

Recycling Modernisation Fund Plastics Technology stream

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth South Australia
Duration	This Schedule is expected to expire on 30 June 2027 or on completion of final performance reporting and processing of final payments against milestones.
Purpose	<p>This Schedule will support the delivery of a project funded under the Recycling Modernisation Fund Plastics Technology stream that will:</p> <ul style="list-style-type: none"> • Significantly increase Australia’s recycling and recovery rates of hard-to-recycle plastics • Support a safe circular economy for plastics in Australia to transform waste plastic into valuable new products, such as food-grade plastic packaging • Build domestic and international confidence to invest in recycling infrastructure in Australia • Support long-term job creation and a more highly skilled workforce in the Australian recycling industry • Protect our environment through reduced plastic pollution.

<p>Estimated financial contributions</p>	<p>The Commonwealth will provide a maximum estimated total financial contribution of \$20 million to South Australia. All payments are GST exclusive. The estimated financial contribution to be provided by the Commonwealth is outlined in Table 1.</p> <table border="1" data-bbox="464 405 1450 768"> <thead> <tr> <th data-bbox="464 405 922 488">Table 1 (\$ million)</th> <th data-bbox="922 405 1066 488">2024-25</th> <th data-bbox="1066 405 1209 488">2025-26</th> <th data-bbox="1209 405 1353 488">2026-27</th> <th data-bbox="1353 405 1450 488">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 488 922 555">Estimated total budget</td> <td data-bbox="922 488 1066 555">18.816</td> <td data-bbox="1066 488 1209 555">1.184</td> <td data-bbox="1209 488 1353 555">0.000</td> <td data-bbox="1353 488 1450 555">20.000</td> </tr> <tr> <td data-bbox="464 555 922 651"><i>Less estimated National Partnership Payments</i></td> <td data-bbox="922 555 1066 651">18.816</td> <td data-bbox="1066 555 1209 651">1.184</td> <td data-bbox="1209 555 1353 651">0.000</td> <td data-bbox="1353 555 1450 651">20.000</td> </tr> <tr> <td data-bbox="464 651 922 768">Balance of non-Commonwealth contributions</td> <td data-bbox="922 651 1066 768">0.000</td> <td data-bbox="1066 651 1209 768">0.000</td> <td data-bbox="1209 651 1353 768">0.000</td> <td data-bbox="1353 651 1450 768">0.000</td> </tr> </tbody> </table> <p data-bbox="464 792 1450 853">Note: Table 1 includes contributions from the Commonwealth but does not include contributions from the Project Proponent. South Australia is not making a financial contribution towards this project.</p>	Table 1 (\$ million)	2024-25	2025-26	2026-27	Total	Estimated total budget	18.816	1.184	0.000	20.000	<i>Less estimated National Partnership Payments</i>	18.816	1.184	0.000	20.000	Balance of non-Commonwealth contributions	0.000	0.000	0.000	0.000
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<p>Additional terms</p>	<p>Financial contributions</p> <ol data-bbox="496 1025 1450 1357" style="list-style-type: none"> South Australia is responsible for provision of funds to the Project Proponent and reporting on the implementation of the project listed in Table 2. The Commonwealth will contribute up to 50% of the cost of the project listed in Table 2 up to \$20 million, with the Project Proponent contributing at least 50% of the total cost of the project. South Australia will be responsible for ensuring the Project Proponent contributions are provided for the project. <p>Payments</p> <ol data-bbox="496 1424 1450 1659" style="list-style-type: none"> If the maximum Commonwealth payment shown in Table 3 is not made in a given financial year, the Commonwealth may move funds into later years at its discretion. The Commonwealth makes no guarantee that unspent funding (if any) will be carried into later years. A discussion between the Parties at officials level will occur prior to any decision being made on unspent funding. <p>Reporting</p> <ol data-bbox="496 1727 1450 1962" style="list-style-type: none"> South Australia will provide project data updates to the Commonwealth, as requested by the Commonwealth (but no more frequently than on a quarterly basis), including any updates to data from the initial data capture or previous quarter and progress against milestones in the funding agreement between South Australia and the Project Proponent. 																				

5. South Australia is responsible for providing advice as soon as it becomes aware if the project is unlikely to progress, or if there are issues likely to impact its on-time completion.
6. Once the project is complete, South Australia will provide the following data on the project to the Commonwealth as soon as practicable:
 - i) the volume and type of additional plastic waste the project will process each year
 - ii) the volume and type of additional plastic waste being processed following the project commissioning
 - iii) the feedstock for the project inputs
 - iv) the end-market for the project offtake
 - v) the number of ongoing FTE jobs created by the project
 - vi) the environmental, social and economic benefits of the project.

Traceability

7. South Australia will ensure the Project Proponent implements recycled content traceability consistent with the National Framework for Recycled content Traceability and register their use of the national framework with the Department of Climate, Change, Energy, the Environment and Water, as a condition of funding.

Table 2: Project Summary

Project title and description	Project proponent	Expected project completion date	Commonwealth funding
World's best advanced mechanical recycling of post-consumer soft plastic replacing virgin resin in packaging. RPA will expand its existing operations to process high quality soft plastics and rigids. To achieve this the Materials Recovery Facility will become an "omnivore", that is, a sorting line capable of classifying both soft and rigid plastics. A HydroDyn cleaning and purifying hot washing plant will be installed to produce 11 kt p.a of problematic soft plastics to a purity level capable of making new soft plastic packaging. Purified film will be pelletised using VOC (odour elimination) technology to produce virgin replacement material for the packaging industry to make new packaging films.	Recycling Plastics Australia Pty Ltd	1 May 2026	\$20,000,000

Table 3: Performance requirements, reporting and payment summary

Output	Performance milestones	Report due	Payment
Delivery of project listed in Table 2	<p>Milestone 1</p> <p>Commonwealth acceptance of an Implementation Plan that includes, at a minimum:</p> <ul style="list-style-type: none"> • an outline of the phases of the Project including planning, licensing preconstruction, construction and deposits, shipping and commissioning of equipment • a timeline that outlines timing for the phases of the Project • expected outcome of the project • project budget • risk management plan. 	3 February 2025	\$6,000,000
	<p>Milestone 2</p> <p>Project data updates provided to the Commonwealth for the most recent data request as outlined in Additional Term 4.</p> <p>Satisfactory progress against the Implementation Plan as demonstrated in an Interim Project Report to the satisfaction of the Commonwealth containing progress against the Phases outlined in the Implementation Plan, including:</p> <ul style="list-style-type: none"> • confirmation and evidence of ordering of equipment • confirmation of commitment in the form of invoices for deposits of at least \$12 million for eligible project costs. <p>Evidence of the payments made to the Project Proponent consistent with this agreement.</p>	4 April 2025	\$12,815,519

<p>Milestone 3</p> <p>Project data updates provided to the Commonwealth for the most recent data request as outlined in Additional Term 4.</p> <p>Satisfactory progress against the Implementation Plan as demonstrated in an Interim Project Report to the satisfaction of the Commonwealth containing progress against the Phases outlined in the Implementation Plan, including:</p> <ul style="list-style-type: none"> • deposits paid and equipment delivered or in transit to work site • confirmation and evidence of at least \$30 million of payments made for eligible project costs. <p>Evidence of the payments made to the Project Proponent consistent with this agreement.</p>	<p>19 December 2025</p>	<p>\$500,000</p>
<p>Milestone 4</p> <p>Project data updates provided to the Commonwealth for the most recent data request as outlined in Additional Term 4.</p> <p>Satisfactory progress against the Implementation Plan as demonstrated in an Interim Project Report to the satisfaction of the Commonwealth containing progress against the Phases outlined in the Implementation Plan, including:</p> <ul style="list-style-type: none"> • installation of equipment and trial testing. • confirmation and evidence of at least \$40 million of payments made for eligible project costs. <p>Evidence of the payments made to the Project Proponent consistent with this agreement.</p>	<p>27 March 2026</p>	<p>\$500,000</p>
<p>Milestone 5</p> <p>Project data updates provided to the Commonwealth for the most recent data request as outlined in Additional Term 4.</p> <p>Final report on actions agreed in the Implementation Plan, including:</p> <ul style="list-style-type: none"> • equipment in operation for a minimum 1 month <p>Evidence of the payments made to the Project Proponent consistent with this agreement.</p>	<p>1 May 2026</p>	<p>\$184,481</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

12 December 2024

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



The Honourable Susan Close MP
Deputy Premier

Minister for Climate, Environment and Water

[Day] [Month] [Year]

18 / 12 / 2024

