



Environment Protection Authority

Local Government Waste Solutions Fund

Round 2



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Contents

Background	1
Overview	1
Eligibility	2
Eligible applicants	2
Eligible outcomes	2
Eligible projects	2
What can be funded	3
What cannot be funded	3
Funding	4
Project funding limits	4
Applying for funding	4
Application time frame	4
Application form	4
Assessment criteria	5
Robustness of the project (30% of total score)	5
Innovation (20% of total score)	5
Collaboration and building capacity for change (20% of total score)	5
Project impact (20% of total score)	5
Value for money (10% of total score)	6
Successful applicants	6
Grant conditions	6
Payment schedule for successful applicants	6
Project plans	7
Monitoring and reporting	7
Technical review committee	7
Sharing case studies and resources	8
Need more information?	8

The Local Government Waste Solutions Fund is available to local councils and regional waste groups in the waste levy paying area. The fund will support waste and recycling solutions that contribute to achieving the priorities and targets identified in the *NSW Waste and Sustainable Materials Strategy 2041* and the *NSW Plastics Action Plan*.

Background

In June 2021, the NSW Minister for Energy and Environment released the [Waste and Sustainable Materials Strategy 2041 – Stage 1: 2021–2027](#) and the [NSW Plastics Action Plan](#). The Waste and Sustainable Materials (WaSM) strategy aims to change how the NSW economy produces, consumes and recycles products and materials, and sets out a vision for transitioning to a circular economy over the next 20 years. The WaSM strategy outlines key actions over six years – the first phase of the strategy – to deliver on long-term objectives and targets.

Forming a key part of the WaSM strategy, the NSW Plastics Action Plan outlines a comprehensive suite of actions to address plastic pollution at all points of the plastics life cycle, from production and consumption to recycling and disposal.

The WaSM strategy and NSW Plastics Action Plan are backed by \$356 million in funding over five years to deliver priority programs and policy reforms. Of this, approximately \$297 million is available to support local councils through a variety of funding opportunities.

The WaSM strategy commit \$10 million over five years to a program for local councils in the [waste levy paying area](#) to support local waste and recycling initiatives. This funding has been allocated to the Local Government Waste Solutions Fund, which was first launched in December 2022.

Overview

A circular economy is about ‘designing out’ materials that end up in landfill or as litter by re-using or repairing products before they are thrown out, and by keeping material in use for as long as possible. Transitioning to a circular economy requires a shift in our current thinking and doing things differently. The ability to make progress on critical waste issues depends on innovative approaches to drive such change.

Local governments play a critical role in developing innovative approaches to waste minimisation as NSW transitions to a circular economy. Because they work directly with their local communities to address waste and resource recovery issues, local governments have a good understanding of the issues and are best placed to identify new and creative solutions tailored to their communities.

Additionally, solving complex environmental problems require a diversity of perspectives, expertise and resources across sectors. By working together, through knowledge sharing, mentoring, collaboration or partnerships, there is greater chance of having an impactful project and long-term outcomes.

The Local Government Waste Solutions Fund aims to

- support NSW local councils, collaborations of councils, and regional waste groups in the levy paying areas to deliver innovative waste and recycling solutions to their communities that support transition towards a circular economy and contribute to achieving the NSW Government’s waste priorities and targets
- facilitate collaboration, knowledge sharing and partnerships to help NSW local councils transition to a circular economy and have long-term impacts
- help local councils share the findings and resources of funded projects.

This document outlines the guidelines for the Local Government Waste Solutions Fund and should be read in its entirety.

Eligibility

Eligible applicants

The following organisations are eligible to lead projects and apply for the Local Government Waste Solutions Fund grants:

- local councils that pay waste levies in the regulated area. These are the 42 councils in the metropolitan levy area (MLA) and the 19 councils in the regional levy area (RLA). The names of these councils are defined by the Protection of the Environment Operations (Waste) Regulation
- regional waste groups of councils in the Greater Sydney, Hunter and Illawarra regions that are supported by the EPA Regional Coordination Support Program
- voluntary regional waste groups in the RLA, supported by the EPA Regional Coordination Support Program.

Organisations that are not eligible to apply for the Local Government Waste Solutions Fund grants may partner with an eligible organisation to deliver the project and in doing so, benefit from the project outcomes. However, the lead applicant must be an eligible organisation.

Eligible outcomes

The Local Government Waste Solutions Fund will support innovative waste and recycling solutions that contribute to achieving at least one of the priorities and targets identified in the WaSM strategy and the NSW Plastics Action Plan. The eligible priorities and targets are:

- reduce total waste generated by 10% per person by 2030
- have an 80% average recovery rate from all waste streams by 2030
- halve the amount of organic waste sent to landfill by 2030
- net zero emissions from organic waste by 2030
- litter reduction target of 60% by 2030
- plastic litter reduction target of 30% by 2025
- triple the plastics recycling rate by 2030
- phase out problematic and unnecessary plastics by 2025
- significantly increase the use of recycled content by governments and industry
- reduce illegal dumping.

Eligible projects

The Local Government Waste Solutions Fund will support innovative waste and recycling solutions that are scalable and contribute to the priorities and targets in the WaSM strategy and the NSW Plastics Action Plan. For the purposes of this fund, 'innovation' is defined as the practical application of ideas that result in something that is new, unique or adds value to an existing solution. For example, innovation projects could be ones that involve applying new processes, methodologies or techniques, or which build on previous ideas or programs to create additional value.

To be eligible for funding under the Local Government Waste Solutions Fund, projects must be able to contribute to achieving at least one of the NSW Government's waste priorities and targets and be measurable.

Local Government Waste Solutions projects can be delivered by an individual or collaboration of local councils, individual or collaboration of regional waste groups.

Projects may take several months to years to complete. All projects funded by the Local Government Waste Solutions Fund must be completed by end of 2026–27.

Project examples might include:

- designing out waste from the point of purchase
- supporting the sharing/re-use economy to increase the volume of materials re-used, repurposed, repaired or recycled, with improved value
- collaborating with organisations to identify circular economy opportunities on a local or regional scale and implement circular economy solutions
- trialling a service that decreases waste materials (such as glass, electronic waste, plastics, tyres, textiles) being sent to landfill while achieving social and economic outcomes for the community.

What can be funded

The fund can be used for innovation projects that contribute to achieving the NSW Government's waste priorities and targets. Project costs may include:

- collecting, transporting and processing costs of materials for re-use and/or diversion from landfill
- leasing or capital purchases (e.g. equipment, infrastructure)
- planning, feasibility studies, research and strategy development activities
- resourcing including consultants, contractors, project management, administration and/or implementation costs.

What cannot be funded

The fund cannot be used for:

- projects that have designated funding programs under the WaSM strategy and the NSW Plastics Action Plan
- projects that do not align with the objectives and policies of the Environment Protection Authority, WaSM strategy or the NSW Plastics Action Plan, and/or do not contribute to achieving the NSW Government's waste priorities and targets or cannot be measured or quantified.
- financial co-contribution to other grants, including, but not limited to, contestable grants being delivered under the WaSM strategy, the NSW Plastics Action Plan and other relevant strategies
- legal advice
- collection and transportation of materials that cannot be recycled or diverted from landfill (e.g. asbestos) or the clean-up of litter or illegally dumped materials
- ongoing delivery of pre-existing local council or regional waste group programs including those previously funded by the NSW EPA Better Waste and Recycling Fund
- works that will be or have been funded by other sources. However, additional funding from other sources may be used in tandem with the Waste Solutions Fund to enhance the outcomes of the project. Eligible organisations must state in their grant application if they have secured funding for the same project through another source. The applicant must justify and maintain any relevant project and funding boundaries.

Funding

The Waste Solutions Fund has been allocated \$10 million over five years, from 2022–23 to 2026–27. In 2022–23, Round 1 recommended a total of \$2 million to 11 grantees. See the EPA program webpage for indicative funding available for each round.

The funding will be contestable, and applications will be assessed against the selection criteria outlined in these guidelines (see the *Assessment criteria* section). This funding is administered in line with NSW Treasury guidelines on outcomes-based budgeting, which enables greater transparency in financial decision-making and greater accountability for the delivery of waste and circular economy outcomes. The grant applications (projects) are assessed and ranked by an independent technical review committee (TRC). Projects recommended for funding are at the discretion of the TRC, based on selection criteria outlined in these guidelines (see the *Assessment criteria* section).

Project funding limits

A project delivered by an individual council has a maximum funding limit of \$200,000 (excluding GST).

A project delivered by a regional waste group or a collaboration of local councils has a maximum funding limit of \$400,000 (excluding GST). A project must involve at least two local councils from the levy-paying area to be eligible for the maximum funding limit of \$400,000 (excluding GST).

Financial co-contribution to the project is not an essential requirement. However, applications that demonstrate financial and/or in-kind contributions will be assessed more favourably.

Applying for funding

Application time frame

One round of funding will be available each financial year from 2023–24 to 2025–26. Key dates are listed on the EPA program webpage.

Application form

Applications must be submitted to the EPA using the [SmartyGrants](#) platform.¹ You will receive an acknowledgement of your application form after submission via SmartyGrants. If you do not receive an acknowledgement email, contact the Local Government Team at localgovernment.programs@epa.nsw.gov.au to ensure your application has been received.

The application form consists of two parts:

Part A: General applicant(s) details

Part B: Project plan, which includes:

- project description, including project need. Framing the problem statement correctly is critical to developing an innovative solution
- preferred start and end date
- implementation details
- risk management mechanisms in place to address delays and/or barriers to success

¹ <https://epa.smartygrants.com.au/>

- amount of funding sought and if other financial or in-kind contributions are being provided or sourced
- innovation proposal
- collaboration and building capacity proposal
- project impact – outcomes, scalability and longevity
- monitoring and evaluation plan, including measures. Projects need to be measured or quantified.

Grant applications will be assessed against the selection criteria outlined in these guidelines (see the *Assessment criteria* section). All questions in the application form should be answered fully and should be prepared with these criteria in mind.

Eligible organisations can only be the lead applicant in one grant (project) application per competitive round.

Assessment criteria

The independent technical review committee (TRC) will review all eligible applications based on the selection criteria below. The extent to which projects address each of the criteria will determine the TRC's scores and ranking of applications.

Robustness of the project (30% of total score)

- Is the project proposal supported by evidence?
- Does the solution address the issue or knowledge gap?
- Is the implementation plan sufficiently detailed and realistic?
- Is there a clear monitoring and evaluation plan, including measures of success?
- Are there risk management mechanisms in place?

Innovation (20% of total score)

- The extent to which the project or solution is new, unique or adds value to something that may already exist

Collaboration and building capacity for change (20% of total score)

How the project may involve, or how the applicant(s) may undertake, the following:

- Collaboration with other organisations such as industry, businesses, schools etc.
- Partnerships
- Knowledge sharing e.g. with other local councils and organisations
- Mentoring
- Networks

Project impact (20% of total score)

- Outcomes: how the project will contribute to achieving the NSW Government's waste priorities and targets, other additional outcomes or benefits (e.g. carbon abatement, economic, social)
- Scalability: the extent to which the project is of interest or value to other councils, localities and communities; the extent to which the project can be replicated, expanded or scaled up in the future
- Longevity: whether the benefits of the project will be sustained over the long term

Value for money (10% of total score)

- Predicted outcomes and outputs are proportionate to the funding amount requested and in-kind or other contributions

If a funding round is oversubscribed, projects recommended for funding will be grouped into funding streams based on geographical area and circular economy outcomes, as necessary.

- To support projects across the waste levy region, approximately one-third of the funding pool will be available to organisations outside the Sydney Metropolitan Levy Area and two-thirds of the funding pool to organisations in the Sydney Metropolitan Levy Area.
- To support circular economy outcomes, projects that support designing out or avoiding materials that end up as landfill or keep materials in use longer (including but not limited to re-use, repair, sharing, leasing, recycling, remanufacturing, use of recycled content) will be prioritised.

The TRC will rank the eligible applications during the assessment process. It will then make recommendations to the EPA. The EPA Chief Executive Officer (CEO) will make final funding decisions.

Feedback on applications that are not recommended for funding can be made available on request.

Successful applicants

Applicants will be notified in writing of the outcomes of the application assessment process. Funding decisions are final and there is no appeal process. Successful applicants may not receive the full amount requested, and funding offers may be subject to special, as well as general, conditions of funding (such as requested inclusions or changes).

Grant conditions

Successful applicants will be required to abide by the conditions contained in the EPA funding deed. If you are not willing or able to agree to these conditions, you should not apply for the Local Government Waste Solutions Fund. A copy of the standard funding deed of agreement is available on request.

We expect funded projects to be delivered on time and on budget and will only consider variations in exceptional circumstances. These requests must be submitted in writing for EPA consideration and approval.

Projects supported by the Local Government Waste Solutions Fund are required to acknowledge the funding source on all publications, externally distributed reports, websites and publicity material relating to the funded projects. Organisations must provide the EPA with a copy of all publicity material before it is published or released and must not publish or release publicity material containing the NSW Government or the NSW EPA's logo without the EPA's approval.

Funded applicants must ensure that all projects supported by the LGWS fund comply with all planning and environmental laws, and regulatory and policy requirements of NSW and the Commonwealth, including all public health orders, COVID-19 safety orders, or other related orders.

Payment schedule for successful applicants

Grant funding will be made in four payments, based on the following milestones and deliverables.

Table 1 Milestones, payment amounts and deliverables

Milestone	Payment amount	Deliverable
1	20%	Signed funding agreement returned to the EPA Invoice for 20% of funds
2	40%	Final project plan Payment will be made once the project plan has been reviewed and approved by EPA
3	30%	Progress report Payment will be made once the progress report has been reviewed and approved by EPA
4	10%	Final report (a template will be provided via SmartyGrants) Case study (a template will be provided via SmartyGrants) Copy of all funded outputs

Project plans

Successful applicants will have the opportunity to revise their project plans (and finalise this as part of milestone 2) in order to incorporate:

- updated budget allocation and project timings or schedule, if relevant
- appropriate response to TRC and EPA feedback, if applicable.

The EPA must approve the final project plan before the project is started or implemented.

Monitoring and reporting

Funded applicants will be required to complete a progress report halfway through the project. A progress report template will be provided via SmartyGrants.

Funded applicants will be required to complete a final report with outcomes, supporting evidence and budget acquittal.

In addition to the final report, funded applicants must also complete a case study (template provided). The case study includes project description, implementation details, outcomes achieved, learnings and future recommendations. For any information that is deemed confidential, include the information that can be publicly shared, and the EPA will follow up as required.

Technical review committee

The role of the TRC is to independently assess applications in a fair and equitable manner. The TRC is made up of representatives (from outside the EPA) with relevant knowledge and experience, and who undertake their duties within the principles of ethical conduct, integrity, objectivity and independence. TRC representatives are required to keep all matters concerning applications confidential and to declare any potential conflict of interest.

The TRC assessment process helps the EPA select projects that support the grant’s objectives and offer good value for money. The TRC will assess the merit of your application against the assessment criteria outlined in these guidelines (see the *Assessment criteria* section). The assessment process may be overseen by an independent probity auditor. The TRC makes recommendations to the EPA. The EPA CEO will make final funding decisions.

Sharing case studies and resources

The case studies from funded projects and any resulting outputs will be made available to all NSW local councils and regional waste groups so that all local governments can benefit from the learnings of the projects. Funded projects that contain commercially confidential information may not be made available. See the Waste Solutions Fund webpage for more information.

Need more information?

Please contact:

Community Waste Programs
Engagement, Education and Programs
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