

10 September 2026

Dear [REDACTED]

Response to RFIs dated 20 August 2026 and 3 September 2026– Ring Fencing Exemption Application- Hydrogen Park South Australia and Hydrogen Park Gladstone

Please see our additional responses to the questions raised (italicised)

Compliance costs

The application refers to costs associated with divestment, staff separation (including marketing staff), loss of operational efficiencies and duplication of functions. Are you able to provide quantitative estimates of these costs, along with any key assumptions, to assist the AER's consideration of this matter:

• **One-off compliance costs**

Our response dated 28 August 2026 considered that material one-off compliance costs will be incurred, primarily in relation to stamp duty costs associated with the transfer of the land (including the capital of the plant as fixtures) as well as corporate income tax costs.

The total indicative duty and taxes payable has been calculated at [REDACTED] (plus [REDACTED] if SA duty exemption not granted). The basis for this calculation is as follows:

- HyP SA is located on freehold land held by AGN with an encumbrance to the Urban Renewal Authority which initially developed the Tonsley Industrial Precinct. The current market value of the freehold land and plant comprising HyP SA is estimated at [REDACTED].
- A transfer of the HyP SA land and plant is prima facie subject to stamp duty, however as the land is zoned for public utility use, the transfer may not result in any stamp duty being payable. Stamp duty impost (approximately [REDACTED]) at the stamp duty rates applicable in South Australia of up to [REDACTED] applies if the relevant exemption is not granted.
- For corporate income tax purposes, any gains on transfer are subject to tax at a rate of [REDACTED]. Based on the tax written down value of the HyP SA plant and tax cost base of the HyP SA land, income tax of [REDACTED] is payable on the transfer.
- HyP Gladstone is located on leasehold land from the Gladstone Ports Corporation. The current market value of the plant comprising HyP Gladstone is estimated at [REDACTED] including the fixtures to the leasehold interest.
- A transfer of the HyP Gladstone plant is subject to stamp duty. Based on the stamp duty rates applicable in Queensland of up to [REDACTED], the amount of stamp duty payable would be approximately [REDACTED].
- For corporate income tax purposes, any gains on transfer of the HyP Gladstone plant are subject to tax at a rate of [REDACTED]. Based on the tax written down value of the plant, income tax of [REDACTED] is payable on the transfer of the plant.

In addition to the above tax related costs, there will be one-off costs related to the incorporation of new ring-fenced entities for each of the projects. The costs will include;

- ASIC fees, regulatory, legal/accounting setup costs etc (e.g. preparation of a Constitution, Board approvals, ASIC filings etc). We estimate these costs to be in the range of [REDACTED] to [REDACTED] for each entity, so in total [REDACTED].

- Technology and support in establishing a new entity, e.g. SAP ERP set up and other related applications and we estimate this cost to be between [REDACTED].
- **Ongoing annual compliance costs**

To comply with the marketing staff ring-fencing requirements it would be necessary to have separation of marketing staff for HyP SA and HyP Gladstone from AGN.

Under existing arrangements, key-person risks can be effectively managed through access to a broader pool of personnel who are involved in, or capable of undertaking, the commercial and marketing functions. However, if marketing staff-sharing prohibitions were implemented, this flexibility would no longer be available. Consequently, an additional dedicated resource would be required to ensure that commercial and customer-facing functions continue to be performed effectively and without disruption.

AGN estimates the remuneration cost of a dedicated marketing employee as follows:

- Based on our remuneration framework, a total cost remuneration, including superannuation of between [REDACTED], plus discretionary short term incentive payment (bonus).
- Recruitment fees.

This estimate does not include training, travel, support, and resources such as IT equipment.

Regulatory treatment of the Wasleys sub-network

Does the Wasleys sub-network form part of AGN South Australia (SA) Distribution Network (being a scheme pipeline and covered under the current access agreement)? Or is the Wasleys sub-network separate from AGN SA Distribution Network and therefore a non-scheme pipeline?

The Wasley's Network is covered by the Access Arrangement determined by the AER for the AGN SA Distribution Network. We refer to our responses dated 28 August and 4 September in relation to the physical separation of the Wasley's network from the Tonsley distribution network (HyP SA).

Relationship between the Wasleys and Pinkerton Plains sub-networks

Is the Pinkerton Plains sub-network an alternative name for the Wasleys sub-network?

Wasleys and Pinkerton Plains are the same network – Pinkerton Plains is just an alternative name to Wasleys.

[REDACTED]

[REDACTED]

[REDACTED]