

**Tara Cheyne MLA**

Manager of Government Business

Attorney-General

Minister for Human Rights

Minister for City and Government Services

Minister for the Night-Time Economy

Member for Ginninderra

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**RESPONSE TO QUESTION ON NOTICE****Questions on Notice Paper No 5****Friday, 11 April 2025****Question No. 308****MS CLAY:** To ask the Minister for City and Government Services—

1. Given that, on 27 February 2025, Veolia announced that (a) it won the ACT tender to build and operate the new resource recovery facility and (b) the contract was worth more than \$850 million over 20 years, and that the ACT Government previously reported an ACT Government contribution of \$16 million for construction and a Federal Government contribution of \$10 million, what is the total value of that contract over 20 years.
2. How much of the contract is for an annual service fee to operate the facility and how much is to build that facility.
3. What will be the total contribution from the Federal Government for the facility.
4. Is the contract based on recovering high-value packaging material that is either cheap or profitable to recycle.
5. What will happen to low-value packaging material that is not cheap or profitable to recycle.
6. Has the contract been put together on the assumption that national product stewardship/extended producer responsibility will mean that soon, all packaging material will either be recovered at the cost of industry or will be cheap or profitable to recycle.
7. Is there flexibility in the contract to deal with the situation of what happens if national product stewardship/extended producer responsibility is not made mandatory for packaging or otherwise does not deal with most of our packaging.
8. Is the contract on the contracts register; if so, what number is it; if not, when will it appear on the register.



**Ms Tara Cheyne MLA** – The answer to the Member's questions are as follows:

1. The Contract allows Veolia to derive revenue from processing recyclable materials from third parties. This revenue, which the Territory receives a share of, is included within the value announced by Veolia. The Territory has committed to provide \$258.6 million (GST exclusive) fixed payments over the 20 year operating term. This represents the value of the fixed capital and fixed operational costs. Variable payments will also be made during the operating term, based on the actual volume of Territory recyclable material processed.
2. Veolia will fully finance the cost of the facility and, in return, receive regular fixed and variable payments through the 20 year operating term of the contract. The value of the fixed capital and fixed operating payments over the 20 year operating term is \$258.8 million (GST exclusive), and includes recovery of the capital investment cost. In addition, the Territory will provide a \$26 million capital contribution during the delivery phase, to offset the finance provided by Veolia. The value of the construction costs of the facility is commercial in confidence.
3. The total contribution from the Federal Government \$10.5 million.
4. The facility will accept Cardboard, Mixed paper, PET (Natural), PET (coloured), HDPE (natural), HDPE (coloured), Polypropylene, Aluminium, Steel and glass, all of which can be sold to recyclers once sorted.
5. The recycling facility will separate these items through a sorting process. Packaging material that is not recyclable and is not an accepted item at the recycling facility will go to landfill.
6. No. However, in accordance with the contract, the Territory can initiate variations to include additional material types to be accepted and sorted at the new facility.
7. Yes. In accordance with the contract, the Territory can initiate variations to include additional material types to be accepted and sorted at the new facility. Noting there will be cost implications to the Territory with variations, therefore viability and value for money will need to be assessed prior to implementation.
8. Notwithstanding that the member can search the publicly available register themselves, yes, it is available, and the number is Contract-30671-RFP-002.

**Approved for circulation to the Member and incorporation into Hansard.**

  
**Tara Cheyne MLA**  
**Minister for City and Government Services**

Date: 12/5/25

This response required 2hrs and 25mins to complete, at an approximate cost of \$249.02