

Northern Territory Recycling Modernisation Fund – Round 2

Terms and Conditions



Australian Government



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1. Introduction

The Northern Territory Recycling Modernisation Fund is a joint initiative of the Australian Government and Northern Territory Government, providing \$3.8 million in funding support for industry infrastructure expansions or upgrades to address gaps in the Territory's waste recycling and diversion, reprocessing and remanufacturing capacity.

The NT Recycling Modernisation Fund (NT RMF) is a key element of the NT Circular Economy Strategy 2022-27 to strengthen the circular economy industry as a contributor to the Territory's vision to achieve a \$40 billion economy by 2030.

Round 1 of NT RMF offered \$2.33 million to seven projects including a tyre recycling plant and a glass recycling plant in the Northern Territory. The glass recycling project and the tyre recycling project shall process most of the waste glass and waste tyres, in the Northern Territory.

Round 2 of NT RMF provides \$1.47 million in funding support for industry infrastructure expansions or upgrades to address the Northern Territory's gaps in recycling, reprocessing or remanufacturing capacity. Round 2 will have a specific focus on addressing waste plastics or waste paper and cardboard within the Northern Territory, applications addressing these waste streams will be prioritised.

2. Background

In late 2019, the Council of Australian Governments (COAG) agreed to transform Australia's waste and recycling industry, banning the export of waste plastic, paper, glass and tyres while building Australia's capacity to manufacture high value recycled commodities and generate associated demand.

The Australian Government has entered into a National Partnership Agreement (NPA) with States and Territories to jointly invest in recycling infrastructure projects through Recycling Modernisation Fund to help build processing capacity and markets for recycled products.

The NT Recycling Modernisation Fund is a \$3.8 million investment, comprising \$1.9 million from the Australian Government and \$1.9 million in co-funding from the Northern Territory Government to boost the Territory's recycling industry. Round 1 of the NT RMF grant program utilised \$2.33 million to fund seven successful projects. Round 2 of NT RMF aims to utilise balance grant funding of \$1.47 million.

The fund supports [National Waste Policy Action Plan](#) targets and the NT Circular Economy Strategy 2022-27.

Funding will be invested in projects that create or improve domestic recovery, sorting, processing, reuse, recycling or remanufacturing of one or more COAG waste export ban (plastic, paper and cardboard, tyres or glass).

Under the National Partnership Agreement and co-funding arrangements, the Northern Territory Government will administer the NT Recycling Modernisation Fund through the Department of Industry, Tourism and Trade.

3. Program objectives and outcomes

Objective

The NT Recycling Modernisation Fund (NT RMF) is a joint initiative supported by the Australian Government and the Northern Territory Government to improve recycling outcomes by addressing critical infrastructure gaps in Northern Territory's waste management and resource recovery system.

Outcome

The key outcome of the NT RMF is the acceleration of projects that will facilitate greater resource recovery by:

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

The objectives and outcomes will be achieved by investment in projects that add value to waste materials and retain them as resources where possible within local economies. The projects will also support sustainable job creation, business growth and industry development, particularly in the regional and remote areas.

The NT RMF Round 2 is focused on:

- 1) Attracting private sector investment in new infrastructure to address the following waste streams:
 - **plastic***
 - **mixed and unsorted paper and cardboard***
 - **glass, in a whole or broken state (both formed packaging and flat sheet glass) and**
 - **whole used tyres, including baled tyres**

* NT RMF Round 2 priority waste stream

NT RMF Round 1 funded a glass recycling project and a tyre recycling project that shall process most of the waste glass and waste tyres, in the Northern Territory.

NT RMF Round 2 will prioritise applications that address gaps in the Territory's ability to manage waste plastic and waste paper and cardboard streams. Projects that address glass and tyre waste streams may still be considered in limited circumstances. Applicants considering a project addressing glass or tyre streams are encouraged to discuss their proposal with the Department of Industry, Tourism and Trade (DITT) by email at **NTRMF.DITT@nt.gov.au** before applying.

- 2) improving sorting, processing, reusing, recycling and remanufacturing of waste
- 3) facilitating waste avoidance, landfill diversion (including stockpile diversion / reduction), recycling and manufacturing activities
- 4) creating economic development opportunities, particularly in regional areas
- 5) creating job development opportunities, particularly in regional areas
- 6) building a stronger onshore recycling and manufacturing industry by developing new domestic markets for recycled materials
- 7) addressing the Northern Territory's regional and remote waste challenges where possible.

Definitions

Eligible Project is described in Section 4.2.

Applicant means an eligible organisation applying for funding under the NT RMF Round 2;

Application means an application (or relevant part of an application) made under the NT RMF Round 2 and includes the application form and any other supporting or additional information in whatever form provided by the applicant to the Department in connection with its application at any stage of the assessment process;

Approved waste includes plastic; mixed and unsorted paper and cardboard; glass, in a whole or broken state (both formed packaging and flat sheet glass); and whole used tyres, including baled tyres.

Auditable means able to be audited. In this document it refers to project costs to be maintained in a format that allows an auditor to examine records or financial accounts to check their accuracy.

Eligible organisation means an entity that satisfies the following criteria:

- (a) is a legal entity (a natural person or an incorporated entity), with or without a registered business name; and
- (b) holds a valid Australian Business Number and has been operating a business under that number for at least one year; and
- (d) proposes to carry out an eligible project with any grant funding provided to it; and
- (e) has the financial capacity and authority to commit co-funding of at least 50% of the total eligible project costs ; and
- (f) has a history of substantial compliance with all legislative requirements and its governing legislation and is fully compliant as at the date of the application.

Examples of entities that may be eligible organisations are, sole traders, partnerships, companies, local governing bodies and Aboriginal organisations noting that they must meet all the criteria outlined above. Eligible organisations may be for profit or not-for-profit.

Excluded organisations are public and private educational institutions, government agencies and government owned/controlled bodies and statutory corporations.

NT RMF means the Northern Territory Recycling Modernisation Fund;

Panel means an assessment panel made up of representatives of the Northern Territory Government and independent person/s from relevant industry.

Terms and conditions refers to these NT Recycling Modernisation Fund Round 2 terms and conditions, as amended from time to time;

The Department means Department of Industry, Tourism and Trade (responsible to administer NT RMF on behalf of the Northern Territory Government).

Website means www.nt.gov.au/recycling-modernisation-fund

4. Applicant and Project Eligibility

4.1 Organisation eligibility

Only an eligible organisation or a consortium of eligible organisations may apply. Where the applicant is made up of two or more organisations, one organisation must be the lead applicant, and if the application is successful the funding agreement shall be required to be with the lead applicant. Only one proposed project may be submitted by an applicant (including where the application is made by more than one organisation as a consortium).

Organisations successful in receiving grant funding in Round 1 of NT RMF are eligible to apply for Round 2 provided that:

- a) Grant funding is not sought for the same project or activities addressed in Round 1 and/or
- b) Grant funding is requested for priority waste streams, waste plastic and/ or waste paper and cardboard.

4.2 Eligible Projects

The fund is focused on attracting private sector investment in new infrastructure for projects that will include the recovery, sorting, processing, reuse and remanufacture of waste plastic, paper and cardboard, tyres and glass.

Projects likely to receive favourable consideration will facilitate waste avoidance, landfill diversion (including stockpile diversion/reduction) and recycling activities. E-Waste and other recycling projects will be considered, where the project focus (more than 50% of ultimate funding usage) is directed to the resource recovery of one or more of the materials affected by the COAG waste export ban.

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.

A proposed project **must** meet **all** of the following criteria:

- Operations to be located wholly in the Northern Territory
- Increase the capacity for domestic sorting, processing, recycling, reuse and/or remanufacturing of waste plastics*, mixed paper and cardboard*, glass or whole used tyres
- Deliver new or improved resource recovery, recycling and remanufacturing infrastructure
- Demonstrate a long term return (minimum 5 years) on investment to the Northern Territory in improving recycling, reprocessing and/or remanufacturing
- Be completed and operational by 30 June 2024.

*NT RMF Round 2 priority waste stream

The following proposed projects **will not** be considered:

- Energy-from-waste projects
- Landfill projects - construction of new landfills or landfill cells, improvement of existing landfills (excluding source separation equipment), new landfill equipment, capping of landfills or rehabilitation of legacy landfills
- Projects which result in wastes stored for greater than 2 years without an end-use
- Projects that have already commenced or are planned to commence regardless of financial support from government, for example:
 - your organisation is already contracted to provide the resource recovery infrastructure or service that is proposed, or to supply the recovered resources that are proposed to be produced by the project
 - funding has been approved and committed to the project regardless of the financial incentive offered under the NT RMF
 - construction has commenced or contracts have been executed for supply / construction of the facility
- Projects not directly resulting in new infrastructure investment, for example education and behaviour change programs, market development, strategy development, and feasibility studies
- Projects that have received Australian Government or Northern Territory Government funding or support for the same activities from other sources
- Requests for retrospective funding, where the project has commenced / committed to or been completed before signing a funding agreement
- Operating costs – existing staff costs (unless these are demonstrated to be directly related to the project), rent, electricity, water and other utilities or maintenance works
- Lease or purchase of land or travel, conferences and other educational activities
- Purchase of motorised vehicles (for example, front-end loaders, forklifts)
- Projects focused on existing waste that is not included in COAG waste ban

4.3 Eligible project costs

The applicant is encouraged to demonstrate that local suppliers and contractors will be engaged in accordance with the **Buy Local Plan** of the Northern Territory Government. Where significant expenditure outside of the Northern Territory is required and unavoidable (e.g. purchase of specialised equipment not available in the Northern Territory), this should be identified and explained in the application. It is mandatory to seek confirmation from Industry Capability Network, Northern Territory (ICN-NT) for interstate or international procurement and the confirmation must be uploaded as part of the application.

Eligible project costs must be in auditable form and must be capital costs for project specific investments such as for new, upgraded or expanded resource recovery facilities, large-scale technologies or for the purchase and installation of fixed plant and equipment required to fully commission new infrastructure.

The following items **will not be funded** and should be excluded from the estimate of eligible project costs for co-funding:

- Project development costs such as options analyses, feasibility studies, application development and due diligence
- Legal costs
- Any expenditure incurred prior to the project commencement date included in a funding agreement
- Development approvals and environmental licence application costs, including any impact assessment studies that may be required
- Compliance with regulation and licence conditions costs
- Civil works outside the direct project site such as road and drainage upgrades
- Site acquisition costs such as purchase or lease costs and any site rehabilitation costs
- Foregone profits or revenues due to the need to undertake modifications or upgrades to existing facilities for the project
- Leased equipment
- Operations and maintenance costs, including working capital
- Legal and financing costs and costs related to making, monitoring and administering the grant application (including for consultants)
- Existing plant and equipment which may be utilised in the new project
- Costs associated with general business operations such as rent, salaries and wages, leases and overheads
- Operational project costs such as travel (including for professional consultants), marketing, promotion and advertising, education and information campaigns and internal staff costs
- Contingency allowances (it is considered prudent for these to be included in the total project budget)
- Acquisition of property or assets from related entities

5. Funding arrangements for successful projects

The minimum funding request under the NT RMF Round 2 is \$20,000 (excluding GST).

The NT RMF will reimburse up to a maximum of 50 per cent of actual expenditure on eligible project costs.

Applicants must be able to provide the balance of eligible project costs not funded by the NT RMF Round 2 and all ineligible project costs required to complete the project in its entirety.

The applicant co-contribution may be obtained from internal funds as well as any funding sources including other participants in the project, other Northern Territory Government agencies and/or local government.

Applicants are required to provide a project budget identifying all project costs by line item. **All eligible and ineligible project costs should be included.** The project budget must include sufficient detail to show:

- that each item included as an eligible project cost meets the NT RMF Round 2 criteria as eligible
- the eligible and ineligible costs incurred for each deliverable
- the total costs for the overall project

Applications must be supported by written evidence, such as supplier quotations, (no older than three months) to verify and confirm projected project costs.

Applications will be assessed by the Panel against the criteria set out in Section 7 of these terms and conditions. If an application is successful, the applicant will receive a written offer from the Department with a Funding Agreement annexed, which will be required to be fully executed before any funding is advanced. All funding payments will link to completion of milestones set out in the funding agreement.

Applicants should note that funding agreements will contain a requirement that the funded project remain operational in the Northern Territory for a period of at least five years following completion of construction, including a requirement that all funded fixtures, fittings, equipment and vehicles (if relevant) remain located in the Northern Territory.

Applicants must nominate their required payment milestones and timeline noting the following:

- Project payment milestones and timing will be ultimately determined by the Department under the funding agreement.
- An initial milestone payment of up to 10 per cent payment of the total approved grant amount may be approved and will be made following execution of the funding agreement and upon satisfaction of any preconditions.
- Funding will then be provided in instalments and paid in arrears upon verified, successful and timely completion of agreed project deliverables and evidence of expenditure.

Eligible organisations that are funded will be required to provide progress reports to the Department to demonstrate that the project is being delivered on schedule. A completion report including financial acquittal will be required within 60 days of project completion. Templates for these reports will be provided on the website before the completion of any funding agreement/s entered into, and for the five years following the conclusion of the Funding Agreement to ensure compliance with the requirement to remain operational for a period of at least five years following completion of the project.

The Department reserves the right to undertake an audit of the project to monitor progress and / or appoint an independent advisor to undertake an audit of approved projects at any time during the term of the funding agreement.

6. Application and panel assessment process

Applications must be made by completing the application process set out on the website. Applications will open on **6 December 2022 at 10:00am (ACST)** and close on **28 February 2023 at 4:00pm (ACST)**. Late submissions will be excluded from the first round of assessments, however additional assessment round/s may be offered if the grant funding pool is not completely committed from assessment of first round applications. Any information in that regard will be published on the website.

There is a two stage assessment process:

Stage 1 Applications undergo an initial due diligence process (determination of eligibility of both organisation and project – Stage 1)

Stage 2 Applications deemed eligible in Stage 1 will be referred to the Panel for competitive assessment using the criteria set out in Section 7 (see below). Applicants will be notified if their application will proceed to Stage 2.

Once applications have been assessed by the Panel (Stage 2), recommendation/s will be made by the Panel to the Department and reviewed by a nominated representative of the Australian Government (“Commonwealth”), after which a decision will be made by the Department. Projects may be made public by the Department and the Australian Government.

The decision conveyed to the applicant is final and binding at every Stage and no further discussions will be entered into.

All projects must be completed and operational by 30 June 2024 and remain operational for a period of at least five years following completion of the project.

The Department reserves the right to offer grant funding in a different amount to that requested and upon such terms and conditions of the funding agreement that it determines in its absolute discretion.

7. Assessment Criteria

Proposals will be assessed by the Panel against the following criteria at the assessment stage. The information required to respond to each criteria will be included in the application form.

Criterion #	Criteria	Weighting
1	<p>Increase in processing capacity and use of one or more COAG waste ban materials including:</p> <ul style="list-style-type: none"> • increasing the value of new products produced from the processed or remanufactured waste • development of waste industry supply chain and secondary markets • access to offtake markets similarly demonstrated through Heads of Agreement, Letters of Support, Memorandums of Understanding or similar 	30%
2	<p>Benefits of project to creating a circular economy and supporting the Australian Government National Waste Action Plan and the NT Circular Economy Strategy including:</p> <ul style="list-style-type: none"> • achieve Australian Government and Northern Territory Government diversion targets for the waste streams of tyres, glass, plastic and paper. • acceleration of private sector investment • demonstrated long-term sustainability of the new operation • the contribution to transitioning the NT towards a circular economy. 	20%
3	<p>Capability, capacity and resources and experience to deliver the project including:</p> <ul style="list-style-type: none"> • corporate and financial stability of applicant and satisfactory history of good governance • access to feedstocks demonstrated through Heads of Agreement, Letters of Support, Memorandum of Understanding or similar • access to secure and confirmed financial resources to deliver the project • ability to secure all necessary planning and environmental approvals and other licences / permits as required within a reasonable timeframe • demonstrated experience and capability in delivering similar projects 	20%

	<ul style="list-style-type: none"> • comprehensive project plan • well considered risk identification and management plan • demonstrated regulatory compliance • demonstrated recording and reporting systems to measure outcomes 	
4	Benefits to the NT economy including employment and small business including: <ul style="list-style-type: none"> • local benefits particularly local employment in the project location or regional and remote areas • support offered to small businesses • consideration of community and broader social impacts • community perception of project and organisation 	20%
5	Value for money <ul style="list-style-type: none"> • Government investment per tonne of waste diverted • amount of private sector investment compared to government investment 	10%

8. Advice and support

For enquiries about these Terms and conditions, please contact the Department of Industry, Tourism and Trade (DITT) by email at NTRMF.DITT@nt.gov.au

For any concerns about the assessment process undertaken by the Panel at Stage 2, please contact NTRMF.DITT@nt.gov.au in the first instance.

The Australian and the Northern Territory Governments are committed to the highest standards of probity in the assessment of applications of grants in a competitive environment and the Department will conduct an internal review where concerns are raised. If an applicant is aggrieved once that review has been undertaken it may contact the Ombudsman at <https://www.ombudsman.nt.gov.au>

9. Confidentiality

The Department will maintain controls in relation to the management of confidential information provided by applicants and all internal documentation produced in relation to the administration of the NT RMF Round 2.

Eligible organisations must keep confidential any dealings with the Department about their application, including any funding offered, but may make disclosures to advisors who are under an obligation of confidentiality or if required by law.

The Northern Territory Government reserves the right to publicly disclose the names of applicants, information about funding granted and details about the anticipated economic

outcomes and benefits of projects to the Territory. This information shall also be publicly disclosed on Australian Government's Recycling Manufacturing Fund webpage.

The Northern Territory Government shall disclose all information on the project or provided by applicants to the Australian Government. In addition, the Northern Territory Government may also disclose confidential information of, or provided by, applicants:

- if required to be disclosed by law;
- to its advisors, consultants and contractors.
- to any government agency (including any agency of the Australian Government) and to Parliament and any Minister of the Parliament of the Northern Territory.

10. Relationship

The Department's obligations regarding the application process are limited to those expressly stated in these guidelines.

No contractual or other legal relationship exists between the Department and an applicant in connection with the NT RMF Round 2, these guidelines or the application process.

An applicant must not, in relation to the Department:

- a) hold itself out or engage in any conduct or make any representation which may suggest to any person that the applicant is for any purpose an employee, agent, partner or engaged in a joint venture; or
- b) represent to any person the named entities that are a party to or involved in the proposed project (other than as a potential funder, subject to the application process and confidentiality obligations detailed in these guidelines).

11. Participation at applicant's cost

Each applicant participates in the NT RMF Round 2 at its own cost and risk.

To the extent permitted by law, no applicant will have any claim of any kind whatsoever against the Department (whether in contract, tort (including negligence), equity, under statute or otherwise) arising from or in connection with:

- a) any costs, expenses, losses or liabilities suffered or incurred by the applicant in preparing and submitting its application (including any amendments, requests for further information by the Department attendance at meetings or involvement in discussions) or otherwise in connection with the NT RMF Round 2;
- b) the Department, at any time exercising or failing to exercise, in its absolute discretion, any rights it has under or in connection with the NT RMF Round 2; or
- c) any of the matters or things relevant to its application or the NT RMF Round 2 in respect of which the applicant must satisfy itself, including under these guidelines.

Without limiting the foregoing, if the Department cancels or varies the NT RMF Round 2 at any time or does not select any applicant following its assessment of the applications, or does (or fails to do) any other thing referred to under these terms and conditions, no applicant will have any

claim against the Department arising from or in connection with any costs, expenses, losses or liabilities incurred by the applicant in preparing and submitting its application or otherwise in connection with or in relation (whether directly or indirectly) to the NT RMF Round 2.

12. Intellectual property

Any intellectual property rights that may exist in an application will remain the property of the applicant or the rightful third party owner of those intellectual property rights. Any part of an application considered to contain any intellectual property rights should be clearly identified by the applicant and where a third party or parties hold any intellectual property rights in any part of an application the applicant warrants to the Department that it is authorised by that third party to use and disclose that intellectual property for the purposes of the making of and the management of the application until such time as a funding agreement is executed.

The applicant grants to the Department (and will ensure that relevant third parties grant) a non-exclusive, irrevocable licence to use and reproduce the intellectual property for the purpose of administering the NT RMF Round 2. The funding agreement will contain specific provisions about intellectual property.

13. Privacy

All participants acknowledge that the Department will, in addition to anything specifically referred to in these Terms and Conditions, conduct such due diligence enquiries as it sees fit throughout the participation process and through the term of any agreement, in order to ensure the integrity of the NT RMF and that the allocated funding is to be used strictly for the purpose stated in the application/agreement. Such enquiries may include (but are not necessarily limited to) company, association and business name searches on a Business, title and other searches for the Premises, searches of the courts and/ or the Trustee in Bankruptcy, credit checks, and enquiries of private businesses or institutions as the Department sees fit, together with any enquiries as to matters contained in its application.

All Participants must be solvent at the time of participating in the NT RMF Round 2 and must have no reason to believe that they may become insolvent during the period of their participation in the NT RMF Round 2. If a Participant has an external administrator or liquidator appointed or the Department receives other evidence of insolvency then the Department may (but is not obliged to) terminate participation by the insolvent entity (acting reasonably having regard to the circumstances).

All Participants in the NT RMF Round 2 acknowledge and accept that the Department will seek from, and share, information with other Northern Territory Government agencies, as well as such external professional advisers as it may need to do in order to assess eligibility, such as conveyancers/ solicitors.

Personal information may be collected as part of the application process and will be used to assess your eligibility for the NT RMF Round 2, including conducting due diligence, and if approved, subsequent NT RMF management and administration.

The Department has a legal obligation under the *Information Act 2002 (NT)* not to disclose personal information other than for the primary purpose for which it was collected, unless otherwise agreed to or authorised by law.

The Department will handle your personal information in accordance with its [Privacy Policy](#) which outlines how you can access or seek to correct your personal information, or lodge a complaint about a breach of the Northern Territory's Privacy Principles.

In addition to the Privacy Laws, the Department is subject to, and may do anything in connection with the NT RMF that may be required for compliance with the *Public Interest Disclosure Act 2008 (NT)* or the *Independent Commissioner against Corruption Act 2017 (NT)*.

The Department reserves the right to conduct an audit of a Participant (including inspecting records of expenditure of funding or attending at a Participant's place of business to inspect progress through all stages of the NT RMF Round 2) at any time during the period of participation or within 12 months after the conclusion of the Applicant's participation in the NT RMF Round 2 or the expiry or termination of a funding agreement, at its discretion.

14. Compliance with Laws

By applying to participate and as a continuing obligation throughout any period of participation in the NT RMF – Round 2, all Participants must comply with all laws relevant to their participation in the NT RMF Round 2 including, without limitation, the *Independent Commissioner Against Corruption Act 2017*.

Participants warrant to the Department that they have read, understood and fully accept NT RMF Round 2 terms and conditions and fully release and indemnify the Department against any loss or damage he / she / it / they may suffer of any nature whatsoever (including without limitation personal injury or death) caused or contributed to by their participation in the NT RMF – Round 2.

15. Program duration and changes

The program will end when the funding is fully committed. Timelines applicable to each Stage will be published.

The Department reserves the right to:

- vary these NT RMF Round 2 Terms and Conditions, the eligibility requirements or any other documented rule, procedure or information relating to the NT RMF Round 2 at any time without notice, whether retrospectively or otherwise;
- accept or reject any application for participation in any stage of the NT RMF Round 2 in its absolute discretion;
- cease the NT RMF Round 2 at any time without any liability to any participant should Northern Territory Government or Commonwealth Government policy change or the budget allocation for the NT RMF be re-prioritised or reduced.