

Activating a Regional Hydrogen Industry – Clean Hydrogen Industrial Hubs: Hub Development and Design Grants

Having difficulties with applying in the portal?

If you are experiencing difficulties when trying to apply in the Portal, the best way to seek assistance is to call our Contact Centre Team on 13 28 46. The [Contact / Need help](#) link on our website also provides other ways to receive support from our Contact Centre team. The Contact Centre will answer your question via phone, email or webchat. If they can't help, they will put you in touch with someone who can.

About the program

What is the difference between the 'Implementation' and the 'Development and Design' Grants?

Both programs aim to support the establishment of hydrogen hubs in regional Australia, and the growth of Australia's clean hydrogen industry. However, the 'Development and Design' round focuses on projects that are generally at an earlier stage of development and require additional support to advance them towards implementation. The 'Implementation' grants are for proponents of hydrogen hub projects who are closer to investment and are ready to for the next stage of implementation.

Can I apply for both grants?

Yes, you are encouraged to apply for both the Design and Development and Implementation Grants

How will the collective value of the hubs be valued, compared to 7 good separate applications? How is the Government thinking about the best overall position for Australia? This is a grant round open to consortia to build scale and applications are measured against a criteria with a weighting against each. The committee will assess applications against the assessment criteria and compare them to other eligible applications, taking into account the spread of projects nationally and the program objectives before making recommendations on which projects to fund.

What is meant by clean hydrogen?

Clean hydrogen is hydrogen produced using renewable energy or using fossil fuels with substantial carbon capture and storage (CCS).

Is a project that produces hydrogen using renewable energy which is subsequently converted to ammonia for export still considered eligible for the grant program?

Yes, the export of low emissions ammonia is one potential activity that could take place at a clean hydrogen industrial hub.

Does the definition of Clean Hydrogen include projects based on Biomass-to-Hydrogen

Yes. Biomass technology projects may be eligible to apply as biomass to hydrogen falls within the definition of renewable energy.

Is there a definition of Carbon Capture and Storage (CCS) that is mentioned in the definition of Clean Hydrogen in the glossary in the guidelines?

The National Hydrogen Strategy defines CCS or Carbon Capture and Storage as the process of capturing and permanently storing carbon emissions. This general definition is also applicable to the Clean Hydrogen Industrial Hubs program.

What level of Carbon Capture, and Storage is required?

The program Guidelines specify that the level of carbon capture and storage should be substantial but does not indicate a particular abatement level. In the context of a competitive grants program, applications will need to demonstrate the extent to which a project will accelerate the creation of an export and domestic clean hydrogen industry as well as the broader social, environmental and economic impacts of your hub.

Does this funding add to or complement the recent NSW Hydrogen strategy?

The Clean Hydrogen Industrial Hubs program is a Commonwealth Government funded initiative. Applicants are encouraged to consider other sources of co-funding including from State/Territory government initiatives that may assist in demonstrating a project's viability.

Is there going to be a maximum number of grants that can or are likely to be successful per jurisdiction?

It is possible that more than one grant could be approved in a location or jurisdiction and no number limits have been stipulated in the guidelines. This is an open and competitive grant funding opportunity.

Are pilot plants applicable for funding in both streams?

Running trials or pilots are eligible activities for the Development and Design Grants and the Implementation grants.

Does the Development and Design grant funding opportunity target projects that are somewhat established (not concept ideas) rather than assessing project viability?

Applications to the Development and Design Grant funding opportunity may be at different stages of development, noting the objectives of the opportunity are to:

- advance planning and design work for the construction of a variety of Clean Hydrogen Industrial hubs across Australia
- develop and/or demonstrate the feasibility of regional hydrogen industrial hub proposals
- demonstrate the employment, knowledge, technological, public and commercial value of the proposed regional hubs.

Eligibility

Will submissions be rejected if applications are made to both streams - Federal and State?

Applicants are encouraged to apply for both streams, the Development and Design grants and the Implementation grants. You are responsible for the remaining at least 50 per cent of eligible project expenditure plus any ineligible expenditure, which we consider your contribution. Your contribution must be cash. We anticipate you may need to use some funding from other Commonwealth, State, Territory or local government grants to fund the project expenditure not covered by this program. However, no more than 50 per cent of your total eligible project expenditure can be funded from Commonwealth government grants.

Note that any State government funding is a different process from the Clean Hydrogen Industrial Hubs Program which is a Commonwealth program.

Where can a project be located?

The Australian Government has identified a number of locations as prospective hub locations, based on interest of industry and the location's existing capability, infrastructure and resources.

However, the program guidelines are clear that applications are not restricted to these locations and can relate to projects from any location in Australia including metropolitan areas. You do need to consider that the objectives of the program include to enable economic, environmental and social opportunities in regional communities by locating hubs in regional areas of Australia and make your case as to how your project meets this objective.

The Department accepts that for Development and Design grants, a range of project activities may not need to be conducted at a proposed hydrogen hub site.

Can applications be submitted for “hubs” that are not within one of the defined “Hub” areas?
Yes. The Grants are open to all parts of Australia and will be managed in an open and competitive process. Applications are NOT restricted to the 7 potential priority regions.

If submitting an application for an area that is not one of the seven priority regional locations what additional information would be required?

The guidelines do not require any additional information to be provided for a project outside the priority regions as compared to a project within these regions. All applications will be assessed against the same eligibility and merit criteria.

Is it possible for multiple consortia to receive funding in the same hub? Or is there a preference for a single application covering shared infrastructure?

It is possible that more than one consortia is funded to deliver their project in the same region. Applicants should consider the potential for a single project from a larger consortium to be assessed as being more competitive against the merit criteria (for example those relating to applicant capability or linkages with industry, research and government).

Regarding the National Redress scheme, do all domestic applicant have to be on this organization’s list to be qualified for this grant opportunity?

No. You are NOT eligible to apply if you are an organisation, or your project partner is an organisation, included on the National Redress Scheme’s website on the list of ‘Institutions that have not joined or signified their intent to join the Scheme’ (www.nationalredress.gov.au)

There is currently only 4 entities on this list.

Can an organisation be the lead applicant on multiple grant applications across both grant streams?

An organisation is able to be the lead applicant on multiple grant applications across both grant streams. Applicants are encouraged to apply for both streams, the Development and Design and Implementation grant opportunities.

Can a parent company and subsidiary, or two subsidiaries form a consortium for the purposes of applying for a grant?

Yes. An application must be a joint application with at least one and preferably multiple project partners.

However, applicants should consider how well their joint applications addresses a range of merit criteria including the extent to which the project connects with existing Australian industry, links with research organisations and other businesses and supports co-located industry in the region.

Are Commonwealth entities or local governments excluded from participating?

No. The guidelines do exclude Commonwealth entities and local government from being lead applicants. However, these organisations can partner with the lead applicant and contribute as part of the consortium.

Is there a minimum electrolyser size considered/needed to meet the hydrogen hub criteria?

There is not a minimum electrolyser size considered or needed to meet the criteria. However, it is worth noting that the grant process is open and competitive.

Is it acceptable for company support to be subject to internal approval stage gates (e.g. Feasibility Study, Feed, FID)?

You must certify that the project is supported by your board.

When applying for the Development and Design grant, certification that the Board or equivalent supports the project is required in the application. You may also attach documentation to support your response as part of the application, such as evidence of support from the Board.

When applying for the Implementation grant, certification that the Board or equivalent supports the project is required in the application, and formal evidence demonstrating this support **is mandatory** as per section 7.1 of the Implementation Guidelines.

Funding, expenditure and activities

What can a grant be used to fund?

A grant can be used to fund a range of activities. For more details, please refer to Section 5.1 and Appendix A of the Guidelines.

However, activities that are not eligible for funding include research projects without a clear, short to medium term pathway to establishing a hub for the production and use of clean hydrogen for domestic and export markets.

Given the complexity of hub implementation, can an element of the implementation application include design and develop work?

It can, but you will need to consider eligible activities and the grant guidelines, before making a case for their inclusion.

What is required in relation to Australian International engagement activities and cooperation with a Special Advisor, after funding has been awarded?

This could entail a range of activities including:

- the provision/sharing by the department of key project metrics and use of the project as an example of government action/investment opportunity
- participation in international outreach and promotional activities through to occasional presentations to select and relevant international forums

Is the expectation from DISER that reporting and knowledge sharing from successful projects will be publicly released?

Project reporting, such as progress reports will not be publicly released by the Department.

Knowledge sharing is an eligibility requirement and your knowledge sharing strategy will be assessed as part of Assessment Criterion 1 for the Development and Design Grants.

Does the consortia need a domestic customer/off take, and does a bid require both domestic and export off take potential?

No they do not. Consortia with multiple uses and or users be that domestic and/or export will enhance the competitiveness of their application.

If a project intends to explore domestic off-takers during the feasibility stage, but has not yet engaged with potentials, will this impact the application?

One of the intended outcomes of the funding opportunity is to assist industry to establish a clear business plan for potential hub implementation. In your application you should outline how you are proposing to engage with potential off-takers and how you will leverage and support existing industrial capability and workforce. Please see Assessment Criterion 1 of Clean Hydrogen Industrial Hubs Development and Design Guidelines.

For eligible Plant and Equipment expenditure that relates to the purchase of assets (e.g. capital equipment) for an applicant's project, is the lead applicant required to be the legal owner of the assets during and post the project period?

The program guidelines state you may purchase, lease (finance lease or operating lease under certain conditions) or build plant and equipment.

Eligible costs for plant and equipment will normally need to be on the grantee's balance sheet. The spending also needs to be in alignment with the approved project budget and eligible expenditure.

Ownership of equipment would form part of the formal arrangements required to be in place with all parties prior to execution of the grant agreement.

Can you start the project knowing that any expenditure incurred before executing the grant agreement is not eligible without impacting your eligibility for the fund?

You may undertake other activities at your own expense and risk that may be linked to your grant project but would not form part of the activities and expenditure formally included in the grant project that is described in your application.

Broader activities that occur before the grant project start date may be referred to in your application, such as when demonstrating capability, but should not form part of the milestones or the grant project budget in the application as that expenditure is not eligible to be claimed.

Will the total grant amount consisting of a 10% in-kind contribution be provided from the total project costs or from 50% of all eligible project expenditure?

To confirm, 10% of the applicant's eligible contribution can consist of in-kind contributions.

As in Section 3.1 of the program guidelines.

The grant amount will be up to 50 per cent of eligible project expenditure (grant percentage).

- the minimum grant amount is \$500,000.
- the maximum grant amount is \$3 million.

You are responsible for the remaining eligible project expenditure plus any ineligible expenditure, which we consider your contribution. Contributions to your project will be cash but may include up to 10% in-kind contributions. Cash contributions can come from the State and Territory government grants and cash or in-kind contributions from project partners. Where you provide in-kind contributions such as services, equipment or materials, you must calculate the equivalent dollar value.

Please also see Appendix A of the guidelines for details on eligible expenditure.

For example, labour costs where employees are directly paid salaries or wages can be considered eligible cash expenditure (rather than in-kind). Value of the time of unpaid directors or shareholders would be considered an in-kind contribution.

Contributions may only include up to 10% in-kind and that the remainder need to be cash. Does this mean that employee time can only make up 10% of the overall project value? Or can the grant funding be used to cover employee time, with cash contributions from the project proponents covering external expenditure?

Under the program guidelines, at Appendix A.3, labour expenditure for employees directly employed on the project may be considered eligible (cash) expenditure subject to the conditions in the guidelines including that these employees are paid a regular salary or wage on which you make regular tax instalment deductions. In-kind contributions may include services, equipment or materials where you can calculate the equivalent dollar value.

Can funding from the project partner can be used to pay labour costs?

Cash contributions that are sourced from a project partner may include eligible labour as outlined in Appendix A of the guidelines. It will be the responsibility of the lead applicant to explain the nature of project partner contributions and how they are managed for the project. Please note, should an application be successful, we may request evidence of eligible labour costs (Appendix A.4), such as employment contracts, ATO summaries and payslips and this should be clearly communicated to the project partner.

Applying

Do we have to submit an application for each site we want to bid for?

A separate application should be made for each hub project. The application form asks you to define the region to which your application relates.

In the “Project Information” section of the application, part of the requested information is Project Location and an address is sought. How specific does the response to these sections need to be?

The application form provides the opportunity to enter multiple project sites and the percentage of project activity to be undertaken at each site. Project locations may be taken into account when considering the “region” in which you are undertaking your project. The Department accepts that for Development and Design grants, a range of project activities may not need to be conducted at a proposed hydrogen hub site.

In addressing assessment criteria are we required to speak to the abilities of all in the consortia or focus just on the lead applicant?

The applicant should make a case for the involvement of all members of a consortium. For example, in relation to an applicant’s response to merit criteria 3 (applicant capability and capacity).

What is required in a letter of support from a project partner?

A letter of support should clearly state a commitment to the proposed project and outline what the project partner will contribute to the project. It should be signed by someone who has the authority within the partnering organisation to give that commitment, for example, the CEO of a company.

If your project has formal arrangements in place with project partners, is a letter of support from each partner that is not the main applicant also required?

Yes.

Could a supporting party (not as lead organisation) submit a letter of support to multiple lead organisations of multiple projects?

For this grants program, a project partner could offer to support more than one project and is not required to offer its support exclusively to one project. Note that there must be a formal arrangement in place with all parties prior to execution of the grant agreement if a project is successful.

If a specific project is not awarded, could a supporting party join the awarded project? It is possible that a project partner may seek to join a successful project after it has been awarded.

If a supporting party submits a supporting letter to one project, could an affiliate of that supporting party submit a supporting letter to another project?

We would expect any potential conflicts of interest to be noted in the application.

What paperwork is required between consortium partners in order to progress their application?

A letter of support from each project partner needs to be provided as part of your application. As noted in clause 7.2 of the Guidelines, you should be prepared to have formal arrangements in place with all project partners prior to the execution of a grant agreement.

What information needs to be included in a formal agreement?

A formal arrangement between a successful applicant and their project partner/s needs to be in place prior to the execution of the grant agreement. The nature of this agreement will depend on the relationship between the parties but must be binding on both parties. It may be in the form of a legal agreement, contract, memorandum of understanding, or similar.

Is there a knowledge sharing template or additional guidance notes on the specifics regarding knowledge sharing?

Your strategy for knowledge sharing will be assessed as part of the merit criteria, and all other things being equal, a greater willingness to share knowledge would lead to a stronger assessment of this criteria. Your strategy is open to you to develop but you may wish to consider ARENA's approach regarding knowledge sharing - examples of knowledge sharing reports and newsletters can be found at <https://arena.gov.au/knowledge-innovation/>.

Is there a limit to additional supporting documents we can provide to the application?

There are size limits, but if you have trouble attaching your document, please call the contact centre on 12 28 46 for instructions on how you can email the attachments through before the closing date.

These projects for export may be delivered over many years and using a staged approach.

Would the board letter be acceptable containing Conditions Precedent's for various stages?

Eligibility requires a letter from the Board outlining that the project is supported, as per the Guidelines

Do you consider it important for project applications to focus on common-user infrastructure? Or can funding be allocated across any part of the value chain?

An expected benefit of the hub model is the cost-effectiveness of shared infrastructure when multiple users, producers and exporters are co-located.

Will AusIndustry provide feedback apart from grant success? Such as advice to synergy projects, recommend collaboration, connect proponents, etc.

Feedback will be provided to applicants who request it. It will be discussed with the applicant at an arranged time, and will be based on comments provided by assessors in their assessment of the eligibility and merit criteria.

When completing the application form, is the response limit 750 characters per milestone, or is the 750 for all of the described milestones? Will the milestones be in one single field or 6 individual fields?

You will be able to add up to six milestones as individual fields. Each milestone description field has a 750 character limit. Please note this limit includes returns so is slightly less than the character count you would find in a Microsoft word document.

Do the Project Plan and Milestone relate to the process of executing the project feasibility study or do they relate to the main project where a hub is designed, constructed and commissioned?

The 'Development and Design' round focuses on projects that are generally at an earlier stage of development and require additional support to advance them towards implementation. The 'Implementation' grants are for proponents of hydrogen hub projects who are closer to investment and are ready to for the next stage of implementation.

The Project Plan and Milestones relate to the project and the eligible activities to be undertaken throughout the project period. Therefore, this should include the feasibility study.

For Development and Design grants, you should note that as part of the eligible activities in section 5.1, Your project must:

- be aimed at setting out the design work and business case for establishing a hydrogen hub consisting of co-located sources of hydrogen demand and production to stimulate demand and facilitate the production and use of clean hydrogen for domestic and export markets, leveraging on the existing industrial and energy resources in the region
- have at least \$1 million in eligible expenditure.

Are we required to use the project plan and budget template documents found on business.gov.au, or can we use more comprehensive project plan and budget documents we develop ourselves?

You must include a project plan and a project document but you may choose to use the templates provided or provide the documents in your own format. The templates do provide a guide to the minimum level of information that should be provided, but you are not restricted to that.

Since this grant is for a feasibility project, is it required to have selected a location for the study i.e. a specific industrial site for the study, or can choosing the right site be part of the study?

The program guidelines do not require you to have specifically selected a site location for your project. However, the guidelines and assessment criteria do have a focus on the realisation of regional benefits and you should be able to define a region to which your application relates.

You should consider how you make a case for your proposed project across the four assessment criteria and how your project can demonstrate a clear, short to medium term pathway to establishing a hub for the production and use of clean hydrogen for domestic and export markets.

In the “About” section of the application, details are requested for: latest financial year figures, trading performance, ANZSIC code and Indigenous Organisations. How should this section be completed noting the application will be submitted from a consortium? Also, is it OK to provide these details based on a parent company?

We note that the guidelines require that the application is submitted by an eligible lead applicant, for example, a State Government agency or body. The questions in the “about” section should be answered with the relevant details for the lead applicant only. For example, most government agencies will have financial figures available in their annual reports. The ANZSIC code should be the code most relevant to the lead entity. These details must relate to the lead applicant entity, for example, the Australian subsidiary of an international organisation would include the information specific to the Australian company, not the overseas parent.

Are the letters of support supplied with an Activating a Regional Hydrogen Industry grant application kept private or made available to the public?

Letters of support would not be made available to the public, although please note that all documents in possession of the Australian Government, including those about the program, are subject to the Freedom of Information Act 1982 (Cth).

Information on confidentiality conditions relating to applications is detailed in the Hydrogen Hub Development and Design Grant opportunity guidelines, section 13.2 “How we use your information”. Any information clearly identified by the applicant as confidential will be treated as such, subject to the conditions outlined in the guidelines.

We do publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the Commonwealth Grants Rules and Guidelines unless otherwise prohibited by law. We may also publish this information on business.gov.au. This information may include:

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation’s industry sector.

Future rounds

Will there be a second round for the Design and Development funding opportunity?

As per the Grant Opportunity Guidelines, Development and Design grants will be delivered through two successive funding rounds. Further Implementation grants may be awarded in a subsequent round subject to availability of program funds.

Will the next round be public or before the awarding the grants or will you review proposals received that are not quite there and work exclusively with them?

It is not intended that the current funding round identify a shortlist of projects for further development, rather round 2 of the Development and Design grants will be open and competitive, with unsuccessful applicants from the current round able to re-apply.

A further Implementation grant funding round is subject to the availability of program funding.