Recycling Modernisation Fund Plastics Technology stream

FEDERATION FUNDING AGREEMENT - ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth Victoria
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	This Schedule will support the delivery of three projects funded under the Recycling Modernisation Fund Plastics Technology stream that will: • 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.

<table>
<tr>
<td>Estimated financial contributions</td>
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The Commonwealth will provide a maximum estimated total financial contribution of $15,603,187 to Victoria. All payments are GST exclusive.
The estimated financial contribution to be provided by the Commonwealth is outlined in Table 1.

<table>
<tr><th>Table 1
($ million)</th><th>2024-25</th><th>2025-26</th><th>2026-27</th><th>Total</th></tr>
<tr><td>Estimated total budget</td><td>5.743</td><td>8.946</td><td>0.914</td><td>15.603</td></tr>
<tr><td>Less estimated National Partnerships Payments</td><td>5.743</td><td>8.946</td><td>0.914</td><td>15.603</td></tr>
<tr><td>Balance of non-Commonwealth contribution</td><td>0.000</td><td>0.000</td><td>0.000</td><td>0.000</td></tr>
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Note: Table 1 includes contributions from the Commonwealth but does not include contributions from the Project Proponent. Victoria is not making a financial contribution towards these projects.
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<td>Additional terms</td>
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Financial contributions
1. Victoria 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 50% of the cost of each project listed in Table 2 up to $15,603,187 (subject to a maximum contribution for each project noted in Table 2), with the Project Proponents contributing at least of 50% of the total cost for each project. Victoria will be responsible for ensuring the Project Proponent contributions are provided 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 at officials level will occur prior to any decision being made on unspent funding.
Reporting
4. Victoria 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 agreements between Victoria and the Project Proponents.
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	5. Victoria 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 a project is complete, Victoria will provide the following data on that 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-markets 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. Victoria will ensure that Project Proponents as a condition of funding: i) implement recycled content traceability consistent with the National Framework for Recycled Content Traceability and register their use of the national framework with Department of Climate Change, Energy, the Environment and Water; and ii) provide reports on specified dates to Sustainability Victoria.

	Table 2: Project summaries			
	Project title and description	**Project proponent**	**Expected project completion date**	**Commonwealth funding**
2a.	**Naula Feedstock Preparation Facility.** The project will install advanced sorting and processing of up to 32,000 tonnes of soft and mixed plastics products each year, to refine them to produce new plastics such as food-grade packaging. This will help Australia to develop an advanced recycling supply chain that will turn post-consumer soft plastic waste back into food and other packaging.	Naula Pty Ltd	28 April 2027	$5,178,150
2b.	**PPG – Circular economy: Transforming Australia's soft plastic landscape through sustainable packaging innovation** The project will expand the existing facility to recycle Low density polyethylene/Linear low-density polyethylene and install extrusion equipment to remanufacture using the outputs. The goal is to produce up to 11,000 tonnes per annum of Australian recycled content soft plastic packaging, using 3,300 tonnes of recycled content.	Pro-Pac Group Pty Limited	21 December 2026	$6,003,333
2c.	**Circular Agricultural Plastic Recycling and Remanufacture** The project will install recycling technology and infrastructure in Hamilton to recover and process an additional 8,000 tonnes per annum of traditionally hard-to-recycle agricultural Polypropylene and Low density polyethylene plastics such as films, grain tarp and baling twine into high quality resins for remanufacturing back into the original products.	Sustainable Plastic Solutions Pty Ltd	15 May 2027	$4,421,704

Table 3: Performance requirements, reporting and payment summary			
Output	**Performance milestones**	**Report due**	**Payment**
Delivery of project 2a listed in Table 2	Milestone 1 Commonwealth acceptance of an Implementation Plan that includes, at a minimum: • 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 plan.	11 December 2024	$1,553,445
	Milestone 2 Project data updates provided to the Commonwealth for the most recent data request as outlined in Additional Term 4. 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: • confirmation and evidence of ordering of equipment. Evidence of the payments made to the Project Proponent consistent with this agreement.	29 September 2025	$2,900,907
	Milestone 3 Project data updates provided to the Commonwealth for the most recent data request as outlined in Additional Term 4.	1 July 2026	$200,000

	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: • shipping of equipment. Evidence of the payments made to the Project Proponent consistent with this agreement.		
	Milestone 4 Project data updates provided to the Commonwealth for the most recent data request as outlined in Additional Term 4. 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: • installation of equipment. Evidence of the payments made to the project proponent consistent with this agreement.	28 September 2026	$294,927
	Milestone 5 Project data updates provided to the Commonwealth for the most recent data request as outlined in Additional Term 4. 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: • commissioning of equipment • engineering sign off. Evidence of the payments made to the Project Proponent consistent with this agreement.	28 November 2026	$228,871

	Milestone 6 Project data updates provided to the Commonwealth for the most recent data request as outlined in Additional Term 4. If not already provided, final completion report for the project which demonstrates the outcomes achieved through the implementation of the project. Evidence of the payments made to the Project Proponent consistent with this agreement.	28 April 2027	Nil
Delivery of project 2b listed in Table 2	Milestone 1 Commonwealth acceptance of an Implementation Plan that includes, at a minimum: • 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 plan.	11 December 2024	$1,801,000
	Milestone 2 Project data updates provided to the Commonwealth for the most recent data request as outlined in clause 4. 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: • Equipment order 1 - Part deposit paid by the Proponent • Equipment order 2 - Part deposit paid by the Proponent Evidence of the payments made to the Project Proponent consistent with this agreement.	28 April 2025	$1,062,414

	Milestone 3 Project data updates provided to the Commonwealth for the most recent data request as outlined in clause 4. 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: • Equipment order 2 - Part deposit paid by the Proponent for remaining equipment • Equipment order 1 - Progress payments made by the Proponent. Evidence of the payments made to the Project Proponent consistent with this agreement.	28 February 2026	$1,884,246
	Milestone 4 Project data updates provided to the Commonwealth for the most recent data request as outlined in clause 4. 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: • Equipment order 1 - Installation and commissioning • Equipment order 2 - Progress payments made by the Proponent. Evidence of the payments made to the Project Proponent consistent with this agreement.	15 May 2026	$1,255,673
	Milestone 5 Project data updates provided to the Commonwealth for the most recent data request as outlined in clause 4. If not already provided, final completion report for the project which demonstrates the outcomes achieved through the implementation of the project.	21 December 2026	Nil

	Evidence of the payments made to the project proponent consistent with this agreement.		
Delivery of project 2c listed in Table 2	Milestone 1 Commonwealth acceptance of an Implementation Plan that includes, at a minimum: • 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 plan.	11 December 2024	$1,326,511
	Milestone 2 Project data updates provided to the Commonwealth for the most recent data request as outlined in clause 4. 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: • Equipment order 1 - Deposit paid by the Proponent Evidence of the payments made to the Project Proponent consistent with this agreement.	28 July 2025	$1,079,498
	Milestone 3 Project data updates provided to the Commonwealth for the most recent data request as outlined in clause 4. 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:	21 December 2025	$1,825,429

	• Equipment order 1 - Progress payment made by the Proponent • Equipment order 2 Deposit paid by the Proponent Evidence of the payments made to the Project Proponent consistent with this agreement.		
	Milestone 4 Project data updates provided to the Commonwealth for the most recent data request as outlined in clause 4. 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: • Equipment order 1 Progress payment made by the Proponent • Equipment order 2 Progress payment made by the Proponent • Equipment order 3 Deposit paid by the Proponent Evidence of the payments made to the Project Proponent consistent with this agreement.	28 July 2026	$95,133
	Milestone 5 Project data updates provided to the Commonwealth for the most recent data request as outlined in clause 4. 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: • Equipment order 1 Installation and commissioning • Equipment order 2 Progress payment made by the Proponent • Equipment order 3 Progress payment made by the Proponent • Equipment order 4 Deposit paid by the Proponent	28 October 2026	$95,133

	Evidence of the payments made to the Project Proponent consistent with this agreement.		
	Milestone 6 If not already provided, final completion report for the project which demonstrates the outcomes achieved through the implementation of the project. Evidence of the payments made to the Project Proponent consistent with this agreement.	15 May 2027	Nil

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 Victoria by*

The Honourable Steve Dimopoulos MP
Minister for the Environment

26 / 03 / 2025