

MEDIA STATEMENT

14 May 2024

Federal budget sets bold vision for Australia's hydrogen industry

Melbourne, Australia: The Australian Hydrogen Council (AHC) today applauds the Australian Government's bold vision for Australia's hydrogen industry outlined in the Federal Budget on Tuesday evening. The Government announced significant new measures to support hydrogen production, technology development and skills.

Topline budget measures:

- \$2 billion expansion to the Hydrogen Headstart program
- \$6.7 billion over 10 years for a Hydrogen Production Tax Incentive for renewable hydrogen produced from 2027
- \$1.7 billion for a new Future Made in Australia Innovation Fund to support innovation, commercialisation, pilot and demonstration projects and early stage development in priority sectors, including renewable hydrogen, green metals, low carbon liquid fuels and clean energy technology manufacturing.
- \$1.9 billion to recharge ARENA's core mission developing, commercialising, manufacturing and deploying new renewable energy technologies

CEO of the Australian Hydrogen Council Dr Fiona Simon said:

"The Australian Hydrogen Council is delighted to see this Federal Budget deliver the significant investment required to match the ambition and opportunity of the Australian hydrogen industry, manufacturing industry and our trading partners.

"Hydrogen delivers comparative advantage to Australia not only as a molecule but as the critical pathway to decarbonise hard to abate sectors, and establish new high value exports in green steel, green iron and green ammonia. This budget reflects that production, technology and jobs are all essential parts of ensuring a future made in Australia for hydrogen.

"The \$2 billion extension of the Hydrogen Headstart program is critical for early mover hydrogen projects and the \$6.7 billion Hydrogen Production Tax Incentive over the next decade for renewable hydrogen produced from 2027 will also help give these early projects certainty as they reach financial investment decisions.

"We look forward to working with the Federal Government, Net Zero Economy Authority, Australian Renewable Energy Agency and other agencies as the Future Made in Australia policy progresses and other budget initiatives are rolled-out to industry."

Other budget announcements:

- \$17.1 million over four years from 2024-2025 to deliver the 2024 National Hydrogen Strategy including hydrogen infrastructure planning, social license and industry safety training and regulation
- \$32.2 million to fast track the initial phase of the Guarantee of Origin scheme focused on renewable hydrogen in 2024-25, then expansion to green metals and low carbon liquid fuels.
- \$20.9 million over four years from 2024-2025 for further consultation on incentives to support the production and demand for low carbon liquid fuels including development of a Guarantee of Origin scheme
- \$18.1 million over six years for foundational initiatives to expedite the emergence of Australia's green metals industry and consultation on incentives to support the production of green iron, steel, alumina and aluminium
- \$44 million on an Energy Industry Jobs Plan to assist employees impacted by the closure of relevant coal-and gas-fired power stations
- \$134.2 million for skills and employment support targeted at regions impacted by the energy transition
- \$55.6 million for Building Women's Careers Program to support women to access flexible training in clean energy, construction, tech and advanced manufacturing
- \$91.0 million to develop the clean energy workforce, including by turbocharging the VET teacher, trainer and assessor workforce, and funding clean energy training facility upgrades and capacity expansion
- \$399.1 million to establish the Net Zero Economy Authority to support the economy-wide net zero transformation for private and public investment, major project development, employment transition, skills and community development
- \$505.9 million, plus up to \$2 billion in loans, equity and insurance for Southeast Asia Economic Strategy to 2040 to catalyse Australian trade and investment in the region
- \$48.0 million for continued reform of the Australian Carbon Credit Unit (ACCU) Scheme and improving job opportunities and First Nations participation

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About Australian Hydrogen Council

The Australian Hydrogen Council is the peak representative body for the Australian hydrogen industry, with members from across the hydrogen value chain. We represent the emerging hydrogen industry and connect it with its stakeholders to collectively create a clean and resilient energy future that has hydrogen as a key part of the energy mix. More information here: www.h2council.com.au.

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