

**Submission
No 14**

INQUIRY INTO DEVELOPMENT OF A HYDROGEN INDUSTRY IN NEW SOUTH WALES

Organisation: H2X Australia
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26 February 2021

Standing Committee on State Development
Parliament House Macquarie Street
Sydney NSW 2000

By email:

Inquiry into the development of a hydrogen industry in New South Wales
submission by H2X Australia Pty Ltd

Dear Committee Members,

We welcome the Standing Committee on State Development inquiry into the hydrogen industry.

H2X Australia is a vertically integrated zero-emissions transportation and power solution provider that designs and manufactures state-of-the-art hydrogen fuel cell electric vehicles, electric vehicle drivetrains, energy storage systems, and hydrogen fueling stations. The Company's core product offering is centered around a full range of hydrogen fuel cell electric vehicles ("FCEV"). The Company was incorporated in New South Wales in June 2020. The Company headquarters are located in Sydney. H2X Australia has personnel and operations based in Europe, Asia and the USA.

In Australia, and most significantly in New South Wales, we are engaged in a range of projects all aimed at developing the hydrogen economy. We have been working with industry and State Government agencies in the Illawarra to drive forward a innovation ecosystem based around hydrogen and the development of new technologies and products which will help Australia take a lead in this area.

In a report named, "[Opportunities for Australia from Hydrogen Exports](#)" produced for ARENA (Australia Renewable Energy Agency) they quote:

"calculated that global demand for hydrogen exported from Australia could be over three million tonnes each year by 2040, which could be worth up to \$10 billion each year to the economy by that time¹".

In 2020, International Law firm, Baker McKenzie, note in their report "Shaping the Global Hydrogen Market"² that:

"There is a growing consensus among academia, industry and political leaders that a decarbonization path based (quasi-)exclusively on electricity networks (an 'electricity only' model) is unrealistic and would be too expensive. Deep decarbonization will require hydrogen to satisfy current industrial demand; 'no molecules, no deep decarbonization'."

¹ <https://arena.gov.au/assets/2018/08/opportunities-for-australia-from-hydrogen-exports.pdf>

² https://www.bakermckenzie.com/-/media/files/insight/publications/2020/01/hydrogen_report.pdf

We believe that there are significant opportunities for Regional NSW to benefit from hydrogen economy if all levels of Government work together to implement a hydrogen industry roadmap that has clear targets for the government procurement of hydrogen fuel cell transportation solutions & substantial infrastructure investments. For the NSW government to champion & create Regional Hydrogen Industry Hubs that will entice the private sector to also make significant investment not only in the hydrogen industry but the supply chain that supports it. H2X Australia sees particular advantages in the Illawarra Region & the Greater Newcastle Region as potential hubs due to their motivated workforces, academic research & development & existing infrastructures including deep water port facilities.

We have discussed the potential for H2X to develop a manufacturing facility in Port Kembla which would produce Hydrogen Fuel cells for domestic and export. We believe that such a facility will create jobs and provide a vital link for training in a new and growing industry.

The development of a manufacturing facility for Hydrogen Fuel Cell drive train technology combined with a hub which can create the hydrogen fuel to power and drive the vehicles which will utilise these products, will set NSW in the forefront of a national hydrogen strategy.

We would like to partner with the NSW Government in such an approach, To that end we would like to see this inquiry discuss the potential of funding for innovation and enterprise aimed at developing manufacturing capabilities in industrial centres of this State.

We know the impact on local economies of developing new high tech jobs. H2X has a knowledge based and experience team who have created a hydrogen fuel vehicle manufacturing operation. There are currently hundreds of hydrogen powered buses on the streets of China, which were developed and manufactured by our team. We therefore see a partnership with the NSW Government would allow us to share that vast knowledge for the future of all Australians.

H2X aims to be a vital partner with the NSW Government in the process to transition the NSW government bus fleet to hydrogen fuel cell, providing a commercially viable and environmentally more sustainable outcome than the various other transition options.

I look forward to providing more information to your inquiry should that be required.

Yours sincerely

Anthony Clucas
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