



Australian Recycling Investment Fund



Australia’s waste sector is undergoing an important transition, requiring significant investment in infrastructure and equipment, including upgrades to existing assets, as well as the installation of new assets.

Through the \$100 million Australian Recycling Investment Fund, the CEFC has a particular focus on large-scale projects which use clean energy technologies to support the recycling of waste plastics, paper, glass and tyres.

As with all CEFC investments, projects seeking finance through the Australian Recycling Investment Fund must be commercial, reflecting the CEFC’s requirement to deliver a positive return for taxpayers across the portfolio.

In addition to investments through the Australian Recycling Investment Fund, the CEFC will continue to invest in large-scale energy-from-waste projects. It is not expected that these projects will be financed through the Australian Recycling Investment Fund.

Investment priorities

The \$100 million Australian Recycling Investment Fund draws on existing CEFC finance.

Through the Fund, the CEFC has a particular focus on large-scale projects which use clean energy technologies to support the recycling of waste plastics, paper, glass and tyres.

In line with the CEFC Act, eligible projects are required to draw on renewable energy, energy efficiency and low emissions technologies and to contribute to emissions reduction.

The CEFC expects to provide either debt and/or equity finance to eligible larger-scale commercial and industrial projects through the Fund – typically requiring \$10 million or more of CEFC debt or equity capital.

Smaller-scale projects, from \$10,000 to \$5 million, may be eligible for debt finance through the CEFC’s specialist asset finance programs.



“ Waste management is an increasingly complex issue in Australia and globally. By recycling materials such as plastic, paper, glass and tyres, we can make an important contribution to cutting landfill-related emissions.

Ian Learmonth
CEFC CEO

Australia's waste challenge

Waste is responsible for some two per cent of Australia's emissions, largely from methane gas produced by decaying organic waste in landfills.

According to Australia's National Waste Policy, each year, Australians generate 2.7 tonnes of waste per head, including plastics, paper, glass, metals, textiles, masonry, and food and other organic materials.

The waste sector covers emissions from the disposal of organic materials to landfill and wastewater emissions from domestic, commercial and industrial sources.

The Department of the Environment and Energy projects 2020 waste emissions of 11Mt CO₂-e, despite a 14 per cent fall on current levels due to waste diversion from landfill and higher levels of recycling and methane capture.

The Council of Australian Governments has agreed to ban the export of waste plastic, paper, glass and tyres, while building Australia's capacity to generate high value recycled commodities and associated demand.

With investment in proven technologies, the CEFC works with companies to turn urban and industrial waste into new energy sources and valuable products, creating an important revenue stream while also reducing landfill gas emissions.

The CEFC is working with project sponsors on a range of innovative solutions to increase resource recovery, recycling, and divert waste from landfill. Through the Australian Recycling Investment Fund, we look forward to seeing further improvements to waste management practices in Australia, particularly by focusing on higher order uses of waste, as reflected in the principles of the circular economy.

2.7 tonnes
waste per person

2%
national emissions

11M tCO₂-e
2020 emissions



Investing in the circular economy

The CEFC has a strong track record in investing in waste-related projects, as part of our role in accelerating investment in Australia's transition to a low emissions economy.

By focusing on clean energy technologies, these investments can reduce emissions by diverting waste from landfill, as well as help ensure that waste processing and resource recovery operations are as energy efficient as possible.

CEFC investment commitments through the Australian Recycling Investment Fund will align with the principles of the circular economy.

CEFC waste-related investments focus on effective waste management investing in proven clean energy technologies to reuse, recycle or reprocess waste, including as compost and alternative fuels, as well as recovering energy and other materials where possible.

The Australian Waste Policy describes the five key elements of the circular economy as:

1

Avoid waste:

Prioritise waste avoidance, encourage efficient use, reuse and repair; resign products so waste is minimised, they are made to last and we can more easily recover materials

2

Improve resource recovery:

Improve material collection systems and processes for recycling; and improve the quality of the recycled material we produce

3

Increase the use of recycled material:

and build demand and markets for recycled products

4

Better manage waste material flows:

to benefit human health, the environment and the economy

5

Improve information:

to support innovation, guide investment and enable informed consumer decisions. .

CEFC finance to tackle waste emissions

Effective waste management can deliver positive renewable energy outcomes and improve the security of energy supply, as well as the diversion of waste from landfill, which is also critical to reducing emissions and creating usable by-products such as compost. The CEFC supports the ‘reduce, reuse, recycle’ recommendations of the international waste hierarchy and focuses on projects that seek to make a material reduction to Australia’s waste-related emissions.



Red bins find their super power CEFC commitment up to \$90 million

Australia’s first large-scale energy-from-waste project – a 36MW plant at Kwinana in Western Australia – is expected to power up to 50,000 homes using household waste. When built, the \$700 million Avertas Energy project will be able to process around 400,000 tonnes of domestic “red bin” and commercial and industrial residual waste per year. By processing household waste from local councils, it will produce cost-competitive baseload renewable energy. It is also expected to reduce CO₂-e emissions by more than 400,000 tonnes per year, the equivalent of taking 85,000 cars off the road.



Innovative contract underpins innovative project CEFC commitment up to \$57.5 million

The \$511 million East Rockingham Resource Recovery Facility (ERRRF) will help tackle Australia’s rising waste management problem by diverting waste from landfill. It will also generate renewable baseload energy to support WA’s electricity network. The ERRRF is the first of its kind in Australia to use “waste-arising” contracts, giving councils the ability to continue to pursue waste reduction targets with waste supply commitments to the ERRRF. When complete, the ERRRF will process about 300,000 tonnes of residual waste a year and generate 29MW of renewable baseload electricity for the South West Interconnected System.



Second life for kerbside waste CEFC commitment up to \$39 million

Melbourne’s South Eastern Organics Processing Facility is on track to convert around 12,000 truckloads of household garden and food waste, drawn from council kerbside green waste collections, into up to 50,000 tonnes of high-grade compost each year. By treating the organic waste produced by eight Melbourne councils, the plant is expected to abate more than 65,000 tonnes of carbon emissions annually. The fully enclosed in-vessel aerobic composting and maturation plant will produce compost for use in local parks and gardens, as well as in horticulture, landscaping and agriculture, substantially reducing landfill and emissions.

About the CEFC

The CEFC has a unique role to increase investment in Australia’s transition to lower emissions. We invest to lead the market, operating with commercial rigour to address some of Australia’s toughest emissions challenges – in agriculture, bioenergy, energy generation and storage,

infrastructure, property, transport and waste. We’re also proud to back Australia’s cleantech entrepreneurs through the Clean Energy Innovation Fund. In investing \$10 billion on behalf of the Australian Government, we work to deliver a positive return for taxpayers across our portfolio.

More information

Please visit the CEFC website for more information about our investment commitments.

cefc.com.au



Australian Recycling Investment Fund

Q&A

Through the \$100 million Australian Recycling Investment Fund, the CEFC has a particular focus on large-scale projects which use clean energy technologies to support the recycling of waste plastics, paper, glass and tyres.

What kind of projects can you finance?

Through the Australian Recycling Investment Fund, we have a particular focus on large-scale projects which use clean energy technologies to support the recycling of waste plastics, paper, glass and tyres, though all types of recycling projects can be considered, subject to meeting CEFC's eligibility criteria.

As with all CEFC investments, projects seeking finance through the recycling fund must be commercial, reflecting the CEFC's requirement to deliver a positive return for taxpayers across the portfolio. This does not include research and development, feasibility studies, prototypes, pilot projects or demonstration projects.

In addition to investments through the Australian Recycling Investment Fund, we will continue to invest in large-scale energy-from-waste projects. It is not expected that these projects will be financed through the Australian Recycling Investment Fund.

Can I get a grant?

The CEFC doesn't give grants. We invest both debt and equity, and work to deliver a positive return for taxpayers across our portfolio.

How much finance can I get?

As with all CEFC investments, each investment opportunity is considered on a case by case basis.

Through the recycling fund, we expect to provide either debt and/or equity finance to eligible larger-scale commercial and industrial projects – typically requiring \$10 million or more of CEFC debt or equity capital.

CEFC investments typically also include co-financiers and/or equity partners where possible.

Smaller-scale projects, from \$10,000 to \$5 million, may be eligible for debt finance through the CEFC's specialist asset finance programs.

Can you finance existing projects, or do they have to be new?

We may be able to finance extensions or upgrades to existing projects, where these are commercial and which use clean energy technologies to support the recycling of waste, particularly with a focus on plastics, paper, glass and tyres.

Can I get concessional finance?

All our investments are made with the expectation of a positive risk-based financial return. Therefore, concessional finance is applied sparingly on a case by case basis.

Concessional finance may include lower than market interest rates, longer loan maturity, as well as longer and more flexible grace periods before the payment of principal and/or interest is due.

Please review our Investment Policies at cefc.com.au

Can I get finance for smaller-scale projects?

Smaller-scale projects which use clean energy technologies to support the recycling of waste plastics, paper, glass and tyres may be eligible for finance through our specialist asset finance programs, operated by co-financiers.

Our asset finance programs are an effective way for us to extend the reach of our finance to thousands of investors, together with major banks, specialised lenders and funds.

We have structured these programs so that the benefits of the CEFC finance flow directly through to the borrower.

We do not assess individual projects. Please contact one of our co-financiers directly.



What kind of finance is available?

We have a flexible approach to investment, providing a range of direct and indirect debt and equity financing options. We also have specialist asset finance programs for smaller-scale projects.

What is the preferred size of investment?

We don't have a preferred size of investment. Each investment opportunity is considered on a case by case basis.

Through the recycling fund, we expect to provide either debt and/or equity finance to eligible larger-scale commercial and industrial projects – typically requiring \$10 million or more of CEFC debt or equity capital.

Smaller-scale projects, from \$10,000 to \$5 million, may be eligible for debt finance through the CEFC's specialist asset finance programs. Borrowers should contact our co-financers directly.

Can you advise me on a smaller-scale project?

If you have a smaller-scale project, please go directly to the lenders involved in our current programs. We do not assess individual projects.

How are investment decisions made?

Our Executive Investment Committee reviews investment opportunities and makes recommendations to the CEFC Board, which approves suitable investments.

We apply commercial rigour to individual investment decisions, which are made independently of government. We work to deliver a positive return for taxpayers across our portfolio.

Please review our Investment Guidelines and Investment Policies at cefc.com.au

Who can I talk to about my finance request?

Before contacting us, please ensure your investment opportunity relates to renewable energy, energy efficiency and/or low emissions technology.

We can only finance projects using those technologies.

You can find this information at cefc.com.au under Investment Guidelines and Investment Policies

When will you respond?

As a small organisation, we have a limited ability to respond to all enquiries.

Our goal is to respond to investment queries as soon as we can. We appreciate your patience if that takes a little longer than expected.

Our website has detailed information about our role, our investments, how we operate and our case studies.

Please visit cefc.com.au

About the CEFC

The CEFC is responsible for investing \$10 billion in clean energy projects on behalf of the Australian Government. We help lower Australia's carbon emissions by investing in renewable energy, energy efficiency and low emissions technologies. We also support innovative start-up companies through the Clean Energy Innovation Fund. Across our portfolio, we invest to deliver a positive return for taxpayers.

More information

Please visit the CEFC website for more information about our investment commitments

cefc.com.au