

Joint Standing Committee on Trade and Investment Growth
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science and Resources
Inquiry into Australia's transition to a green energy superpower
10 February 2023

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES

TOPIC: The department's definition of 'green energy'

REFERENCE: Question on Notice (Hansard, 10 February 2023, Page 17)

QUESTION No.: 6

CHAIR: I've got a few questions as well. Mine are very generic, and there are similar questions that I've asked of our previous witnesses as well. I'd like to know the definition of green energy, in your department. Is there a formula you use to define something as green energy, or is it just something that perhaps has a percentage of renewable energy, whether it be 100 per cent or 10 per cent? Is there a particular formula that you use?

Mr Hutchinson: Perhaps we could come back with a written answer to that, but I can provide some informal comments on that instead. We probably wouldn't have anything binding around 'green' energy. For example, if there were a government support program, like, say, grants or loans, within the department, I imagine we typically wouldn't use the phrase 'green energy'. It would talk about 'clean energy technologies' or 'renewable energy' or something like that. But maybe we can come back with a formal answer.

CHAIR: Thanks.

ANSWER

'Green energy' is not formally defined in legislation or policy administered by the Department of Industry, Science and Resources. The department is guided by the Department of Climate Change, Energy, the Environment and Water on the correct terminology when referring to energy matters.

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TOPIC: Sun Cable

REFERENCE: Question on Notice (Hansard, 10 February 2023, Page 16)

QUESTION No.: 4

Senator CANAVAN: My next question that you might be able to answer is: does Sun Cable going into administration impact the major project status?

Ms Long: I'd have to take that on notice. I'm not sure on that one.

Senator CANAVAN: You might need to take this on notice as well. I can't find any, but has there been any government support or government grants provided to Sun Cable?

Ms Long: I'd have to take that on notice.

Senator CANAVAN: Thank you.

ANSWER

Major Project Status (MPS) was awarded to Sun Cable's Australia-Asia Power Link (AAPowerLink) project in July 2020 for a period of three years, in line with standard practice. Sun Cable entered into voluntary administration in January 2023, however this has not impacted the development of the AAPowerLink project and therefore has not impacted on the AAPowerLink project's Major Project Status.

Major projects can change ownership through their development. Provided this does not impact on the ability to develop a project, MPS is retained. However if, for example, a project went into receivership and could no longer progress their project, it would no longer benefit from MPS services and therefore the project would not retain MPS.

The Australian Government has provided support for Sun Cable's AAPowerLink through its Major Project Status, which makes the project eligible for extra assistance from the Major Projects Facilitation Agency (MPFA) to navigate the complex regulatory approvals required for the project.

Austrade's Global Australia Program is also supporting Sun Cable to engage with various Commonwealth, State and Territory agencies, identify supply chains and future energy off takers.

The Department of Foreign Affairs and Trade, including through Australia's overseas missions, is engaging with Sun Cable, and has supported it to engage with the Singapore and Indonesian Governments.

The Australian Government has not provided grant funding to Sun Cable.

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AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES

TOPIC: Fortescue Future Industries Gigafactory

REFERENCE: Question on Notice (Hansard, 10 February 2023, Page 15-16)

QUESTION No.: 3

Senator CANAVAN: I'll just turn to a different topic. Last year the then coalition government announced a \$45 million investment in the Fortescue Future Industries Gigafactory in Gladstone. Is that grant still progressing—is it happening?

Mr Tan: I don't have that information with me, I'll have to take that on notice.

Senator CANAVAN: Okay. I think the one I'm referring to was announced in April last year, just for the record. I have an additional question which also goes to the \$45 million grant and just more generally about this project. It has been promoted by Australian governments as part of the Gladstone hydrogen hub. You might have seen that on 27 January—just the other week—Fortescue's US partner, Plug Power, has pulled out of the deal for that project. I suppose this is a generic question: are you aware of that, and what do you see the implications are of that for Gladstone being a hydrogen hub?

Secondly, what does this mean for the \$45 million grant? You'll probably have to take that on notice, but do you have any comments on the first part of that question?

...

Mr Weaver: Just on that specific project and grant: that's one which is administered by the department of climate change.

Senator CANAVAN: Okay, I was going to ask them and had no time.

Mr Weaver: We can try to seek some information.

Senator CANAVAN: That would be great because, as I said, I didn't get the time earlier. It was on my list. Thank you for that.

Mr Weaver: That's alright.

ANSWER

Question 1:

Senator CANAVAN: Last year the then coalition government announced a \$45 million investment in the Fortescue Future Industries Gigafactory in Gladstone. **Is that grant still progressing—is it happening?** ... I think the one I'm referring to was announced in April last year, just for the record.

Response:

In February 2023, a Modern Manufacturing Initiative grant agreement was executed with Gladstone Fortescue Future Industries Pty Ltd for \$44,946,000 (GST exclusive) for the Green Hydrogen Gigafactory Electrolyser Manufacturing Facility.

Question 2:

Senator CANAVAN: I have an additional question which also goes to the \$45 million grant and just more generally about this project. It has been promoted by Australian governments as part of the Gladstone hydrogen hub. You might have seen that on 27 January—just the other week—Fortescue's US partner, Plug Power, has pulled out of the deal for that project. I suppose this is a generic question: are you aware of that, and **what do you see the implications are of that for Gladstone being a hydrogen hub?**

Secondly, what does this mean for the \$45 million grant?

Response:

In the October 2022 Budget, the Government announced it would proceed with the Regional Hydrogen Hubs program. This includes up to \$69.2 million for a hydrogen hub in Gladstone led by Stanwell Corporation. The Department of Climate Change, Energy, the Environment and Water (DCCEEW) is currently negotiating grant agreements with successful hub proponents.

The Modern Manufacturing Initiative grant agreement was executed in February 2023 with Gladstone Fortescue Future Industries Pty Ltd. Grant payments are subject to satisfactory progress on the project and compliance with obligations under the Agreement.