

## MEDIA STATEMENT

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### **Australian Hydrogen Council calls for strategic, targeted policy in response to IRA**

**Melbourne, Australia:** The Australian Hydrogen Council has released a policy paper on what it believes the Australian Government must do to respond to the US Inflation Reduction Act (IRA) and other international incentives that are increasingly attracting investment in hydrogen.

The AHC has called for ‘immediate action’ in its paper released today that lists 6 recommendations to enable the hydrogen sector to move forward.

“The market urgently requires a signal to show Australia is serious,” said Dr Fiona Simon, CEO of the Australian Hydrogen Council.

“Fortunately, there are low regrets policy actions to take immediately. We recommend the Government underwrites demand through a revenue support mechanism, such as contracts for difference, to incentivise domestic production of critical chemicals and metals that are of strategic importance such as iron, ammonia and methanol.

“Beyond the next 12 months, a revised hydrogen strategy is crucial to incentivise hydrogen production in areas where Australia has a competitive advantage, such as the production of iron. Funding could be matched by the states and territories, or split so that one funding stream defrays capital costs and the other provides long term underwriting for contracts.

“A renewed focus on job creation, building sovereign manufacturing capabilities and helping heavy industry decarbonise should be a key focus of an updated strategy.

“We welcome the Government’s commitment last week to review the National Hydrogen Strategy and hope to see a cohesive plan that reduces uncertainty and complexity for investors.

“This cannot be left to chance, or to the whims, complexities, and uncertainties of a nascent market. Governments must be market makers at this stage of the energy transition. This is not only about funding for pilots but also major infrastructure investment in the public interest. Becoming cost competitive with fossil fuels will not happen without extensive government policy and subsidies.

“This policy paper highlights the key levers we need to pull in response to the IRA and we look forward to engaging with Government on these recommendation in addition to policy to further stimulate hydrogen demand,” Dr Simon concluded.