

AHC MEDIA STATEMENT

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Hunter Valley Hydrogen Hub progresses with \$432m Hydrogen Headstart funding

Melbourne, Australia: The Australian Hydrogen Council (AHC) has today congratulated Orica on being awarded \$432m Hydrogen Headstart funding from the Australian Government for the Hunter Valley Hydrogen Hub in NSW.

The Hunter Valley Hydrogen Hub on Kooragang Island aims to build a 50MW electrolyser to produce renewable hydrogen to progressively replace natural gas in Orica's production of low-carbon ammonia and ammonium nitrate – crucial products for mining, agriculture, health, and food industries.

The Hunter Valley Hydrogen Hub is the second recipient of the \$2bn Hydrogen Headstart first funding round. Murchison Green Hydrogen on the mid-west of Western Australia is the first project, with \$814m awarded earlier this to progress plans for a 1.5GW green hydrogen production facility, aiming to produce approximately 900,000 tonnes of green ammonia per year.

Hydrogen Headstart is a federal program administered by the Australian Renewable Energy Agency (ARENA) that will provide revenue support for large-scale renewable hydrogen projects once operational, through competitive hydrogen production credits.

A further \$2bn is allocated for the second round of Hydrogen Headstart, with consultation now open. More details [here](#).

CEO of the Australian Hydrogen Council Dr Fiona Simon said:

“AHC is thrilled to see the Hunter Valley Hydrogen Hub move one step closer to a Final Investment Decision with \$432m funding support from the Australian Government's Hydrogen Headstart program.

“This is an important project that supports Orica's decarbonisation ambitions, the Hunter region's transition from a coal-based economy and the broader NSW economy. It is critical that government and industry work together to scale renewable hydrogen projects located in regions such as the Hunter where heavy industry needs to decarbonise and common user infrastructure is already in place.

“Hydrogen is the building block for both ammonia and methanol. We are working closely with end users like Orica to ensure hydrogen molecules are available when and where they are needed, to meet different customers' needs and local attributes.

“The Australian Government's hydrogen production tax incentive and Hydrogen Headstart will help close the commercial gap for these foundational large-scale projects, but we also need policy to support the right common user infrastructure, renewable energy generation and social underpinnings for these new industries.

“We look forward to working closely with the Australian Government to progress its priorities including the Future Made in Australia Agenda and second round of Hydrogen Headstart, and supporting key stakeholders in the Hunter region as this project progresses.”

The Hunter Valley Hydrogen Hub has previously been awarded \$70m funding from the Australian Government's Regional Hydrogen Hubs program and \$45m from the NSW Government. The State Significant Development project received planning approval by the NSW Government in May 2024.

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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. Read more at www.h2council.com.au.

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