

## MEDIA STATEMENT

24 February 2023

### **Australian Hydrogen Council welcomes review of National Hydrogen Strategy**

**Melbourne, Australia:** The Australian Hydrogen Council welcomes the agreement by the Commonwealth today to lead jurisdictions in a Review of the National Hydrogen Strategy. The new strategy will respond to the local and global changes since 2019 and guide Australia on its path to be a global hydrogen leader.

“Globally, competition for hydrogen projects is fierce,” said Fiona Simon, CEO of the Australian Hydrogen Council.

“Significant financial incentives have been announced by various countries, with each jostling for first mover advantage. The international funding and policy approaches announced to date demonstrate governments’ recognition that a profound restructuring of the energy system is required and that this is about maintaining economic prosperity for their nations.

“The energy and industry transition will be materials intensive, as well as capital intensive. It will connect complex systems and require fundamental change, planning and creativity across sector, departmental and political boundaries.

“We are already hearing that Australian projects are being de-prioritised where there are choices. The Inflation Reduction Act means that we are now in a race because there is limited land, equipment and people to deliver this energy transition. Australia has some vital ingredients, but we will be relying on other nations to support the scale-up of the hydrogen industry.

“We welcome the Government’s commitment to revise the National Hydrogen Strategy to respond to the local and global changes since 2019 and provide a plan for the transition.

“We hope to see a strategy that will reconsider the best range and combination of long-term economic mechanisms to develop the hydrogen industry, including grants, debt and underwriting,” Dr Simon Concluded.

This view has been confirmed by a Deloitte report released today which outlines that Australia’s global competitiveness on clean energy is declining and if Australia does not swiftly respond to the Inflation Reduction Act, significant production of hydrogen is unlikely to begin until the 2030s, resulting in 65 per cent less hydrogen exports per annum by 2050 compared to before the IRA’s introduction.

Deloitte have advised that a production credit of AUD\$2/kg (for 10 years) would be a sensible level in order to incentivise the scaling up of industry in the next decade.