

Joint Standing Committee on Trade and Investment Growth
Inquiry into Australia's transition to a green energy superpower 2022-2023

QUESTION ON NOTICE / Spoken

IQoN 004 –Inquiry into Australia's transition to a green energy superpower

Hearing Date: 23 November 2022

Topic: Energy price indicators

Senator Richard Colbeck

Question

Senator COLBECK: Well, in a lot of circumstances we're talking about energy conversion from one form to the other, and so the cost of inputs, as it is in most of the rest of the economy, becomes critical in all of this in terms of our competitiveness and therefore our place in the market, unless there are other parameters that we negotiate, as I was implying with my first round of questions before the division bells went. Is there an energy price indicator that we have to be within to be competitive in this market, and has there been any work done on that? Mr Woods: There's certainly work in the context of thinking about green hydrogen, about the price point of production—where it is now and where it needs to get to in order to be competitive with other sources of energy. That's not unique to Australia; it's a global reference point. I don't have those numbers off the top of my head, but I'm certainly happy to come back to you with those on notice.

Answer

Competitiveness will depend on a range of factors, including price and end-use application. In 2021, the Clean Energy Finance Corporation commissioned a report on the economic gap between hydrogen supply and capacity to pay for a range of industry end-use applications in end use sectors over time. The report is available at <https://www.cefc.com.au/media/nhnhwlu/australian-hydrogen-market-study.pdf>.