

NATIONAL PARTNERSHIP ON RECYCLING INFRASTRUCTURE

An agreement between

- the **Commonwealth of Australia** and
- the **States and Territories**, being:
 - ◆ New South Wales
 - ◆ Victoria
 - ◆ Queensland
 - ◆ Western Australia
 - ◆ South Australia
 - ◆ Tasmania
 - ◆ the Australian Capital Territory
 - ◆ the Northern Territory

This Agreement will contribute to improved recycling outcomes by addressing critical infrastructure gaps in Australia's waste management and resource recovery system.

National Partnership on Recycling Infrastructure

OVERVIEW

1. This National Partnership (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.

Purpose

2. In entering this Agreement, the Commonwealth and the States and Territories (the States) recognise that they have a mutual interest in improving outcomes in Australia's waste and recycling sector and need to work together to achieve those outcomes.
3. This Agreement will contribute to improved recycling outcomes by addressing critical gaps in Australia's recycling infrastructure needed to support successful implementation of the Council of Australian Governments (COAG) March 2020 decision to phase out the exports of waste plastic, paper, glass and tyres (COAG waste export ban).

Reporting Arrangements

4. The States will provide annual reports outlining the minimum required against the agreed reporting arrangements as set out in Part 4 – Performance Monitoring and Reporting. These annual reports are in addition to milestone reporting as set out in bilateral schedules to this agreement.

Financial Arrangements

5. The Commonwealth will provide an estimated total financial contribution to the States of \$190 million (GST exclusive) in respect of this Agreement, as set out in Part 5 – Financial Arrangements. The actual contributions to each State will be set out in the Schedules to this Agreement.

PART 1 – FORMALITIES

Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the States and Territories (the States).

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and one other Party sign it and will expire on 30 June 2024 or on completion of final performance reporting and processing of final payments against performance benchmarks or project milestones, whichever is later. The Agreement may be terminated earlier or extended as agreed in writing by the Parties.

PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

Objective

8. The objective of this Agreement is to improve recycling outcomes by addressing critical infrastructure gaps in Australia's waste management and resource recovery system.

Outcomes

9. This Agreement will facilitate greater resource recovery by:
 - (a) increasing the supply of quality recycled materials available for use; and
 - (b) increasing the capacity for domestic sorting, processing and manufacturing of materials affected by the COAG waste export ban.

Outputs

10. The objectives and outcomes of this Agreement will be achieved by investments in projects as agreed in bilateral Schedules to this Agreement. Guidance on eligible project activities is at Appendix A.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

11. The Commonwealth agrees to be responsible for:
 - (a) providing a financial contribution to the States to support the implementation of this Agreement;
 - (b) monitoring and assessing the performance in the delivery of projects under this Agreement to ensure that outputs are delivered and outcomes are achieved within the agreed timeframe;
 - (c) establishing a national waste data tracking system in consultation with States to support measurement of performance under this Agreement;
 - (d) where applicable, in accordance with the *Building and Construction Industry (Improving Productivity) Act 2016*, ensuring that financial contributions to a building project or projects are only made where a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted; and
 - (e) where applicable, ensuring that compliance with the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016) is a condition of Australian Government funding.

Role of the States and Territories

12. The States agree to be responsible for:
 - (a) providing a financial contribution to support the implementation of this Agreement in accordance with clause 19;
 - (b) delivering on outcomes and outputs of this Agreement;

- (c) reporting on the delivery of outcomes and outputs as set out in Part 4 – Performance Monitoring and Reporting;
- (d) working with the Commonwealth to develop the national waste data tracking system, including by: resourcing improvements to data collection and quality; providing data on the sources and fates of waste and recycled materials, including quantities, locations and movements; and improving the frequency of data provision;
- (e) wherever possible, incorporating use of recycled materials in projects, and track where it has been used for reporting purposes.
- (f) where applicable, ensuring that only a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
- (g) where applicable, ensuring that compliance with the Building Code 2016 is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.

Shared roles and responsibilities

- 13. The Commonwealth and the States agree to be jointly responsible for:
 - (a) participating in consultations as appropriate regarding the implementation of this Agreement; and
 - (b) negotiating new or revised Schedules to this Agreement.
- 14. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities in respect of an agreed project, and that the roles of both Parties will be acknowledged and recognised appropriately.

PART 4 – PERFORMANCE MONITORING AND REPORTING

Performance milestones

- 15. The milestones of each project or grants program, expected completion dates, relevant reporting dates and expected payments, are set out in bilateral Schedules to this Agreement. The Commonwealth will make payments subject to performance reports demonstrating that the relevant milestone has been met.

Reporting arrangements

- 16. The States will also report annually to demonstrate performance against the indicators at 16a-c below and that Commonwealth funding has been matched where applicable.. These reports will include:
 - (a) a statement of contributions from third parties including local governments and other non-government organisations where applicable;
 - (b) details of the number of jobs created as a result of investment in projects in the bilateral schedules to this Agreement; and
 - (c) details of projects funded, environmental benefits, economic benefits and contribution to the goals of this Agreement.

17. The States will also prepare a final Report, based on States annual reporting in clause 16, within 90 days of the completion of all the projects agreed under this Agreement. The Report will be a stand-alone document that can be used for public information dissemination purposes. The final Report will:
- (a) evaluate the Agreement, including assessing the extent to which the objective and outcomes have been achieved against the key performance milestones contained in the Agreement and/or Schedules, and explaining why any aspect was not achieved; and
 - (b) include a statement of final State funding contributions to the project and contributions from third parties including local governments and other non-government organisations.

PART 5 – FINANCIAL ARRANGEMENTS

Financial contributions

18. The Commonwealth will provide an estimated total financial contribution to the States of \$190 million in respect of this Agreement. All payments are exclusive of GST.
19. Unless otherwise specified in a bilateral Schedule to the Agreement:
- (a) the Commonwealth will contribute up to one-third of the cost of each project and States will at least match, with newly announced funding, the Commonwealth's contribution for each project; and
 - (b) States will ensure third parties, including local governments and other non-government organisations, provide remaining funding for each project.
20. Unless otherwise specified in a bilateral Schedule to the Agreement, if States do not at least match the Commonwealth's full financial contribution to a project funded under this Agreement, the Commonwealth may reduce its funding for that project to match the States' contribution or withhold payments until matching requirements are met.
21. Where a performance report demonstrates that a milestone is met in advance of the due date, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.
22. The Commonwealth's and the States' estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 1. States have the flexibility to move State financial contributions between financial years to meet project demands until the expiry of the agreement. Any variation to the estimated total contributions will be noted in the required performance reports.

Table 1: Estimated financial contributions

(\$ million)	2020-21	2021-22	2022-23	2023-24	Total
Estimated total budget	120	120	100	40	380
Estimated National Partnership payments ^(a)	60	60	50	20	190
Balance of non-Commonwealth contributions ^(b)	60	60	50	20	190

(a) Estimated National Partnership payments to each State will be set out in Schedules to this Agreement.

(b) Estimated non-Commonwealth contributions in this table comprise estimated State funding contributions only. Actual State funding contributions will be set out in schedules to this Agreement. As outlined at clause 19, Commonwealth funding will generally be subject to third parties making financial contributions to each project.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

23. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, this does not lessen the Parties' commitment to this Agreement.

Review of the Agreement

24. In accordance with clause E23 of the IGA FFR, this Agreement is time limited. To assess the degree to which the agreed objective, outcomes and outputs have been achieved, and inform decisions regarding the appropriate treatment following its expiry, an independent review of the Agreement will be scheduled to be completed approximately six months prior to its expiry.
25. This Agreement is intended to provide Commonwealth funding on a one-off basis to contribute to improved recycling outcomes by addressing critical gaps in Australia's recycling infrastructure and resource recovery. It is not anticipated that the Commonwealth will provide any further funding for these activities beyond the expiry of the Agreement. Whether any further funding is provided by the States is a matter for them to consider as the States are primarily responsible for waste and recycling activities.

Variation of the Agreement

26. The Agreement may be amended at any time by agreement in writing by all the Parties.
27. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

Delegations

28. The relevant Commonwealth Minister with portfolio responsibility for the environment is authorised to agree and amend the eligibility criteria at Appendix A to this Agreement, to agree and amend Schedules to this Agreement, and to certify that performance benchmarks or milestones specified under this Agreement have been achieved, so that payments may be made.
29. Respective State and Territory Ministers with portfolio responsibility for waste and recycling are authorised to agree and amend the eligibility criteria at Appendix A to this Agreement (to be agreed by all Parties in writing), and to agree and amend Schedules to this Agreement for their State or Territory (to be agreed with the Commonwealth in writing).
30. The Commonwealth Minister may delegate the assessment of project-based performance benchmarks or milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

31. Any Party may give notice to other Parties of a dispute under this Agreement.
32. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
33. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.


Interpretation

34. For the purposes of this Agreement:

- (a) **COAG waste export ban** means the decision taken on 13 March 2020 by the Council of Australian Governments to phase out the exports of waste plastic, paper, glass and tyres. COAG's March 2020 decision followed an initial announcement of intent on 9 August 2019. Definitions of these waste materials are provided in Appendix A.
- (b) **Recycling** means activities in which solid wastes are collected, sorted, processed, and converted into raw materials to be used in the production of new products.
- (c) **Resource recovery** is, for data collation purposes, the sum of materials sent to recycling and energy recovery net of contaminants and residual wastes sent to disposal.

The Parties have confirmed their commitment to this agreement as follows:

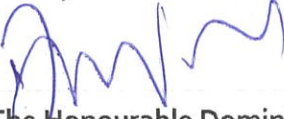
Signed for and on behalf of the Commonwealth of Australia by



The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia

10 / 9 / 2020

Signed for and on behalf of the State of New South Wales by



The Honourable Dominic Perrottet MP
Treasurer of the State of New South Wales

15 / 11 / 2020

Signed for and on behalf of the State of Victoria by

The Honourable Tim Pallas MP
Treasurer of the State of Victoria

/ / 2020

Signed for and on behalf of the State of Queensland by

The Honourable Cameron Dick MP
Treasurer of the State of Queensland

/ / 2020

Signed for and on behalf of the State of Western Australia by

The Honourable Ben Wyatt MLA
Treasurer of the State of Western Australia

/ / 2020

Signed for and on behalf of the State of South Australia by

The Honourable Rob Lucas MLC
Treasurer of the State of South Australia

/ / 2020

Signed for and on behalf of the State of Tasmania by

The Honourable Peter Gutwein MP
Premier of the State of Tasmania

/ / 2020

Signed for and on behalf of the Australian Capital Territory by



Andrew Barr MLA
Chief Minister of the Australian Capital Territory

10 / 9 / 2020

Signed for and on behalf of the Northern Territory by

The Hon Michael Gunner MLA
Chief Minister of the Northern Territory of Australia

/ / 2020

The Parties have confirmed their commitment to this agreement as follows:

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The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia

10 / 9 / 2020

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The Honourable Dominic Perrottet MP
Treasurer of the State of New South Wales

/ / 2020

Signed for and on behalf of the State of Victoria by

The Honourable Tim Pallas MP
Treasurer of the State of Victoria

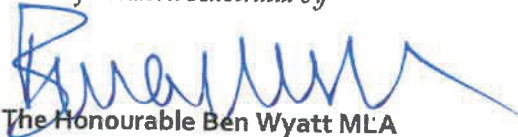
/ / 2020

Signed for and on behalf of the State of Queensland by

The Honourable Cameron Dick MP
Treasurer of the State of Queensland

/ / 2020

Signed for and on behalf of the State of Western Australia by



The Honourable Ben Wyatt MLA
Treasurer of the State of Western Australia

22 / 01 / 2020

Signed for and on behalf of the State of South Australia by

The Honourable Rob Lucas MLC
Treasurer of the State of South Australia

/ / 2020

Signed for and on behalf of the State of Tasmania by

The Honourable Peter Gutwein MP
Premier of the State of Tasmania

/ / 2020

Signed for and on behalf of the Australian Capital Territory by

Andrew Barr MLA
Chief Minister of the Australian Capital Territory

/ / 2020

Signed for and on behalf of the Northern Territory by

The Hon Michael Gunner MLA
Chief Minister of the Northern Territory of Australia

/ / 2020

The Parties have confirmed their commitment to this agreement as follows:

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The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia

10 / 9 / 2020

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The Honourable Dominic Perrottet MP
Treasurer of the State of New South Wales

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The Honourable Cameron Dick MP
Treasurer of the State of Queensland

/ / 2020

Signed for and on behalf of the State of South Australia by

The Honourable Rob Lucas MLC
Treasurer of the State of South Australia

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Andrew Barr MLA
Chief Minister of the Australian Capital Territory

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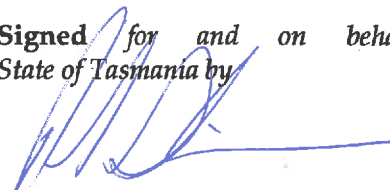
/ / 2020

Signed for and on behalf of the State of Western Australia by

The Honourable Ben Wyatt MLA
Treasurer of the State of Western Australia

/ / 2020

Signed for and on behalf of the State of Tasmania by



The Honourable Peter Gutwein MP
Premier of the State of Tasmania

20 / 10 / 2020

Signed for and on behalf of the Northern Territory by

The Hon Michael Gunner MLA
Chief Minister of the Northern Territory of Australia

/ / 2020

The Parties have confirmed their commitment to this agreement as follows:

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The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia

10 / 9 / 2020

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The Honourable Dominic Perrottet MP
Treasurer of the State of New South Wales

/ / 2020

Signed for and on behalf of the State of Queensland by

The Honourable Cameron Dick MP
Treasurer of the State of Queensland

/ / 2020

Signed for and on behalf of the State of South Australia by



The Honourable Rob Lucas MLC
Treasurer of the State of South Australia

17 / 12 / 2020

Signed for and on behalf of the Australian Capital Territory by

Andrew Barr MLA
Chief Minister of the Australian Capital Territory

/ / 2020

Signed for and on behalf of the State of Victoria by

The Honourable Tim Pallas MP
Treasurer of the State of Victoria

/ / 2020

Signed for and on behalf of the State of Western Australia by

The Honourable Ben Wyatt MLA
Treasurer of the State of Western Australia

/ / 2020

Signed for and on behalf of the State of Tasmania by

The Honourable Peter Gutwein MP
Premier of the State of Tasmania

/ / 2020

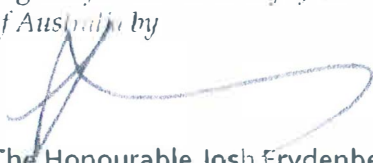
Signed for and on behalf of the Northern Territory by

The Hon Michael Gunner MLA
Chief Minister of the Northern Territory of Australia

/ / 2020

The Parties have confirmed their commitment to this agreement as follows:

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The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia

10 / 9 / 2020

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The Honourable Dominic Perrottet MP
Treasurer of the State of New South Wales

/ / 2020

Signed for and on behalf of the State of Victoria by



The Honourable Tim Pallas MP
Treasurer of the State of Victoria

23 / 12 / 2020

Signed for and on behalf of the State of Queensland by

The Honourable Cameron Dick MP
Treasurer of the State of Queensland

/ / 2020

Signed for and on behalf of the State of Western Australia by

The Honourable Ben Wyatt MLC
Treasurer of the State of Western Australia

/ / 2020

Signed for and on behalf of the State of South Australia by

The Honourable Rob Lucas MLC
Treasurer of the State of South Australia

/ / 2020

Signed for and on behalf of the State of Tasmania by

The Honourable Peter Gutwein MP
Premier of the State of Tasmania

/ / 2020

Signed for and on behalf of the Australian Capital Territory by

Andrew Barr MLA
Chief Minister of the Australian Capital Territory

/ / 2020

Signed for and on behalf of the Northern Territory by

The Hon Michael Gunner MLA
Chief Minister of the Northern Territory of Australia

12 / 11 / 2020

APPENDIX A

PROJECT ELIGIBILITY CRITERIA

- A.1 This Appendix provides guidance to States on projects that are eligible to be funded under this Agreement.
- A.2 Projects must support an increase in processing capacity and/or use of one or more of the following materials subject to the COAG waste export ban:
- (a) mixed plastics that are not of a single resin/polymer type and/or further sorting, cleaning and processing is required before use in re-manufacturing;
 - (b) single resin/polymer plastics that have not been re-processed (e.g. cleaned and baled PET bottles);
 - (c) mixed and unsorted paper and cardboard;
 - (d) unprocessed glass, in a whole or broken state (both formed packaging and flat sheet glass); and
 - (e) all whole used tyres, including baled tyres.
- A.3 Eligible projects could include:
- (a) new or upgraded materials recovery facilities;
 - (b) new equipment or facilities to increase domestic processing capacity of recyclable materials; and
 - (c) projects including trial projects to increase use of recyclable or recycled materials in manufacturing and/or infrastructure.
- A.4 For clarity, energy-from-waste projects are not eligible projects under this Agreement.
- A.5 Projects should maximise public value and private sector co-investment. Funding is to be directed to projects that are unlikely to proceed without government financial assistance or will only proceed at a much later date or with limited scope.
- A.6 As far as reasonably practicable, projects should be operational in time to reduce anticipated pressures associated with the commencement of the elements of the COAG waste export ban relevant to the project.¹
- A.7 Projects must be expected to be economically viable over their operational life.
- A.8 Projects should wherever possible address Australia's regional and remote waste challenges.

¹ COAG agreed to a phased implementation of the waste export ban as follows: unprocessed glass (from 1 January 2021); mixed plastics (1 July 2021); whole used tyres (1 December 2021); single resin/polymer plastics (1 July 2022); and mixed and unsorted paper and cardboard (1 July 2024).