

MB20-000209

MINISTERIAL INFORMATION REQUEST

Minister for Energy and Emissions Reduction

Subject:	MIR - Protections in Shine agreement
Requested by (Minister's office contact):	s22
Date requested:	12 February 2020 at 2:49pm
Cleared by:	s22

Details of Request and Response

The Ministers office is after some lines to assist in responding to an urgent media request. They would like a few dot points on the protections that the Department will be using to make sure that Shine uses funds as per the agreement. The Minister's office has requested the following information by 3.10pm today, Wednesday 12 February 2020.

The \$10 million 'Supporting Reliable Energy Infrastructure' program was included in the 2019-20 Budget.

- Any ad hoc grants provided through the program will be on the basis of grant guidelines.
- Applications for ad hoc grants, including from Shine Energy Pty Ltd, will be assessed in accordance with the *Commonwealth Grants Rules and Guidelines (CGRGs)* to ensure they are accountable, transparent and value for money.
 - Public due diligence checks will be undertaken.
- Ad hoc grant funding will not be provided as upfront payments. Funding will be released where milestones set out in the funding agreement/deed are met.
- All ad hoc grants will be required to submit a final report, which will include the submission of a financial statement conducted by an independent body.

MS19-000565

To: Minister for Energy and Emissions Reduction (For Decision)

SUPPORT FOR SHINE ENERGY'S BANKABLE FEASIBILITY STUDY

Timing: 29 July 2019 – to enable the Grant Guidelines to be released to Shine Energy Pty Ltd.



Recommendations: That you:

- 1. ^{s22}
- 2.
- 3. Approve the *Grant Guidelines* for the ad hoc grant at **Attachment E** which will be used to obtain an application from Shine Energy Pty Ltd, in accordance with section 20A of the *Public Governance, Performance and Accountability Act 2013*.

Approved / Not approved

Minister: *Angus Tjoe*

Date: *7/8/19*

Comments:

Clearing Officer: ^{s22}
Sent 24/07/2019
Contact Officer:

Key Points:

- 1. On 26 March 2019, the Government committed to providing \$10 million (GST exclusive) over two years from 2018-19 for the budget measure 'Supporting Reliable Energy Infrastructure' (Program 4.1), for the development of business cases for reliable energy supplies for commercial and industrial customers.
 - a. Funding is contingent on the passage of the *Administered Appropriation Bill 1 2019*.
- 2. We recommend several measures to implement Program 4.1. These include providing a one-off ad hoc grant to Shine Energy Pty Ltd to undertake and deliver a bankable feasibility study into a high efficiency low emissions coal plant in Collinsville, Queensland (**Proposed Project**) (**grant**). You will be briefed separately on other measures proposed to deliver Program 4.1.

3. Shine Energy requested \$10 million (GST inclusive) for the Proposed Project under the Underwriting New Generation Investment program, but it was not shortlisted for the first stage.
4. Given the Proposed Project's current state of development and its potential to be included in future phases of the UNGI program, we propose providing funding of up to \$4 million (GST exclusive) for the study. This will form the first part of Program 4.1.
5. We consider providing a grant to Shine Energy is appropriate considering it is dependent on expertise only available in the targeted areas of North and Central Queensland.

The following paragraph 6 is subject to legal professional privilege. The contents should not be disclosed to or discussed with third parties.

s42

s22

The following paragraphs 9-16 are subject to legal professional privilege. The contents should not be disclosed to or discussed with third parties.

s42

Grant Guidelines

17. This brief seeks your approval of the draft *Grant Guidelines* for the Grant at **Attachment E** under section 20A of the *Public Governance, Performance and Accountability Act 2013*. The draft Grant Guidelines:
- a. specify, among other things, how much funding can be applied for, for what eligible activities and over what period of time; and
 - b. have been prepared in accordance with the *Commonwealth Grant Rules and Guidelines 2017* and signed off by the probity advisor.
18. Once approved, we will provide the Grant Guidelines to Shine Energy and request that they submit an application.

Financial approval under section 71 of the PGPA Act

19. Subject to Shine Energy meeting the eligibility criteria and requirements of the Grant Guidelines, you will be asked to give financial approval under s 71 of the *Public Governance, Performance and Accountability Act 2013* for the Grant to be made to Shine Energy if satisfied, after reasonable enquiry, that the Grant would be a 'proper' (efficient, effective, economical and ethical) use of relevant money. The Department will seek this approval in a separate briefing.

ATTACHMENTS

A: s42

s42

The contents are subject to legal professional privilege and should not be disclosed to or discussed with third parties.

B: s22

C: s22

D: s47E(d)

E: s47C