

Food Waste for Healthy Soils Fund

FEDERATION FUNDING AGREEMENT - ENVIRONMENT

Table 1: Formalities and operation of schedule																					
Parties	Commonwealth Australian Capital Territory																				
Duration	This Schedule is expected to expire on 31 October 2025 or on completion of final performance reporting.																				
Purpose	<p>This Schedule supports the delivery of projects funded under the Food Waste for Healthy Soils Fund that include:</p> <ul style="list-style-type: none"> • infrastructure upgrades and developments that support the diversion of organic waste from landfill • an increase in the quantity and improvement to the quality, safety and consistency of recycled organic waste, especially for use in the agricultural industry and • development of sustainable markets for high-value nutrient rich compost and soil conditioners. 																				
Estimated financial contributions	<p>The Commonwealth will provide a maximum estimated total financial contribution of \$13 million to the Australian Capital Territory. All payments are GST exclusive.</p> <p>The estimated financial contribution to be provided by the Commonwealth is outlined in Table 1.</p> <table border="1"> <thead> <tr> <th>Table 1 (\$ million)</th> <th>2022-23</th> <th>2023-24</th> <th>2024-25</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>0</td> <td>24.0</td> <td>15.3</td> <td>39.3</td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td><i>0</i></td> <td><i>8.0</i></td> <td><i>5.0</i></td> <td><i>13.0</i></td> </tr> <tr> <td>Estimated balance of non-Commonwealth contributions</td> <td>0</td> <td>16.0</td> <td>10.3</td> <td>26.3</td> </tr> </tbody> </table>	Table 1 (\$ million)	2022-23	2023-24	2024-25	Total	Estimated total budget	0	24.0	15.3	39.3	<i>Less estimated National Partnership Payments</i>	<i>0</i>	<i>8.0</i>	<i>5.0</i>	<i>13.0</i>	Estimated balance of non-Commonwealth contributions	0	16.0	10.3	26.3
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Additional terms

Financial Contributions

- 1 The Australian Capital Territory is responsible for provision of funds and reporting on the implementation of the project listed in Table 3.
- 2 The Commonwealth will contribute up to one third of the cost of the project listed in Table 3 and the Australian Capital Territory will fund the remaining project costs.

Payments

- 3 The Commonwealth will make payments subject to the Australian Capital Territory demonstrating that relevant milestones have been met.
- 4 If the maximum Commonwealth payment shown in Table 2 is not made in a given financial year the Commonwealth may move funds into a later year at its discretion. The Commonwealth makes no guarantee that unspent funding (if any) will be carried into later years.

Reporting

- 5 The Australian Capital Territory will report annually to demonstrate performance against indicators a – c below and that Commonwealth funding has been matched. These reports will include:
 - (a) a statement of funds paid to the tenderer selected to undertake the project
 - (b) details of projects:
 - 1 progress made in delivering the project including:
 - i) progress made to finalise funding arrangements between the Australian Capital Territory and the tenderer selected to undertake the project
 - ii) progress made to obtain appropriate regulatory approvals to conduct the project
 - iii) construction/installation progress
 - 2 the number of full-time equivalent (FTE) jobs created during the construction phase of the project
 - (c) for completed projects:
 - 1 the volume of additional organic waste each facility is able to process each year (total additional capacity)
 - 2 the volume of additional organic waste actually being processed following project commissioning (actual used capacity)
 - 3 the markets that have been/are being developed for recycled organic products produced by each facility
 - 4 the number of ongoing FTE jobs created as a result of the project
 - 5 project benefits realised including how the quality, safety and consistency of recycled organic products has been improved.

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| 6 | The Australian Capital Territory will provide project data to the Commonwealth on a quarterly basis. |
| 7 | The Australian Capital Territory is responsible for providing early advice to the Commonwealth on projects that are unlikely to progress or if issues arise that will impact project completion. |

Table 2: Milestones, reporting and payment summary

Output	Performance milestones	Report due	Payment
Delivery of projects listed in Table 3.	Milestone 1 <ul style="list-style-type: none"> Tender process to select a third party to construct the facility is underway. 	30 April 2023	Nil
	Milestone 2 <ul style="list-style-type: none"> Confirmation of the successful tenderer and the total project cost. Quarterly project data provided for the periods ending 31 December, and 31 March. The value of payments made or expected to be made to the industry partner consistent with this agreement for the period of (1 July 2023 – 30 June 2024) 	30 April 2024	Equal to: The Commonwealth's co-contributions to payments made or expected to be made under this agreement for the period (1 July 2023 – 30 June 2024) Up to a maximum of \$8,000,000, subject to additional term 4.
	Milestone 3 <ul style="list-style-type: none"> Quarterly project data provided for the periods ending 30 June, 30 September, 31 December, and 31 March. The value of payments made or expected to be made to the industry partner consistent with this agreement for the period of (1 July 2024 – 30 June 2025) 	30 April 2025	Equal to: The Commonwealth's co-contributions to payments made or expected to be made under this agreement for the period (1 July 2024 – 30 June 2025) Up to a maximum of \$5000,000, subject to additional term 4.
	Milestone 4 <ul style="list-style-type: none"> Quarterly project data provided for the period ending 30 September. 	31 October 2025	NA

Table 3: Project			
Project title and description	Industry partner	Expected project duration	Commonwealth funding
<p>ACT FOGO Facility</p> <p>The project will build a new FOGO processing facility to service the Canberra region and process up to 50,000 tonnes of organic waste per annum.</p> <p>The project will establish an in-vessel composting system.</p> <p>The project will increase waste processing capacity by 50,000 tonnes per annum and create up to 112 jobs during construction and 10 ongoing jobs following commissioning.</p> <p>The Australian Capital Territory will confirm contamination management activities that will be undertaken to meet a maximum 3% contamination rate.</p>	<p>The Australian Capital Territory will run a tender process to select a third party to construct the facility.</p>	<p>The facility is expected to be commissioned in 2026</p>	<p>\$13,000,000</p>

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

**Signed for and on behalf of the Commonwealth
of Australia by**



The Honourable Tanya Plibersek MP
Minister for the Environment and Water

24/1/2023

**Signed for and on behalf of the
Australian Capital Territory by**



Mr Chris Steel MLA
Minister for Transport and City Services

30/4/2023