

Recycling Rebate for Councils (RRC) affected by SKM Closure

Application Guidelines



Acknowledgment

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.



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1. What is the RRC program?

The Victorian Government has committed to supporting 33 local governments affected by the current closure of SKM. A total of \$6.6 million has been made available for this purpose.

Victorian local governments affected by the closure of SKM on 26 July 2019 will have access to a one-off grant to cover a portion of their net additional costs associated with the management of kerbside recyclables. The grant funding will:

- alleviate some of the additional net costs to councils resulting from the closure of SKM; and
- minimise the amount of recyclable waste going to landfill as a result of the closure of SKM.

2. Who can apply?

Funding is available to the 33 Victorian councils directly affected by the closure of SKM. Eligible councils are Ballarat, Booroondara, Brimbank, Buloke, Cardinia, Casey, Colac Otway, Darebin, Glenelg, Golden Plains, Greater Geelong, Hepburn Shire, Hindmarsh, Hobsons Bay, Hume, Kingston, Knox, Macedon Ranges, Melbourne, Mildura, Moonee Valley, Moorabool Shire, Mornington Peninsula, Moyne, Nillumbik, Port Phillip, Pyrenees, Queenscliffe, Stonnington, Surf Coast, West Wimmera, Whittlesea and Yarriambiack.

Funding is offered on a non-competitive, conditional basis.

3. Who cannot apply?

The following organisations and individuals cannot apply for funding:

- Individuals;
- Government agencies;
- Private sector businesses and agencies;
- Educational institutions;
- Other councils not listed under 'Who can apply';
- Not for profit organisations.

4. What might be funded?

Funding will be used to reimburse councils for a portion of the net additional costs incurred in managing kerbside recyclable materials as a result of the closure of SKM on 26 July 2019. The total amount available for allocation to councils is \$6.6m.

The general terms for the funding are:

- Payments will offset Materials Recycling Facility costs and landfill gate fees incurred in landfilling recyclable materials for the period 26 July 2019 to 14 November 2019 (inclusive) ("the Funded Period").
- The actual allocation per council will be determined by DELWP based on the total number of eligible councils who apply and forecast costs for the Funded Period.
- Forecasts must be based on the diversion arrangements in place as at 13 August 2019, unless otherwise agreed with DELWP in writing.
- Councils must demonstrate their forecast total costs relating to the collection, handling, transport and disposal/processing of kerbside recyclables for the funded period.
- Note that collection, handling and transport costs will not be covered by the rebate. However, these costs must be identified and can be used to demonstrate that council will incur net additional costs for the Funded Period. DELWP will recognise these additional costs when apportioning the rebate across eligible councils.
- Councils will only be eligible for the funding if their total forecast costs for the funded period are greater than the total Business as Usual (BAU) Comparator for the same period.
- BAU calculations must be based on the arrangements that were in place with SKM as at 26 July 2019 and on the average tonnes per annum as determined by council and validated by DELWP.
- Funding will be allocated according to the following formula to cover a portion of the net additional costs for landfill and/or alternative Material Recovery Facility costs that councils will incur over the Funded Period. All costs are to be calculated by councils using the EOI Costing Worksheet provided with the EOI form.

5. What will not be funded?

The Program will not provide funding to cover the following costs:

- Transportation, staging, aggregation, bulk haulage and storage of kerbside recyclable material.

- Other additional costs incurred by councils as a result of the closure of SKM on 26 July 2019. This may include preparation of communications material, purchase and roll out of additional bins, hire or purchase of additional vehicles, other costs associated with pilots, trials or separation of material at source.
- Further landfilling or alternative MRF costs incurred after the Funded Period.

6. How will the funding be allocated?

Funding will be allocated according to the following formula:

Definitions:

- **Funded Period** = 26 July 2019 to 14 November 2019
- **Forecast Arrangements** = Diversion arrangements that were in place on 13 August 2019 (unless otherwise agreed in writing with DELWP)
- **Eligible Costs** = total costs incurred on landfill gate fees or alternative MRF facilities. This may include gate fees, levies and costs associated with direct materials recycling. This may also include costs incurred on landfill gate fees or alternative MRF facilities for material that was first placed into temporary storage during the funded period.
- **Other Costs** = total transport/storage/staging/bulk haul costs, diversion of recyclables through transfer stations to alternative processors (or other costs as agreed in writing with DELWP).

Determining Business as Usual (BAU) Comparator:

- A= BAU SKM per tonne gate fee as at 26 July 2019
- B= other BAU per tonne costs as at 26 July 2019 (eg contamination rates)
- C= average weekly tonnage (based on 2018-19 tonnes per annum)
- D= other BAU weekly costs associated with recycling as at 26 July 2019 (eg storage, transfer, etc)

$$\text{BAU Comparator} = (((A+B) \times C) + D) \times 16$$

Determining Forecast Cost:

- E= Eligible Costs expected to be incurred during Funded Period (to be calculated using the EOI Costing Worksheet)

- F= Other Costs expected to be incurred during Funded Period (to be calculated using the EOI Costing Worksheet)

$$\text{Forecast Cost} = E + F$$

Determining Total Additional Cost:

$$\text{Total Additional Cost} = \text{Forecast Cost} - \text{BAU Comparator}$$

Total Additional Cost > 0 then Council is eligible

Allocation of funding:

Council allocation = X% of \$6.6 million, where

$$X = \frac{(\text{Total Additional Cost})_{\text{council}}}{(\text{Total Additional Cost})_{\text{all eligible councils}}}$$

and Council Allocation \leq E_{council}

7. What are the payment details?

- The payment amount to each council will be capped at the allocated amount.
- In the event that the total available funding of \$6.6 million is not fully allocated a further distribution may be offered to eligible councils to cover a further portion of additional costs incurred, in line with the program guidelines.
- Payments will be made in two tranches:
 - 50 per cent of the allocated amount will be paid to council following the execution of Funding Agreements.
 - The second payment amount will be determined based on the reported actual costs for the period. If reported actual costs are lower than the Forecast Cost the grant will be reduced on a pro rata basis.
- Eligibility for the second payment will be conditional on submission to DELWP of the required evidence as detailed below under 'Funding Agreements' following completion of the Funded Period.
- Eligibility for the second payment will expire on 30 April 2020.
- Councils that do not meet the requirements for the second payment will also be required to return their first payment.

8. 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>

Specific conditions in the funding agreement to be offered are:

1. Councils must provide full details on where the waste is being diverted to for processing or disposal (including secondary locations where material is being aggregated at a staging facility or transfer station), the volumes being diverted and associated costs, including gate fees, transportation, staging, aggregation and bulk haulage.
2. Councils must provide evidence of expenditure on gate fees to landfill and/or alternative processors.
3. Councils must provide a full copy (including all variations and amendments) of the council's contract with SKM, or its recycling collection contractor (where there is no direct contract with the processor) and its contract with its current recycling processing contractor (where applicable) (subject to appropriate protections for confidential information – refer to the Funding Conditions and Confidentiality document at <https://www.environment.vic.gov.au/sustainability/recycling-rebate-for-councils-affected-by-skm-closure>.)¹
4. Councils must provide a statement signed by the council's Chief Executive Officer confirming the following:
 - a. A summary of what alternative options to landfill were considered.
 - b. A commitment that the council will participate in the collaborative procurement tender process for recycling services where/when available

- i. (for metropolitan councils) Councils must provide a copy of the signed Management Deed covering participation in the metropolitan collaborative procurement initiative
 - ii. (for regional councils) A statement of commitment where a collaborative contracting initiative is underway in the relevant region
 - c. Confirmation that Council has not accessed a bank guarantee relating to the additional costs incurred during the Funded Period
 - d. A statement of in-principle support to improve resource recovery and collaborate with the Victorian Government to achieve targets when set in the National Waste Policy.
5. Council will be required to submit the above requested information to DELWP in writing.
 6. Council must adhere to their own Procurement Policy in undertaking any contract negotiations or variations.
 7. Council will be required to provide a final acquittal by 28 February 2020.
 8. Council must acknowledge the assistance is only for the Funded Period.
 9. All figures are GST exclusive.

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*

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.

1. The Government has asked the ESC to provide advice on potential regulatory options to improve the efficiency, innovation and long-term viability of the waste and resource recovery market. To ensure the ESC can provide comprehensive advice on these issues, the Government will be requesting that all Victorian councils provide – on a confidential basis – copies of their contracts for waste and resource recovery services.

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

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.

Monitoring

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.

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. 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.

9. What is the application process?

Expressions of interest will be received through a single round, opening on 23 August 2019 and closing 13 September 2019.

Using the expression of interest template and the accompanying Costing Worksheet applicants should:

- include all key information as requested; and
- provide a primary contact for any follow-up.

DELWP staff may make contact with applicants to seek further clarification of information submitted.

Some applicants may be requested to submit further information following initial assessment of expression of interest by the department.

Expressions of interest must be submitted to local.government@delwp.vic.gov.au. These should be received by the department no later than **13 September 2019**.

10. Additional information

Additional information is available at the program web page at:

<https://www.environment.vic.gov.au/sustainability/recycling-rebate-for-councils-affected-by-skm-closure>

If you have any queries, please contact DELWP on 03 9948 8524 or email local.government@delwp.vic.gov.au.

11. What is the notification process?

Successful and unsuccessful applicants will be notified 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.

12. Key dates

Applications open	23 Aug 2019
Applications close	13 Sep 2019
Applicants notified	27 Sep 2019
First tranche of payments	From 11 Oct 2019
Activities completed and acquittal reports submitted	28 Feb 2020

13. Checklist

Read these guidelines and the information about this grant program at:

<https://www.environment.vic.gov.au/sustainability/recycling-rebate-for-councils-affected-by-skm-closure>

before applying and complete the following checklist.

Have you:

- read these guidelines carefully?
- checked that you are able to comply with all relevant conditions?
- prepared the EOI form and Costing Template?