

Food Waste for Healthy Soils Fund

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule

Parties	Commonwealth Victoria																				
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 \$7.4094 million to Victoria. All payments are GST exclusive.</p> <p>The estimated financial contribution to be provided by the Commonwealth is outlined in Table 1.</p> <table><tr><th>Table 1 (\$ million)</th><th>2022-23</th><th>2023-24</th><th>2024-25</th><th>Total</th></tr><tr><td>Estimated total budget</td><td>5.7136</td><td>6.7113</td><td>2.3940</td><td>14.8188</td></tr><tr><td>Less estimated National Partnership Payments</td><td>2.8568</td><td>3.3556</td><td>1.1970</td><td>7.4094</td></tr><tr><td>Balance of non-Commonwealth contributions</td><td>2.8568</td><td>3.3556</td><td>1.1970</td><td>7.4094</td></tr></table> <p>Note: Balance of non-Commonwealth contributions includes contributions from Victoria to at least match the Commonwealth's contribution but does not include contributions from third parties such as local governments and other non-government organisations.</p>	Table 1 (\$ million)	2022-23	2023-24	2024-25	Total	Estimated total budget	5.7136	6.7113	2.3940	14.8188	Less estimated National Partnership Payments	2.8568	3.3556	1.1970	7.4094	Balance of non-Commonwealth contributions	2.8568	3.3556	1.1970	7.4094
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Additional terms	<p>Financial Contributions</p> <ol style="list-style-type: none"> 1 Victoria is responsible for provision of funds to industry partners and reporting on the implementation of the projects listed in Table 3. 2 The Commonwealth will contribute up to one third of the cost of each project listed in Table 3 and Victoria will at least match the Commonwealth's contribution for each project. Victoria will ensure each Industry Partner provides the remaining funding for each project. <p>Payments</p> <ol style="list-style-type: none"> 3 The Commonwealth will make payments subject to Victoria 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. A discussion between the parties will occur prior to any decision being made on unspent funding. <p>Reporting</p> <ol style="list-style-type: none"> 5 Victoria will report annually to demonstrate performance against indicators a – d below and that Commonwealth funding has been matched. These reports will include: <ol style="list-style-type: none"> (a) a statement of funds paid to Industry Partners (b) a statement of cash contributions from Industry Partners (c) details of projects: <ol style="list-style-type: none"> 1 progress made in delivering the project including: <ol style="list-style-type: none"> i) progress made to finalise funding arrangements between Victoria and its Industry Partners 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 (d) for completed projects: <ol style="list-style-type: none"> 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
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	<p>5 project benefits realised including how the quality, safety and consistency of recycled organic products has been improved.</p> <p>6 Victoria will provide project data to the Commonwealth on a quarterly basis.</p> <p>7 Victoria 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.</p>
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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"> Quarterly project data provided for the periods ending 31 December and 31 March. The value of payments made or expected to be made to approved project proponents consistent with this agreement for the period of (1 October 2022 – 30 June 2023) 	30 April 2023	Equal to: The Commonwealth's co-contributions to payments made or expected to be made under this agreement for the period (1 July 2022 – 30 June 2023) Up to a maximum of \$2,856,849
	Milestone 2 <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 approved project proponents 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 \$3,355,600, 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 approved project proponents 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 \$1,197,000, subject to additional term 4.

Table 3: Projects			
Project title and description	Industry partner	Expected project duration	Commonwealth funding
<p>Dandenong Facility Modification project</p> <p>The project will upgrade equipment at the Sacyr Dandenong facility to improve product quality and reduce contamination.</p> <p>The pre-processing line will be re-engineered to reduce the aperture of the screen, insert a picking station between the screen and the shredder, upgrade the single shaft shredder to a twin shaft shredder and install a screen pod vacuum.</p> <p>The project will increase waste processing capacity by 23,063 tonnes per annum and create 25 jobs during construction and 8 ongoing jobs following commissioning.</p>	Sacyr Environment Australia Pty Ltd	End: January 2023	\$730,053
<p>Pinegro Aerated Floor Composting Technology - Glenmore Road, Mt Wallace project</p> <p>The project will upgrade Pinegro's Mt Wallace facility to accept FOGO through the design, construction and installation of an Aerated Floor Composting System. This will allow greater process controls for managing compost temperatures, moisture content, oxygen levels, odour and meet EPA regulatory requirements for processing FOGO.</p> <p>The project will install an 8860 m2 aeration floor, high-pressure/low-voltage fans, an engineered bio filter, a leachate collection system and recirculation piping, and pumps for connection to the existing leachate dam.</p> <p>The project will increase waste processing capacity by 25,974 tonnes per annum and create 20 jobs during construction and 5 ongoing jobs following commissioning.</p>	Pinegro Products Pty Ltd	End: March 2024	\$541,400

Elmore Compost & Organics Site Expansion <p>The project will expand capacity at the Elmore Compost & Organics facility from a small farm-based operation to a commercial EPA (Vic) Licensed site.</p> <p>The project will install decontamination equipment including an EZ Machinery EZ-5500 compost windrow turner, Komptech Hurrikan S (wind separator) and a weighbridge.</p> <p>The project will increase waste processing capacity by 40,000 tonnes per annum and create 6 jobs during construction and 4 ongoing jobs following commissioning.</p>	Manningtree Corporation Pty Ltd	End: March 2024	\$188,466
Thurla Food and Garden Organics Composting Facility <p>The project will upgrade Cleanaway's Thurla transfer station to a composting facility that will process local FOGO waste.</p> <p>The project will install aerobic composting equipment, a sorting line, a decontamination unit, a shredder and concrete composting bays.</p> <p>The project will increase waste processing capacity by 11,500 tonnes per annum and create 24 jobs during construction and 6 ongoing jobs following commissioning.</p>	Cleanaway Solids Waste Pty Ltd	End: March 2024	\$942,650
Carbon Prill Soil Improver Project <p>The project will build infrastructure capable of value-adding to fines produced in current composting operations, by converting them into organic pellets. The organic pellets will be used in broad acre farming to add carbon back into the soil. Through this project, the current stockpile of fines, 5,000 tonnes, will be recycled into a new valuable organic pellet product.</p> <p>The project will install three pelletisers (pellet mills).</p> <p>The project will increase waste processing capacity by 4,258 tonnes per annum and create 12 jobs during construction and 4 ongoing jobs following commissioning.</p>	Ileowl Pty Ltd (Trading as Greenchip Recycling)	End: March 2024	\$352,180

<p>Repurpose-It: Best practice in-vessel composting infrastructure for Melbourne's metropolitan region</p> <p>The project will increase organic processing capacity at the Organics Waste Recycling and Clean Energy Park in Epping Victoria. The project will also improve the quality and grade of manufactured soils, due to the addition of food derived compost in blended products.</p> <p>The project will design and build five in-vessel composting tunnels at the Park.</p> <p>The project will increase waste processing capacity by 50,000 tonnes per annum and create 33 jobs during construction and 15 ongoing jobs following commissioning.</p>	Repurpose-It Pty Ltd	End: June 2025	\$1,780,000
<p>Gippsland Regional Organics Process Expansion Project</p> <p>The project will scale up an existing organic waste processing facility to enable additional diversion of wastes from landfill, including newly rolled out FOGO collection in the region.</p> <p>The project will expand water and electricity supply networks, expand leachate runoff systems, and purchase and install new plant and equipment (windrow turns, screens, conveyors, dump trucks, windsifters and front-end loaders).</p> <p>The project will increase waste processing capacity by 70,000 tonnes per annum and create 33 jobs during construction and 8 ongoing jobs following commissioning.</p>	Central Gippsland Regional Water	End: June 2025	\$2,394,000
<p>Swan Hill Compost Facility Infrastructure - In-Vessel (stage 2)</p> <p>The project will expand the council's existing small scale open windrow composting facility to an in-vessel facility. The upgrade will support future rollout of FOGO in the Swan Hill Rural City Council area to meet Victorian regulations for enclosed processing of organic waste.</p> <p>The project will increase waste processing capacity by 1,000 tonnes per annum and create 14 jobs during construction and 3 ongoing jobs following commissioning.</p>	Swan Hill Rural City Council	End: March 2024	\$480,700

Victoria will confirm markets for recycled organic products produced at the commissioned facility.			
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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

27 / 06 / 2023

**Signed for and on behalf of the
State of Victoria by**



The Honourable Ingrid Stitt MLC
Minister for Environment

28 / 06 / 2023