

# Recycling Modernisation Fund: Plastics technology stream

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

**Table 1: Formalities and operation of schedule**

Parties	Commonwealth Queensland
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 two projects funded under the Recycling Modernisation Fund Plastics Technology stream that will:</p> <ul style="list-style-type: none"> <li>• Significantly increase Australia’s recycling and recovery rates of hard-to-recycle plastics</li> <li>• Support a safe circular economy for plastics in Australia to transform waste plastic into valuable new products, such as food-grade plastic packaging</li> <li>• Build domestic and international confidence to invest in recycling infrastructure in Australia</li> <li>• Support long-term job creation and a more highly skilled workforce in the Australian recycling industry</li> <li>• Protect our environment through reduced plastic pollution.</li> </ul>
Estimated financial contributions	<p>The Commonwealth will provide a maximum estimated total financial contribution of \$2,326,913 to Queensland. All payments are GST exclusive.</p> <p>The estimated financial contribution to be provided by the Commonwealth is outlined in Table 1.</p>

Table 1 (\$ million)	2024- 25	2025- 26	2026- 27	Total
Estimated total budget	1.080	3.574	0.0	4.654
<i>Less estimated National Partnership Payments</i>	0.540	1.787	0.0	2.327
Balance of non-Commonwealth contributions	0.540	1.787	0.0	2.327

Note: Balance of non-Commonwealth contributions includes contributions from Queensland to at least match the Commonwealth's contribution but does not include contributions from third parties such as local governments and non-government organisations.

Additional terms

**Financial contributions**

1. Queensland is responsible for provision of funds to Project Proponents and reporting on the implementation of the projects listed in Table 2.
2. The Commonwealth will contribute up to \$2,326,913 for the projects listed in table 2, and Queensland will match the Commonwealth's contribution for each project.

**Payments**

3. 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 will occur prior to any decision being made on unspent funding.

**Reporting**

4. Queensland will provide project data updates 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 Queensland and the Project Proponents.
5. Queensland 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.

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|  | <p>6. Once a project is complete, Queensland will provide the following data on that project to the Commonwealth as soon as practicable:</p> <ul style="list-style-type: none"><li>i) the volume and type of additional plastic waste the project will process each year</li><li>ii) the volume and type of additional plastic waste being processed following the project commissioning</li><li>iii) the feedstock for the project inputs</li><li>iv) the end-markets for the project offtake</li><li>v) the number of ongoing FTE jobs created by the project</li><li>vi) the environmental, social and economic benefits of the project</li></ul> |
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**Traceability**

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|  | <p>7. Queensland will ensure that Project Proponents implement 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.</p> |
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Table 2: Project summaries					
	Project title and description	Project proponent	Expected project completion	Commonwealth funding	Queensland Government funding
2a.	<p><b>Close the Loop Queensland</b></p> <p>Establishment of an advanced recycling facility in Queensland, processing 4400 tpa of mixed post-consumer soft plastics and reclaim 600 tpa of oils to produce:</p> <ol style="list-style-type: none"> <li>1. TonerPlas, an engineered asphalt additive</li> <li>2. rFlex, an injection moulding grade pellet used to produce high-quality products, including bins, shipping pallets, crates, tubs, sound walls.</li> </ol>	Close the Loop Operations	End: 1 April 2027	\$1,014,413	\$1,014,413
2b.	<p><b>Australia Sunlight Group Pty Ltd expansion and upgrade to increase recycling of non- packaging agricultural plastic waste in Queensland.</b></p> <p>The Australia Sunlight Group project involves:</p> <ol style="list-style-type: none"> <li>1. establishing regional local collection sites and facilities in partnership with local government and farmers to sort and collect agricultural plastic waste efficiently supported by Australia Sunlight Group compaction and transportation plant and equipment.</li> <li>2. relocating the factory to a much larger site in SEQ to process an expanded range of agricultural plastic wastes and increase total capacity targets up to 16,000 tonnes annually.</li> <li>3. upgrading collection machinery and improving processing technology to increase the added value and utility of the finished product.</li> </ol>	Australia Sunlight Group	End: 31 December 2025	\$1,312,500	\$1,312,500

Table 3: Performance requirements, reporting and payment summary			
Output	Performance milestones	Report due	Payment
Delivery of project 2a listed in Table 2	<p>Milestone 1</p> <p>Project data provided for the periods (from date of signature) to 31 March 2025.</p> <p>Project reporting which includes confirmation of a funding agreement executed between Queensland and the project proponent which includes:</p> <ul style="list-style-type: none"> <li>• The project scope</li> <li>• Desired project outcomes</li> <li>• Project budget</li> <li>• Activities and schedule for delivery.</li> </ul> <p>Evidence of the payments made to the project proponent consistent with this agreement.</p>	15 April 2025	<p>Equal to:</p> <p>The Commonwealth's reimbursement of 50% of payments made to the project proponent under this agreement for the period (date of signing) to 15 April 2025.</p> <p>Up to a maximum of \$0 subject to term 3.</p>
	<p>Milestone 2</p> <p>Project data provided for the periods 1 April 2025 to 31 March 2026.</p> <p>Project reporting which demonstrates</p> <ul style="list-style-type: none"> <li>• Progress against activities in the project plan</li> <li>• Key achievements</li> <li>• Key risks and mitigations</li> <li>• Variations to milestones where applicable.</li> </ul>	15 April 2026	<p>Equal to:</p> <p>The Commonwealth's reimbursement of 50% of payments made to the project proponent under this agreement for the period 16 April 2025 to 15 April 2026.</p> <p>Up to a maximum of \$1,014,413 subject to term 3.</p>

	Evidence of the payments made to the project proponent consistent with this agreement.		
	<p>Milestone 3</p> <p>Project data provided for the periods 1 April 2026 to 31 March 2027.</p> <p>Project reporting which demonstrates</p> <ul style="list-style-type: none"> <li>• Progress against activities in the project plan</li> <li>• Key achievements</li> <li>• Key risks and mitigations</li> <li>• Variations to milestones where applicable.</li> </ul> <p>Final completion report for the project which demonstrates the outcomes achieved through the implementation of the projects.</p> <p>Evidence of the payments made to the project proponent consistent with this agreement.</p>	15 April 2027	<p>Equal to:</p> <p>Subject to term 3, the Commonwealth's reimbursement of 50% of payments made to the project proponent under this agreement to 15 April 2027 and not already made.</p>
Delivery of project 2b listed in Table 2	<p>Milestone 1</p> <p>Project data provided for the periods (from date of signature) to 31 March 2025.</p> <p>Project reporting which includes confirmation of a funding agreement executed between Queensland and the project proponent which includes:</p> <ul style="list-style-type: none"> <li>• The project scope</li> <li>• Desired project outcomes</li> <li>• Project budget</li> <li>• Activities and schedule for delivery</li> </ul> <p>Evidence of the payments made to the project proponent consistent with this agreement.</p>	15 April 2025	<p>Equal to:</p> <p>The Commonwealth's reimbursement of 50% of payments made to the project proponent under this agreement for the period (date of signing) to 15 April 2025</p> <p>Up to a maximum of \$540,000 subject to term 3.</p>
	Milestone 2	15 April 2026	Equal to:

	<p>Project data provided for the periods 1 April 2025 to 31 March 2026.</p> <p>Project reporting which demonstrates</p> <ul style="list-style-type: none"> <li>• Progress against activities in the project plan</li> <li>• Key achievements</li> <li>• Key risks and mitigations</li> <li>• Variations to milestones where applicable</li> </ul> <p>If applicable, final completion report for the project which demonstrates the outcomes achieved through the implementation of the projects.</p> <p>Evidence of the payments made to the project proponent consistent with this agreement.</p>		<p>The Commonwealth's reimbursement of 50% of payments made to the project proponent under this agreement for the period 16 April 2025 to 15 April 2026</p> <p>Up to a maximum of \$772,500 subject to term 3.</p>
	<p>Milestone 3</p> <p>Project data provided for the periods 1 April 2026 to 31 March 2027.</p> <p>Project reporting which demonstrates</p> <ul style="list-style-type: none"> <li>• Progress against activities in the project plan</li> <li>• Key achievements</li> <li>• Key risks and mitigations</li> <li>• Variations to milestones where applicable</li> </ul> <p>If not already provided, final completion report for the project which demonstrates the outcomes achieved through the implementation of the projects.</p> <p>Evidence of the payments made to the project proponent consistent with this agreement.</p>	15 April 2027	<p>Equal to:</p> <p>Commonwealth's reimbursement of 50% of payments made to the project proponent under this agreement to 15 April 2027 and not already made.</p>

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

Signed for and on behalf of the Commonwealth  
of Australia by

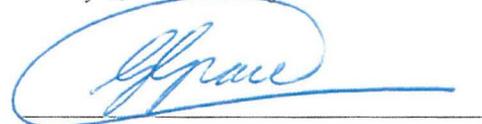
A handwritten signature in blue ink that reads "Tanya Plibersek". The signature is written in a cursive style and is positioned above a horizontal line.

The Honourable Tanya Plibersek MP  
Minister for the Environment and Water

[Day] [Month] [Year]

3. 10. 2024

Signed for and on behalf of the  
State of Queensland by

A handwritten signature in blue ink that reads "Grace Grace". The signature is written in a cursive style and is positioned above a horizontal line.

The Honourable Grace Grace MP

Minister for State Development and Infrastructure,  
Minister for Industrial Relations and Minister for  
Racing

[Day] [Month] [Year]

30/09/2024