

Regional Recycling Fund

Round 1 2022 Guidelines



Environment,
Land, Water
and Planning

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1. Overview

Background

Since the implementation of the ‘China Sword’ policy and the liquidation of SKM, the cost of kerbside recycling collection services has increased significantly for all Victorians, rising 85% from \$139 per tonne in 2017-18 to \$257 per tonne in 2019-20.

The economic disparity is exacerbated when comparing the cost of the provision of service in regional and rural Victoria to Metropolitan Melbourne – the average cost of servicing a recycling service in regional and rural Victoria is \$300 per tonne compared to \$242 per tonne in providing the same service in metropolitan Melbourne. Regional and rural communities are experiencing not only higher service costs, but also lower service standards compared to their metropolitan counterparts.

The primary drivers are driven by increased costs of aggregating and transporting materials at key sites, as this involves greater distances in transporting material as well as transporting smaller tonnages of recyclables from lower waste generation areas due to lower density populations. Rural and regional manufacturers and supply chain businesses also pay more to access recycled content for manufacturing, limiting the development of local economies to support job creation and drive local economic benefits.

The improvement to and establishment of regional infrastructure can help to achieve greater service benefits for rural and regional communities, through increased collaboration across councils and the delivery of greater efficiencies. Economies of scale may be achieved through more efficient and localised service delivery with integrated regional infrastructure located in key sites and greater collective buying power through collaborative procurement. Such partnering arrangements can lead to more efficient service delivery, reducing costs to regional communities and creating supply chain employment opportunities.

Recycling Victoria and Victoria's circular economy

Recycling Victoria: A New Economy sets ambitious targets for a cleaner, greener Victoria with less waste and pollution, improved and expanded recycling, more jobs and a stronger economy. Through *Recycling Victoria* and the investment of more than \$380 million, the Victorian Government is establishing a recycling system that Victorians can rely on by transforming how our economy uses materials and how our state reuses, repairs and recycles.

Recycling Victoria outlines reforms to develop Victoria's circular economy, through continually seeking to reduce the environmental impacts of production and consumption, while enabling economic growth through more productive use of natural resources. The reforms include optimising existing waste and recycling systems and introducing new ones; strengthening governance; and investing in vital infrastructure and innovation to incentivise and fast-track change.

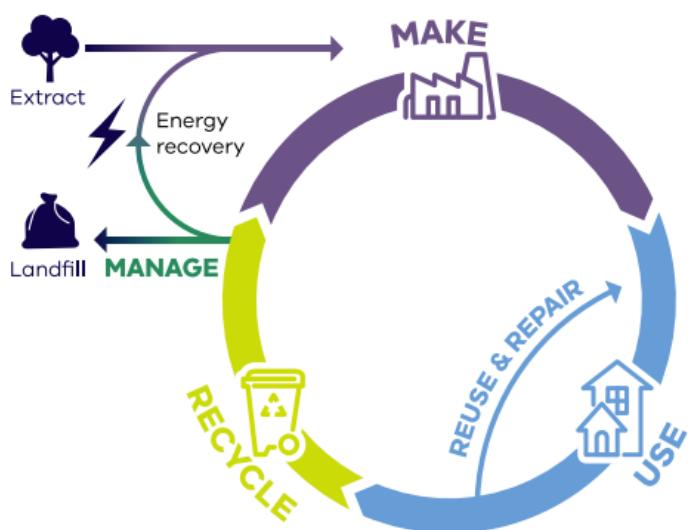


Figure 2: Resource flows in a circular economy

Key actions of Recycling Victoria are:

- a new four-stream waste and recycling system for all households across the state for better and more recycling and less waste
- a container deposit scheme that rewards return of used drink cans, cartons and bottles for recycling, and reduces litter
- a stronger waste and recycling industry with new infrastructure and innovative waste management solutions for better and more recycling and reuse, and less waste
- new recycling laws and governance to support best practice waste management, resource use and recycling
- a statewide ban of single-use plastics and promotion of reusable items that reduce waste and pollution for a cleaner and healthier environment.

This systemic change will:

- increase the quality and volume of recycling and reuse of our precious resources
- reduce waste, landfill and litter
- reduce emissions and contribute to Victoria's net-zero emissions by 2050
- create new jobs
- build a sustainable and thriving circular economy for a cleaner, greener Victoria.

Regional Recycling Fund

The Victorian Government is committing \$40.9 million over two years to establish small material recovery facilities (MRFs) and processing infrastructure in regional Victoria, and optimise the state's resource recovery and transfer station network, with a focus on priority materials.

The aim of the initiative is to increase regional resource recovery through MRF and processing infrastructure, support opportunities for increased local manufacturing and re-manufacturing using recycled content, and reduce transport-associated costs to households.

A Regional Recycling Fund has been established as a vehicle to deliver the funding over two years, with \$10 million allocated in Round 1 to the following eligible parties:

- regional and rural local government authorities; and
- private sector businesses and agencies, including not-for-profits and social enterprises

The Regional Recycling Fund complements other *Recycling Victoria* initiatives, including:

- **Regional Circular Economy Plans (RCEPs)**

The planning stream of work will identify strategic opportunities and priorities across regional recycling value chains to guide the development of new regional sorting and processing infrastructure as well as opportunities to optimise Victoria's resource recovery and transfer station network. In addition, these plans will ensure strong regional input to improve synergies across wider Recycling Victoria programs. For example, by providing early local input into the VRIP and provide a platform for ongoing regional discussions about local support for opportunities to develop robust local circular economies.

- **Victorian Recycling Infrastructure Plan (VRIP)**

VRIP is a new long term infrastructure plan that replaces the Statewide Waste and Resource Recovery Infrastructure Plan (SWIRRP). The objective of the VRIP is to ensure long-term strategic planning to support decision making for waste and resource recovery infrastructure at State, regional and local levels across 30-years; enable waste and resource recovery infrastructure planning to be effectively integrated with land use and development planning, environmental regulatory approvals and transport planning frameworks; and to ensure effective risk management including contingency planning and integration across the waste and resource recovery infrastructure network.

- **Recycling Victoria Infrastructure Fund (RVIF):**

The investment aims to provide funding for infrastructure targeting priority materials, such as paper and cardboard, plastic, glass and hazardous solvent waste to ensure there is sufficient capacity in the state to process these materials. RVIF has been funded up to \$48.3 million to address priority materials, with an additional \$35 million funding provided by the Commonwealth Government to address national waste export ban materials (such as paper and cardboard, glass, tyres and plastics). The objective is to: increase the quality and use of recycled materials in remanufacturing and to make new products; increase economic development opportunities such as jobs, economic performance and growth of precincts; and reduce the amount and impact of waste going to landfill. Investment has been given to a number of projects that focus on processing plastics, organics, paper and cardboard and glass.

- **Recycled Markets Acceleration Program (RMAP)**

RMAP supports the development of markets for recycled materials through promotion, funding and improving regulatory setting. The objective is for Victorian businesses to increase use of recycled materials to support:

- Strong domestic markets for recovered materials
- Business growth
- New products using recycled materials
- Advanced manufacturing and construction

Focus of Round 1

Round 1 will focus on increasing capacity at sites of regional significance to collect and aggregate glass and recyclables to also thereby reduce transport costs for each individual council (such as such as one council transporting waste to a neighbouring local government area). Such sites can be seen as the building blocks of a regional recycling network, as well as towards greater infrastructure investment.

Regional resource recovery centres, which play a vital role for regional communities in managing the disposal of priority waste streams, will be funded in round 1 as they are the building blocks to stimulating vibrant and commercial circular economy. The following priority waste streams – plastics, paper and cardboard and glass – have been identified as having the greatest potential to deliver benefits, as outlined in Infrastructure Victoria's report on Recycling and Resource Recovery Infrastructure (April 2020).

The 2021-22 investment will target infrastructure upgrades that add capacity to support aggregation of priority materials at regionally significant sites, while also segregating the waste streams; as well as improving compliance, safety and environmental impacts. This funding has the ability to reduce transport costs as well as increase operational efficiency.

Applications for funding are open
19 January 2022 - 4pm, Weds 9th March 2022.

2. Funding objectives

The overall objectives of the funding program are to deliver increased regional recycling capacity, supporting local circular economies and improving the reliability and stability of the statewide recycling system. This includes:

- ✓ Improving safety and environmental outcomes through improved storage, re-processing and disposal of recycling and residual waste
- ✓ Maximising diversion of recyclable material from landfill
- ✓ Improving the resilience of Victoria's waste and resource recovery system given disruptions to world recycling markets.
- ✓ Supporting new market entrants and diversity of players in the sector that maximises local economic outcomes

3. Who can apply?

The following organisations can apply for funding:

- regional and rural local government authorities (see Appendix A),
- private sector businesses and agencies, including not-for-profits and social enterprises

In addition, to be eligible for funding applicants must:

- either own or operate transfer station/resource recovery infrastructure that:
 - handles municipal solid waste (MSW)
 - is of regional significance (Refer to Section 5 for definition)
 - is located in regional Victoria
(defined as being located within one of the local government areas listed in Appendix A)
- be an incorporated body, cooperative or association (including business associations); and
- be financially solvent.

4. Who cannot apply?

- The following cannot apply for funding:
 - Metropolitan local government authorities (see Appendix B)
 - Individuals;
 - Government agencies;
 - Entities that do not own or operate transfer station/resource recovery infrastructure in regional Victoria.

5. What might be funded?

Funding can be provided for Transfer Station and Resource Recovery Infrastructure upgrades to sites of regional significance that collect and aggregate glass and recyclables. This provides the potential to reduce transport costs for each individual council (such as such as one council transporting waste to a neighbouring local government area).

What is regional significance?

Regional significance is where a transfer station or resource recovery centre has, or could have, benefits on a regional scale.

For the purposes of this program, a transfer station or resource recovery centre is considered regionally significant if it has the following characteristics:

- Has been identified as a regional hub under the [SWIRRP 2018](#), or shares characteristics of:
 - a regional hub as outlined in the SWIRRP 2018, or
 - a local hub with the capacity to grow into a regional hub.
- Takes or could take municipal solid waste (MSW) from more than one council
- Is located near existing or emerging recycling infrastructure related to priority streams
- Is located near major transport routes.

What are the priority waste streams?

- Glass
- Plastics
- Paper and cardboard

Funded infrastructure may include:

- Regional aggregation points/short term storage for the priority waste streams (see Appendix A for list of eligible regional local government areas)

Funded items may include:

- ✓ Sheds
- ✓ Skips or bins
- ✓ Retaining walls
- ✓ Weighbridges
- ✓ Bin lifters
- ✓ Equipment to manage materials for efficient transport (e.g. balers, shredders, compactors)
- ✓ Access roads may be funded:
 - Up to 10% of the funded amount
 - Where they are directly necessary for the upgraded infrastructure
- ✓ Project management, capped at 10% of the funded amount, including:
 - Staffing costs for delivery of the project
 - Legal costs.

6. What will not be funded?

The following types of activities (or projects) will not be funded in this funding period. Please note that future rounds are likely to be significantly different.

Future rounds will look into establishing and upgrading small regional MRFs and regional sites that process priority waste streams; and will be informed by the development of the Regional Circular Economy Plans and interim advice from VRIP.

Types of ineligible works/items/infrastructure

- ✗ Projects or components that will not commence within 6 months of signing the funding agreement
- ✗ New and upgraded processing facilities (e.g. MRFs, biodigesters)
- ✗ Facilities that aren't regionally significant
- ✗ Waste to energy
- ✗ New transfer stations
- ✗ Facilities with buffer compliance issues
- ✗ Costs associated with relocating a transfer station
- ✗ Access roads that are not directly required to use the funded infrastructure
- ✗ Offices and general amenities
- ✗ Kerbside infrastructure (e.g. wheelie bins for kerbside use)
- ✗ Residential bin exchange programs
- ✗ Infrastructure related to the Container Deposit Scheme
- ✗ Infrastructure related to other waste streams – (e.g. paint, oil, reuse centres)
- ✗ Projects located on land that is yet to be acquired
- ✗ Infrastructure located within a metropolitan local government area (see Appendix B for a complete list)
- ✗ Infrastructure located outside the State of Victoria.

Other ineligible costs

- ✗ Vehicles (e.g. forklift, excavator)
- ✗ Operational costs (including lease of equipment, processing, transport costs, rent, utilities and staffing resources)
- ✗ Purchase, lease or arrangements for use of land
- ✗ Service delivery
- ✗ Permit or licence fees
- ✗ Contingency costs
- ✗ Education/promotion
- ✗ Legal costs (beyond those within the allowable planning / project management component)
- ✗ Council staff labour (beyond those within the allowable planning / project management component)
- ✗ Routine or ongoing maintenance activities, cosmetic works, repair of facilities
- ✗ Drainage, waste, resurfacing, roads
- ✗ Activities that are already funded by another grant (unless there is a new element that builds on or is in addition to what has already been funded);
- ✗ Infrastructure that will primarily be used for a non-priority waste stream
- ✗ Direct provision of waste services to households (e.g. kerbside or drop-off infrastructure – glass drop off points are permitted);
- ✗ The purchase of land;
- ✗ Routine or ongoing maintenance activities;
- ✗ Activities that have already started;
- ✗ Where duplicate services are in operation or planned for in a targeted community;
- ✗ Recurrent operating costs, for example rent and utility costs, operational staffing costs, and/or activities establishing expectations of ongoing funding

7. What are the funding details?

The total funding available for Round 1 is \$10 million.

Grants are available up to \$500,000 per facility with regional significance, with the expectation that larger proposals that are closer to the cap will:

- address several priority waste streams,
- have larger volumes of material moving through them

Co-contributions

Councils are not required to contribute toward the cost of the Activity, however contributions will be considered favourably.

Applications from businesses must be co-funded \$3 for every \$1 requested from the program, via direct financial contribution to the project. This co-contribution can cover items that directly support the upgraded infrastructure, such as drainage and additional access roads. Operating and contingency costs will not be accepted as a co-contribution.

8. What are the assessment criteria?

First, applications will be checked for eligibility to make sure that the applicant and their activity are eligible for funding. After that eligible applications will be assessed using the criteria listed below. Each criterion is given a percentage weighting to indicate its relative importance in the assessment process. Applications should address all relevant criteria.

- Alignment to outcomes identified in *Recycling Victoria: a new economy*
- Contributes to optimising the transfer station and resource recovery network in regional and rural Victoria
- Can demonstrate benefit across a region and appropriate scale for location (with regions defined as the current waste and resource recovery regions in Victoria).
- Supports COVID recovery through economic stimulation and creation of jobs
- The proposal has been properly planned and is financially and economically sound. (Projects with finalised plans and costings will be considered favourably)

The spread of projects across the state and priority waste streams will also be considered as part of assessment.

9. What supporting documents are required?

Please submit the following documents with your application:

1. A minimum of a concept plan and costing – final plans and costings will be considered favourably. (with final plans and costings required before build commences)
2. Letters of support from other council areas who would/could benefit from the upgrade
3. Evidence of confirmation of other funding sources.
4. Written consent from the relevant public land manager or private landowner to undertake the activity.
5. Approval for appropriate works permit/s from councils or other authorities.

10. What are the funding conditions?

Funding agreements

Successful applicants must enter into a funding agreement with DELWP. The Victorian Common Funding Agreement is used for funding agreements with not for profit organisations and Local Government Authorities. It is recommended that applicants review the terms and conditions before applying. Information about the Victorian Common Funding Agreement is available on <https://providers.dhhs.vic.gov.au/victorian-common-funding-agreement>

The activity does not include using the Funding for political campaigning or advocacy activities for political parties.

Legislative and regulatory requirements

In delivering the activity grant recipients are required to comply with all relevant Commonwealth and state/territory legislations and regulations, including but not limited to:

- The Privacy Act 1988 (Commonwealth)
- The Freedom of Information Act 1982 (Vic)
- Occupational Health and Safety Act 2004
- Environment Protection Authority regulations

Tax implications

Applicants should consult the Australian Taxation Office or seek professional advice on any taxation implications that may arise from this grant funding.

Successful applicants without an ABN will need to provide a completed Australian Taxation Office form 'Statement by a Supplier' so that no withholding tax is required from the grant payment.

Acknowledging the Victorian Government's support

Successful applicants are expected to acknowledge the Victorian Government's support and promotional guidelines (<https://www2.delwp.vic.gov.au/grants>) will form part of the funding agreement. Successful applicants must liaise with the departmental program area to coordinate any public events or announcements related to the project.

Payments and project milestones

Grant recipients are required to comply with project monitoring and reporting requirements as outlined in the funding agreement. This may include progress reports, site inspections, completion reports and acquittal documentation.

Most projects will have the following payment and milestone structure:

Milestone	Payment
Signing of the agreement	80-90%
Submission of final plans and costings (if not supplied with application) within 6 months of signing funding agreement	-
Evidence of build commencement within 6 months of final plans and costings being accepted	-
Annual progress report, submitted through our online system	-
Scheduled check-ins, either in-person site visit or via phone/Teams at DELWP's preference	-
Submission of final acquittal report	Remaining 10-20%

Additional or different milestones may be added to the funding agreement to suit the needs and risks of the project.

Payments will be made as long as:

- the funding agreement has been signed by both parties;
- grant recipients provide reports as required, or otherwise demonstrate that the activity is progressing as expected;
- other terms and conditions of funding continue to be met.

Privacy

- Any personal information about you or a third party in your application will be collected by the department for the purposes of administering your grant application and informing Members of Parliament of successful applications. Personal information may also be disclosed to external experts, such as members of assessment panels, or other Government Departments for assessment, reporting, advice, comment or for discussions regarding alternative or collaborative grant funding opportunities. If you intend to include personal information about third parties in your application, please ensure that they are aware of the contents of this privacy statement.
- Any personal information about you or a third party in your correspondence will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the Privacy and Data Protection Act 2014 and other applicable laws.
- DELWP is committed to protecting the privacy of personal information. You can find the DELWP Privacy Policy online at www.delwp.vic.gov.au/privacy.
- Requests for access to information about you held by DELWP should be sent to the Manager Privacy, P.O. Box 500 East Melbourne 8002 or contact by phone on 9637 8697.

11. What is the application process?

Applications are submitted online using the Grants Online portal. Hard copy applications are not accepted.

To apply, go to the grant program web page <https://delwp1.force.com/publicform?id=RRF-Round1> and click on the 'Start New Application' button. To return to a saved draft application, click on the 'Access Saved Application' button.

Attaching required documents:

Supporting documents must be in an acceptable file type, such as Word, Excel, PDF, or JPEG. The maximum file size for each file is 10MB.

You will receive an application number when you submit an application online. Please quote this number in all communications with the department relating to your application.

If you have documents to submit that cannot be attached to your online application you can email the GEMS Support Team via grantsinfo@delwp.vic.gov.au , quoting your application number. Attach all documents to one email, zipping the files if required.

Make sure your application is submitted by **4 pm on Wednesday 9th March 2022**, as late and incomplete applications will not be considered.

12. Additional information

Additional information is available at the program web page www.vic.gov.au/regional-recycling-fund

If you require assistance submitting your application online, email grantsinfo@delwp.vic.gov.au.

13. What is the notification process?

All applicants will be notified of the outcome of their application in writing after the assessment process is completed. All decisions are final and are not subject to further review. Unsuccessful applicants can ask for feedback on their application.

14. Key dates

Applications open	19 January 2022
Applications close	4 pm, Wednesday 9 th March 2022
Assessment	March-April 2022
Applicants notified	May 2022
Activities commence	June 2022
Activities completed and acquittal reports submitted	June 2024

15. Checklist

Read these guidelines and the information about this grant program at www.vic.gov.au/regional-recycling-fund before applying and complete the following checklist.

Have you:

- read these guidelines carefully?
- checked if you are, or your organisation is, eligible for this grant funding?
- checked if your activity is eligible for this grant funding?
- checked that you would be able to comply with all relevant laws and regulations in delivery of your activity?
- prepared the appropriate supporting documents?

16. Appendix A

Eligible Rural and Regional Local Government Areas

Eligible facilities must be located within regional Victoria, which is defined as being located in one of the following local government areas.

*The following Victorian councils are also **eligible to apply** or support a project in Round 1.*

Alpine Shire Council	Loddon Shire Council
Ararat Rural City Council	Macedon Ranges Shire Council
Ballarat City Council	Mansfield Shire Council
Bass Coast Shire Council	Mildura Rural City Council
Baw Baw Shire Council	Mitchell Shire Council
Benalla Rural City Council	Moira Shire Council
Borough of Queenscliff	Moorabool Shire Council
Buloke Shire Council	Mount Alexander Shire Council
Campaspe Shire Council	Moyne Shire Council
Central Goldfields Shire Council	Murrindindi Shire Council
Colac Otway Shire Council	Northern Grampians Shire Council
Corangamite Shire Council	Pyrenees Shire Council
East Gippsland Shire Council	South Gippsland Shire Council
Gannawarra Shire Council	Southern Grampians Shire Council
Glenelg Shire Council	Strathbogie Shire Council
Golden Plains Shire Council	Surf Coast Shire Council
Greater Bendigo City Council	Swan Hill Rural City Council
Greater Geelong City Council	Towong Shire Council
Greater Shepparton City Council	Wangaratta Rural City Council
Hepburn Shire Council	Warrnambool City Council
Hindmarsh Shire Council	Wellington Shire Council
Horsham Rural City Council	West Wimmera Shire Council
Indigo Shire Council	Wodonga City Council
Latrobe City Council	Yarriambiack Shire Council

17. Appendix B

Ineligible Local Government Areas

*Facilities located within the following metropolitan local government areas are **not eligible** to apply for Round 1.*

Banyule City Council	Maribyrnong City Council
Bayside City Council	Maroondah City Council
Boroondara City Council	Melbourne City Council
Brimbank City Council	Melton City Council
Cardinia Shire Council	Monash City Council
City of Casey	Moonee Valley City Council
City of Whittlesea	Moreland City Council
Darebin City Council	Mornington Peninsula Shire Council
Frankston City Council	Nillumbik Shire Council
Glen Eira City Council	Port Phillip City Council
Greater Dandenong City Council	Stonnington City Council
Hobsons Bay City Council	Whitehorse City Council
Hume City Council	Wyndham City Council
Kingston City Council	Yarra City Council
Knox City Council	Yarra Ranges Shire Council
Manningham City Council	