



Powering new jobs and industry

The Australian Government is creating jobs of the future and fostering new nation-building industries like renewable hydrogen to ensure Australia’s ongoing prosperity in a rapidly changing global economy.

This budget will invest over \$2 billion to help Australia capitalise on our competitive advantages and scale up the development of Australia’s renewable hydrogen industry.

The world is moving to seize the opportunities of decarbonisation. This Budget ensures we remain a leader as competition for clean energy investment accelerates around the world.

We also have a robust and stable investment framework, a highly skilled population, and a reputation as a trusted and reliable energy trading partner. This presents enormous opportunities for new jobs in regional Australia.

Investments in this budget will build critical domestic expertise to position Australia to take advantage of the immense jobs and economic potential of hydrogen as a fuel for transport and feedstock for hard-to-abate heavy industries globally.

Importantly, the Government will also support further work on the best ways to leverage Australia’s competitive strengths in renewable energy, critical minerals and highly skilled workforce to accelerate our other clean industrial and manufacturing capabilities, with actions identified by the end of 2023.

The 2023–24 Budget invests:

- \$2 billion for Hydrogen Headstart, providing revenue support for large-scale renewable hydrogen projects through competitive hydrogen production contracts. This investment will help bridge the commercial gap for early projects and put Australia on course for up to a gigawatt of electrolyser capacity by 2030 through 2 to 3 flagship projects.
- \$2 million over 2 years to assist First Nations communities engage with hydrogen project developers
- \$38.2 million over 4 years (and \$6.5 million per year ongoing) for the creation of a Guarantee of Origin scheme to certify renewable energy and track and verify emissions from clean energy products
- \$5.6 million to analyse the implications for Australia of intensifying global competition for clean energy industry, and to identify actions before the end of 2023 to further catalyse clean energy

industries, ensure Australian manufacturing competitiveness and attract capital investment. This will help us fully capitalise on our potential as a renewable energy superpower.

Why is this important and who will it benefit?

Establishing the Hydrogen Headstart program

The Australian Government will invest \$2 billion towards large-scale strategic hydrogen projects, supporting domestic projects with competitive production contracts to bridge commercial gaps in early projects.

The program has been developed in response to accelerating global competition to develop new, clean energy industries, such as hydrogen, and to support Australia's pursuit of new clean energy opportunities.

This investment will build critical domestic experience and expertise, and position Australia to take advantage of the immense jobs and investment potential of the technology.

Those who will benefit the most from this program include workers and regions with burgeoning renewable hydrogen industries, businesses investing in the growing industry, and other industries like green steel that will depend on hydrogen to meet new export, manufacturing, and industrial decarbonisation opportunities.

It's estimated that by 2050, Australia's hydrogen industry could generate \$50 billion in additional GDP and create more than 16,000 jobs in regional Australia.

A further \$2 million over 2 years will be provided to help engage First Nations communities with hydrogen project developers.

Creating the Guarantee of Origin Scheme

This budget includes an important measure to certify renewable energy and track and verify emissions from clean energy products, with \$38.2 million (and \$6.5 million per year ongoing) invested to create a Guarantee of Origin scheme.

Essential for the international trade of hydrogen, this low-cost enabling measure will help new projects secure finance and improve the effectiveness of other Commonwealth efforts to scale up renewables and the hydrogen industry, it will:

- ensure Australia is seen as an attractive investment destination
- accelerate investment in an Australian hydrogen industry
- ensure access to future markets for Australia's clean energy exports
- ensure Australia can influence the development and growth of global markets for clean products.

The scheme will commence with hydrogen and be extended to other products over time.

The Government will continue to engage with stakeholders on implementation of the scheme, including providing an enduring mechanism to certify renewable electricity.

Investing to stay competitive

The Australian Government is investing \$5.6 million to support further work on the best ways to leverage Australia's competitive strengths in renewable energy, critical minerals and highly skilled workforce to accelerate our other clean industrial and manufacturing capabilities, as clean energy investment heats up around the world.

The work will be delivered by the department in close collaboration with other departments and agencies and will include assessment of options to attract investment and support Australia to become a renewable energy superpower.

Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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