

12 October 2023

Hon. Bill Johnston MLA
Minister for Mines and Petroleum; Energy;
Hydrogen Industry; Industrial Relations
9th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6000

Via email: hydrogen@jtsi.wa.gov.au

Dear Minister

Renewable Hydrogen Strategy Refresh

The Chamber of Commerce and Industry of Western Australia (CCIWA) is the peak body advancing trade and commerce in Western Australia. We are fundamentally committed to using our insights to develop and advocate for public policies that will help realise our vision to make WA the best place to live and do business.

We thank you for the opportunity to provide feedback on the refresh of Western Australia's renewable hydrogen strategy (Strategy). The renewable hydrogen industry holds immense significance in WA's ongoing diversification and decarbonisation efforts and WA is uniquely positioned to harness the opportunities presented by this emerging industry.

However, as noted in the consultation paper, many other jurisdictions are on a similar path to WA, creating a global race to become a leader in this space. As a nascent industry, all tiers of government must ensure that supportive and conducive policy settings are in place to facilitate the rapid development of the renewable hydrogen industry.

Notwithstanding the other important aspects touched on in the consultation paper, our submission focuses on the regulatory framework required to support the production of renewable hydrogen in WA and the skills needed to accelerate this industry.

A competitive regulatory regime

To fully capitalise on the opportunities the renewable hydrogen industry presents, WA needs substantial business investment. However, the global competition for capital is intensifying, and the introduction of initiatives like the US Inflation Reduction Act has only intensified this competition.

Western Australia and Australia are simply unable to match the scale of subsidies offered in other jurisdictions. Nevertheless, WA can still establish itself as an attractive hub for investment. A key pillar of any strategy is to ensure that our regulatory frameworks are both efficient and competitive. Unfortunately, our regulatory regimes, particularly environmental approvals, are burdened by excessive complexity and protracted timelines. This has caused enormous frustration among the business community and damages Western Australia's appeal as an investment destination.



**Chamber of Commerce
and Industry WA**

T: (08) 9365 7555

E: membership@cciwa.com

W: www.cciwa.com

The establishment of a new green approvals unit to streamline and coordinate approvals processes for green energy projects, such as renewable hydrogen, suggests the Government is acutely aware of just how vital streamlined approval pathways are to attract new green investment.

Ensuring its success, including by committing to meaningful legislative changes that currently slow down the approvals process, will be paramount in securing more interest from renewable hydrogen projects in WA.

We recently provided a submission to the WA Treasurer to support Red Tape Reform. Some of the highlighted recommendations include:

➤ **Appropriate resourcing at agencies and a balanced approach to approvals decisions:**

The State Government should seek to ensure that the EPA, Green Approvals Unit and other key parts of Government with involvement in approvals are appropriately resourced. It should also ensure that key regulatory bodies have a culture where public servants can sensibly balance environmental, social, cultural and economic concerns.

➤ **Advancing parallel approval workstreams:**

The State Government should conduct a review into the legislative barriers that currently slow down the approvals process, including section 41 (3) of the Environmental Protection Act, which currently prevents the simultaneous advancement of approval workstreams.

➤ **Preventing abuse of appeal processes**

The State Government should seek to prevent abuse of third-party appeal processes by putting in place appropriate limits.

While the State's regulatory framework needs some improvement, regulatory regimes federally also need to be as efficient and competitive as possible. Back in 2021, the Federal Government rejected the Asian Renewable Energy Hub on environmental grounds, following a proponent decision to shift to the export of ammonia rather than electricity. The proponents are still working to develop a plan that would gain the required approvals. Decisions like these create instability and uncertainty in the sector – a situation that could see investment redirected to other jurisdictions.

We are particularly concerned that the new Nature Positive Reforms, likely to be introduced next year, will be out of touch with the commercial realities and complexities of doing business in WA and would stifle investment in WA. It is therefore critical that the State Government works with the Federal Government to limit the most damaging aspects of these reforms on WA.

Further to this, Australia's regulatory and tax regimes, including payroll tax, need to be competitive and in line with other jurisdictions who are also aspiring to be hydrogen exporters.

A skilled green workforce

A skilled workforce is one of the biggest enablers to developing a renewable hydrogen industry. The growing need for green skills globally has been emphasised by the Organisation for Economic Co-Operation and Development in their *Going for Growth* report and in the Jobs and Skills Australia's *Clean Energy Generation* report.

To achieve our adaptation and decarbonisation goals, it is also essential that WA positions itself as a leader in renewable hydrogen. Certain factors, including distance and isolation, place WA at a disadvantage, so we need to ensure we have access to the talent required to develop the infrastructure, innovation and industries that underpin global net zero ambitions. This also places emphasis on developing the right skill sets locally and highlights the importance of WA's tertiary and vocational education sector working closely with industry to define and deliver the skills for the future.

It is crucial that government policy and funding for training and workforce development has a strategic, long-term view. This is particularly important noting that the renewable hydrogen industry is relatively immature, with commercial viability still being determined. This could make it difficult for an emerging hydrogen industry to signal potential opportunities to current and future labour market participants and influence formal training opportunities that will directly meet industry needs. As an enabler, a Green Skills Development plan, similar to the Western Australian Defence Industry Workforce Development Plan, could advance planning in this regard.

Hand in hand with skills development and workforce planning is community education around hydrogen, more generally. We strongly support the need for broader community awareness, including within the school system, around the current uses of hydrogen, in addition to the exciting and new technological and industry opportunities that exist in renewable hydrogen.

Conclusion

Once again, thank you for the opportunity to provide input into Western Australia's renewably hydrogen strategy. The initiatives that have already been put in place by the State Government demonstrates the government's recognition of the significant role that renewable hydrogen will play both on the domestic and international scale moving forward.

Nevertheless, more meaningful change is needed, at both State and Federal tiers of Government. Continuing to implement initiatives and reform that make WA a more attractive place to invest and do business will help position our State to be a leading producer, user and exporter in this industry.

Yours sincerely



Chris Rodwell
Chief Executive Officer