructure should include details on the product warranty and operational life expectancy.
- A review of historical energy consumption for a minimum of 12 months, and where possible 3 or more years, to determine seasonal patterns, efficiency opportunities and confirm benefits of any tariff change opportunities.
- Outline of any anticipated or forecast consumption changes, for example planned site expansion or change in operations.
- Graphs and charts where beneficial to assist the recipients comprehension of the data being presented.

- A summary of opportunities highlighted within the audit report is to be included in the form of a summary table. The table must include the following information:
 - Opportunity description
 - Meter or NMI
 - Full cost to implement the opportunity
 - Current tariff
 - Proposed new tariff, if applicable
 - Current usage quantity
 - New proposed usage quantity, if applicable
 - Quantity of energy savings, if applicable
 - Current price per unit
 - New proposed price per unit, if applicable
 - Financial savings
 - Payback period
 - Warranty, if applicable
 - Expected life of product implemented, if applicable

An example of a summary table is provided below.

Example - Opportunity summary table

Opportunity Description	Meter/ NMI	Usage	Total Install Cost*	Current Tariff & Time Period	New Tariff & Time Period	UoM (kWh/ kVa)	Current Quantity (pa)	New Quantity (pa)	Quantity Savings from current	Current Price/ unit	New Price/ unit	Savings \$ (pa)	Payback Period	Warranty years	Product Life Years	
Replace existing incandescent lights with LED Globes	Meter 1	Light & Power Warehouse	\$980	Tas 22	Tas 22	kWh	60,000	58,500	3,000	\$0.26	\$0.26	\$383.28	2.56	5	10+	
Replace existing old heating – install Heat Pump to office and staff facilities	Meter 2	Heating	\$17,000	Tas 22	Tas 94 Peak	kWh	12,000	5,000	7,000	\$0.28	\$0.28	\$1,990				
				Tas 22	Tas 94 Shoulder	kWh	6,000	4,000	\$0.21	\$0.21	\$411					
	Tas 22	Tas 94 Off-Peak	kWh	14,000	6,000	\$0.12	\$0.12	\$961								
	Totals			\$17,000		Total	kWh	32,000	15,000	17,000			\$3,362	5.06	5	15
Change operation time of use and install control timers	Meter 6	Shed Light & Power	\$500	Tas 22	Tas 94 Peak	kWh	14,000	14,000	0	\$0.26	\$0.28	-\$402				
				Tas 22	Tas 94 Shoulder	kWh	3,000	3,000	\$0.26	\$0.21	\$150.24					
				Tas 22	Tas 94 Off-Peak	kWh	8,000	8,000	\$0.26	\$0.12	\$1,082.80					
Totals			\$500		Total	kWh	25,000	25,000	0			\$831	0.60171	1	5	

Appendix III

Selecting qualified professional

Tips on finding a suitably qualified professional

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

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

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

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