Proposed Phase 2 AWT Transition Package
Consultation package
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Overview

In October 2018, the EPA indicated its intention to develop a two-phase support package in response to the revocation of the resource recovery orders (RRO) and resource recovery exemptions (RRE) that permitted application of mixed waste organic outputs (MWOO) to agricultural land, mine rehabilitation sites or plantation forestry.

The EPA has developed this proposed transition package to help alternative waste treatment (AWT) companies transition to sustainable resource recovery outcomes for household general waste.

Key to the package is the understanding that the EPA remains committed to increasing the rate of recycling and resource recovery and encouraging innovative technologies to achieve these goals.

Total funding of up to $6.5 million has been allocated to the Phase 2 Transition Package, under three proposed funding streams. Feedback will help inform total funding pools for each stream. The transition package is new funding, additional to existing Waste Less, Recycle More Grant Program funding allocations.

In addition to the package the EPA has offered an extension of Phase 1 AWT Grants Program to 28 February 2020 or until it is no longer required by the AWT operator, whichever comes first. This will provide additional transition time to AWT operators and councils and is currently being implemented. This will include an extension to the landfill levy exemption under the Protection of the Environment Operations (Waste) Regulation 2014 (NSW), subject to approvals.

The package proposes grants for AWT operators to transition to processing source separated organics or to repurpose household waste for new end markets.

The EPA is supporting the AWT industry to find new markets for mixed waste organic outputs or transition to new products that will improve outcomes for local governments, the communities they serve and industry. Applications for new resource recovery orders and exemptions, or environment protection licenses, can be submitted by industry at any time.

How to provide feedback

Your feedback is important in refining the proposed Phase 2 Transition Package. To assist with providing feedback, there are questions posed at the end of this section and for each stream. You can respond to any or all of these questions through the ‘Have Your Say’ website.

To provide your feedback please visit https://engage.environment.nsw.gov.au/awt.
Funding Streams
The proposed transition package offers a range of support, summarised in Table 1.

Table 1 - Snapshot of funding streams

<table>
<thead>
<tr>
<th>Processing of Waste</th>
<th>Stream 1</th>
<th>Organics Infrastructure Grant - large and small (Environmental Trust-managed, contestable grants)</th>
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<tr>
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<td>Modifications of AWT facilities to transition to processing source separated organics</td>
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<td>Stream 2</td>
<td>AWT Infrastructure Transition Grant (Administered by Department of Planning, Industry and Environment on behalf of the EPA, contestable grants)</td>
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<td>Reconfigure or update AWT facilities to produce alternative end products from general waste</td>
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<td>End Markets</td>
<td>Stream 3</td>
<td>AWT Research and Development Grant (Administered by Department of Planning, Industry and Environment on behalf of the EPA, non-contestable grants)</td>
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<td>Research and development into alternative end markets for household general waste</td>
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Funding mechanism
The proposed transition package would be comprised of an extension to the Organics Infrastructure Grant (Stream 1), one of the EPA’s Waste Less, Recycle More Grant Programs, and development of new grants such as the AWT Infrastructure Transition Grant (Stream 2) and the AWT Research and Development Grant (Stream 3).

Funding amounts available
Total funding of up to $6.5 million has been allocated to the Phase 2 Transition Package. Feedback will help inform total funding needs for each stream. The transition package is new funding, additional to existing Waste Less, Recycle More Grant Program funding allocations.

Proposed opening and closing dates
Indicative timeframes for the three funding streams are provided in Figure 1 below.

Streams 1 and 2 – These streams will have staggered opening times to enable applicants to consider if, and when, they should apply.

Stream 3 - The application form for Stream 3 AWT Research and Development Grant would be available soon after the close of the consultation period. However, the EPA will consider applications for eligible activities that commence any time after the opening of the public consultation period. Stream 3 AWT Research and Development Grant is proposed to close on 28 February 2020. There will be no grant rounds for Stream 3 and AWT operators will be able to apply at any time.

Figure 1 Indicative timeline showing when grant rounds may open

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<td>Stream 3</td>
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Stream 1. Organics Infrastructure Grant (large & small) (OILS) – contestable

Funding to modify AWT facilities to introduce or expand a processing line for source separated food and/or garden organics collections.

Since 2013, the EPA in partnership with the Environmental Trust, has funded new and enhanced source separated food and garden organics processing facilities through Stream 1 of the Organics Infrastructure (large and small) grants (OILS) program. Further rounds of the Organics Infrastructure Grant would be made available under the Phase 2 Transition Package.

Aim of the stream

This funding stream aims to:

- allow for upgrades and/or modifications to AWT or organics processing facilities to introduce
  - a) a food organics and garden organics processing line (FOGO), or
  - b) garden only (GO), or
  - c) a separate food only stream from households and commercial and industrial businesses.
- modify an AWT facility to transition to processing source separated organics, such as introducing anaerobic digestion (AD) technology (wet or dry) for processing organic fractions.

Funding available per applicant

Grants of between $10,000 and $500,000 would be available. Minimum co-contribution of 50% of the total project cost would be required.

Timing

It is proposed that a further two rounds of OILS would be available in May 2020 and May 2021.

Eligibility

Grants would be open to:

- NSW councils
- existing NSW AWT operators
- other organics processing facilities.

Funding mechanism

The grant would run with minor modifications to the OILS Stream 1 grant program for two additional rounds. Copies of the existing OILS Stream 1 grant documentation are available [here](#). It will be administered by the Environmental Trust.

Stream 1 consultation questions

1. Do you think the Organics Infrastructure (large and small) grant programs are appropriate for inclusion in the proposed Phase 2 Transition Package?
2. Are the funding amounts for the new OILS rounds appropriate? (i.e between $10,000 and $500,000)
3. How likely is your organisation to apply for this funding stream?
   - Not likely at all
   - Somewhat likely
   - Very likely
4. When would you apply for this grant?
   - May 2020
   - May 2021

**Stream 2. AWT Transition Infrastructure Grant - contestable**

Funding to support AWT facilities to produce new end products with the general waste they receive. For example, to produce a refuse derived fuel (RDF) to be utilised as an alternative fuel source for energy and heat generation.

General waste can be processed to produce a low calorific value RDF where some organics remain in the product or a high calorific value RDF where organics are removed. In the latter example, the organic fraction will still need to be treated. One option may be to treat the organic material through anaerobic digestion (AD) where a biogas can be produced and used as a fuel.

**Aim of the stream**

To assist AWT operators to reconfigure or upgrade facilities and processes to produce alternative end products from general waste.

**Funding available per applicant**

Grants of between $25,000 and $500,000 would be available. Minimum co-contribution of 50% of the total project cost would be required.

**Timing**

It is proposed that two rounds of the AWT Transition Infrastructure Grant would be available in February 2020 and February 2021.

**Eligibility**

Grants would be open to existing NSW AWT operators only.

**Funding mechanism**

This Stream is based on previous EPA infrastructure grants and would be administered by the NSW Department of Planning, Industry and Environment on behalf of the EPA.

**Stream 2 consultation questions**

1. Do you think this funding stream is appropriate for the proposed Phase 2 Transition Package?
2. Are the funding amounts under Stream 2 adequate? (i.e. between $25,000 and $500,000)
3. How likely is your organisation to apply for this funding stream?
   - Not likely at all
   - Somewhat likely
   - Very likely
4. When would you apply for this grant?
   - February 2020
   - February 2021
Stream 3. AWT Research & Development Grant – non-contestable

This stream can be used to assist AWT operators to develop products for alternative end markets. The EPA recognises that investment in research and development is critical for generating the new knowledge required to create or improve products, services and processes. Stream 3 will assist AWT operators to accelerate their research and development programs into developing new products and processes for alternative end markets. Funding can also be utilised for market analysis and feasibility studies.

Aim of the stream

To assist AWT operators to undertake research and development, market analysis and feasibility studies into new processes and technologies to produce new or improved products from general waste.

Funding available per applicant

Each AWT operator would have access to a capped amount of up to $100,000 per facility. Minimum co-contribution of 50% of the total project cost would be required.

Timing

It is proposed that applications for the AWT Research & Development Grant would be open from late 2019 and close on 28 February 2020.

Eligibility

Grants would be open to existing NSW AWT operators only.

Funding mechanism

This Stream would be administered by the NSW Department of Planning, Industry and Environment on behalf of the EPA.

Stream 3 consultation questions

1. Do you think this funding stream is appropriate for the proposed Phase 2 Transition Package?
2. Are the funding amounts under Stream 3 appropriate?
3. How likely is your organisation to apply for this funding stream?
   o Not likely at all
   o Somewhat likely
   o Very likely
4. How much are you likely to apply for?
   o Less than $30,000
   o $30,000 to $60,000
   o $60,000 to 100,000
5. Is a closing date of 28 February 2020 appropriate for this grant? If not, when should the grant close?