

Resource Recovery Industry Development Program

Stream Three: Resource Recovery Investment Pipeline Fund

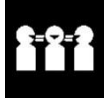
Guidelines

September 2018

The Department of State Development, Manufacturing, Infrastructure and Planning improves productivity and quality of life in Queensland by leading economic strategy, industry development, infrastructure and planning, for the benefit of all.

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Any references to legislation are not an interpretation of the law. They are to be used as a guide only. The information in this publication is general and does not take into account individual circumstances or situations. Where appropriate, independent legal advice should be sought.

Copies of this publication are available on our website at www.dsdmip.qld.gov.au and further copies are available upon request to:

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1. Introduction

On 20 March 2018, the Queensland Government announced the development of a comprehensive waste management strategy underpinned by a waste disposal levy to increase recycling and recovery, create new jobs and provide the resource recovery and waste sector with the policy certainty it needs to invest in new and expanded resource recovery facilities and infrastructure in Queensland.

The [Transforming Queensland's Recycling and Waste Industry Directions Paper](#), and a Recycling and Waste Management Stakeholder Advisory Group is providing advice and guidance to the Queensland Government to help inform the development of the new waste management strategy which aims to:

- attract industry investment and innovation;
- create new jobs for Queensland communities;
- have no direct impact on Queensland households;
- deliver long-term value to the environment; and
- move Queensland towards a circular economy.

It is proposed that a waste disposal levy be introduced in March 2019 and be initially set at \$70 per tonne of general waste sent to landfill. The levy will reduce the incentive to dispose of waste to landfill, make material that is currently disposed of more attractive to be diverted as a feedstock for bioindustrial industries and create new industries that manufacture products for re-use, recycling and reprocessing. The levy will provide source funding to implement the [Resource Recovery Industry Development Program](#).

1.1 The Resource Recovery Industry Development Program

The Resource Recovery Industry Development Program (RRIDP) will provide financial assistance for the development of projects aimed at:

- facilitating waste avoidance, landfill diversion (including stockpile diversion / reduction) and recycling activities;
- enhancing economic development opportunities led by building advanced processing and technology capacity;
- facilitating and encouraging waste infrastructure investment; and
- promoting regional market and job development opportunities.

The RRIDP offers three streams to address projects of varying scales and areas of focus. **These guidelines are for Stream Three, the Resource Recovery Investment Pipeline Fund.**

Stream One: Resource Recovery Grants Fund

The first stream is a capital grants stream with dollar-for-dollar grants available from \$50,000 to \$5 million to provide funding for infrastructure projects which will enhance or build new facilities or for capital investments in new processing and technological capabilities that align with the RRIDP and its objectives.

Stream Two: Resource Recovery Project Fund

This is a broader financial incentives stream to attract or expand major resource recovery projects in Queensland. A project supported under Stream Two will deliver significant landfill diversion and resource recovery outcomes. Stream Two is well suited to projects which have the potential to result in significant benefits to Queensland, relative to the State's contribution. Applications will be considered on a case by case basis, with a successful project rated as of exceptional merit relative to the key objectives of RRIDP.

Stream Three: Resource Recovery Investment Pipeline Fund (these guidelines)

The third stream is funding for studies for proposed projects that wish to deploy demonstrated technology but require further detailed technical and professional investigations to assist with resource recovery infrastructure investment decisions in Queensland.

2. Stream Three: Resource Recovery Investment Pipeline Fund

2.1 Overview

The **Stream Three: Resource Recovery Investment Pipeline Fund** (Stream Three) will provide an allocation of funds targeted at assisting applicants to undertake eligible activities to finalise critical outstanding issues in order to make an investment decision relating to an eligible project. Grants of up to \$1 million will be provided to successful applicants for expenditure on eligible activity costs. Applications will be invited on an ongoing basis during the life of Stream Three. More details on eligibility and assessment are included in section 2.3 – 2.6.

In these guidelines, a reference to an activity is a reference to an activity for which funding is sought under Stream Three. A reference to a project is a reference to a proposed resource recovery infrastructure project to which the activity relates. For example, for a feasibility study for the establishment of a recycling facility, the feasibility study is the activity and the recycling facility is the project.

All proposed activities seeking financial assistance through Stream Three will need to meet a clear set of eligibility and assessment criteria, and any financial assistance provided will be underpinned by a rigorous assessment and approval process, contract management and reporting framework to ensure the benefits from all financial incentives flow through to the wider community and result in a net benefit for Queensland.

2.2 Objectives

The key objectives of Stream Three are to:

- grow Queensland's biofutures and resource recovery industries and attract investment in new infrastructure;

- encourage proponents to consider Queensland as a viable location to establish their resource recovery project;
- create new jobs including skilled jobs in innovation and new industries, and new jobs in regional areas; and
- move Queensland towards a circular economy, adding value to waste resources and retaining them within local economies.

2.3 Eligibility

2.3.1 Applicants

To be eligible to apply applicants must:

- be a legal entity* with an active Australian Business Number (ABN) or Australian Registered Body Number (ARBN);
- propose capital investment in resource recovery infrastructure to be located in Queensland;
- have obtained internal approval** to make the Application;
- have the financial and technical capacity to deliver the resource recovery project; and
- have a history of effective regulatory compliance.

*The applicant organisation may be a business, local government (including local government owned / controlled organisations) or a not-for-profit or non-government organisation. The applicant may also be in the process of establishing a business for the purpose of launching a resource recovery project.

Regional groups of councils and partnerships between industry and local government are also encouraged to apply, but one organisation should be identified as the lead applicant and administrator of the activity. Individuals and sole traders are not eligible.

** For local government applicants, this would comprise an endorsement of the activity from elected members. For other organisations, this may require sign-off from executive management or the board.

2.3.2 Eligible activities

To be eligible for funding under Stream Three, an activity must relate directly toward projects of suitable technical readiness that requires support for investigations such as advanced site investigations or late stage feasibility studies.

This could include high level options analysis and preferred option selection, initial indication cost estimation, engineering integrity assessment or engineering inspection.

Eligible projects

Stream Three is not a technology research and development assistance program. Proposals that seek funding to develop new plant and equipment are not eligible.

To be an eligible project for the purposes of Stream Three, the proposed project to which the proposed activity relates must:

- contribute to the growth of the biofutures and resource recovery industries in Queensland;
- be located in Queensland;
- recover waste materials that are currently being landfilled, or materials that are recovered to low value outlets;
- deliver new or improved resource recovery infrastructure;
- use only technology and solutions that have successfully demonstrated commercial capability in the market.

The proposed activity should contribute to investment decisions relating to potential projects which may include but are not limited to:

- new or expanded collection and transfer infrastructure, for example
 - kerbside collection systems
 - commercial waste collection systems
 - resource recovery centres and recycling drop off centres;
- new or expanded organics processing, for example
 - enclosed or in-vessel composting systems
 - anaerobic digestion, wet or dry;
- new or expanded recovery / sorting facilities, for example
 - upgrades to recycling facilities to meet tighter product quality standards
 - upgrades to mixed waste processing facilities;
- recovery of construction and demolition waste, for example
 - upgrades to existing facilities
 - new facilities where there is limited capacity;
- reprocessing, for example
 - refining of sorted recyclable material into higher quality products
 - manufacturing of new products from sorted recyclables;
- new bioprocessing facilities, for example
 - processing bio-waste into reusable resources or energy;
- energy-from-waste, for example
 - energy generated from single stream or mixed wastes;
- industrial biotechnology and bioproducts infrastructure, for example
 - co-generation energy production
 - biofuel production
 - high value output bioproducts;
- on-site and precinct solutions, for example
 - small scale or precinct-based treatment and recovery that reduce waste generated by a specific business or group of businesses.

Ineligible projects

The following proposed projects are not considered eligible for activity funding and therefore Stream Three activities supporting them will not be considered:

- 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 that have already commenced or are planned to commence regardless of financial support from the Government, for example:
 - the applicant is 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 grant
 - construction has commenced, or contracts have been executed for supply / construction of the facility;
- projects undertaken outside of Queensland;
- infrastructure that is primarily intended to process wastes imported from jurisdictions outside of Queensland;
- projects which have not yet demonstrated the commercial capability of the technology being deployed;
- projects not directly resulting in new infrastructure investment, for example, education and behaviour change programs, market development, strategy development, and feasibility studies;
- projects already funded by grants from local, state or federal government departments for the same project costs.

2.3.3 Activity costs

Under Stream Three, grants will be provided for expenditure on eligible activity costs.

Activity costs to be eligible for consideration must be auditable and must be for extra studies and planning, for example site assessments required to finalise and resolve critical outstanding project issues. These must genuinely constitute technical advice procured by the applicant and be intended to directly advise the applicant, so it may complete project planning to the satisfaction of investors.

Ineligible costs may include but are not limited to:

- activities that commenced prior to the signing of a funding agreement;
- statutory fees and charges and any costs associated with obtaining regulatory and/or development approvals;
- ongoing costs for business administration, operation or maintenance;
- remuneration of employees for work not directly related to the proposed activity;
- any overhead charges such as offices leases and insurance;
- vehicle purchasing or leasing.

The quantum of funding approved will be negotiated on a case by case basis to a maximum of \$1 million, depending on the scale of the project being proposed.

The applicant is encouraged to demonstrate that local suppliers and contractors will be engaged wherever reasonably practicable. Where significant expenditure outside of Queensland is required and unavoidable (e.g. specialised technical advice not available in Queensland), this should be noted and explained.

2.4 How to apply

Notification of the opening of Stream Three will be provided via multiple channels including email, social media and advertising. Stream Three is an open round, single

stage process with Applications invited on an ongoing basis during the life of Stream Three and assessed on a case by case basis.

2.5 Application and Assessment process

Applicants will be required to submit the following information as part of their Application and demonstrate how the activity will address current knowledge gaps:

- a description of the proposed activity and how it will support a final investment decision for an eligible project;
- project background, including the current situation and what problems the activity will address;
- project description, including site details (if known), technologies proposed, processing capacity and waste flows. Waste flows refer to inputs, output of recovered materials and / or energy products and residual waste to landfill;
- project viability, particularly in relation to feedstock markets for waste supply and offtake markets for recovered products;
- information will also be requested to perform a financial evaluation to ensure a potential return on investment;
- project risks, potential consequences and mitigation measures that will be put in place to manage the risks; and
- benefits, expected outcomes and measures of success if the Application is successful.

Applications will then be assessed by the Department against the eligibility and assessment criteria.

Applicants may be contacted during the assessment process to clarify any information provided in the Application and / or to request further information to enable a due diligence and probity assessment to be undertaken. The Department may also consider information from its own and other sources. Where necessary, a full technical assessment will be undertaken by industry experts, selected by the Department in its absolute discretion.

There is no guarantee of approval at any stage in the process, and applicants will be notified in writing of the outcome of their Application. In the event of oversubscription to Stream Three, Applications will be considered relative to the total funding available.

The State reserves the right to offer grant funding in a different amount or with alternative conditions, to that requested by the applicant.

Advice and support

A list of Frequently Asked Questions (FAQ) will be available once Stream Three opens to assist with preparation of Applications.

Questions and response to questions asked after Stream Three opens will be added to the FAQ. The Department may in its discretion determine not to publish questions and responses where they are project or Application specific or do not have general application. Applicants should check the FAQ for updates prior to submitting their Application.

The Department is not able to directly assist in the preparation of Applications.

The decision in relation to an Application is final and may not be appealed. If however, an applicant has any concerns in relation to the application or assessment process, an applicant may raise their concern at biofutures@dsmip.qld.gov.au and this will be considered.

The Department welcomes feedback on the RRIDP. Further information about providing feedback, compliments or complaints to the Department can be found [on our website](#).

2.6 Assessment criteria

Proposals will be assessed against the following criteria which must be addressed in the Application:

- contribution to the development of an improved, more robust resource recovery and biofutures industry, for example how the activity will move a project to assist toward Queensland transitioning to a circular economy (40%)
- viability of the project, for example the applicant has good access to feedstocks and the financial evaluation is sound (20%)
- project delivery and risk management, for example the applicant is resourced to successfully manage the activity and future stages of the project (25%)
- value for money, for example the degree to which the project delivers value for money to the Queensland Government through economic, social, environmental and / or regional benefits to Queensland (15%).

2.7 Funding arrangements

Successful applicants will be required to execute a funding agreement with the State. This funding agreement will outline the terms of the proposed funding and detail the milestones to be achieved by the applicant.

Funding will be linked to the achievement of performance criteria, and an applicant will be required to provide regular progress reports and milestone completion reports to the State which demonstrate that the activity is being delivered as agreed and on schedule, and an activity completion report.

The Government reserves the right to undertake an audit of the activities to monitor progress and / or appoint an independent advisor to undertake an assessment of the activities.

2.8 Tax obligations

Grants may be treated as assessable income for taxation purposes and GST may also be applied. The State does not provide advice to applicants and recommends applicants seek independent professional advice on their tax obligations.

2.9 Program evaluation

As a new initiative of the Queensland Government, the RRIDP will be continuously monitored and reviewed, at a minimum annually, to ensure that the program effectively achieves its objectives. As such, these guidelines may be updated from time to time.

3. Communications

3.1 Media

All media enquiries or public announcements relating to Stream Three will be coordinated and managed by the Department's media team. Where possible, media and communications about projects and activities will be undertaken jointly with successful applicants. Applicants will be required to:

- seek and obtain the Department's approval before making public statements, or contacting the media, regarding successful or unsuccessful Applications through Stream Three;
- provide the Department with at least 25 business days' notice of any proposed media event; and
- provide any proposed media or public statement to the Department for approval prior to its release as well as making any changes or amendments to the form, content or manner reasonably requested by the Department.

3.2 Confidentiality

The Department will maintain strict controls in relation to the management of confidential information provided by applicants and all internal documentation produced in relation to the administration of Stream Three.

Applicants 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 State reserves the right to publicly disclose the names of applicants, information about funding granted and details about the anticipated economic outcomes and benefits to the State.

The State may also disclose any confidential information of, or provided by, the applicant:

- if required to be disclosed by law;
- to its advisors;
- to comply with or meet applicable standards for accountability of public money or established governmental policies, procedures or protocols; or
- to a government agency.

3.3 Contact details

For enquiries or assistance on these consultation guidelines, please contact the Department of State Development, Manufacturing, Infrastructure and Planning:

Email: rridp@dsdmip.qld.gov.au
Phone: 13 QGOV (13 74 68)

4. Glossary

Application – means an application (or a relevant part of an application) made for funding under Stream Three and includes any supporting or additional information provided by the applicant to the Department in connection with the application.

Circular economy – a circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life.

Department – the Queensland Department of State Development, Manufacturing, Infrastructure and Planning.

Feedstock – raw materials sourced as inputs for the process.

Offtake market – the market in which producers of a resource sell.

Resource Recovery – when energy, a material, or a product is taken from waste and re-used.

State – the State of Queensland.

Stream Three – the Stream Three: Resource Recovery Investment Pipeline Fund.

5. Terms and Conditions

5.1 Reservation of Rights

The State reserves the right to administer Stream Three and conduct the process for the assessment and approval of Applications in connection with Stream Three in such manner as it thinks fit and to:

- a) change the structure, procedures, nature, scope or timing of, or alter the terms of participation in, the process or overall RRIDP (including timeframes and submission and compliance of Applications);
- b) consider or accept or refuse to consider or accept any Application which;
 - i. is lodged other than in accordance with these guidelines;
 - ii. is lodged after the relevant closing date for lodgement;
 - iii. does not contain the information required by these guidelines; or
 - iv. is otherwise non-conforming in any respect;

- c) vary or amend the eligibility criteria or assessment criteria set out in these guidelines;
- d) take into account any information from its own and other sources (including other Government agencies or advisors);
- e) accept or reject any Application, having regard to these guidelines, the eligibility criteria and the assessment criteria or any other item, matter or thing which the State considers relevant, including the limitations on the funds available for Stream Three;
- f) give preference by allocating weighting to any one or more eligibility criteria or assessment criteria over the other;
- g) seek clarifications or additional information from, or provide clarifications or additional information to, negotiate or deal with, or seek presentations or interviews from, any applicant, without doing or requiring the same from all or any of the other applicants;
- h) conduct due diligence investigations in respect of any applicant and subject Applications to due diligence, technical, financial and economic appraisals;
- i) require an applicant to clarify or substantiate any claims, assumptions or commitment contained in an Application or provide any additional information;
- j) terminate further participation of any applicant in the application process for Stream Three;
- k) terminate or reinstate Stream Three or any process in Stream Three;
- l) not proceed with Stream Three in the manner outlined in these guidelines, or at all;
- m) allow the withdrawal or addition of any applicant after the closing date; and
- n) conduct negotiations with any one or more applicants after Applications have been lodged.

Where, under these guidelines, it is stated that the State may exercise a right or discretion or perform any act or omit to perform any act, then unless stated otherwise the State may do so at its sole and absolute discretion and will not be required to act, or be restrained from acting, in any way or for any reason nor to take into account the interests of any third party (including the applicants).

If the State does exercise any of its rights under these guidelines the State may inform any or all applicants. The State will not, however, be under any obligation to do so.

5.2 Relationship

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

Subject to section 5.7, no contractual or legal relationship exists between the State and an applicant in connection with Stream Three, these guidelines or the application process.

An applicant, or its representatives:

- a) has no authority or power, and must not purport to have the authority or power to bind the State, or make representations on behalf of the State;
- b) must not 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 joint venturer with the State; and
- c) must not represent to any person that the State is a party to the proposed project or activity (other than as a potential funder of the activity, subject to the application process and confidentiality obligations detailed in these guidelines).

5.3 Participation at applicant's cost

Each applicant participates in Stream Three at its own cost and risk.

To the extent permitted by law, no applicant will have any claim of any kind whatsoever against the State (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 State, attendance at meetings or involvement in discussions) or otherwise in connection with Stream Three;
- b) the State at any time exercising or failing to exercise, in its absolute discretion, any rights it has under or in connection with Stream Three; or
- c) any of the matters or things relevant to its Application or Stream Three in respect of which the applicant must satisfy itself, including under these guidelines.

Without limiting the foregoing, if the State cancels or varies Stream Three 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 guidelines, no applicant will have any claim against the State 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 to (whether directly or indirectly) Stream Three.

5.4 Applicant to make own enquiries

These guidelines have been prepared to give potential applicants background information in relation to Stream Three. These guidelines do not, and do not purport to contain all of the information that applicants may require in reaching decisions in relation to whether or not to submit an Application. Applicants must form their own views as to what information is relevant to such decisions and obtain their own independent legal, financial, tax and other advice in relation to information in these guidelines or otherwise made available to them during the application process.

The State accepts no responsibility whether arising from negligence or otherwise (except a liability that cannot lawfully be excluded) for any reliance placed upon the information supplied by it in connection with Stream Three or interpretations placed on the information by applicants.

5.5 Intellectual Property

Any intellectual property rights that may exist in an Application will remain the property of the applicant or the rightful 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.

The applicant grants to the State (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 Stream Three.

5.6 Privacy

In this section, **Personal Information** has the meaning given to that term in the *Information Privacy Act 2009* (Qld).

Personal Information provided by applicants may, in the course and for the purposes of assessment of the Application, be disclosed to the State's associates or project stakeholders.

If any applicant collects or has access to any Personal Information in connection with its Application or Stream Three, the applicant must comply, in relation to that Personal Information:

- a) (as if it were the State) with the Information Privacy Principles in the *Information Privacy Act 2009* (Qld); and
- b) with all reasonable directions of the State.

5.7 Acceptance

By submitting an Application, each applicant:

- a) warrants to the State that the information contained in its Application is accurate and complete as at the date on which it is submitted and not by omission misleading, and may be relied on by the State in determining whether or not to provide financial assistance to the applicant under Stream Three;
- b) undertakes to promptly advise the State if it becomes aware of any change in circumstances which causes the information contained in its Application to become inaccurate or incomplete in a material respect;
- c) acknowledges that the State will rely on the above warranty and undertaking when evaluating the Application;
- d) acknowledges that the State may elect to remove an applicant or elect not to further consider an Application at any stage as a result of a material change to the information presented in an Application;
- e) acknowledges that the State may suffer loss or damage if the applicant breaches the above warranty and undertaking; and
- f) is taken to have accepted these guidelines, including the terms and conditions and warrants for the benefit of the State it will not breach these

guidelines or seek to bring any claim, of any kind whatsoever, against the State which is precluded by these guidelines.