



Recycling Modernisation Fund – General stream

Round 2 guidelines

Improving waste plastics,
tyres, mixed paper and
cardboard processing
capacity in Western
Australia

Applications open: 9am on Monday 11 September 2023
Applications close: 4pm on Friday 13 October 2023

Lodgement method

Online application via the [SmartyGrants portal](#)

Application process manager

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1 Introduction

The Western Australian Recycling Modernisation Fund (WA RMF) is a joint initiative of the Australian Government and the Government of Western Australia (State Government). It is providing \$70 million in grant funding to build, expand or upgrade waste processing infrastructure to address gaps in Western Australia's waste recycling and diversion, reprocessing and remanufacturing capacity. Funding is available for infrastructure needed to support the successful implementation of the phase-out of certain exports of waste plastics, tyres, paper and cardboard.

The Department of Water and Environmental Regulation (department) seeks applications for grant funding to support the development of waste plastics, tyres, paper and cardboard processing infrastructure to manage materials currently collected for recycling in Western Australia and exported.

In February 2021, nine waste recycling infrastructure projects were announced for funding through the first funding round of the WA RMF. The department is seeking additional waste recycling infrastructure projects through the second funding round of the WA RMF. Grant funding of up to \$30.75 million is available through this round, along with up to \$5 million of industrial land available for allocation. All funding must be acquitted by 30 June 2026 at the latest.

To participate in the competitive grant funding process, applicants must submit a detailed application form via the department's [SmartyGrants online grants administration system](#). The application must outline the respondent's vision for the project and its capacity to manage waste plastics, tyres, paper and cardboard currently exported by Western Australia.

2 Background

In March 2020, the Council of Australian Governments (COAG) agreed to transform Australia's waste and recycling industry, banning the export of specific waste materials while building Australia's capacity to manufacture high-value recycled commodities and generate associated demand.

The COAG waste export bans agreed in March 2020 commenced from:

- 1 January 2021 for glass
- 1 July 2021 for mixed plastics which are not of a single resin/polymer type and/or which require further sorting, cleaning and processing before use in remanufacturing
- 1 July 2022 for single resin/polymer plastics which have not been reprocessed (e.g. cleaned and baled PET bottles)
- 1 December 2021 for tyres.

The bans for paper and cardboard commence on 1 July 2024.

The Australian Government has entered into an agreement with states and territories to jointly invest in recycling infrastructure projects through the Recycling Modernisation Fund. This *National Partnership on Recycling Infrastructure* aims to help build processing capacity and markets for recycled products and address the shortfall in domestic processing capacity. Under the agreement and co-funding arrangements, the State Government will administer the WA RMF through the department.

The State Government and the Australian Government will jointly contribute a maximum of two-thirds of project costs, with applicants required to fund at least one third. Applicants that provide more than the minimum proportion of project funding may be considered more competitive.

3 Program objective and outcomes

The program objective is to improve recycling outcomes by addressing critical infrastructure gaps in Western Australia's waste management and resource recovery system.

The program outcomes will facilitate greater resource recovery by:

- increasing the supply of quality recycled materials available for use
- increasing the capacity for domestic sorting, processing and manufacturing of materials affected by the COAG waste export ban.

Funding will be invested in projects that create or improve domestic recovery, sorting, processing, reuse, recycling or remanufacturing of one or more plastic, tyres, paper and cardboard products.

4 Priority projects

Projects that focus on delivering the below waste processing infrastructure will be prioritised for funding:

- plastics
 - commercial film plastics (including linear low-density polyethylene [LLDPE]) collection and processing
 - commercial-scale pilots for an advanced recycling facility that can process industry and/or consumer soft plastics
- tyres
 - regional tyre processing
- paper and cardboard
 - secondary paper and cardboard sorting (to upgrade fibre quality)
- logistics considerations
 - investments that improve the long-term logistics for material collection and separation to facilitate improved economics or options for recovery.

Other plastics, tyres, paper and cardboard projects remain eligible for funding consideration. However, to be considered as competitive, these applications need to clearly demonstrate how the project improves recycling outcomes (i.e. how it addresses critical infrastructure gaps in Australia’s waste management and resource recovery system) and the project must rate highly against the selection criteria.

Analysis of [Australian Bureau of Statistics export data](#) from 2021–22 indicates that 8,506 tonnes of plastics, 19,835 tonnes of tyres and 204,453 tonnes of paper and cardboard were exported from Western Australia.

5 Funding amount and arrangements

5.1 Available funding

Up to \$30.75 million in funding is available, along with up to \$5 million of industrial land available for allocation through the WA RMF.

Applicants are required to fund at least one third of project costs. The State Government and the Australian Government will contribute a maximum of two-thirds of project costs.

Applicants that provide more than the minimum proportion of project funding may be considered more competitive.

5.2 Project period

The project must be commissioned and operational with all funding acquitted by 30 June 2026.

6 Eligibility criteria

6.1 Who is eligible to apply for funding?

To be eligible to apply for a WA RMF grant, organisations must be one of the following entity types:

- an Australian entity or partnership incorporated under the *Corporations Act 2001* (Cth)
- an entity or partnership under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*
- an Australian research institution (can be a tertiary education institution, a government agency established for research, a cooperative research centre, an institute or centre of research or a privately owned and accredited research facility; consultancies **are not** considered to be research institutions)
- a council, regional organisation of councils or other local government-controlled organisation
- a non-government/not-for-profit organisation (must comply with the Australian Taxation Office's definition) with an established legal status, or those without legal status that can have grant funds administered by another organisation with legal status
- an Aboriginal Land Council.

Applicant organisations must also:

- at the time of entering into a funding agreement, agree to hold adequate insurance to cover potential liabilities in conducting the project (relevant insurances may include workers' compensation, director's and officer's liability, public liability, contents/mobile plant and equipment)
- pass a fit and proper person test (to demonstrate they are not insolvent, do not have owners/directors who are undischarged bankrupts, and do not have a history of non-compliance with environmental protection law)
- be willing to enter into a funding agreement with the department by 31 December 2023
- meet the expected completion and operational date of 30 June 2026.

6.2 Projects eligible for funding:

Entities that are eligible to apply are required to demonstrate how their proposed project meets the criteria listed below.

- Projects must support an increase in the processing capacity and/or use of one or more of the following materials subject to the COAG waste export ban:
 - waste plastics that are a single resin/polymer type and/or require further sorting, cleaning and processing before use in re-manufacturing

- single resin/polymer plastics that have not been re-processed (e.g. cleaned and baled PET bottles)
- mixed and unsorted paper and cardboard
- all whole used tyres, including baled tyres.
- Eligible projects could include:
 - new or upgraded materials recovery facilities that increase the capacity and quality of recovered materials
 - new equipment or facilities to increase domestic processing capacity of recyclable materials
 - projects including trial projects to increase use of recyclable or recycled materials in manufacturing and/or infrastructure.
- Projects should create economic development opportunities and build a stronger onshore recycling industry through developing new domestic markets for recycled materials or new products made from recycled materials.
- The proposal must relate to a project to build new waste processing infrastructure or expand/upgrade the processing capacity of an existing facility in Western Australia where a final investment decision is yet to be made by the applicant.
- The project must be in Western Australia.

Energy-from-waste projects are **not eligible** under this funding round.

6.3 Who is not eligible?

Applicants are not eligible to participate in the WA RMF if their project does not meet the project eligibility criteria of if their organisation:

- has failed to adequately address any statutory environmental or safety breach notice issued within the last three years, or cannot demonstrate they are working effectively to resolve the breach
- has been subject to prosecution or a statutory notice from the Fair Work Ombudsman for industrial relations enforcement action in the past three years and has failed to rectify the non-compliance.

7 Assessment process and criteria

The selection of projects for funding is a merit-based process. Eligible applications will be assessed against the assessment criteria set out below by an assessment panel. The panel will comprise officers from the department and other relevant Australian Government and State Government agencies and key organisations with appropriate skills and experience. Subject-matter experts may be called upon to participate in the assessment panel. These members will have technical knowledge and experience in one or more of the priority areas and will use this knowledge to provide an assessment of the technical merit of the application.

The application form asks questions that relate to the assessment criteria below. The amount of detail and supporting evidence provided in the application should be relative to the project size, complexity and grant amount being requested.

Eligible applications will be assessed against the following criteria, all of which will be given an equal weighting:

Criterion 1: How the project meets the program objectives and outcomes.

- How the project improves recycling outcomes by addressing critical gaps in WA's waste management and resource recovery system.
- How the project will increase the supply of quality recycled materials available for re-use.
- How the project will increase the capacity for sorting, processing and manufacturing of materials affected by the COAG export ban.
- How the project supports new or existing collection and processing capacity for plastics, tyres or paper and cardboard in Western Australia. This includes considering the financial viability of existing recycling businesses and local government contracts (where relevant).
- The nature, extent and timeliness of anticipated outcomes and the benefits of the project.
- Detailed information (including history of volumes, prices and material specifications) on the characteristics and performance of any markets that are to be relied upon.

Criterion 2: Economic benefits of the project and contribution to creating a circular economy.

- The contribution to transitioning Western Australia towards a circular economy, utilising local supply chain networks, minimising transport requirements to other regions, diverting waste from landfill and remanufacturing products.
- The extent to which the project clearly identifies and provides evidence of reliable feedstock and an end market that retains resources in the economy.
- How the project will achieve and report on end-to-end traceability (from source/aggregation point to final use) of the targeted plastic feedstock.

- How the project maximises best-practice methodology, know-how and technology.
- Any changes to collection infrastructure or practices, complementary investments or supporting activities that are required or are assumed to take place to support or facilitate the proposal. These assumptions about complementary actions must be clearly described and detailed and must include estimated costs, timelines and responsibility for implementation.
- How the project achieves Australian Government and State Government diversion targets for plastics, tyres, paper and cardboard and supports the Australian Government *National Waste Policy Action Plan* and the implementation of the Western Australian *Waste Avoidance and Resource Recovery Strategy 2030*.
- How the project promotes/contributes to the development of a competitive market for the material(s).
- How the proposal will provide employment and long-term economic growth and development.
- A business case to demonstrate the economic viability of the project over its operational life.

Criterion 3: Benefits to the environment and the Western Australian community.

- How the proposal minimises carbon emissions that would otherwise be generated from landfilling and how it reduces dependency on virgin material extraction.
- How the proposal supports recovery in regional and remote areas of Western Australia, including stakeholder engagement considerations.
- How the proposal maximises value-for-money for Australian and State investment, including by maximising private sector investment. The amount of private sector investment compared to Government investment will be considered.

Criterion 4: Applicant's experience and capacity to deliver the project.

- Demonstrated experience and capacity to operate a plastics, tyres and/or paper and cardboard processing facility including management, financial and technical capacity.
- The corporate and financial stability of the applicant.
- Partnerships across the material supply chain to ensure stability and suitability of feedstock supply and product demand, having regard to existing and planned waste infrastructure initiatives in Western Australia.
- How the proposal will use recycled products in a sustainable domestic market or how it will reliably access national or international markets.
- Appropriate governance structures to support the implementation of the project (either existing or soon to be in place).

- The ability to secure all necessary planning and environmental approvals and other licences/permits as required within a reasonable timeframe.

8 How to apply

Applications must be submitted through the department's [SmartyGrants grants portal](#) which provides an easy-to-use online application form. Please read the SmartyGrants [help guide for applicants](#) and the [frequently asked questions](#) before starting your application.

You must register (or login if you have registered for SmartyGrants previously) before you can start an application. We recommend previewing online or downloading the application form to review the information required before starting your application.

SmartyGrants allows users to save progress and return to the application before submitting. Once you have submitted your application, you will be unable to make changes, including adding attachments or additional information.

Information in the application should be clear, concise, relevant and include necessary supporting documentation.

Applications must be authorised by the Chief Executive Officer or delegated authority of the applicant organisation.

Once lodged, your application will be formally acknowledged through the online portal.

9 Notification of application outcomes

All applicants will be notified in writing of the outcome of their application.

The State and Australian governments have discretion to publicly announce projects.

10 Funding agreement, payments and reporting requirements

10.1 Funding agreement

Successful applicants will be required to enter into a funding agreement with the State Government as represented by the department. The funding agreement will outline the terms and conditions of the grant including requirements for milestone reporting.

10.2 Payment

Funding will be paid in accordance with the terms and conditions of the funding agreement. This will include the key milestone payment schedule.

Only costs incurred after the execution of a project funding agreement are eligible for grant funding.

10.3 Milestone reporting requirements

Funding agreements will include requirements for milestone reporting. These will be at a frequency no less than once a quarter.

Funding recipients must submit milestone and financial reports in a format provided by the department on specified dates agreed in the funding agreement. Reports will be submitted via the SmartyGrants portal.

Information requested may include, but is not limited to:

- current project status
- outcomes/milestones achieved
- obstacles and resolutions
- expenditure against budget
- evidence of expenditure in the form of copies of paid invoices, receipts and/or financial statements
- variations to timescales or budget
- forthcoming actions.

10.4 Final report

Funding recipients must submit a final project report and expenditure statement which will include, but is not limited to:

- a summary of activities undertaken, outputs delivered and outcomes achieved

- a description of all income and expenditure for the project and evidence of grant funds expenditure signed by their Chief Financial Officer.

11 Governance

- The application process does not create any legal relationship and is not a recommendation, offer or invitation to enter into a legal relationship, contract, agreement or other arrangement.
- The department reserves the right to vary the application process (including the variation of any dates or timeframes referred to) by issuing an addendum to applicants. It is the responsibility of applicants to verify whether any addendum has been issued.
- The pricing and proposed terms set out in a proposal will be deemed to remain valid and open to acceptance for at least 120 days and may be extended by mutual agreement between the department and the applicant.
- The department may ask applicants to submit additional information or clarify proposals during the application process and seek revised proposals from applicants at any time after the closing date and time.
- Selection of a successful applicant does not give rise to a contract (express or implied) between the successful applicant and the department.
- The department is under no obligation to appoint a successful applicant to this application process.
- Applicants should clearly identify any confidential information they have provided as part of their proposal. Such information will not be confidential if it is public knowledge or if the department has already obtained the information on a non-confidential basis.
- Applicants must not mark the whole or substantially the whole of their proposal as confidential. Applicants must not claim confidentiality for any part of proposal which is not genuinely confidential.
- The department shall in good faith appropriately secure and safeguard all applicants' provided documentation and shall keep all declared confidential information confidential. Applicants agree that the department may disclose any information in their proposals (including applicant confidential information) to the department's employees, agents, contractors or advisors on a need-to-know basis and for the purpose of evaluating or clarifying a proposal and subsequent dealings.
- In preparing a proposal, applicants must not engage in practices that might be regarded as collusive or anti-competitive.
- Applicants must declare and provide details within the application form of any conflict of interest (actual, perceived or potential) in relation to the application or the project.
- If the department believes any applicant has made any false or misleading statements, the department may in its absolute discretion exclude the relevant proposal from the evaluation process at any time.
- The department may exclude a proposal from consideration where the department believes it has been compiled using information improperly or

unlawfully obtained from the department or with the improper assistance of any person currently or previously associated with the department.

- Applications for funding will be assessed by the assessment panel against eligibility and assessment criteria. The assessment panel may seek advice from government agencies and independent technical experts, as required, to assist in determining which applications best meet the criteria.
- Applicants will be advised in writing of the outcome of the assessment of their application at the conclusion of the assessment process.
- All communications relating to this application process must be in writing by email to the Program Manager.

12 Further information

If you have any queries about the WA RMF, including eligibility and assessment criteria, please contact the Program Manager on 6364 7162 or 0481 061 311 during business hours or email wastegrants@dwer.wa.gov.au.