



Government of South Australia

Green Industries SA

2017-18

**RESOURCE EFFICIENCY AND
PRODUCTIVITY (REAP) GRANTS
FUNDING GUIDELINES**

An initiative of Green Industries SA's Business Sustainability Program

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1. About Green Industries SA

Green Industries SA (GISA) helps develop the green economy in response to the demand for clean and green produce, and the reduction of emissions to air, water and soil from industry. GISA promotes the more efficient use of resources, and the conservation and recovery of scarce resources. Visit www.greenindustries.sa.gov.au/ for more information.

2. REAP Grants Overview

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 productivity, performance and profitability.

This grant program is being delivered as part of GISA's *Business Sustainability Program* and supports the following State Government economic priorities:

- *South Australia the best place to do business*
- *Growth through innovation*
- *Premium food and wine exported to the world*
- *Opening doors for small business*
- *Adelaide the heart of the vibrant state*

3. REAP Grant Objective

The primary objective of *REAP Grants* is to assist South Australian businesses make improvements in resource (materials, energy, water) and process efficiency, and waste management, as a way to reduce operating costs and improve productivity, performance and profitability.

4. Funding availability

A maximum of \$20,000 (plus GST) per applicant, per fiscal year is available to successful applicants that may be comprised of:

- Up to \$10,000 (plus GST) in matched (1:1) grant funding as a contribution towards the cost of a resource efficiency and productivity assessment that meets the criteria stated in section 5.2.
- A further \$10,000 (plus GST) may be made available to 'kick-start' implementation of recommendation(s) identified through the assessment and meet the criteria stated in section 5.3.

Funds will be allocated through a Grant Agreement with Green Industries SA, and payments will be linked to reporting milestones (this will be detailed in funding agreements). Funds cannot be used to cover applicant wages or salaries.

All projects must commence in the 2017-18 financial year.

For projects that include funds for implementation, Grant Agreements are likely to span more than one fiscal year due to the need for post-implementation reporting on savings achieved.

A maximum of one project per applicant can be funded for the duration of a Grant Agreement.

The level of funding available for *REAP Grants* is limited within each fiscal year. Submission of an application does not guarantee funding approval and successful applicants will be selected on merit at the absolute discretion of GISA. Funds will be offered to applications that meet all eligibility criteria (refer to section 5) and rate highly against the assessment criteria presented in section 7. In the event that *REAP Grants* are oversubscribed, projects may be considered for funding in subsequent financial years at the absolute discretion of GISA.

5. Eligibility

5.1. Applicants

To be eligible for grant funding, the applicant must:

- be a legal entity, currently hold an Australian Business Number (ABN) for a site in South Australia, and be registered for GST
- be a solvent business that is able and willing to enter into a legally binding funding agreement with GISA
- hold, or will be able to obtain, Public Liability Insurance to the value of \$10 million (minimum) for the duration of the project
- ensure a South Australian business site is the sole subject of the resource efficiency and productivity assessment
- ensure the assessment is undertaken by a suitably qualified and competent third party, and is delivered in accordance with the criteria stated in section 5.2
- have discussed the project with the Contact Officer listed in section 9, or another representative of GISA that understands *REAP Grants*, and has subsequently been provided with an application form
- agree to contribute a minimum 50% of third party (listed supplier) assessment costs, in cash (funds from external sources and/or in-kind contributions cannot be used as part of the applicant's contribution)
- agree to their application being assessed by GISA in accordance with the assessment criteria listed herein
- agree to provide GISA staff and/or GISA contractors with site access (if required) to assist with the assessment of applications, project delivery and verification of results
- be willing to provide reports, information and data, including financial information as required by GISA
- comply with all State Government laws.

Ineligible applicants

The following organisations are **not** 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.

5.2. Resource efficiency and productivity assessments

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:
 - 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
 - demonstrate the assessment is 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, with all reasonable requests (by GISA) for modification to the report to be made within an agreed timeframe; the **report** should be prepared by the third party provider of assessment services 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
- 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.

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 (p.a.)	Simple Payback	NPV or IRR	Timing
Title Description	e.g. tonnes waste, kWh electricity, ML water etc.							

Ineligibility regarding assessments

The following will lead to the application being deemed ineligible on the basis that the resource efficiency and productivity assessment does not meet minimum standards:

- insufficient evidence for the third party having relevant qualifications and/or experience in delivering similar projects
- assessment undertaken in-house (by staff) and not a competent third party
- assessment has already commenced or has been completed at the time of application
- assessment only considers activities to be undertaken to meet regulatory compliance (assessments must cover 'beyond compliance' activities).

5.3. 'Kick-start' payment

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 (outlined in section 5.2 above) 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
- address 'beyond compliance' activities and align with one or more of the following aspects of the *REAP Grants* objective:
 - 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 payback greater than 2.0 years
- be delivered by a suitably qualified and competent third party (funds are not available to cover applicants' in-house costs such as salaries and wages).

Preference will be given to 'kick-start' activities that require a financial co-contribution from the applicant that matches or exceeds the \$10,000 grant contribution.

Activities relating to energy efficiency and/or renewable energy: to be eligible for a 'kick-start' payment for implementation activities relating to energy efficiency and/or renewable energy, the business site must consume less than 160 MWh per annum of electricity (equal to the definition of a 'large customer' pursuant to the *National Energy Retail Law (South Australia) Act 2011*).

Businesses that consume 160 MWh p.a. or more of electricity should apply for implementation grant funding as part of the government's [Energy Productivity Implementation Grant Program](#). In the event this program has closed, GISA may consider providing 'kick-start' funds towards energy efficiency and/or renewable energy projects.

Activities relating to wastewater (trade waste): applicants that are eligible for Trade Waste Initiative [Food and Beverage Implementation Grants](#) should apply for resource productivity assessment and implementation grant funding through the Trade Waste Initiative. If you are unsure which program is suitable for you, please speak to the GISA Contact Officer listed in section 9.

Ineligibility regarding 'kick-start' payments

'Kick-start' payments will not be offered for:

- activities that were identified through a retrospective assessment, or any other assessment that did not receive *REAP Grant* funding
- activities that are not supported with a minimum 25% co-contribution from the applicant using the applicant's own funds
- activities that are required to meet compliance with regulations and/or licensing arrangements 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)
- energy efficiency and/or renewable energy projects that are eligible for funding as part of the [South Australian Energy Productivity Program \(SAEPP\)](#), and when the applicant is reasonably able to submit an application to that program before relevant funding rounds close; projects that are unsuccessful in obtaining grant funding through the SAEPP are not eligible for 'kick-start' payments
- wastewater (trade waste) management projects that are eligible for funding as part of the [Food and Beverage Implementation Grants](#) component of the Trade Waste Initiative, and when the applicant is reasonably able to submit an application to that program before relevant funding rounds close
- activities with a payback of 2.0 years or less
- costs relating to applicant in-house costs, such as staff wages or salaries.

6. Application process

All applicants must discuss their project with a representative of GISA, preferably the Contact Officer listed in section 9, prior to applying. This will help to ensure projects are eligible, and allows GISA to provide support and guidance for the application and assessment process. GISA staff can also provide guidance on selecting a suitable third party service provider (if required), including assistance with identifying suitable suppliers and facilitating a Request for Quote process. Whenever practicable, a face-to-face meeting will be arranged to discuss the project, the application process, and approval timeframes.

Following discussion with GISA, a funding application form will be provided to eligible applicants, which must be completed in full and returned to GISA for evaluation against the assessment criteria (see section 7 below).

Project discussions and subsequent funding applications will be accepted on an ongoing basis in 2017-18, or until program funds are exhausted, whichever occurs first. If there is a need to close applications for funding, notification will be posted on the GISA website, and all parties that have an interest in applying (and provided contact details) will be notified.

Details of arrangements with third-party suppliers must be included with the application, including the supplier quote/proposal for a resource efficiency and productivity assessment.

Following submission of a funding application form, confirmation of receipt will be provided by email within 10 working days. Additional information may be requested from the applicant to clarify aspects of the submission, which needs to be supplied as requested for the application to be considered for funding approval. GISA staff may consult with other relevant government agencies regarding the application, if deemed appropriate.

Applicants will be advised of the status of their application at significant decision-making points throughout the evaluation process. The duration from submission of the application to notification of an outcome may vary depending on the nature of the application; staff availability; and approval processes.

In most cases, the decision to offer grant funding to the applicant will be advised in writing (via email) within 6 weeks of supplying a complete application. Generally, this timeframe can be reduced by consulting with GISA during the project development and application phases, and by ensuring all relevant information and data is supplied in a timely manner. This includes ensuring a complete application form is supplied to GISA.

Privacy and commercial-in-confidence considerations

All applications will be treated as commercial-in-confidence. GISA reserves the right to include third party evaluations as part of the assessment of applications.

Applicants are not permitted to publicise their projects without seeking approval from GISA which has the ultimate discretion about publicity for successful applications.

7. Assessment criteria

Applications must include evidence for meeting the eligibility criteria detailed in sections 5.1 (applicants) and 5.2 (resource efficiency and productivity assessments). The quality of information provided to demonstrate that eligibility criteria and objectives are met will be assessed by GISA.

Preference will be given to applications 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
- provide supporting evidence (such as examples of previous reports) that the third party service provider will meet the minimum reporting requirements stated on page 5
- 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

8. Grant agreement

Successful applicants will be required to enter into a Grant Agreement with GISA. An agreement will set out the terms of the grant, payment schedules, project timing, reporting requirements and other matters.

The Government of South Australia's commitment to funding (via GISA) is limited to the grant outlined in the agreement. Failure to meet the obligation of the agreement will result in the Government of South Australia (via GISA) taking steps to safeguard the interests of the State.

The Government of South Australia must be acknowledged in all media and promotional activities relating to the project, for example by the statement 'this project has been funded by the Government of South Australia'. All publicity must be approved in the first instance by GISA.

Insurance

For the duration of the project and funding agreement, the funded organisation must maintain public liability insurance valued at a minimum of \$10 million.

Applicants are encouraged to ensure their chosen third party service supplier has and maintains public liability insurance valued at a minimum of \$10 million, and professional indemnity valued at a minimum \$1 million per claim for the duration of the project.

9. Contact Officer

To discuss potential projects and for further information about *REAP Grants*, please contact:

Aubrey Thomas
 Senior Adviser, Industry Sustainability
 Green Industries SA
aubrey.thomas@sa.gov.au

0423 782 647

(Call hours are Monday-Tuesday, and Thursday-Friday between 8:30am and 4:30pm)