



Australian Government

Australian Trade and Investment Commission

Hydrogen Developments in Australia



AUSTRALIA

Government Support

"Yes, it's taking longer than I would like to become commercial. It's taking longer than some people predicted. [...] But the work continues, and its opportunity and potential remains. And in some ways, that makes it more important for governments to remain interested, not less important." - Energy Minister Chris Bowen

Government Support



National Hydrogen
Strategy



Future Made in
Australia



Net Zero Plan



Guarantee of Origin
Scheme

National Hydrogen Strategy



- ❑ Vision and targets: **production target** of at least 15 million tonnes of renewable hydrogen annually by 2050 (approx. 100-120 GW electrolyser capacity) with a milestone of 0.5-1.5 million tonnes by 2030 (0.2 – 1.2 million tonnes exports)
- ❑ **Cost-competitiveness and infrastructure**: acknowledgement of high cost being a major barrier currently; addresses issue by supporting early-stage production to achieve economies of scale
- ❑ Domestic demand and trade: domestically for **hard-to-abate sectors** (steel, chemicals, transport etc.); internationally positioning Australia as **exporter** for Asia and Europe
- ❑ Review and progress monitoring: full review **every five years**, including five-yearly production/export milestones

Future Made in Australia

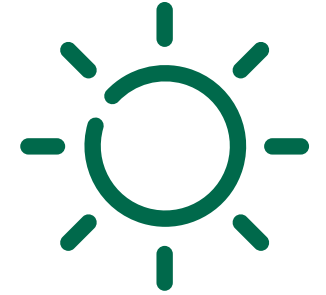


Major industrial policy launched in the budget 2024-25 to invest **AUD 22.7 billion** over one decade in building a stronger, cleaner economy

Five priority sectors identified:

- ☐ Renewable hydrogen – production, processing, infrastructure
- ☐ Critical minerals processing/refining
- ☐ Green metals
- ☐ Low-carbon liquid fuels
- ☐ Clean energy manufacturing

Net Zero Plan



- ❑ Reinforcing Australia's 2050 net zero emissions target with interim milestone of **reducing emissions by 62-70% below 2005 in 2035**
- ❑ Plan is underpinned by **six sector plans** to drive industrial decarbonisation:
 - electricity & energy
 - Industry
 - Resources
 - built environment
 - transport
 - agriculture & land
- ❑ **Technology & investment-led approach**: rather than relying on taxes and mandates, plan emphasis mobilising public and private investment to scale clean technologies and infrastructure

Guarantee of Origin Scheme



- ❑ Australia's framework on a voluntary basis for **emissions accounting of products and certification of renewable electricity**
- ❑ went **live beginning of November 2025**
- ❑ initially covers **hydrogen produced through electrolysis**. It will expand to include products such as:
 - low carbon liquid fuels
 - green metals
 - renewable gases
- ❑ Australian businesses will be able to register and apply for **two types** of GO certificates:
 1. Product GO certificates – will display the emissions intensity and other attributes of particular commodities
 2. Renewable Electricity GO (REGO) certificates – will contain information about when, where and how renewable electricity was produced

Funding mechanisms and incentives



Future Made in
Australia
Innovation Fund

Hydrogen
Headstart

Hydrogen
Production Tax
Incentive

Green Iron
Investment
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H2 Global

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Future Made in Australia Innovation Fund

AUD 1.5 billion in grants to support pre-commercial innovation, demonstration and deployment of renewable-energy and low-emission technologies

- ❑ Roughly AUD 750 million dollars earmarked for **green metals** (iron, steel, aluminium)
- ❑ About AUD 500 million for **clean energy technology manufacturing** (e.g. technologies addressing supply-chain constraints)
- ❑ AUD 250 million for **low-carbon liquid fuels** (e.g. SAF, renewable diesel)
- ❑ Fund administered by the Australian Renewable Energy Agency (ARENA)

Funding mechanisms and incentives



Hydrogen Headstart and HPTI

Hydrogen Headstart, Round 2

- ❑ competitive process, focusing on **Australia based large-scale projects** producing renewable hydrogen or derivative products (for example ammonia or methanol)
- ❑ funding under the program will be provided in the form of the Headstart Production Credit (HPC), being **support provided per unit of production over a 10-year period of operations**
- ❑ up to \$2 billion of funding is available under Hydrogen Headstart Round 2

Hydrogen Production Tax Incentive

- ❑ Australian companies (and foreign companies with permanent establishment in Australia and an ABN) can claim a refundable tax offset of **AUD 2 per kilogram of eligible hydrogen produced**
- ❑ renewable hydrogen produced in Australia on or after **1 July 2027, and before 1 July 2040**
- ❑ subject of a registered Product Guarantee of Origin certificate (PGO certificate) under the GO Scheme

Funding mechanisms and incentives

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Hydrogen
Headstart

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Green
Investment
Fund

H2 Global

Green Iron Investment Fund

- ❑ up to **AUD 500 million** to support early movers with the upfront costs of capital works
- ❑ accessible for both **existing facilities and greenfield projects**
- ❑ grant funding can be used on costs that
 - are incurred by you within the project period
 - are a direct cost of the project
 - are incurred by you to undertake required project audit activities
 - meet the eligible expenditure guideline

Funding mechanisms and incentives

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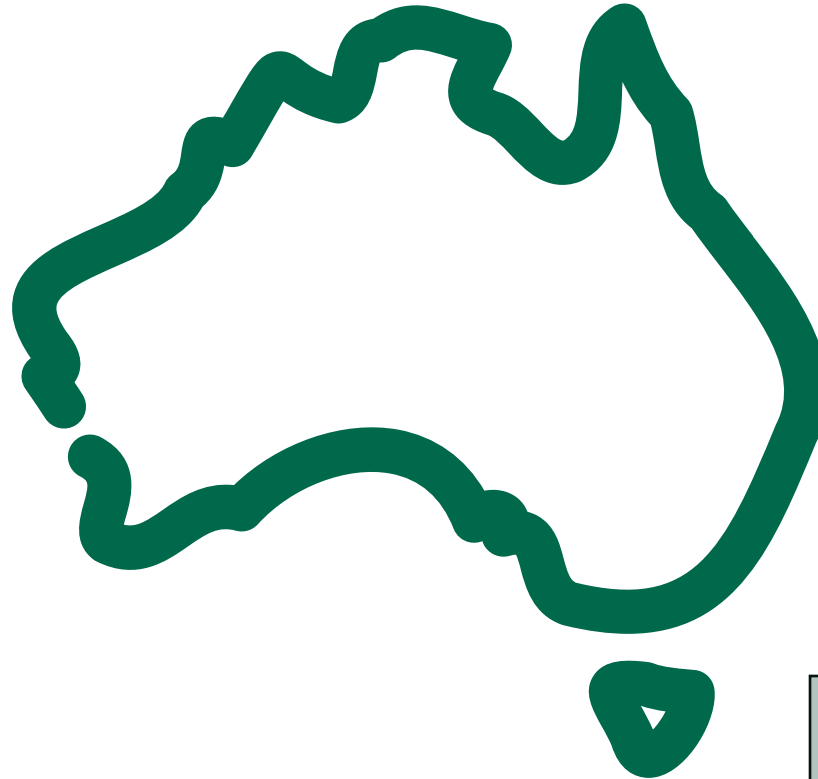
Bilateral initiative established to advance the renewable hydrogen industry and create new green hydrogen supply chains between Australia and Germany

- ❑ combined funding commitment of **EUR 400 million** (approximately AUD 700 million), equally contributed by both countries, to a joint H2Global double auction scheme designed to address the cost gap ("cost-of-difference") in renewable hydrogen production
- ❑ **stackable** with HPTI and Headstart, as long as producer is not overcompensated
- ❑ proposed eligible products: **hydrogen, methanol, ammonia**
- ❑ project size: **10MW minimum**
- ❑ supply side auction proposed for first half of 2026, production must commence within 5 years of after binding agreement finalised, funding available between FY28-29 and FY 37-38 (timelines under revision)
- ❑ Australian consultation on framework and design closed end of September

Project examples

Murchison Hydrogen Renewables Project:

- total electrolyser capacity at full scale is anticipated at around 3 GW
- Hydrogen Headstart Program Funding award is for a project capacity of approximately 1.5 GW (up to AUD 814 million)
- project timeline indicated by owner: FEED study to commence in early 2026, stage one FID by 2027
- Industrial process – ammonia production, export focussed



Orica - Hunter Valley Hydrogen Hub:

- approx. 4,700 tonnes of renewables-based hydrogen production per annum, based on a 50 MW electrolyser
- Hydrogen Headstart Program Funding for up to AUD 432 million
- FEED completed in 2023, project proponent is aiming for commissioning in 2028
- Industrial process – ammonia production

ABEL Energy – Bell Bay:

- renewables-based hydrogen and hybrid e-methanol facility
- 300 MW electrolyser: approximately 129 tonnes per day hydrogen production capacity
- FEED study being finalised

Austrade

Australian Government's business promotion agency, facilitating international trade and productive foreign direct investment attraction.

Services include:

- ❑ providing assistance with industry and government contacts
- ❑ supporting setting up and registering companies
- ❑ offering advice on potential investment opportunities across priority sectors
- ❑ facilitating connections in industry, market, and regulatory contacts
- ❑ market briefings and insights

Contact: Eva Pannhausen, Investment Manager Frankfurt, eva.pannhausen@austrade.gov.au