

Barton Deakin Brief: National Hydrogen Strategy Update

1 March 2019

The Federal Coalition Government has opened the National Hydrogen Strategy to public consultation. Following the December 2018 Council of Australian Governments (COAG) meeting, Dr Alan Finkel, Australia's Chief Scientist, was commissioned to develop a comprehensive and ambitious national strategy for the development of an Australian hydrogen industry. The Coalition Government has now released its Discussion Paper outlining the avenues of examination and directing principles for public comment.

For a comprehensive background about hydrogen, Barton Deakin prepared a Brief accessible [here](#).

Australia's abundant natural resources make it an ideal exporter of hydrogen. As applications of hydrogen become mainstream, users will seek suppliers and Australia is in a favorable position. The Discussion Paper says that the export industry could be worth up to \$1.7 billion and provide around 2,800 direct and indirect jobs by 2030 – with South Korea and Japan as the main demand drivers. The Federal Government has already begun investing in the hydrogen industry, with \$50 million for a project in Victoria's La Trobe Valley which is expected to deliver its first shipment to Japan in 2021.

The Energy Council created a Working Group led by Dr Finkel to develop the Strategy for 2020-2030 while leading activities across six work streams.

These streams are:

1. **hydrogen exports**, which will examine how Australia can become a major player in a global hydrogen industry by 2030 and capture the emerging opportunity to be a supplier to markets in Asia.
2. **hydrogen for transport**, which will examine the role hydrogen can play in light and heavy transportation and the refuelling infrastructure required.
3. **hydrogen in the gas network**, which will examine using hydrogen in the domestic gas network, initially at 10%, with the potential to increase to 100%.
4. **hydrogen for industry**, which will examine the use of hydrogen in existing industries and consider the potential for new industries using hydrogen.
5. **hydrogen to support electricity systems**, which will examine the potential of hydrogen to contribute to secure, reliable and affordable electricity.
6. **cross-cutting issues**, which will examine issues that affect all sectors, such as safety, R&D and innovation, and environmental impacts.

Focus on the six streams will ensure the Strategy efficiently encapsulates the whole hydrogen economy, that is, its use as an energy source, energy storage and transport medium.

The COAG Energy Council set out eight principles to guide the development of the Strategy.

The National Strategy should:

- **be bold and ambitious** to ensure hydrogen plays a role in maintaining Australia's status as an energy export superpower
- **prioritise safety and benefits to customers**
- **have clear goals and objectives**, which are communicated succinctly and consistently, to help catalyse industry growth
- **use partnerships** to ensure the Strategy is owned by industry and government, and build on work that has already begun
- **be technology-neutral** to facilitate healthy competition and acknowledge that each technology will have its own development path
- **have a commercial focus** to facilitate the creation of an economically viable and self-sustaining hydrogen industry
- **benefit all Australians** and ensure costs to domestic consumers are minimised
- **be consistent with sustainable environmental management** to ensure there are no substantial negative impacts on Australia's greenhouse gas emissions, water availability or the environment.

For more information on hydrogen and the National Hydrogen Strategy, the Discussion Paper and last Barton Deakin Brief are below:

- [National Hydrogen Strategy Discussion Paper](#)
- [Barton Deakin Brief: The Hydrogen Economy](#)

For further information, contact [Andrew Humpherson](#) on +61 419 241 587, or [Keiran Humpherson](#) on +61 2 9191 7888.