

# Hydrogen-led energy

Production tax incentives for renewable hydrogen and critical minerals. By Carole Goldsmith.

The Future Made in Australia Production Tax incentives constitute a significant step toward boosting the production of renewable green hydrogen and critical minerals in this country.

The Federal Government's Future Made in Australia (Production Tax Credit and Other Measures) Bill 2024 passed to Parliament in February this year, a big step in making Australia indispensable to the global net zero transformation.

The legislation provides tax offsets for producing renewable hydrogen and critical minerals and expands Indigenous Business Australia's role and scope.

Jointly announced by the Treasurer, Jim Chalmers, Minister for Climate Change and Energy, Chris Bowen, Minister for Resources, Madeline King; and Assistant Minister for a Future Made in Australia, Senator Tim Ayres, the legislation establishes two tax incentives:

- A Hydrogen Production Tax Incentive worth two dollars per kilogram of renewable hydrogen produced between 2027–2028 and 2039–40 for up to ten years per project.
- A Critical Minerals Production Tax Incentive worth ten per cent of relevant processing and refining costs for Australia's 31 critical minerals, for critical minerals processed and refined between 2027–28 and 2039–40, for up to ten years per project.

These tax incentives aim to encourage and enable new industries that will put Australia on a path to net zero. The Australian Government also provides around \$500m in support for Regional Hydrogen Hubs nationwide.

## HyResource – everything you need to know about hydrogen in Australia

HyResource is a collaborative knowledge-sharing resource supporting the development of Australia's hydrogen industry. Future Fuels CRC, CSIRO, and the Australian Hydrogen Council jointly initiated it. By December 2024, HyResource listed 90 hydrogen-related (industry) projects in Australia: Operating – 15, Under construction – 14, Under development – 58, Projects completed – 2. One 'project' is a Demonstration Display of 100% hydrogen use in a standard family home setting. A description of each project is listed on the site.

The HyResource Projects Map – provides a map of active projects across Australia and filtering capability by status, main end-use, and leading proponents. Australian Hydrogen Council – peak body for the Australian hydrogen industry.

AMT magazine interviewed Dr Fiona Simon, CEO of the Australian Hydrogen Council (AHC), to learn more about hydrogen development and growth in Australia.



Before joining the AHC, almost six years ago, Dr Simon worked for close to 20 years in energy policy and regulation, specialising in energy retail competition and consumer protection matters. She has also published a well-regarded academic book on retail energy regulation in Australia.

"AHC started off as a different organisation called Hydrogen Mobility Australia," advises Dr Simon. "In 2019, we changed the name to AHC to reflect the broader coverage and wider membership. We focus mostly on the policy environment.

"We have over 90 members from various sectors and organisations, from large multinational companies to much smaller businesses and local organisations. Our broad spectrum of membership demonstrates the diversity of hydrogen opportunities in Australia and globally. We are the lead industry association, and we work with the policymakers to get policy in place to support the industry."

Dr Simon notes that in the last five years, there has been a major change in awareness and understanding of the diverse hydrogen opportunities. "There have also been some complex realities because we've had COVID and the war in Ukraine since the first National Hydrogen Strategy was launched in 2019.

"This year, the Department of Climate Change, Energy, the Environment and Water released the National Hydrogen Strategy 2024. As an update to the 2019 strategy, the new strategy focuses on increasing the amount of green renewable hydrogen manufactured in Australia."

The 2024 report summary reveals that the global hydrogen market is forecast to reach US\$1.4Tn in 2050. This includes around US\$280bn of interregional trade. Australia's renewable energy advantages mean that this country is well-placed for export and manufacturing opportunities in the energy transformation.

