

Waste Less, Recycle More Initiative

Product Improvement Program: Round 2

Guide for Applicants: Stream 1 (Infrastructure)

Applications close 4pm Friday 26 July 2019



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Applications are now invited for the Product Improvement Program: Stream 1 (Infrastructure).

Applicants should read this guide before preparing an application.

Background

About the NSW Environment Protection Authority

The NSW Environment Protection Authority (EPA) is an independent statutory authority and the principal environmental regulator in NSW. It leads the state's response to managing a diverse range of activities that can impact on the health of the NSW environment and its people, using a mix of tools, including education; partnerships; licensing and approvals; and audit, enforcement and financial mechanisms. The EPA is empowered under the *Protection of the Environment Administration Act 1991* (POEA Act).

Development of this program

This round of the Product Improvement Program (PIP) has been developed following a review and subsequent changes to three EPA grant programs that have funded waste and recycling innovation and infrastructure projects: the Recycling Innovation Fund (RIF), the PIP and the Resource Recovery Facility Expansion and Enhancement Program (RRFEE).

An independent evaluation of the EPA's RIF in 2018 recommended changes to the program, including the development of an innovation focus on research and development projects and the incorporation of the infrastructure innovation stream into the existing Waste and Recycling Infrastructure Fund programs (PIP and RRFEE). At the same time, an internal review of the PIP and RRFEE found there was significant overlap between the two programs. As a result, the EPA has now combined the RIF, PIP and RRFEE into a single program (this round of the PIP) to avoid unnecessary duplication and increase the program efficiency by pooling the remaining funds.

This round of the PIP has been developed with a total budget of \$6.3 million and offers funding in two streams:

- **Stream 1 (Infrastructure).** Applicants interested in applying for an infrastructure grant (excluding those under the Major Resource Recovery Infrastructure Program) should apply under Stream 1.
- **Stream 2 (Research and Development).** Applicants with a research and development proposal should apply under Stream 2, which has separate Guidelines and Application Form.

About the Waste Less, Recycle More Initiative

In February 2013, the NSW Government announced the five-year \$465.7 million Waste Less, Recycle More Initiative (WLRM) following an independent review of the waste levy. In September 2016, the NSW Government announced WLRM would be extended to 2021, with additional funding of \$337 million.

The EPA is responsible for the delivery of programs under this initiative. A key focus of this initiative is to assist communities, business and industry across the NSW economy to reduce waste, increase recycling and meet NSW Government waste and recycling targets.

The WLRM extension is made up of the:

- \$70 million Local Government Waste and Resource Recovery Program
- \$65 million Illegal Dumping Prevention and Enforcement Fund
- \$30 million Litter Prevention and Enforcement Fund
- \$35.5 million Organics Infrastructure Fund and Program
- \$48 million Waste and Recycling Infrastructure Fund
- \$57 million Systems for Household Problem Waste Program
- \$22.5 million Business Recycling Program
- \$5 million Recycling Innovation Fund
- \$4 million Heads of Asbestos Coordination Authorities program.

About PIP Stream 1 (Infrastructure)

Stream 1 (Infrastructure) incorporates the Resource Recovery Facility Expansion and Enhancements (RRFEE) Grants Program, the Product Improvement Program (PIP), and the type of projects previously funded under the former Recycling Innovation Fund (RIF) infrastructure stream. Applicants interested in applying for a waste and recycling infrastructure grant, excluding those under the Major Resource Recovery Infrastructure Program, should now apply under this program.

The PIP Infrastructure Stream is part of the NSW Government's ongoing response to the challenges facing the waste industry in NSW. Infrastructure investment can stimulate local remanufacturing capacity in NSW, and generate new industries and jobs in regional and rural communities. Developing local markets for high-quality post-consumer recycled materials keeps materials in use for longer, reduces dependency on international markets and reduces the impacts of commodity price fluctuations. Improving recycling systems will generate higher quality recovered materials that can be used more easily for a greater range of purposes and for a longer time. The PIP Infrastructure Stream provides industry an opportunity to:

- identify new uses and markets for recyclable materials
- develop local processing and remanufacturing capability to help ensure recycling services are maintained in future years
- increase the recovery of priority problem wastes.

Stream 1 (Infrastructure) objectives

The PIP Infrastructure Stream supports the NSW resource recovery sector to respond to changes in recycling markets and meet the NSW Government waste and resource recovery targets.

The program targets;

- waste generated by households (yellow-lid bin) and commercial and industrial premises (e.g. mixed paper/cardboard, plastics, glass, tyres, engineered and treated timbers, e-waste and plasterboard)
- identified priority waste materials (see 'targeted funding' below)
- wastes generated by construction and demolition works.

The program supports co-investment in infrastructure projects that aim to do one or more of the following:

- improve the quality of recycled materials produced by material recovery facilities (MRFs) to better supply local and international markets and reduce the amount of unrecyclable material left over from the recycling process
- increase the amount of waste materials recycled in NSW and divert additional waste from landfill by accelerating and stimulating investment in recycling infrastructure
- increase the capability and capacity to recover and reprocess waste materials in NSW

- increase the use of recycled content in the manufacture of products within NSW
- increase recovery of identified priority waste materials.

Available funding

A total of \$6.3 million is available for Product Improvement Program grants (across both streams).

Funding and eligibility

Grants of between \$50,000 and \$1,000,000 are available to fund infrastructure projects. Grants are available to:

- materials recovery facilities (MRFs)
- reprocessing and secondary reprocessing facilities
- NSW industries seeking to increase the recovery of waste materials currently going to landfill
- product manufacturers using post-consumer materials in the manufacture of goods.

The grant will support up to 50% of the capital costs for equipment or infrastructure. Councils and not-for-profit organisations that are eligible under the 'special consideration clause' may be eligible for funding of up to 75% of the capital costs. Matched funding arrangements are described in the following section.

Eligible organisations

To be eligible for this funding, an organisation must meet all the following criteria:

- currently own and operate a facility that meets one of the following descriptions
 - an MRF that is licensed by the EPA or, if currently unlicensed, be in the process of obtaining an Environment Protection Licence from the EPA
 - an MRF that is currently operating under licensing thresholds, and the capacity of which is being expanded
 - a facility that reprocesses recovered waste material
 - a facility that manufactures goods from post-consumer products (e.g. plastics or glass).
- be one of the following types of organisations
 - a council (as defined in the NSW *Local Government Act 1993*), regional organisation of councils or other local government-controlled organisation
 - a non-government/not-for-profit organisation (must comply with the ATO's definition) with an established legal status, or those without a legal status that are able to have grant funds administered by another organisation with legal status
 - a company or partnership as defined under the Commonwealth *Corporations Act 2001*
 - a State Government entity
- have a history of compliance with NSW environment protection laws.

Planning approvals and licensing

Some proposals may not be permissible, or may have significant planning challenges due to their location. Not all sites are suitable for expansion due to their location and/or environmental constraints. Applicants must ensure that their proposed project is permissible under the NSW *Environmental Planning and Assessment Act 1979*. Applicants should also be aware that if the lead time for approval is too long the proposal may not be viable.

Before you begin your application you must:

- familiarise yourself with the planning approvals required for the project to proceed
- contact the relevant consent authority (council or Department of Planning, Industry and Environment) to discuss your proposal.

When submitting your application to the EPA, provide the following supporting information to strengthen your application:

- evidence of any discussions with the relevant consent authority (e.g. emails, letters and details of meetings)
- any other material that demonstrates required approvals will be achieved in a timely way.

Note: Where the applicant is a secondary reprocessor seeking to expand current operations on an existing site (not including licensed MRFs), a development consent and an Environment Protection Licence may be required. The following thresholds for storing and processing waste materials apply:

- inside the regulated area – storage of 1,000 tonnes (or 1,000 m³) of material on site at any one time or processing more than 6,000 tonnes of waste per year.
- outside the regulated area – storage of 2,500 tonnes (or 2,500 m³) of material on site at any one time or processing more than 12,000 tonnes of waste per year.

Manufacturers wishing to apply should also consider any potential licensing requirements for the processing or on-site storage of waste, and should currently be manufacturing in NSW.

For further information on licence applications contact the EPA or visit our licence forms webpage www.epa.nsw.gov.au/licensing/licenceforms.htm

Targeted funding

As shown in the following figure, the program targets projects in the full cycle of the recycling process. The program **will** fund:

1. Projects that involve equipment upgrades or process improvements to an existing MRF to increase the quality of output materials, reduce contamination or increase capacity. Examples include additional sorting lines, magnetic conveyors and optical sorters.
2. Projects that improve the quality of outputs from MRFs or reprocessors to meet the requirements of end markets. Examples include
 - a. infrastructure/equipment to shred, flake, wash, sort, granulate or pelletise materials
 - b. storage or permanent cover infrastructure or hard stands (e.g. sheds, temporary covers or enclosed facilities) to store materials waiting to be processed, or processed materials ready for sale to end markets.
3. Projects that increase the capacity of manufacturers to use recycled material in their products and to provide secure markets for these recycled materials. Examples include new/modified equipment to increase the use of recycled raw materials, such as post-consumer plastic in the manufacture of goods or products.
4. Projects that remove priority waste material from feedstock to increase recycling of other materials, or increase recovery rates for the identified priority waste materials.



For projects seeking to address one of the EPA identified 'priority problem wastes' the list of priority wastes includes:

- mattresses
- plastic film and other plastics
- copper chrome arsenic (CCA) timber and other treated timbers
- tyres and rubber
- nappies and incontinence pads

What will not be funded

This program **will not** fund:

- projects that do not align with the objectives of the grant program
- projects not located in and servicing NSW
- any plant or equipment that has been owned by any associated entity
- projects that request funds to produce documents only and do not deliver infrastructure (e.g. feasibility studies, scoping documentation, business case development, and designs)
- projects for education or market development activities
- requests for retrospective funding, where projects are completed or have commenced prior to signing a funding agreement with the EPA (unless the funding is for a separate stage of the project)
- projects that are being undertaken to comply with regulation
- applicant organisations that have, or whose related entities have, failed to adequately address a breach of the *Protection of the Environment Operations Act 1997* (POEO Act) or other environment protection laws or that are unable to demonstrate the financial capability to undertake the project
- the purchase of vehicles, vehicular attachments or modifications (e.g. front-end loader or fork lift)
- new MRFs – the Major Resource Recovery Infrastructure Program provides support for such new facilities
- infrastructure and plant for food and garden waste – the Organics Infrastructure Fund provides funding for this infrastructure
- proposals that provide no reduction in waste to landfill
- projects whose primary purpose is to convert waste to energy
- projects that focus on routine or cyclical maintenance works
- land acquisition

- project management costs (this does not include administrative costs)
- ongoing operational costs, such as, but not limited to, salaries, electricity, water and other utilities
- organisations that have failed to satisfactorily complete any other previous projects funded by the EPA without sufficient reason
- ongoing maintenance of projects to which organisations have committed as part of a previous grant or another project
- costs associated with the application or gaining of funding
- costs of obtaining planning approval or Environment Protection Licences
- projects where applicants have received funding or support for the same activities from other sources
- applications submitted after the closing date and time (4pm, 26 July 2019).

Financial Analysis and Cost-benefit (economic) Analysis

A Financial Analysis is required to demonstrate that the project is financially viable. A Cost-benefit (economic) Analysis is required to ensure that approved projects will provide value for money, deliver a net public benefit and help to develop the domestic recycling industry.

- Applicants with a total project value of \$1 million or more will need to undertake a Financial Analysis **and** a Cost-benefit Analysis.
- Applicants with a total project value of less than \$1 million will only need to undertake a Financial Analysis.

For further guidance on conducting a Cost-benefit Analysis, applicants should refer to [NSW Treasury's NSW Government Guidelines for Economic Appraisal](#) and consider applying for EPA business case support. (For more details see the 'Business case support' section below.)

Who must submit the application?

The submission must be by the applicant organisation. Applicants may seek assistance from consultants or other advisers to develop their proposed projects. However, the application must be submitted by the organisation applying for the grant that holds, or will hold, the licence for the resource recovery facility, should one be required, or is submitting an application in partnership with an organisation that holds, or will hold, the licence for the resource recovery facility. Submissions from third parties will not be accepted.

The application must nominate the primary contact who must be an employee or office holder of the applicant organisation. The primary contact must be available to respond to questions and requests for information from the EPA during the application assessment process and, if the application is successful, for the duration of the project.

Partnership projects

Preference will be given to projects that can demonstrate enduring partnerships between businesses, investors, industry and tertiary/research organisations as well as investments aimed at achieving commercially viable outcomes.

Partnership projects can improve the implementation and reach of projects. An organisation must be appointed to act as the grant applicant and administrator of the project, including signing the Deed of Agreement and submitting milestone reports. It is expected that an agreement will have been reached between all partners in relation to project management, roles, responsibilities and funding contributions before applying for funds. This agreement should be demonstrated in the grant application and can be provided in the form of a Memorandum of Understanding signed by each partner or a letter from each partner detailing their roles, responsibilities and commitments.

A project partner is any organisation or individual, other than the applicant and its employees/contractors, involved in carrying out the project, including:

- investors
- anyone involved in joint delivery of the project.

It does not include an organisation or individual that *only* leases or provides land to the applicant or project partners, and has no other role in the project. All project partners must be listed in the application and, at minimum, an intent for an MOU must be submitted with the grant application. If the application is awarded funding, a signed MOU will be required prior to the Deed of Agreement being signed.

Who must nominate an administrator?

Unincorporated organisations must nominate an administrator. Non-government organisations may nominate another organisation to administer grant funds on their behalf. If your organisation is not incorporated, it is essential to have an administrator that is an incorporated not-for-profit organisation or government entity to be eligible to apply.

Compliance with NSW environment protection laws

The EPA will consider the compliance history of applicants under NSW environment protection laws, including penalty notices, clean-up notices, prevention notices, licence suspensions, licence revocations, convictions or prosecutions under the *National Parks and Wildlife Act 1974*, POEO Act, Protection of the Environment Operations (Waste) Regulation 2014 (POEO Waste Regulation) and *Native Vegetation Act 2003*.

In addition, applicants are not eligible for the grant if they, or any directors or managers of the applicant organisation (whether as directors or managers of the applicant or otherwise in their personal capacity, including where they have been directors or managers of other companies), have contravened any provision of the POEO Act or POEO Waste Regulation with the result of avoiding, minimising or undermining the requirement to pay any waste contributions required under section 88 of the POEO Act.

For the purposes of this matter, the relevant provisions of the POEO Act are sections 48, 64, 88, 115, 120, 142A, 143, 144, 144AA, 144AB and 211 of the POEO Act or Part 2 of the POEO Waste Regulation in relation to any waste activities where a consequence of the contravention has the result of the avoidance, minimisation or undermining of the waste contribution. This also includes a contravention of any clause of a resource recovery exemption.

These matters can be taken into account whether or not any regulatory action has taken place in relation to those contraventions, including whether or not court proceedings have been commenced or an offence has been proven in court proceedings.

Transporting waste out of NSW

The application is required to confirm whether the applicant, a project partner or related organisation will transport or arrange the transportation of waste generated in NSW for disposal outside of NSW at any time during the life of any grant awarded.

Should your organisation be found to be involved in transporting waste outside of NSW, any grant awarded will be terminated immediately and all grant funding will have to be repaid to the EPA. (Note: Organisations that have operations near the border of any other State or Territory may apply for an exemption from this requirement.)

Matched funding

Applicant co-contribution

Grants of between \$50,000 and \$1 million are available to provide up to 50% of the capital costs relating to the improvement of infrastructure.

A co-contribution from the applicant is required. The applicant's co-contribution must be cash-based, which can be attributed to payment of specific invoices covering at least 50% of the eligible costs and at least equal to the grant amount.

Funding will be available to cover the cost of construction of recycling and processing equipment, sheds, buildings and directly related civil works, but it will not cover the leasing or purchase of land.

The assessment will consider more favourably those applications that include a co-contribution greater than the minimum 50% required.

Applicants are encouraged to list any 'in-kind' contributions (defined on the last page). Examples of in-kind contributions include volunteer labour (e.g. calculated at \$25/hour), project management, and use of equipment (provided at no cost). These **do not** form part of your co-contribution, but are part of your overall financial commitment to the project.

Special consideration clause

A clause has been introduced for eligible councils and not-for-profit organisations. Councils and not-for-profit organisations that do not have the capacity to co-contribute 50% of total costs for large infrastructure projects, such as in remote regional areas of NSW, may also be eligible to apply. For councils and not-for-profit organisations that qualify under this clause, the EPA will consider funding up to 75% of total project costs.

To find out whether you qualify for special consideration, please contact the EPA on (02) 9995 6920 before you lodge your application.

Councils

For relevant councils, the EPA will use a number of criteria to determine their eligibility, including:

- total area (km²) of the local government area (LGA)
- number of rate-paying properties (i.e. residential, business and farmland) within the LGA.

Not-for profit organisations

For relevant not-for-profit organisations, the EPA will consider requests for special consideration on an individual basis and will take into account the applicant's:

- financial position
- size (e.g. number of employees).

Funding from multiple sources

Some large projects may require multiple sources of government funding. You must advise the EPA if you:

- have secured funding from another government agency for the same or related activities to those you are seeking funds for from the EPA
- have current applications lodged with other government agencies
- receive funding from other government agencies while your project is underway.

The EPA encourages applicants to develop projects that include partnerships, collaboration, other funding sources and in-kind contributions. For example, businesses generating large quantities of waste may partner with those that collect and/or reprocess the material. Collaborative applications will require a lead applicant that will be accountable for implementation of the funding agreement.

Business case support

The EPA will make available up to eight hours of business case support to prospective applicants, with additional hours for applicants demonstrating hardship; for example, councils in rural and regional areas, and not-for-profit organisations. The number of hours of support available will depend on the value of your project:

- up to \$500,000 – up to six hours
- \$500,000-\$1 million – up to eight hours.

The role of the business case advisors will be to:

- provide specialist advice to the applicant as it prepares its business case
- advise on appropriate analysis, content and presentation of information
- provide comment and critical feedback on the quality of the business case presented.

The business case advisors are able to cover the following areas of planning and analysis:

- market analysis, including demand for product
- technical analysis, including selection, integration and optimisation of plant and equipment
- cost-benefit analysis, including the preparation of a Cost-benefit Analysis consistent with NSW Treasury Guidelines and assessment of net public benefits
- financial analysis, including the external costs and benefits
- planning and licensing analysis
- project planning to detail steps involved in commissioning and the ongoing operation of the infrastructure.

Business case advisors **will not** be funded by the EPA to:

- gather background information, although they can advise on where to access the necessary information (it is expected that the applicant would have already developed this or have this ready)
- prepare a complete business case on behalf of the applicant
- prepare a complete grant application on behalf of the applicant.

The support is at the discretion of the EPA and not all applicants will necessarily receive support. (A decision by the EPA not to provide business case support does not imply that the project is ineligible for funding).

If successful in applying for business case support, the EPA program manager will contact applicants to arrange a meeting time with the advisor. Advisors are contracted by the EPA and are bound to keep information provided by applicants confidential.

Applying for business case support

To apply, applicants will need to complete the EPA's Business Case Advisory Service Application Form, which can be found on the EPA's [Product Improvement Program](#) webpage.

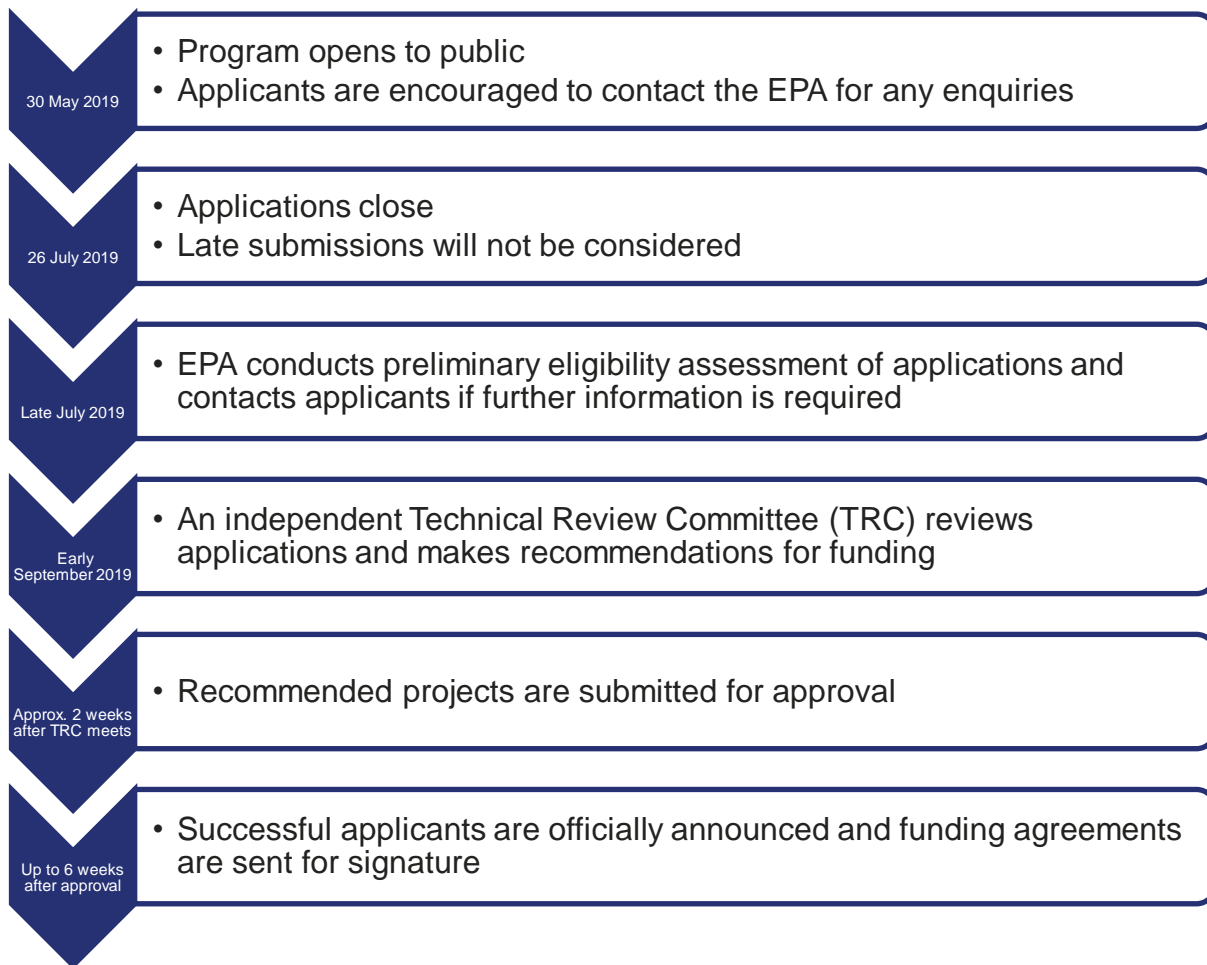
Business cases prepared in a consistent format and to high standards will streamline the assessment process and increase the overall quality of grant applications.

Requests for support under the Business Case Advisory Service are available **from Thursday 30 May 2019 to 5pm Monday 15 July 2019**. Applicants are encouraged to apply early to allow sufficient time and resources to meet requests.

The application process

Timeline

The application process timeline for Stream 1 (Infrastructure) is shown in the figure below.



Selection process

Selection for EPA grants is a competitive merit-based process. Eligible applications will be assessed by an independent Technical Review Committee (TRC) against the assessment criteria, which are set out below.

The completed Application Form will allow the TRC to assess your project. Applications must address the eligibility criteria. Beside each assessment criterion is a reference to a section of the Application Form that contains questions relevant to that criterion. All questions in the Application Form must be answered.

Assessment criteria

The following table sets out the six assessment criteria.

Criterion 1. The project offers a credible business case and has clear potential to become business as usual after the grant is concluded.

Weighting: 10%

See Questions 7 to 12

- Markets are identified, understood and secured to provide or utilise the recovered materials:
 - for processors/reprocessors, buyers of recovered materials are identified
 - for manufacturers of products using post-consumer recyclate, suppliers of recovered materials are identified and secured, including meeting industry specifications
 - appropriate specifications and quality standards for products selected
 - compliance of products with resource recovery orders and exemptions likely
- Pricing and service offering are viable/credible

Criterion 2. The project proposes a suitable way to increase the recovery of resources and keep them within the circular economy.

Weighting: 10%

See Questions 13 and 14

- Suitability of the project for the specific facility and location given other existing and planned facilities servicing that locality or region
- Effectiveness of the technology for the proposed application and materials
- Evidence that the technology has been proven in similar applications, including overseas (include written testimonials or contactable referees), or conclusive evidence of the technology's effectiveness
- Quotes and feasibility designs should be provided for large/complex projects

Criterion 3. The project complies with relevant planning and environmental regulations.

Weighting: 20%

See Questions 15 to 20

- Ability to obtain relevant planning and licensing approvals
- Performance and compliance history of existing licences

Criterion 4. The project addresses current needs in the resource recovery sector and may have broader benefits to the NSW community.

Weighting: 25%

See Questions 21 to 25 AND
Part D Waste Tonnage Forecast

- Capacity to develop the domestic recycling industry and align with objectives of the Waste Less, Recycle More Initiative
- Amount of material sorted/reprocessed and diverted from landfill, measured in tonnes/year
- Evidence of sustainability in design/implementation
- Evidence of environmental benefits (including non-market costs and benefits)
- Evidence of social benefits

Criterion 5. The project represents value for money to the EPA and provides economic benefit to NSW.

Weighting: 25%

See Questions 26 to 31

- Grant dollars invested per annual tonne of material recycled (priority given to projects seeking less than \$150 per tonne per year of built processing capacity (refer to Application Budget spreadsheet)
 - Overall investment by government (minimise percentage) and the related co-investment leveraged (refer to Application Budget spreadsheet)
 - Financial viability of project for all applicants (Financial Analysis Form to be submitted)
- Additional requirements for large projects:*
- Cost-benefit Analysis consideration for projects valued at over \$1 million, regardless of the amount of grant funding requested (Cost-benefit Analysis form to be submitted)
 - Net public benefits based on the Cost-benefit Analysis and compliance with NSW Treasury's Economic Appraisal Guidelines (refer to Application Budget spreadsheet).

Criterion 6. The applicant has a demonstrated ability to deliver the project on time and to a high standard.

Weighting: 10%

Questions 32 to 37

- Sound project planning and methodology
- Demonstrated management skills, expertise and relevant experience
- Performance under any previous Waste Less, Recycle More, NSW Environmental Trust or industry grants.

Applicants should consider applying for EPA business case support (see section above for more details).

If you need further help, contact the EPA. For all enquiries about this program please contact the EPA Program Manager using the details below.

Phone: (02) 9995 6920

Email: infrastructure.grants@epa.nsw.gov.au

Documentation

The application documentation consists of four parts, as shown in the following table.

Part	Forms	Format	Large projects (for projects valued at \$1 million and over)	Small and medium projects (for projects valued under \$1 million) must complete	Note
A	Application Form	Word document	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
B	1. Application Budget	Excel spreadsheet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	The Application Budget form is locked. Do not cut and paste into the spreadsheet.
	2. Financial Analysis	Excel spreadsheet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	All applicants must complete a Financial Analysis using the template provided.
	3. Cost-benefit Analysis	Excel spreadsheet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	For projects valued at \$1 million and over, a detailed Cost-benefit Analysis must be completed using the template provided.
C	Project Plan	Word document	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	The Project Plan form will expand to accommodate your answers.
D	Processing Capacity and Throughput	Excel spreadsheet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	The Processing Capacity and Throughput form is locked. The cells allow for insertion of the quantity of additional waste input and output data. Do not cut and paste into the spreadsheet.

All six documents can be downloaded from the EPA's website.

For further information on the Part B documents please refer to the details below and instructions within each Excel document.

Part B

Financial Analysis

In the Financial Analysis, applicants need to:

- include all project costs, including capital, operating, consent/licensing, maintenance, provision for contingencies and tax
- include all income streams (e.g. gate fees, sale of recovered materials and grants)
- confirm that the project is financially viable.

Cost-benefit Analysis

An applicant with a project valued at \$1 million or over, regardless of the amount of grant funding requested, is required to undertake a detailed Cost-benefit Analysis of their project to ensure that the approved project will provide value for money, deliver public benefits and will deliver significant resource recovery outcomes. This is a form of economic appraisal that will assist the EPA to understand the private and public benefits associated with your proposal.

Commercially sound projects that seek to maximise public benefits (e.g. diversion of waste from landfill and other environmental benefits, and creation of new jobs) will be favourably considered. Applicants should provide a detailed analysis of the following criteria to support their application:

- all costs are identified (e.g. capital, operating, maintenance and provision for contingencies)
- all benefits are identified (e.g. avoided costs, savings and revenue from sale of recovered materials)
- the non-market values are identified and quantified
- net benefits are assessed (using the discounted stream of costs and benefits based on NSW Treasury's economic appraisal guidelines) and include data on
 - net present value with and without grant funding
 - cost-benefit ratio
 - internal rate of return (percentage)
 - dollars of grant funding per tonne of additional material recycled
 - sensitivity testing (analyse options under different scenarios and discount rates)
- all references, including the data sources and assumptions, are documented.

Letters of support

If letters of support are submitted with your application, they must be signed by a senior manager or senior officer bearer of the organisation providing them and be relevant to your proposal.

Attachments

Additional material submitted with the application must be kept to a minimum. Limit the number and size of attachments, as large attachments will not be forwarded to the Technical Review Committee for consideration.

In the application, use extracts, as appropriate, with reference to the relevant documents (i.e. name and page number). Provide a concise answer in the space provided and in reference to additional information. Do not merely state 'see attachment' as this will not be considered as an answer.

Application submission

It is recommended that you read all sections of this Guide for Applicants, particularly the sections covering the objectives of the program, eligibility and assessment criteria. Before submitting your application, please refer to the submission process set out below.

Submission process

- Answer all questions in Part A: Application Form.
- The Application Budget must be submitted as an Excel document. DO NOT PDF.
- The Processing Capacity and Throughput must be submitted as an Excel document. DO NOT PDF.
- The Project Plan form must be submitted as a Word document. DO NOT PDF.
- The Cost-benefit Analysis and Financial Analysis must be submitted using the Excel templates provided. DO NOT PDF.
- Attach all required supporting information. Additional information should be kept to a minimum. If the application refers to a large document, only include the relevant pages of that document (e.g. title page and executive summary). If submitting a PDF, do not lock the document as documents cannot be merged into the review package.
- Hard copies will not be accepted.
- Submit the entire application by ONE of the methods below (i.e. email or posted USB). DO NOT email AND post.

Note: Email is the preferred option. Posted USB applications must be received on or before the closing date.

- Do not fax part of the application.
- Do not ZIP application documents. ZIP files cannot be accepted by the EPA.
- Email subject line format must show: Organisation Name – PIP Application.
- Submit one application per email. If there is more than one application being submitted, number accordingly (e.g. XYZ Company - PIP Application 1).
- If the application or any of the files within it exceeds 20MB, submit the application in a series of emails, e.g. submit the Application Form in one email, and attachments in another email. Please use the following subject line for email: Organisation Name - PIP Application – Email 1 of 2, and Organisation Name - PIP Application – Email 2 of 2.

The Application Form and relevant documents must be submitted and received by the EPA by the **closing date: 4pm Friday 26 July 2019.**

Email: infrastructure.grants@epa.nsw.gov.au

Note: for files exceeding 20MB, submit as a series of emails.

Post USB to: NSW Environmental Protection Authority
PO Box 668
PARRAMATTA NSW 2124

Document naming

Applicants must adhere to the naming instructions for submitting their application documents.

- Application Form 01 Grant Application
- Application Budget 02 Grant Application Budget
- Project Plan 03 Project Plan
- Processing Capacity and Throughput 04 Processing Capacity and Throughput
- Financial Analysis 05 Financial Analysis
- Cost-benefit Analysis 06 Cost-benefit Analysis

Projects that involve related-party transactions

Applicants that are purchasing goods or services from related entities will not be eligible for funding unless they can prove to the satisfaction of the EPA that any financial benefit is given on terms that would be reasonable in circumstances where the parties are dealing at arm's length or on terms that are less favourable to the related party. While these types of transactions are legal and ethical, the special relationship inherent between the involved parties creates potential conflicts of interest and the EPA would prefer not to have to manage these potential conflicts. **If in doubt**, contact EPA Administration before submitting your application.

Third-party assistance

While applicants are encouraged to seek collaboration from other project partners, and it is acknowledged that they may seek the services of contractors or consultants, careful consideration is required around any commercial relationships. Applicants are welcome to seek third-party assistance to develop their project and complete their application. However, any costs associated with this service will not be reimbursed using EPA funding and applicants will need to provide details of the financial and contractual arrangements it has with third parties. The EPA is aware of many examples where a third party's rates or charges have been significantly above market rate or they have insisted on successful grantees using preferred suppliers. The EPA requires applicants to be transparent about their arrangements with consultants so that it can be certain grantees are not being taken advantage of, that projects are as cost effective as possible and that the possibility of actual or perceived fraud or corruption is minimised.

Late or incomplete applications will not be considered.

Assessment and notification

Acknowledgement of receipt of applications

The EPA will acknowledge receipt of an applicant's email within two working days. If notification is not received within this time, it is the applicant's responsibility to contact the EPA to check whether the application has been received.

The applicant should expect acknowledgement of its Application Form within one week of the closing date. Confirmation will include one unique reference number, which should be used in all correspondence to and from the EPA. If acknowledgement is not received within one week, please contact the EPA on either (02) 9995 6920 or infrastructure.grants@epa.nsw.gov.au.

Assessment and approval process

After the closing date, EPA staff will check whether your application is complete for assessment purposes.

The EPA establishes a Technical Review Committee (TRC) for each grants program. Each TRC is comprised of people with knowledge and experience relevant to each grant program and includes at least one representative of community groups and at least one representative of industry. TRC members agree to undertake their duties within the principles of ethical conduct: integrity, objectivity and independence. They are also required to keep all matters concerning applications confidential and to declare any potential conflicts of interest.

The TRC will assess the merit of each proposal by applying the assessment criteria outlined earlier and will make recommendations to the EPA. The EPA, having considered the recommendations of the TRC, will endorse or amend the decision and decide whether to approve proposals accordingly.

It is possible that successful applicants may not receive the full amount requested and may be subject to special, as well as general, conditions of funding.

Unsuccessful applicants can request feedback on their applications by contacting the EPA.

Decisions by the EPA are final. There is no appeal process.

Notification of grant decisions

The Minister for the Environment or their delegate will publicly announce successful applicants. Applicants will also be notified in writing.

It is anticipated that the announcement of successful applications will occur in November 2019.

Obligations of successful applicants

Funding Deed of Agreement

Successful applicants will be required to enter into a performance-based Deed of Agreement, which stipulates all funding obligations and conditions. The EPA will monitor the progress of projects. Funding is normally provided in staged payments, and continuing payments are dependent on satisfactory milestone reports.

A milestone report is a regular progress report by the funding recipient against agreed performance measures, or milestones. It includes a summary of activities undertaken during the reporting period, evidence that any special conditions have been met, a project measures report, and a statement of expenditure.

The project measures report allows the grantee to demonstrate the outputs that will be delivered as part of their project and to show the project's progress at different stages.

Project start-up or establishment costs should be kept to reasonable amounts. All upfront costs must be substantiated by quotes for products and services and/or statements of expenses the project incurs.

Successful applicants will have up to 30 days from the date of formal notification of the offer of funding to sign a Deed of Agreement that sets out terms and conditions associated with the grant. If the Deed of Agreement is not signed within the specified period, the offer of funding may lapse.

Successful applicants will also be required to do the following:

- Deliver the project as outlined in their application.
- Provide written evidence from any project partners who are contributing funds to the project.
- Provide adequate monitoring and evaluation of the project.
- Collect and release data on the project, and participate in project evaluation conducted by the EPA for up to five years.
- Have or can demonstrate that all necessary planning, regulatory or other approvals have been granted, to ensure all project activities are completed within the designated timeframe.
- Confirm a final schedule of payment and reporting dates relative to project activities.
- Complete a Project Measures Table at the commencement and with each Milestone Report.
- Provide evidence of appropriate insurance coverage. (It is a condition of the grant that the applicant has adequate insurance cover, including public liability insurance of \$10 million, workers compensation and volunteer insurance.)
- Seek prior approval to any variation to the proposed project plan, project measures, timeframe or budget and comply with all conditions contained in the Deed of Agreement.
- Provide milestone and final evaluation reports in accordance with the reporting requirements outlined in the Deed of Agreement, including an independently audited financial statement of expenditure with the final evaluation report.
- Participate in and contribute to promotional activities such as case studies that may be published or events that may celebrate the successful delivery of the funded project.
- Acknowledge the EPA's support in all promotional material or any public statement about the project. The applicant's acknowledgement must include the EPA logo in written material.
- Agree for all knowledge gained as part of the grant to be made publicly available whether that be publishing the final report or promoting the project via other avenues available to the EPA (except any material that might infringe Intellectual Property rights).
- Provide suitable training for operational staff in line with changing requirements from new infrastructure.

False or misleading information

Applicants must certify that all the information in the application is true and correct. Please note that if applicants supply information as part of the application that is false or misleading, the application will not be considered. If after the grant has been awarded it is discovered that information supplied was false or misleading, the grant will be revoked and funds, plus interest, must be repaid. An assessment regarding possible fraud will also be undertaken and appropriate legal action initiated if warranted.

Confidentiality

The EPA will assess the application using the information submitted. Information on approved projects may be used for promotional purposes.

The EPA will endeavour to treat sensitive personal and commercial information submitted in the application confidentially. Applicants should identify information that is to be treated as commercial in confidence. However, all documents held by the EPA are subject to the *Government Information (Public Access) Act 2009*.

Intellectual property

The applicant must own or be able to lawfully use any intellectual property required to carry out the project. The applicant will be required to grant the EPA (without cost) a non-exclusive irrevocable licence to use, reproduce, communicate to the public or adapt the intellectual property in the project.

Tax

Goods and Services Tax (GST) applies to payments made under Stream 1 (Infrastructure). However, some grants of financial assistance may be subject to income tax in the hands of certain recipients. It is therefore recommended that potential recipients seek independent legal and financial advice if uncertain of the taxation obligations. The Australian Taxation Office has provided advice to the EPA that payments made to government-related entities will not be subject to GST.

Program changes

The EPA reserves the right, as its sole and absolute discretion and at any time, to change the eligibility and selection assessment criteria for Stream 1 (Infrastructure). Current eligibility and selection criteria for the fund are described in this guide.

Conflict of interest

Applicants are required to declare any real, potential or perceived conflict of interest (COI) that they may be aware of in relation to the awarding of a grant, particularly where:

- the project for which funds are being sought is to be undertaken on private land where that land is owned by office holders or employees (or relatives of office holders or employees) of the applicant organisation
- office holders or employees (or relatives of office holders or employees) of the applicant organisation are being paid with EPA funds
- members, or relatives, of the applicant organisation are being paid as contractors with EPA funds
- works carried out by the project could create current or future financial or other benefit for members of the applicant organisation, or their relatives.

Such circumstances **do not exclude** the project from being funded. However, they do need to be acknowledged as a potential COI. The TRC will assess each situation on its merits and environmental need.

Definitions

In-kind contributions

In-kind is an activity other than financial support that is contributed towards a project. Examples of in-kind contributions include staff time to manage project implementation and installation costs that utilise existing internal resources.

Breach

A breach under this funding program is an act of breaking or failing to observe a law, agreement, code of conduct, regulatory measure, standard or compliance requirement regulated by the EPA, having a reportable incident or receiving a penalty, notice, prosecution or regulatory intervention that has occurred in the past five years. The will not impact the funding application if:

- the breach was not serious
- the breach has been satisfactorily resolved
- the applicant has made appropriate efforts, including implementing management systems, to ensure the breach is not repeated
- since the breach, the applicant has had a satisfactory level of compliance with environmental legislation.

Materials Recovery Facility (MRF)

An MRF handles a range of recyclables that typically have already been separated from other waste streams (e.g. by householders or businesses before the collection stage). At the MRF, the materials are sorted into individual material streams before being sent for recycling. Components of the incoming material that are not suitable for recycling will be separated as 'contaminants' at the MRF.

Reprocessing/Secondary reprocessing

Reprocessors use industrial processes to change the physical structure and properties of discarded materials so they can be used again by the community. Reprocessors are diverse in nature and range from facilities that dismantle and break down products (e.g. tyres, e-waste and mattresses) into their different components to provide feedstock for further reprocessing through to facilities that melt, break up and reform materials (e.g. organics, plastics, glass and rubber) to either make feedstocks for new products or reuse materials.

Recovery

Recovery refers to the collection, sorting and storage of waste materials in preparation for onward processing.