

# Securing future Nyrstar Hobart operations by investing in critical upgrade projects

## FEDERATION FUNDING AGREEMENT – AFFORDABLE HOUSING, COMMUNITY SERVICES AND OTHER

**Table 1: Formalities and operation of schedule**

Parties	Commonwealth The Crown in Right of Tasmania (represented by the Department of State Growth)												
Duration	This Schedule is expected to expire on 30 June 2026.												
Purpose	<p>This Schedule will support the delivery by Tasmania of funding to Nyrstar Hobart Pty Ltd.</p> <p>The government is committed to a Future Made in Australia. Sustainable and competitive smelting capabilities in Australia, including lead and zinc smelting and the potential they offer to deliver critical minerals are important elements of this commitment. Zinc and lead are important for renewable energy infrastructure and to many products essential to modern economies, as well as the facilities’ contribution to the national economy, export earnings and regional employment.</p> <p>In recognition of this commitment, the funding provided will support activities to secure future operations Nyrstar Hobart, specifically the delivery of critical projects including producing and utilising new anodes, electrolysis plant asset integrity works, wharf refurbishment, roaster turnaround, and further asset integrity works.</p>												
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to Tasmania of up to nfp in respect of this Schedule.</p> <table><tr><th>Table 1 (\$ million)</th><th>2025-26</th><th>Total</th></tr><tr><td>Estimated total budget</td><td>nfp</td><td>nfp</td></tr><tr><td>Less estimated National Partnership Payments</td><td>nfp</td><td>nfp</td></tr><tr><td>Tasmania’s non-Commonwealth contributions</td><td>nfp</td><td>nfp</td></tr></table>	Table 1 (\$ million)	2025-26	Total	Estimated total budget	nfp	nfp	Less estimated National Partnership Payments	nfp	nfp	Tasmania’s non-Commonwealth contributions	nfp	nfp
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Estimated total budget	nfp	nfp											
Less estimated National Partnership Payments	nfp	nfp											
Tasmania’s non-Commonwealth contributions	nfp	nfp											

Additional terms	<p>Commonwealth funding will be provided to enable Tasmania to provide a grant consistent with the terms agreed in the grant deed between Tasmania and Nyrstar Hobart Pty Ltd, Nyrstar Australia Pty Ltd, Nyrstar Port Pirie Pty Ltd and Nyrstar Sales and Marketing AG ('the Grant Deed').</p> <p>The Commonwealth and Tasmania will agree and establish appropriate governance arrangements in support of the administration of the grant, including establishment of mechanism whereby State Growth confirms to the Commonwealth that Nyrstar is compliant with the terms and conditions of the Grant Deed before further payments are made.</p> <p>The Commonwealth retains the right to audit Nyrstar's compliance against the terms and conditions of the Grant Deed at any time over the term of the deed, as well as engage in regular meetings with State Growth regarding compliance against the deed.</p> <p>Tasmania will consult with, and (to the extent permitted by the terms of the Grant Deed) seek agreement from the Commonwealth before giving consent, waiver or release under the Grant Deed, or exercising any other substantive right under the Grant Deed in a manner that could have a material adverse effect on the Commonwealth's position (including any extension or variation), provided that such agreement must not be unreasonably withheld or delayed by the Commonwealth.</p> <p>Tasmania will consult with the Commonwealth before terminating the Grant Deed.</p> <p>In the event Tasmania receives a repayment of grant moneys from Nyrstar, the State will refund the Commonwealth, (in a manner directed by the Commonwealth) the Commonwealth's proportion of the repayment. The Commonwealth's proportion of such repayment will be equal to the overall proportion of the funding paid under the Grant Deed that the Commonwealth has contributed up to the date of the repayment. The Commonwealth and Tasmania will agree on the mechanism for the return of funds in the event of termination or repayment.</p> <p>Nothing in these additional terms prevents, or is to be interpreted in a manner that might prevent, the free exercise by the Governor of Tasmania, by any member of the Executive Council of Tasmania, or by any Minister of the Crown in Right of Tasmania, of any duties or authorities of their office.</p>
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Table 2: Performance requirements, reporting and payment summary			
Milestone	Performance milestones	Report due	Payment
1	Execution of the agreement by both parties.	25/08/2025	nfp
2	Commonwealth receipt of confirmation that all obligations required under the Deed have been fulfilled during the current milestone period.	17/09/2025	nfp
3	Commonwealth receipt of confirmation that all obligations required under the Deed have been fulfilled during the current milestone period.	15/10/2025	nfp
4	Commonwealth receipt of confirmation that all obligations required under the Deed have been fulfilled during the current milestone period.	15/11/2025	nfp
5	Commonwealth receipt of confirmation that all obligations required under the Deed have been fulfilled up to the current milestone period.	15/03/2026	nfp

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

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



**Senator the Hon Tim Ayres**  
Minister for Industry and Innovation

Minister for Science

22<sup>nd</sup> August 2025

*Signed for and on behalf of the  
State of Tasmania by*



**The Hon Felix Ellis MP**  
Minister for Business, Industry and Resources

25 August 2025