

Guidelines for applicants

Recycling Relief Fund

Supporting Recycling in Regional and Rural NSW



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Recycling Relief Fund

Overview

The NSW Government has committed to supporting local government and the recycling industry with a suite of support measures in response to China's National Sword policy. This \$2.5 million Recycling Relief Fund will provide temporary relief to NSW local councils in rural and regional areas to offset increased recycling costs and to support the ongoing delivery of recycling services.

On 20 March 2018, the Government announced a \$47 million package to support recycling in NSW. It includes funding for NSW councils to offset recycling costs associated with kerbside collections, regional collaboration and strategy, new and improved infrastructure and circular economy initiatives.

The \$2.5 million Recycling Relief Fund is a key component of the funding for regional waste groups and councils outside of the levy paying area.

Fund objectives

The Recycling Relief Fund provides NSW local councils in rural and regional NSW (outside the waste levy paying area) access to temporary funding. The funding is to offset increased recycling costs associated with China's National Sword policy and to support the ongoing, uninterrupted delivery of kerbside and drop-off recycling services.

The objectives are to:

- enable local councils to temporarily off-set some of the extra costs associated with recycling services
- support ongoing, uninterrupted delivery of kerbside and drop-off recycling services
- support transition to contracts for kerbside recycling services that better reflect sensitivity to prevailing market conditions, greater transparency of price and risk sharing
- support council consideration of longer term options including co-investment in infrastructure to improve the quality and volume of recyclable materials, as well as production and use of recycled products through development of a strategic plan.

The Recycling Relief Fund is a temporary relief fund only. Recipients of the Recycling Relief Fund will be required to develop a strategic plan according to the template in Schedule C of the Funding Agreement.

The Fund will be capped to ensure funds will be available to all eligible councils.

Who can apply?

All NSW councils outside the waste levy paying area can apply for this funding. Regional waste groups outside the waste levy paying area are also eligible to apply and are encouraged to do so in order to support regional solutions where appropriate.

Multiple applications from one applicant are permitted if reasonable justification and evidence is received, for example where a regional group is applying and there are multiple recycling contracts in the region, or councils have multiple contracts due to amalgamations. However, tonnages and geographical areas cannot be included in more than one application.

How to apply?

The Fund will remain open for applications until **4pm 31 May 2019**. The application form is available on the EPA website.

Email your completed application form and supporting attachments to wasteless.councils@epa.nsw.gov.au at any time up to 4pm, 31 May 2019 or post your application form with supporting documents to:

Regional Delivery
NSW EPA
PO Box 668
Parramatta NSW 2124

Please do not fax.

How much can you apply for?

The total amount available for allocation to local councils and regional waste groups outside the waste levy paying area is \$2.5 million.

The total amount available per council is capped at \$75 per tonne (excluding GST) of dry recycling for a maximum of four consecutive months over the period 1 March 2018 to 31 May 2019. Given this is a temporary relief fund, any associated costs after 31 May 2019 will **NOT** be funded.

Dry recycling refers to total recyclable materials received by the councils via kerbside collection and drop-off under current contract or practice. The material types may include paper, cardboard, glass, metal and plastic.

What will be funded?

The funding may only be used for the purposes of directly supporting the continuation of recycling services and the reset of contract pricing agreements. Eligible items include but are not limited to:

- expert advice including legal, contract and infrastructure advice
- offsetting costs for price rises on recycling processing incurred from 1 March 2018 to 31 May 2019
- work associated with developing the strategic plan.

The funding request should provide a breakdown of the items to be funded and their cost, as well as a forecast tonnage of recyclables for the period required, up to a maximum of four consecutive months.

Evidence of increased processing costs is required including the date they came into effect. For example, letter(s) from the contractor or recycling facility stating the increased cost (\$/tonne) and for reporting purposes, receipt docket(s) as evidence of receipt of recyclables.

For council operated facilities, information such as fixed operating costs and variable costs including evidence of reduced revenue or costs associated with commodities and evidence of storage, baling, additional transport or staffing costs may be provided to verify increased costs. Your application may detail increases experienced from no earlier than 1 March 2018, as well as predict further increases that may come into effect prior to the close of applications.

What will not be funded?

Ineligible items include:

- expert advice sought prior to announcement of this Fund opening for applications
- recycling service supply chain costs where the material is landfilled
- funding for predicted cost increases where the final report does not provide proof of the date and magnitude of the cost increases.

Example 1 – Green Council

Over the four months from 1 March 2018 to June 2018 Green Council estimates that 2,000 tonnes of dry recyclables material will be collected for processing in their area. They are currently paying \$50 per tonne for this service (plus GST) however they have just received notice from their contractor that the cost will increase to \$100 per tonne (plus GST) as of 16 April 2018.

Green Council is eligible to apply for up to a maximum of \$150,000 (excluding GST) through the Recycling Relief Fund.

$$2,000 \text{ tonnes} \times \$75 \text{ (excluding GST)} = \$150,000 \text{ maximum}$$

Green Council only needs \$50 per tonne to offset the increased cost over the four-month period. In order to plan for the future, they intend to seek legal advice on their current contractual arrangements. They have received a quote for this work of \$25,000. Green Council will apply to the EPA for a total of \$125,000.

Total tonnes recycling to be affected	2,000 tonnes [C*]	*Application Form Ref
Increased cost minus current cost per tonne	$(\$100 \times 2,000\text{t}) - (\$50 \times 2,000\text{t}) = \$100,000$ [A*]	
Legal advice (Other activity)	\$25,000 excluding GST [B*]	
Strategy Advice and options (Other activity)	\$20,000 excluding GST [B*]	
Total funds Green Council seeks from the RRF with this application	\$145,000 excluding GST	
Cost per tonne	\$72.5/t excluding GST	
Green Council co-contribution	\$0	

Long-term solution

The Recycling Relief Fund is a temporary relief fund only. To secure the funding, the applicant needs to demonstrate their commitment to the development of a strategic plan to be submitted with the Final Report for local action to continue household dry recycling services, manage the downturn in dry recycling commodity prices and expand markets for recycled materials and products. The template for the Strategic Plan is outlined in Schedule C of the Funding Agreement.

Payment schedule

Within thirty days of execution of a funding agreement 80 per cent of the approved amount will be paid to the applicant. The final payment amount will be made within thirty days of receipt of a satisfactory final report.

Reporting

The final report template is included in Schedule B of the Funding Agreement and must be received 2 months after the 4-month period of funded recycling collections. Supporting evidence should accompany the report and include:

- evidence of actual tonnage of household recycling collected for up to four consecutive months
- details of any processing price increase experienced post execution of the funding agreement
- evidence that the collected household recycling was recycled and not landfilled

- evidence that satisfactory expert advice including legal, contract and infrastructure advice was provided (if relevant)
- Strategic Plan according to the template (Schedule C Funding Agreement).

Assessment of applications

The EPA will assess applications for eligibility and notify applicants of receipt of their application within five working days. Eligible applications will be assessed by a Technical Review Committee (TRC) weekly on a pass or fail basis according to the following:

- Are the tonnes for which funds are sought within a consecutive four-month period starting no earlier than 1 March 2018 and finishing no later than 31 May 2019.
- Is the estimated recycling tonnage similar to previous years or an increase explained?
- Is there documented evidence that the applicant is subject to additional costs of an amount equal to, or more than, the amount sought?
- Is the total amount requested less than or equal to the \$75/tonne (excluding GST) cap per council?
- Have quotes for carrying out advisory activities been provided and are they within a reasonable market price for the work proposed?
- Has the applicant committed to developing a strategic plan by 2 months after the 4-month period of funded recycling collections?
- Has the applicant clearly explained how the activities listed under the Long-term solution section will inform the development of a strategic plan?

The TRC will recommend applications for approval on a weekly basis. Successful applicants will be offered to the Minister for the Environment or their delegate for announcement. Unsuccessful applicants will be notified by the EPA and eligible to reapply once only. The EPA will provide assistance and feedback to help applicants lodge eligible and successful applications.