

Master plans for Hunter mine sites

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule

Parties	The Commonwealth of Australia (the Commonwealth) The State of New South Wales (NSW)														
Duration	This Schedule is expected to expire on 30 June 2027.														
Purpose	The Commonwealth is providing a financial contribution to NSW to help fund post-mining land use master plans (Master Plans) for two Hunter region pilot project mine sites to attract new industry and create local jobs: the BHP Mount Arthur Coal in Muswellbrook Shire Council and Glencore Macquarie Coal in Lake Macquarie City Council. The Master Plans and rezoning in partnership with the NSW Government and Councils will identify potential future land uses for each site, based on environmental and technical assessments, infrastructure requirements and anticipated demand. The Master Plans will enable the rezoning of the sites, with the aim of maximising future investment attraction, economic output and local employment opportunities.														
Estimated financial contributions	The Commonwealth will provide a total financial contribution to NSW of \$5.0m in respect of this Schedule. <table border="1"> <thead> <tr> <th>Table 1 (\$ million)</th><th>2025-26</th><th>2026-27</th><th>Total</th></tr> </thead> <tbody> <tr> <td>Estimated total budget</td><td>4.0</td><td>1.0</td><td>5.0</td></tr> <tr> <td><i>Less estimated National Partnership Payments</i></td><td>4.0</td><td>1.0</td><td>5.0</td></tr> </tbody> </table>			Table 1 (\$ million)	2025-26	2026-27	Total	Estimated total budget	4.0	1.0	5.0	<i>Less estimated National Partnership Payments</i>	4.0	1.0	5.0
Table 1 (\$ million)	2025-26	2026-27	Total												
Estimated total budget	4.0	1.0	5.0												
<i>Less estimated National Partnership Payments</i>	4.0	1.0	5.0												
Additional terms	Funding arrangements Consistent with Clause 20 of the <i>Federation Funding Agreement – Environment</i>, NSW's role will include facilitating the submission of milestone claim requests form, and forwarding Commonwealth funding contributions to Muswellbrook Shire Council and Lake Macquarie City Council (together, the Councils) for the purpose of meeting the requirements of the Schedule. NSW must pass on the full \$5.0m in funding directly and in totality to the Councils, and the funding must be distributed equally between Muswellbrook Shire Council (\$2.5m) and Lake Macquarie City Council (\$2.5m). Joint project ownership														

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

- a) Recognise the Commonwealth's funding contributions in all publications, promotional and advertising materials, including public announcements and activities in relation to the projects as appropriate;
- b) Provide reasonable opportunity for the Commonwealth to contribute to and develop agreed outputs, including the Master Plans and any stakeholder engagement, communications or media strategies.

Program governance and reporting

The Commonwealth, NSW, the Councils and other third-party proponents will engage in program governance and reporting, in line with the governance structure as agreed by all parties in the Terms of Reference.

In particular, NSW, the Councils and other third-party proponents will provide relevant information on the development and progress of the Master Plans and rezoning on request, to assist the Commonwealth with performing its roles and responsibilities.

Table 2: Performance requirements, reporting and payment summary

Output	Performance milestones	Due	Payment
Delivery and implementation of a master plan and rezoning for the two pilot projects: - BHP Mt Arthur Coal mine and associated buffer lands - Glencore Macquarie Coal mine.	Third-party agreement(s) between NSW Government and Councils Completion of third-party agreement(s) between the State of New South Wales, Muswellbrook Shire Council and Lake Macquarie City Council, to provide \$2.5m in funding to each Council.	28/11/2025	Nil
	Project Management Plans for each of Mt Arthur and Macquarie Coal Commonwealth acceptance of a Project Management Plan for each site, to be provided by the NSW Government to Councils and the Commonwealth. Each Project Management Plan will cover project scope, roles, responsibilities, budget, program, risks and procurement strategy.	28/11/2025	4.0m
	Due Diligence Report Commonwealth acceptance of a Due Diligence Report for each site, to be prepared by the NSW Government and provided to Councils and the Commonwealth. Each Due Diligence Report will include identification of subject land for potential rezoning, constraints and opportunities assessment, future studies required to inform the next phase and an infrastructure analysis.	01/02/2026	Nil
	Exhibition of draft Master Plan for Mt Arthur Coal Commonwealth acceptance of a draft Master Plan for Mt Arthur Coal for the purposes of public exhibition, to be provided by the NSW Government to Muswellbrook Shire Council and the Commonwealth. The Master Plan must include detailed future land use opportunities and site outcomes, including draft forecasts of potential jobs and economic opportunities, and infrastructure requirements.	01/07/2026	0.5m
	Exhibition of draft Master Plan for Macquarie Coal Commonwealth acceptance of a draft Master Plan for Macquarie Coal for the purposes of public exhibition, to be provided by the NSW Government to Lake Macquarie Council and the Commonwealth. The Master Plan must include detailed future land use opportunities and site outcomes, including draft forecasts of potential jobs and economic opportunities, and infrastructure requirements.	01/07/2026	0.5m
	Final Master Plan and rezoning for Mt Arthur Coal Commonwealth acceptance of a final Master Plan for Mt Arthur Coal, to be provided by the NSW Government to Muswellbrook Shire Council and the Commonwealth. The Master Plan will be implemented through the finalisation of rezoning.	31/12/2026	Nil
	Final Master Plan and rezoning for Macquarie Coal	31/12/2026	Nil

OFFICIAL

	Commonwealth acceptance of a final Master Plan for Macquarie Coal, to be provided by the NSW Government to Lake Macquarie City Council and the Commonwealth. The Master Plan will be implemented through the finalisation of rezoning.		
	Recommendations Report Commonwealth acceptance of a Recommendations Report that: - Seeks approval to finalise the Master Plans and rezoning for the two mine sites; - Recommends proposed broader reforms to the <i>Mining Act 1992</i> (NSW), <i>Environmental Planning and Assessment Act 1979</i> (NSW), and <i>Protection of the Environment Operations Act 1997</i> (NSW), any other relevant acts, and associated regulations, policies and procedures, as per Recommendation 1 of the NSW Parliamentary Inquiry into Beneficial and Productive Post-mining Land Use	31/12/2026	Nil
	Final Report Final report detailing performance against all project deliverables to 30 June 2027.	30/06/2027	Nil

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

Signed for and on behalf of the Commonwealth of Australia by



Senator the Honourable Tim Ayres
Minister for Industry and Innovation

DATE **13/11/2025**

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



The Honourable Paul Scully MP
Minister for Planning and Public Spaces

DATE **20/11/2025**