

# Hunter Region – Supporting Clean Energy

## FEDERATION FUNDING AGREEMENT – INFRASTRUCTURE

Table 1: Formalities and operation of schedule																									
Parties	Commonwealth New South Wales																								
Duration	This Schedule is expected to expire on 30 June 2027 or when all project deliverables outlined in this Schedule have been completed and acquitted.																								
Purpose	The aim of this Schedule is to support improved regional development, economic, environmental and social outcomes in Newcastle and the Hunter region.  In particular, this Schedule will support the delivery of enabling works to accelerate the development of a Clean Energy Precinct at the Port of Newcastle.																								
Estimated financial contributions	<div>The Commonwealth will provide an estimated total financial contribution to New South Wales of \$100.0 million in respect of this Schedule*.</div> <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>11.9</td><td>40.0</td><td>48.1</td><td>100.0</td></tr><tr><td>Less estimated National Partnership Payments</td><td>11.9</td><td>40.0</td><td>48.1</td><td>100.0</td></tr><tr><td>Balance of non-Commonwealth contributions</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td></tr></table> <div>*The funding profile of the remaining \$48.1 million will be confirmed after completion of the current phase. Refer to Table 2.</div>					Table 1 (\$ million)	2024-25	2025-26	2026-27	Total	Estimated total budget	11.9	40.0	48.1	100.0	Less estimated National Partnership Payments	11.9	40.0	48.1	100.0	Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0
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Additional terms	<b>Funding arrangements</b>  Commonwealth funding contributions will be provided on achievement of each agreed project milestone as set out in Table 2 of this Schedule and subject to the Commonwealth’s assessment and agreement on the achievement of each milestone’s performance benchmark. For the avoidance of doubt, by providing the milestone contribution, the Commonwealth certifies that it is in agreement with the State that the milestone performance benchmark has been achieved.																								

Consistent with Clause 20a of the *Federation Funding Agreement – Infrastructure*, the State's role will include facilitating the submission of milestone claim requests from, and forwarding Commonwealth funding contributions to, third-party proponents for the purpose of meeting the requirements of the Schedule.

#### **Commonwealth funding recognition**

In addition to the requirements set out in Clause 21 of the *Federation Funding Agreement – Infrastructure*, the State agrees to:

- a) Recognise the Commonwealth's funding contributions to the project in all publications, promotional and advertising materials, including project signage, and public announcements and activities in relation to the project as appropriate;
- b) Provide reasonable opportunity for the Commonwealth to contribute to developing communications strategies for the project; and
- c) Provide the Commonwealth with equal access to products that they obtain for use in the development of promotional material for the project, including but not limited to project data, footage and images.

The Commonwealth agrees to provide the State with reasonable opportunity to participate in public announcements and project events on a case-by-case basis, having regard to the overarching purpose of this Schedule and the mutual commitments to achieving its outcomes.

#### **Program governance and reporting**

The Commonwealth, State and third-party proponent will participate in regular project oversight meetings for the purpose of monitoring and assessing performance in delivery of the project under this Schedule. In particular, the State and third-party proponent will provide relevant information on the development and progress of the funded project to the Commonwealth on request and the State will liaise with the third-party proponent where required, to assist the Commonwealth with performing its roles and responsibilities.



**Table 2: Performance requirements, reporting and payment summary**

Performance milestones	Report due	Payment
<p><b>Milestone 1 – Electrical Infrastructure Front End Engineering and Design (FEED) Study commenced</b></p> <p>Confirmation of FEED contract award and provision of detailed breakdown of FEED budget, scope and delivery timeframes.</p> <p><u>Electrical Infrastructure</u></p> <ul style="list-style-type: none"> <li>• Design of 1.5GW stepdown substation (330kV to 33kV) and initial implementation of equipment to support 1.5GW capacity and reticulation.</li> <li>• Design of a 1.5GW switchyard and initial implementation of a private network to support 1.5GW capacity.</li> <li>• Engagement with Transgrid to progress connection application.</li> <li>• Development of energy solution strategy.</li> </ul>	Complete	\$3.6m
<p><b>Milestone 2 – All other FEED studies commenced</b></p> <p>Confirmation of FEED contract award and provision of detailed breakdown of FEED budget, scope and delivery timeframes.</p> <p><u>Storage</u></p> <ul style="list-style-type: none"> <li>• Design of a centralised ammonia storage facility covering 8Ha, featuring four tanks with a combined capacity of 120,000 tonnes (each holding 30,000 tonnes).</li> <li>• Design of associated pipeline infrastructure to cater to the needs of potential tenants within the Clean Energy Precinct and other regional initiatives.</li> <li>• Design of the initial phase to incorporate a single 30,000 tonnes storage stand within the facility.</li> </ul> <p><u>Berth and Channel Development</u></p> <ul style="list-style-type: none"> <li>• Design of a dedicated clean energy berth including channel extension and modifications.</li> </ul> <p><u>General Infrastructure</u></p> <ul style="list-style-type: none"> <li>• Design of a fenced hardstand area to be used as laydown area.</li> <li>• Design of internal roads and drainage.</li> <li>• Site facilities and amenities.</li> </ul> <p><u>Pipeline</u></p> <ul style="list-style-type: none"> <li>• Design of a 2.5km common user clean energy pipeline spine.</li> </ul>	Complete	\$8.3m

<u>Water and wastewater</u> <ul style="list-style-type: none"> <li>• Design of pipeline connections, pipeline infrastructure and associated easements and corridors for water and wastewater within the Clean Energy Precinct.</li> <li>• Design of infrastructure augmentations required to connect potable and recycled water services and wastewater and brine management services to the Clean Energy Precinct.</li> </ul>		
<b>Milestone 3 – Confirmation of the completion of all FEED studies</b> Acceptance by the Commonwealth of a written report detailing the completion of FEED studies relating to electrical infrastructure, storage, berth and channel development, general infrastructure, pipeline, and water and wastewater. At a minimum, the completion report is to include (for each FEED work package) information on: <ul style="list-style-type: none"> <li>• Scope of works;</li> <li>• Cost estimate;</li> <li>• Design reports;</li> <li>• Delivery (execution) schedule;</li> <li>• Design drawings; and</li> <li>• Procurement plan</li> </ul>	March 2026	\$40.0m
Milestones for the remaining Commonwealth funding of \$48.1 million will be negotiated subject to the outcomes of the FEED studies and Commonwealth approval of further project particulars outlining the proposed use of the remaining funding, to be submitted in writing to the Commonwealth following completion of the FEED studies. The negotiation and establishment of the remaining milestones is expected to be finalised before 31 December 2026.	To be determined	\$48.1m
	<b>Total</b>	<b>\$100.0m</b>

The Parties have confirmed their commitment to this schedule as follows:

*Signed for and on behalf of the Commonwealth  
of Australia by*

A handwritten signature in blue ink, consisting of a large 'C' followed by a stylized 'K'.

**The Honourable Catherine King MP**  
Minister for Infrastructure, Transport, Regional  
Development and Local Government

29.../7/2025

*Signed for and on behalf of the  
State of New South Wales by*

A handwritten signature in blue ink, featuring a series of connected loops and a long horizontal stroke.

**The Honourable Penny Sharpe MLC**  
Minister for Climate Change, Minister for Energy,  
Minister for the Environment, and Minister for  
Heritage

8.../10/2025