



**SENATOR THE HON MURRAY WATT**  
**MP**  
**Minister for the Environment and Water**

**STEVE DIMOPOULOS MP**  
**Minister for Environment**

Monday, 19 January 2026

## **MAJOR BOOST TO VICTORIA'S PLASTIC RECYCLING CAPACITY**

More of Victoria's hard-to-recycle plastics, including soft plastics, will be diverted from landfill and transformed into new products, following a \$4 million investment by the Albanese and Allan Labor Governments, and industry.

Four new projects will build the capacity, capability and resilience of Victoria's resource recovery sector by increasing plastics recycling by 16,700 tonnes annually. These projects will boost jobs in the Victorian circular economy.

The four projects receiving funding are:

- Pact Recycling (Cheltenham) – The bagMUSTER project will recover and recycle bags used to transport seed, fertiliser, pesticides and stockfeed.
- APR (Dandenong) – The soft plastic sorting capacity upgrade will use an infra-red process from Norway to improve sorting and recycling capability including for end-of-life soft plastics.
- Australian Soft Plastics Recycling (Pakenham) – The upgrade to facilities will improve the recycling of low-density polyethylene films, such as pallet wrap collected from supermarket warehouses, by increasing processing capacity and improving the quality of the recycled material.
- RE4ORM (Barnawartha) – The facility upgrade will recover low-density plastics for reuse in manufacturing new recycled products.

The \$3.5 million government investment includes \$1.75 million each from the Victorian Government and Australian Government through the Recycling Modernisation Fund (RMF).

The RMF is supporting states and territories in a one-off boost to Australia's capacity to sort, process and remanufacture waste glass, plastic, tyres, paper and cardboard.

The Australian Government is investing over \$200 million in new and upgraded recycling infrastructure through the RMF, contributing towards \$1 billion of investment with states, territories and industry.

Including these four projects, the RMF is supporting 27 projects in Victoria with \$79 million in joint funding, including \$44.7 million from the Australian Government and \$34.3 million from the Victorian Government.

The projects are expected to add 328,000 tonnes of recycling capacity each year and see \$226.5 million invested in recycling infrastructure in the state.

From today Round 6 of the Recycling Modernisation Fund will make a further \$4 million in joint funding available to businesses, social enterprises, not-for-profit organisations and local government organisations to further build the capacity and divert waste from landfill into the circular economy.

Applications close 1 July 2026 or once funding is fully allocated.

The Australian Government is increasing recycling capacity in Australia by more than 1.4 million tonnes every year while creating over 3300 ongoing and construction jobs, including more than 500 in Victoria.

## **Quotes attributable to Federal Minister for the Environment and Water Murray Watt**

“Australia’s transition to a circular economy is well underway, and this new infrastructure in Victoria marks an important step in transforming how we manage plastic waste.”

“Plastics remain a complex waste challenge. By building recycling capability here in Victoria, we’re making real progress in recovering materials that would otherwise go to landfill.”

“The Albanese Government has committed to doubling circularity by 2035. These projects are a strong example of the Recycling Modernisation Fund in action – helping to keep plastic out of landfill and in productive use.”

## **Quotes attributable to Victorian Minister for Environment Steve Dimopoulos**

“We’re investing in a cleaner future for all Victorians by supporting new infrastructure to recycle and recover more plastic waste.”

“We are working together with a reliable partner in Canberra to deliver what matters in Victoria, keeping our environment clean, diverting waste from landfill and creating new jobs throughout Victoria.”

“These projects will strengthen Victoria’s capacity to manage plastic waste – from pallet wrap to agricultural feed bags and soft plastics - ensuring more materials are recovered, reused, and kept in productive circulation.”

## **Quote attributable to Member for Isaacs Mark Dreyfus KC MP**

“This investment is a great step forward and will help Victoria recycle more of the hard to recycle plastics into new products that would otherwise end up in landfill. It supports local jobs, and it helps make recycling work better for the community and for the environment.”

## **Quotes attributable to Member for Southern Metropolitan Ryan Batchelor**

“By strengthening our recycling and recovery industries we are creating new jobs as well as keeping our local environment and communities clean.”

“By backing innovative projects like this, we’re turning waste into opportunity – creating jobs and cutting landfill.”

**ENDS**

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