Government of South Australia
Green Industries SA

SOUTH AUSTRALIA

GREEN INDUSTRIES SA

FUNDING GUIDELINES

Resource Efficiency and
Productivity (REAP) Program
2018-19

> *Green Industries SA helps to develop the green economy and promote the more efficient use of resources, and the conservation and recovery of resources. Green Industries SA promotes waste management practices that aim to eliminate waste or its consignment to landfill and promote innovation and business activity in the waste management, resource recovery and green industry sectors, recognising that these areas present a valuable opportunity to contribute to the State's economic growth.*
>
> **www.greenindustries.sa.gov.au**

Program Objective

To assist South Australian businesses make improvements in resource (materials, energy, water) and process efficiency, and waste management, as a way to reduce production and operating costs for business and support the transition to a circular economy.

Program Overview

Resource Efficiency and Productivity (REAP) grants are available as a subsidy towards the cost of resource efficiency and productivity assessments delivered by third parties for the benefit of South Australian businesses. Funds are also available to 'kick-start' implementation of improvements recommended through the assessment.

Assessments should be tailored to meet the priorities and needs of the business, and will identify opportunities for improving business operations, making it more efficient, saving resources (materials, water, energy), preventing waste and increasing productivity, all of which can help reduce operating costs and improve performance and profitability.

Up to $20,000 (plus GST) is available per organisation over 2018-19 comprised of:

- Up to $10,000 (plus GST) in matched (1:1) grant funding towards the cost of a resource efficiency and productivity assessment
- A further $10,000 (plus GST) may be made available to 'kick-start' implementation of recommendation(s) identified through the assessment

This program is being delivered by Green Industries SA's *Business Sustainability Program* (BSP). For more information see: **greenindustries.sa.gov.au/business-sustainability-funding**

Eligibility

Eligible Organisations

Businesses and organisations conducting operations in South Australia.

To be eligible for assistance under the REAP program, an applicant must apply for a grant for a resource efficiency and productivity assessment project that will be undertaken within its own operations for a site(s) located in South Australia.

Ineligible Organisations

The following organisations are <u>not</u> eligible to apply for REAP grant funding:

- private, service-based businesses such as specialist advisory consultants
- businesses that do not have an operational site in South Australia.

Eligibility

Eligible Projects

To be eligible for up to $10,000 (plus GST) in matched (1:1) grant funding for a resource efficiency and productivity assessment, the assessment must:

- be delivered by a suitably qualified and competent third party (applications should include information relating to the experience and expertise of the third party)

- be new / not previously undertaken for the applicant at the business site **OR** provide up-to-date or additional information based on a previous assessment

- address 'beyond compliance' activities in one or more of the following areas. Preference will be given to projects that address more than one of the following:

  - » waste management that follows waste hierarchy principles (including waste avoidance, reduction and recycling)
  - » energy efficiency / productivity
  - » water efficiency / productivity
  - » process or materials efficiency
  - » lean production
  - » circular economy opportunities

- demonstrate the assessment has been tailored to business priorities and focused on finding holistic solutions for the business, taking into consideration how activities may affect other areas of business

- identify and prioritise recommendations based on economic and environmental outcomes, and business priorities and financial status

- provide baseline data representing typical site activity over a minimum 12 month period

- provide estimated savings in resource consumption and costs for key recommendations, and estimated payback for investment (within +/- 20% accuracy)

- provide estimated CAPEX and OPEX of key recommendations (within +/- 20% accuracy)

- include a 'kick-off' meeting between the applicant, third party supplier, and GISA (unless it is impractical to do so) to ensure all parties share a common understanding of what's expected as part of the assessment

- include submission of a draft, written report to GISA, which includes all **Assessment Report Requirements** outlined on page 6 and 7. All reasonable requests (by GISA) for modification to the report to be made within an agreed timeframe

- include submission of a final, written report to the satisfaction of GISA, having addressed all relevant feedback following submission of a draft report

- include a 'close-out' meeting between the applicant, third party supplier, and GISA (unless it is impractical to do so) to discuss the project and possible next steps.

Eligibility

Assessment Report Requirements

The assessment report should be prepared by the third party provider and must include the following as a minimum:

- brief description of the scope of work including overview of the business site; exclusion and constraints (if any); key assumptions; assessment timeframe; data sources, including and previous reports used as part of the analysis
- summary of methodology
- baseline data, to include quantities and costs
- list of improvement opportunities, clearly indicating how prioritisation has been applied, and a summary of key recommendations
- summary of the top 5-10 'key actions' (recommended opportunity) that make most business sense (in terms of effectiveness, cost, ease of implementation, and payback), including:
  - » description of the action
  - » impact of the action on other factors relevant to the business such as labour, space requirements, implementation timeframes, need for shutdown during installation, ongoing maintenance costs and/or procedures, and staff training requirements
  - » implementation and operating costs, expected savings (per annum), simple payback (years), and Net Present Value (NPV) or Internal Rate of Return (IRR)
  - » benefits associated with key recommendations such as improved productivity, job creation or retention, improved environmental performance, reductions in operating costs, and reduced consumption or waste

Eligibility

The table below is an *example* of what can be included to summarise key recommendations:

Opportunity (title and description)	Resource Savings (per annum)	Resource Cost Savings (per annum)	Other Savings (per annum)	CAPEX	OPEX (per annum)	Simple Payback	NPV or IRR	Timing
Title Description	e.g. tonnes waste, kWh electricity, ML water etc.							

Eligible 'kick-start' payments

To be eligible for $10,000 (plus GST) as a 'kick-start' payment for implementation, the activity(ies) must:

- be identified as a 'key action' (recommended opportunity) in a resource efficiency and productivity assessment report that has received grant funding from GISA (note: funding for resource efficiency and productivity assessments and associated 'kick-start' payment will be incorporated into a single Grant Agreement)

- be part-funded by the applicant contributing a minimum 25% of the total cost of each activity that GISA has agreed to support with 'kick-start' funds. Preference will be given to 'kick-start' activities that require a financial cocontribution from the applicant that matched or exceeds the grant contribution

- address 'beyond compliance' activities and align with one or more of the following areas:
  - » improve waste management in accordance with waste hierarchy principles (including waste avoidance, reduction and recycling)
  - » reduce resource consumption (materials, energy, and/or water)
  - » improve process efficiency
  - » reduce ongoing operating costs through the more efficient use of resources
  - » improve productivity, performance and profitability

- have a simple estimated payback greater than 2.0 years

- be delivered by a suitably qualified and competent third party.

Eligibility

Ineligible Costs

REAP grant funding will not be provided for the following costs and activities:

- In-kind costs, wages and salaries incurred to undertake or manage the project will not be covered by GISA funding

- Any assessment activities that have already commenced or been completed at the time of application

- Assessments which only consider activities to be undertaken to meet regulatory compliance and offer no greater benefit other than meeting compliance (the definition of 'greater benefit' will vary on a case-by-case basis and will be determined at the absolute discretion of GISA)

- Installation of solar panels or battery storage

- Wastewater (trade waste) management projects that are eligible for funding as part of the **Trade Waste Initiative**, and when the applicant is reasonably able to submit an application to that program before relevant funding rounds close.

Evaluation Criteria

Eligible applications for the REAP program will be assessed and preference will be given to projects that:

- address more than one area of resource efficiency and productivity [for example, the assessment could cover waste, energy, water, and process efficiency; or waste, energy and water; or energy and water]

- are for the benefit of small-to-medium sized businesses [having 20-199 full-time equivalent staff], which have:
    - » no plans to relocate or change ownership within the next three years
    - » not had the EPA take any enforcement action against the business in the past 5 years

- provide supporting evidence for relevant qualifications and experience of third party service provider that will deliver the resource efficiency and productivity assessment

- clearly articulate the reason for having an assessment

- demonstrate the reason[s] for having an assessment aligns with the REAP Grants objective

- demonstrate a considered approach as to how the business will determine what actions to implement, timing and funding sources for implementation

- clearly demonstrate staff have previous experience managing similar projects

Submitting an Application

Before submitting an application, the applicant and GISA _must_ agree on:

- project scope
- project milestones and deliverables
- reporting timeframes and key performance indicators
- level of contribution from the applicant and GISA [in-kind and financial].

Following discussion with GISA to determine if the applicant has an eligible project [and to assist in refining the scope], organisations invited to apply will be issued with an application form.

To complete the form, applicants are required to attach a project proposal from a third party that will be engaged to deliver the project. Project proposals must include the scope, methodology, milestones, deliverables, a breakdown of costs and details regarding the level of experience and expertise of the third party in delivering the project.

Assessment Process and Funding Conditions

GISA's assessment terms and conditions, relevant timeframes and general funding conditions for grants under the Business Sustainability Program are available online: **Business Sustainability Program Funding Conditions and Application GUIDE 2018-19**

Contact

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