



Investing in cheaper, cleaner energy and the net zero transformation

Australian Hydrogen Council
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Submission to Productivity Commission

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1 Introduction

The Australian Hydrogen Council (AHC) welcomes the opportunity to input into the Productivity Commission's recommendations regarding Australia's approach to achieving net zero.

The AHC is the peak body for the hydrogen and derivatives industry in Australia and our membership includes companies from across the value chain. Our members are at the forefront of Australia's hydrogen industry, developing the technology, skills and partnerships necessary to ensure that hydrogen and its derivatives play a meaningful role in decarbonising Australian industry.

In this submission, AHC is responding to the *Investing in cheaper, cleaner energy and the net zero transformation* (the interim report) topics and recommendations. We have broken up our response into five sections: the AHC context, Australia's climate policies, their intersection with hydrogen incentives, heavy road transport, and the need for case management through approvals and investment.

Recommendation 1: Accelerate the implementation of announced policies, programs and strategies to accurately assess Australia's net zero ecosystem. If required, prioritise reform to reduce timelines and promote confidence. Only if this is insufficient should replacement policy introductions covering the same remit be considered.

Recommendation 2: Australian, state and territory governments should co-design a wrap around service that assists Safeguard Mechanism facilities, limiting flight risks and flow on implications across Australian industries. This could include lessons learned from other facilities and a dedicated case management approach similar to facilitating new investments.

Recommendation 3: Align Australia's increased ambition with a reviewed and renewed level of support. Expand the Safeguard Mechanism only if there is sufficient reform, modelling and funding available to support the increased scope.

Recommendation 4: Ensure that the scheduled Safeguard Mechanism Review is open and transparent yet timely to ensure the outcomes of the review can be actioned.

Recommendation 5: Do not phase out supports, incentives or programs aligned with Future Made in Australia priorities or regarding nascent industries.

Recommendation 6: Technology neutral policies would need to incorporate individual targets or time limited guardrails to not stifle nascent industry development.

Recommendation 7: The Australian Government should remain open to blue hydrogen projects for regions that can support it without unnecessarily delaying green hydrogen developments. In practice, the issue is not one of colour but of emissions intensity, supported by robust measurement and reporting.

Recommendation 8: The Australian Government should support total cost of ownership analysis by facilitating heavy vehicle trials and developing common user infrastructure.

Recommendation 9: Dual investment is required for different low carbon liquid fuels to ensure future supply and infrastructure.

Recommendation 10: Audit and reform any conflicting policies that could undermine decarbonisation progress and public funds.

Recommendation 11: In consultation with state and territory governments, the Australian Government should map how a National Coordinator General could streamline approval processes through recent project developments.

2 We are experiencing delays on policy implementation

Since the 2022 federal election, the Albanese Government has set about developing the legislative, regulatory and policy frameworks to guide and incentivise investment in the energy transition. A non-exhaustive list of the legislation, regulation and policies developed includes:

- The Future Made in Australia (FMIA) agenda and National Interest Framework to identify and support priority industries.
- Sectoral decarbonisation plans and an overarching Net Zero Plan to guide investments into the transition.
- A front door for investors to wrap around projects of national significance.
- The Carbon Leakage Review and its consideration of a carbon border adjustment mechanism to safeguard decarbonisation progress.
- The National Reconstruction Fund, focused on commercialisation and expansion of new technologies and industries.
- Community benefit principles to share the value of renewable energy projects through local and regional groups.
- The Hydrogen Production Tax Incentive (HPTI) which is vital for Australia's net zero goals.

Whilst this reform agenda has been ambitious, there remains a lack of clarity regarding the speed of implementation. This also includes how these programs and policies are monitored, evaluated, governed, and how they fit into an integrated, overarching strategy. The details of how these policies are or will be implemented has been subject to growing delays.

The sector decarbonisation plans are a case in point. This promised a whole of government approach with detailed pathways for electricity and energy, agriculture and land, transport and infrastructure, resources, industry, the built environment, and then an overarching Net Zero Plan. When this process was announced, the AHC and its members as well as many other environmental advocacy, finance and industry groups commended the Australian Government for recognising how critical these strategies are to a managed and orderly transition. The assumption was that the energy strategy would be released first in order to establish the requirements for the phase out of fossil fuel power generation as well as model the impact of increased industrial electrification. Instead, the first sectoral plan under this framework opened for consultation in November 2023 (23 months ago) and had no official update until the plans were released this week. This led to reduced confidence amongst industry and the investor community who had assumed that the Sustainable Finance Taxonomies, reliant on and working with the sector decarbonisation strategies, would begin to guide the investment decisions of private and public investors.

These policy delays compound the perception of increasing risks of investing in Australia's clean energy sector.

Even for the policies that have been implemented or are nearing completion, they are often misaligned in terms of sequencing and are voluntary. For example, the Guarantee of Origin (GO)

Scheme, a mechanism to track and verify renewable electricity and the lifecycle emissions in products such as hydrogen. The 2019 National Hydrogen Strategy recognised the strategic benefit for Australia to lead in the setting of standards, accreditations and guarantees of origin. Whilst the Australian Government has consulted extensively with industry and other stakeholders since the setting of this ambition, the process has taken over five years, is still only voluntary and has recently had its scope expanded to cover low carbon liquid fuels (LCLFs) and green metals in addition to hydrogen and derivatives. The significant delay in development and rollout has impacted other government programs such as HPTI and Hydrogen Headstart, both of which required compliance with the GO Scheme as application criteria.

That being said, AHC is supportive of the Productivity Commission's role in undertaking this top down review of the policy environment. We provide this argument as context for the AHC position, outlining our concern and priorities.

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3 Australia's carbon policies are not productive

In the absence of a carbon tax, Australian industry is missing the economy wide decarbonisation signal to drive reform and investment. Legislation such as the Safeguard Mechanism is therefore left to do much of the heavy lifting. Though the targets for net zero are mandated and the Safeguard Mechanism also binds facilities and companies to 4.9% per annum emission reduction target, the scheme currently allows significant purchase of carbon offsets, hampering the long-term decarbonisation efforts.

The challenge of deployment goes deeper into how Australia values carbon. At this stage of the Safeguard Mechanism, with a high threshold for inclusion, high emissions caps, and the low price for offsets, it is limited in its capacity to support new, expensive and riskier markets. While the Powering the Regions fund has a specific Safeguard Transformation stream to incentivise investment, it does not negate this risk, particularly because the facilities covered by the Safeguard Mechanism are extensive assets that are generally nearing reinvestment stages. They are often in critical industries and will be looking to reinvest in safe, reliable and bankable technologies to protect their operations. The AHC has spoken significantly of the flight risk of emissions intensive Australian industries if the supports are not available upon reinvestment,¹ but this was put eloquently by the Grattan Institute's Alison Reeve who suggested that the capital cycle is:²

...30 years or more. This means each industrial facility has roughly one chance between now and our net-zero deadline to make major changes to its operations so that it can survive in a net-zero economy. If that chance is missed, emissions are locked in for another 30 years.

The investment risk for the hydrogen and derivatives industry is often tied to, and emerges from, lack of certainty around Australian carbon policy. Consequently, there have been a number of recent examples of divestment, relocation, delay and capital reinvestment in incumbent technologies.

However, unreliable access to affordable gas has been a recurring issue for Australian heavy industry, with some industrial facilities explicitly citing gas costs as a driver of closure or divestment. High gas prices complicate the energy transition, raising costs for both existing processes and new low-carbon pathways. Many of the industries under pressure are essential to net zero supply chains and should be supported in retaining a strong domestic presence.³

¹ AHC (2024) *Carbon Leakage Review – consultation paper 2*, submission, 3 December, <https://h2council.com.au/wp-content/uploads/2024/12/241203-Carbon-Leakage-Review-2-AHC-submission.pdf>.

² Reeve, A. (2025) *Net zero: from ambition to action*, Grattan Institute, speech, 21 August, <https://grattan.edu.au/news/net-zero-from-ambition-to-action/>.

³ More information here: Reeve, A., Wood, T. & Jefferson, B. (2025) *7 ways to improve Australian gas policy*, Grattan Institute, August, <https://grattan.edu.au/news/7-ways-to-improve-australian-gas-policy/> or Manufacturing Australia (2025) *Australian Government Gas Market Review*, submission, August, https://manufacturingaustralia.com.au/wp-content/uploads/2025/09/250813-MA-GAS-MARKET-REVIEW-SUBMISSION_FINAL.pdf or The Australia Institute (2025) *Gas exports have tripled Australian gas prices and doubled electricity prices*, media release, 29 July, <https://australiainstitute.org.au/post/gas-exports-have-tripled-australian-gas-prices-and-doubled-electricity-prices/>.

The Australian Government has been cognisant of the need to support these critical industries that are at risk of leaving, to avoid mass job loss and reduced sovereign capabilities. This is evidenced by the recent funding to Nyrstar smelters (1,400 direct and 6,647 indirect jobs) which represent the only domestic lead refiner, our largest zinc refinery, and contributes \$1.7 billion to the Australian economy.⁴ This comes after the intervention for the Whyalla steelworks to support the continued operations in iron and steel.

These divestments affect sovereign capabilities and trade complexity, but also impact industries such as hydrogen that are expected to input into them. The nascent hydrogen industry needs long term commitment and demand signals to invest, and the industries that will require hydrogen and its derivatives to decarbonise need wrap around support from all levels of government to derisk their investments into less established technologies.

With these issues in mind, it is vital that the Safeguard Mechanism is strengthened and expanded. AHC is supportive of the Productivity Commission proposal to expand the Safeguard Mechanism coverage by reducing the emissions threshold.⁵ This gets Australia closer to an economy-wide carbon policy, which the AHC has been advocating for many years. The interim report suggests that this expansion would not only bring in new facilities but also strengthen the pace and incentives for facilities already covered by the Safeguard Mechanism. This is a welcomed shift for Australia's key carbon accounting policy.

However, we are concerned that this alone will not solve existing issues and challenges faced within the Safeguard Mechanism. Without adequate funding, careful planning and pragmatic ambition, simply expanding the Safeguard Mechanism to cover additional facilities will not bring the necessary reductions in industrial carbon emissions, nor will it incentivise fuel switching to hydrogen and LCLFs.

This expansion of the Safeguard Mechanism should then also be supported by enhanced system planning. These facilities that will newly be covered may not have a clear industry decarbonisation pathway or may rely on one that is delayed out of their control (such as waiting for transmission build out or the conclusions of trials currently underway). This could lead to a market of credit swapping rather than true decarbonisation, or the perverse flight risk of Australian industries relocating and reinvesting operations elsewhere to access greater incentives. Furthermore, the Powering the Regions fund would need to be reviewed and increased to fairly support a rise in covered facilities, as by the Productivity Commission's own data, the number of facilities would more than double. During the scheduled review of the Safeguard Mechanism, extensive modelling will be required to understand which industries would be covered in this expansion, including their locations, timeline for potential solutions, and available incentives. Each of these unique facilities and industries may need to be wrapped around in a case management approach from entry into the Safeguard Mechanism to support Australia's economic diversity and facilitate a just transition.

⁴ Port Pirie Regional Council (2025) *Positive Announcement for Nyrstar Future*, media release, 5 August, <https://www.pirie.sa.gov.au/noticeboard/latest-news/positive-announcement-for-nyrstar-future>

⁵ Productivity Commission (2025) *Investing in cheaper, cleaner energy and the net zero transformation – interim report*, Australian Government, August, <https://www.pc.gov.au/inquiries/current/net-zero/interim/net-zero-interim.pdf>.

Recommendation 2: Australian, state and territory governments should co-design a wrap around service that assists Safeguard Mechanism facilities, limiting flight risks and flow on implications across Australian industries. This could include lessons learned from other facilities and a dedicated case management approach similar to facilitating new investments.

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4 Establishing a new industry requires interventionist policy

AHC is generally supportive of harmonising policies to avoid administration burden or confusion within industry. In principle, if an incentive or program can be done once and well over a national footprint, this appears a productive approach. However, this is not possible for incentives that impact nascent industries, such as hydrogen and its derivatives, where locational comparative advantages must be leveraged.

The hydrogen, LCLF, green metals and green chemical industries require targeted interventionist policies to establish and incubate future prosperity. The 2024 National Hydrogen Strategy quoted the forecast global hydrogen market to be worth US\$1.4 trillion per year by 2050.⁶ There has been recognition in the Australian Government that capitalising on this opportunity will require both industry policy to establish the hydrogen supply chain in Australia, and carbon policy to support those industries that will need hydrogen to decarbonise. All levels of government, international investors and domestic industry know that the commitment and balance of policies and programs will dictate whether Australia loses this opportunity.

For years, our industry has advocated for funding to support first movers (eg Hydrogen Headstart), production incentives to address the green premium (eg HPTI) and an ecosystem to pull through demand (eg wider FMIA instruments). These policies among others are vital for establishing the long term and necessary availability of hydrogen molecules needed to meet net zero. Australia proves its commitment to FMIA industries and net zero emissions through developing incentives that can assist to underwrite risk and unlock private capital landing in Australia (rather than our global competitors). This not only grows those priority sectors, but also supports economic prosperity (predominantly in regional Australia) through diversified industries, manufacturing capabilities, domestic innovations, jobs and skills, as well as national security and resilience in the case of our fuels.

Project developers and manufacturers have factored the announced policies and programs into their business cases on the good faith that they will proceed and be accessible. Therefore, the Productivity Commission's statements suggesting that the HPTI is potentially duplicative and could be phased out is problematic. This suggestion undermines the capital, ambition and risk already invested in Australia by industry and governments. Domestic and international investors require long term certainty and commitment; this is how decisions and investments get made. While each of these policies have their limitations and do not fully close the gap in price parity, there is a substantially increased risk if any of the FMIA incentives are even considered for phasing out.

Furthermore, total technology neutral policies will not necessarily support the establishment of nascent industries. The Productivity Commission has recommended technology neutral policy settings throughout the interim paper in the hopes of incentivising all low emissions technologies. While there may be perceived efficiencies and simplicity to this style of policy, it would introduce competition to nascent industries (such as hydrogen and derivatives) that do not already have existing supply chains at scale or established infrastructure. This could lead to perverse outcomes by

⁶ Deloitte (2023) *Green hydrogen: Energizing the path to net zero*, <https://www.deloitte.com/content/dam/assets-shared/docs/industries/energy-resources-industrials/2023/gx-deloitte-green-hydrogen-report-2023.pdf>.

favouring over-compliance in cheaper, higher emissions options beyond their necessity, and undermining long term, net zero solutions. In renewable fuels, for example, this approach could lock in renewable diesel (higher emissions) or biofuels (finite resources) for heavy freight companies through their reinvestment period and delay the investment in longer term, lower emissions alternatives such as hydrogen, green methanol and green ammonia. Therefore, if a technology neutral approach was to be considered, this would require individual targets for each fuel or time limited guardrails,⁷ which complicates the rationale for a simplified, market-driven mechanism.

Industry policy is inherently about picking winners based on long term strategy and future prosperity. The priority fuels and industries under the FMIA agenda will need to be individually and proportionately cultivated before they are put on an even playing field to compete.

However, we can't let perfection get in the way of progress. With high costs and long lead times to develop at scale supply chains, many businesses are choosing to sequence their transition. This includes shipping companies transitioning to LNG (before ammonia or methanol) to significantly reduce emissions, ammonia facilities expanding traditional capacity to increase the value of developing hydrogen projects, or our trading partners setting auctions for blue fuels to establish supply chains and phase the costs of decarbonisation.⁸

This may require the easing of ideological perfection. We respect that the Australian Government aims to establish net zero industries with the lessons from existing sectors, and requiring accountability and meaningful change. However, the barrier is often too high for nascent industries and there is misalignment with established sectors. This includes the Australian Government's strict support of only green hydrogen in policies, and imposing significant reporting and regulatory requirements to access it. This is juxtaposed by the \$14.9 billion of financial support, subsidies or tax breaks provided to fossil fuel producers and major users in the last financial year.⁹ As long as transitionary pathways are time limited and are positively contributing to the green runway, we believe the transition itself requires some flexibility.

We have long advocated that if hydrogen is sufficiently low emissions to meet regulatory, investment and buyer criteria (such as high carbon capture rates), we are open to the production method, for now. However, green hydrogen is the longer-term scale solution. Therefore, we request that the Australian Government remains open to blue hydrogen projects for regions that can support it without unnecessarily delaying green hydrogen developments. This strategy could align with the Sustainable Finance Taxonomy timelines to ensure that transitionary assets are enabled but not locked in.

Recommendation 5: Do not phase out supports, incentives or programs aligned with Future Made in Australia priorities or regarding nascent industries.

⁷ See positions here regarding alignment with the Sustainable Finance Taxonomy: AHC (2024), *Opportunities for a renewable fuel industry in NSW*, submission, 30 August, <https://h2council.com.au/wp-content/uploads/2024/09/240830-NSW-renewable-fuels-AHC-submission.pdf>.

⁸ Noting earlier comments about increasing gas prices, in some regions the gas prices and access might allow for blue (over other decarbonisation pathways) and these business cases should be thoughtfully considered.

⁹ Grudnoff, M. & Campbell, R. (2025) *Fossil fuel subsidies in Australia 2025*, The Australia Institute, March, <https://australiainstitute.org.au/wp-content/uploads/2025/03/P1669-Fossil-fuel-subsidies-2025-Web.pdf>.

Recommendation 6: Technology neutral policies would need to incorporate individual targets or time limited guardrails to not stifle nascent industry development.

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5 The complexities of decarbonising heavy road transport

AHC supports the interim paper targeting the reduction of emissions from Australia's heavy road transport industry. AHC has been advocating for clear transition pathways and mechanisms for heavy vehicles for many years. Given the high average age of Australian trucks, the dominant proportion of smaller trucking businesses, and regulatory barriers limiting the supply of alternative vehicles, the heavy freight sector has been an area particularly difficult to decarbonise. Similarly for buses, regulatory harmony remains a barrier, but the transition pathway can be influenced by factors outside of the operator's control, such as timetables. That is, often the barriers and opportunities for transition in heavy road transport are positioned before the fuel or vehicle cost.

A significant factor in the uptake of heavy fuel cell electric vehicles (FCEVs) is the uncertain total cost of ownership (TCO). This includes the capital investment of the FCEV, but also the lifetime costs of maintenance and the availability of skills to do this, the operating lifetime and demonstrated distances of the vehicles in Australian conditions, the reliable access to a refuelling network, as well as the projected hydrogen fuel prices over time. These knowledge gaps, due to the nascency of the technology within the Australian context, affect the investment gap. As noted by Advisian,¹⁰ manufacturers need to provide supply to create fleet sizes that justify the (unclear) potential infrastructure spend, and purchasers need proof of fuel consumption and operational cost benefits over the life of a vehicle (also currently unclear). While there is significant work being produced to assist in these calculations, including from AHC members, the Australian Government can play a pivotal role beyond incentives by also facilitating heavy vehicle trials and building out common user infrastructure. Until commercial pilots can provide commercial operations with strong validation of a fully commercial product and business model, heavy FCEVs will experience slow adoption.

Regarding the fuel itself, the Australian Government's 2024 transport sector plan consultation¹¹ confirmed the long term necessity of hydrogen as a heavy vehicle fuel. However, the forecast timeline suggested that the mass adoption of hydrogen won't be until the 2040s. The Productivity Commission's interim paper references this modelling, so we reiterate our concerns with its approach: we can't afford to delay progress.

Prioritising biofuels for near term use is a reasonable perspective. However, we caution the Australian Government to not put off harder work to develop at-scale solutions. Biofuels are the transitional step for most liquid fuel uses while electrification and hydrogen capabilities are scaled up, and they will continue to play a vital long-term role for smaller scale use. In our view, biofuels must be enabled but cannot *deprioritise* Australian Government efforts to develop policy to electrify, use batteries, and have the infrastructure and supply for when the demand requires it. This obviously varies by transport mode – where hydrogen is used it could be for hydrogen as a fuel (such as for heavy road freight) or hydrogen as feedstock (for future maritime or aviation fuels). In any

¹⁰ Advisian (2021) *Australian hydrogen market study: Sector analysis summary*, 24 May, for the Clean Energy Finance Corporation, <https://www.cefc.com.au/media/nhnhwixu/australian-hydrogen-market-study.pdf>.

¹¹ DITRDCSA (2024) *Transport and Infrastructure Net Zero Consultation Roadmap*, consultation, Australian Government, May, <https://www.infrastructure.gov.au/have-your-say/transport-and-infrastructure-net-zero-consultation-roadmap>.

event, building out hydrogen capability and infrastructure will take time and needs to start now to be ready for when it is required.

This ties back into our earlier position and caution of technology neutral policy settings. The long term, lower emissions pathways will take time to scale, and will be disadvantaged by market mechanisms that directly compete with cheaper, higher emissions fuels. The decarbonisation pathways will need to be supported in parallel until the infrastructure and supply are established.

All levels of government have an active role to play in assisting deployment of zero and low emissions heavy transport through clear and concise procurement guidelines. Different regions across Australia have varied locational attributes (or bottlenecks) that steer them towards a certain technology to reduce the sectors emissions. For example, some bus depots in metropolitan areas will not have the physical space for battery electric vehicles given the charging requirements, increased buses needed, and necessary upgrades to electricity infrastructure to continue fulfilling the current schedule.

In the past, various state government zero emission bus tenders have been explicitly seeking only battery electric bus solutions. AHC suggests that the bus tenders could be more open, being clear on the tender requirements regarding emission reductions, level of quality, adequacy of service, and allowing local industry to bring their preferred business case.

The revitalised approach to government procurement could be expanded beyond public transport to other tenders seeking to purchase lower emissions equipment and services such as remote power supplies and metals for construction.

Finally, as the Productivity Commission reviews the variety of potential incentives for heavy road vehicles, there is a need to audit any competing policies. If the Australian Government is to develop incentives for heavy vehicle decarbonisation, it is paramount to reform any pre-existing rebates that would limit the effectiveness of the public funds. For example, the interim paper presents the fuel excise as an incidental emissions reduction mechanism, however, it fails to recognise the conflicting incentive in the fuel tax credit scheme.¹² The credit is available in different scenarios, but generally provides a full or partial rebate on the fuel excise paid for diesel use in a variety of sectors such as freight and agriculture but predominantly in mining. A recent Climate Energy Finance report¹³ valued this fuel tax credit as having cost taxpayers \$122.7 billion to subsidise 815 MtCO₂-e of direct emissions (nearly double Australia's current annual emissions) since 2006-07. The fuel tax credit is the 16th highest expense in the federal budget and is forecast to increase beyond \$13 billion per year, costing \$61.5 billion between 2025 and 2030. For some industries, this credit effectively

¹² Climate Change Authority (2024) Sector Pathways Review, Commonwealth Government, <https://www.climatechangeauthority.gov.au/sites/default/files/documents/2024-09/2024SectorPathwaysReview.pdf>.

¹³ Pollard, M. & Buckley, T. (2025) *Transition Tax Incentive: Reforming Fuel Tax Credits into a Decarbonisation Tailwind*, Climate Energy Finance, 20 August, https://climateenergyfinance.org/wp-content/uploads/2025/08/CEF_Transition-Tax-Incentive-Report-FINAL_20August2025.pdf.

subsidises diesel use, further widening the cost gap with alternative fuels, disincentivising industry investment into the transition, and undermining public funds.¹⁴

Recommendation 8: The Australian Government should support total cost of ownership analysis by facilitating heavy vehicle trials and developing common user infrastructure.

Recommendation 9: Dual investment is required for different low carbon liquid fuels to ensure future supply and infrastructure.

Recommendation 10: Audit and reform any conflicting policies that could undermine decarbonisation progress and public funds.

¹⁴ More information can be found here: Terrill, M., Burfurd, I. & Bradshaw, N. (2023) *Fuelling budget repair: How to reform fuel taxes for business*, Grattan Institute, February, <https://grattan.edu.au/wp-content/uploads/2023/02/Fuelling-budget-repair-Grattan-report.pdf>.

6 Stewardship and case management

For some time now we have observed that the complexity and uncertainty of the investment environment and the overall ecosystem (multiple states, regulatory differences, permitting within states) is making hydrogen project proponents' decisions unnecessarily difficult. There is a need for governments and other decision makers to progress significant investments in new infrastructure and technology, and the existing environment has not been conducive to this.

For example, membership feedback suggests that progressing through the EPBC Act is currently the greatest challenge to reaching FID and financial close. In some cases, projects are allowing several years (up to ten for complex supply chains) for approvals and are still not confident that the allowed time will be sufficient. It should be emphasised that AHC members are not seeking to cut corners in the legitimate planning and oversight process, rather they are seeking additional guidance to have their applications accelerated through the bottlenecked regulatory process.

The AHC has advocated for and continues to recommend that the Australian Government should provide a single point of contact for investors, such as a case manager for investors with major, transformational investment proposals.¹⁵ The case manager would be the single point that can lead the investor throughout wider government engagement. This wrap around service would be different for each investor based on need; for example, some have large government relations teams, others do not. Each case manager would develop a bespoke plan for each project that had been assessed. We note the Treasurer's recent announcement that the pilot phase of the Investor Front Door service has commenced. This is a step in the right direction, and we look forward to hearing from industry on the pilot's efficiency and effectiveness.

Similarly, there are ongoing issues accessing government programs. There are numerous funding programs and specialist investment vehicles for clean technologies and renewable energy in Australia. Each of these funding sources has unique objectives which often overlap. The funds do not, however, coordinate or hand over eligible projects between funding programs or between assessment stages. This translates to the same project or technology often needing to start again with each party, going through multiple lengthy application processes which consumes significant resources. For smaller organisations with limited resources, this hurdle can be enough to not apply, potentially restricting the speed to market. The Net Zero Economy Authority recently highlighted similar challenges to the Treasurer and the Minister for Finance as part of the process to identify regulatory reform opportunities and support the Australian Government's productivity agenda.¹⁶

¹⁵ AHC (2023) *Securing Australia's hydrogen future*, position paper, March, <https://h2council.com.au/wp-content/uploads/2023/03/230301-AHC-Policy-Paper-Securing-Australias-hydrogen-future.pdf> ; AHC (2023) *A fit-for-purpose refreshed NHS: next steps for building Australia's hydrogen industry*, submission, August, <https://h2council.com.au/wp-content/uploads/2023/10/230921-AHC-NHS-sub-master-Oct-edits-2.pdf> ; AHC (2024) *Establishing a 'Front Door' for major, transformational projects*, submission, October, https://h2council.com.au/wp-content/uploads/2024/10/241004-AHC-submission_FMIA-Front-Door_Final.pdf.

¹⁶ Ross, I. (2025) *Response letter*, Net Zero Economy Authority, submission, 1 August, https://www.finance.gov.au/sites/default/files/2025-08/DISR%20-%20Net%20Zero%20Economy%20Authority%20-%20Response%20Letter_Redacted.pdf.

The breadth and range of funding available is significant, with a commensurate level of difficulty in navigating the processes to access this funding. It is worth noting that, according to publicly available information, not one of the federal level or state level investment vehicles has met its investment targets. Given that there is widespread agreement that there is no shortage of ideas, innovation or entrepreneurial talent in Australia, one of the avenues to unlock the funding is to decrease the complexity and improve the triage and case management of potential investments.¹⁷

Therefore, the AHC agrees in principle with the introduction of a strike team and a national Coordinator General. This is an opportunity to wrap around projects to address early risks and bottlenecks, and steward funding into industries that align with an overarching national strategy. It could also focus on regional revitalisation and supporting communities that haven't hosted major facilities before, coordinating with the Net Zero Economy Authority. It could enhance collaboration with jurisdictional governments to masterplan precincts and common user infrastructure, especially for water, ports, transmission, and to avoid duplication or inefficiencies.¹⁸ It could package up investment opportunities to crowd in super funds, other institutional investors, private equity and industry to co-invest alongside Australian governments and specialist investment vehicles. These are positions that the AHC has advocated for, acknowledging that there are existing gaps and room for improvement in the current environment.

Yet, there is uncertainty in the duplication and overlap between the proposed strike team and Coordinator General, as well as the Investor Front Door or the numerous state-based programs. The front door has only just opened for trial and has not yet had time to begin let alone deliver results. This program is not expected to be as comprehensive and well-resourced as originally assumed, as its criteria will exclude all but the most critical projects. Alongside this, individual states have been progressing pathways to streamline approvals, such as the South Australian *Hydrogen and Renewable Energy Act 2023* and accompanying Coordinator General. This Act formally commenced in July 2024 and is yet to announce release areas in order to progress. In an environment of announcements to streamline approvals and investment across the jurisdictions, it could be more productive to reform or expand existing programs, ensuring that they are resourced well enough to deliver results across all national approvals and industries.

If a National Coordinator General is progressed, the design phase would need extensive consultation with state and territory governments and local councils to ensure this new role was delivering value and not duplicating or creating additional bottlenecks. If executed well, it has the possibility of parallel coordination across different regulations (as opposed to sequential), which would reduce time spent waiting for regulatory approvals.

¹⁷ AHC (2025) *Future Made in Australia Innovation Fund – Program design and consultation*, submission, 6 June, <https://h2council.com.au/wp-content/uploads/2025/06/250606-ARENA-FMIA-Innovation-Fund-AHC-submission.pdf> and AHC (2025) *Strategic examination of Australia's R&D system*, submission, 11 April, <https://h2council.com.au/wp-content/uploads/2025/04/250411-AHC-submission-Strategic-Examination-of-RD-.pdf>.

¹⁸ For example, see Marsden Jacob (2025) *Common user transmission and decarbonising Pilbara energy demand*, Clean Energy Finance Corporation, September, <https://www.cefc.com.au/media/jwlnajzx/common-user-transmission-and-decarbonising-pilbara-energy-demand.pdf>.

Once again, we agree in principle but caution favouring duplication and announcements over implementation and reform.

Recommendation 11: In consultation with state and territory governments, the Australian Government should map how a National Coordinator General could streamline approval processes through recent project developments.

Conclusion

Australia's net zero progress and productivity is complex. Australia is still setting up the policy architecture to facilitate mammoth change, and much of this is yet to be implemented. There is key work to be done in developing policies that address remaining gaps, but also fundamental deep process reform across the whole of economy. We need to align strategies under one overarching direction, as well as coordinating between strategies. We need to wrap around industries of national significance, foster certainty and steward investments.

The Productivity Commission's interim reports have been a useful tool for industry and governments to audit existing policy, review remaining gaps, and propose opportunities to streamline or introduce new mechanisms. The AHC is pleased to input into this discussion and welcome further engagement with the Productivity Commission to unpack or assist in the design of the policies recommended through this submission.