

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: 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.