

**ARENA Opening Statement
Budget Estimates May 2023**

Thank you to the Committee for this opportunity to appear on behalf of the Australian Renewable Energy Agency.

I would like to begin with acknowledging the Traditional Owners of the land on which we are gathered today, the Ngunnawal and Ngambri people, and pay my respects to their Elders past, present and emerging. I extend that respect to Aboriginal and Torres Strait Islander people here today.

Since ARENA's last appearance at Senate Estimates, we've announced several new programs and funding decisions, which I will briefly mention in this opening statement along with some insights into ARENA's current project approval rate. But before that I would like to offer my reflections on the Federal Budget measures involving ARENA announced earlier this month.

New Budget Measures

As you will have seen, ARENA has been allocated \$4.2 million this year to support the development and operation of the new Hydrogen Headstart program, designed in close collaboration with the Department of Climate Change Energy Environment and Water.

Hydrogen Headstart is a new \$2 billion program to support scaling up Australia's hydrogen sector, help catalyse Australia's hydrogen industry, and help position Australia as a global hydrogen leader.

Australia has an unparalleled opportunity to become a global green hydrogen leader, but we can't afford to lose our momentum as other competing countries step up their ambitions and support.

With this funding program, Australia is looking to incentivise green hydrogen production in Australia by backing early projects that will be among the largest in the world. The program will reduce the cost of green hydrogen produced via renewable electricity and will scale up our hydrogen sector, creating thousands of regional jobs and will help reduce emissions in industry in line with our climate targets.

Hydrogen Headstart builds on ARENA's existing work in hydrogen and our track record of delivering transformative projects in the energy transition in pursuit of net zero. Having provided more than \$2 billion for over 650 renewable energy projects over the last decade, ARENA is now focussed on how Australia can maximise its advantage in renewable energy to become a clean energy superpower in a net zero global economy.

ARENA is delighted to be involved in the design of this game-changing hydrogen funding initiative.

ARENA will also be administering the \$400 million Industrial Transformation Stream (ITS) as part of the \$1.9 billion Powering the Regions Fund, to support regional industrial decarbonisation. The ITS will directly support industrial facilities in regional communities throughout Australia to reduce emissions and reduce energy costs by switching away from fossil fuels.

As Australia and the world looks to transition to net zero, we need to support industry to rapidly decarbonise.

While we are making good progress transitioning our electricity system to renewable energy, the journey to net zero is just beginning in many other hard to abate sectors. There is much to do, and no time to waste.

As the agency at the forefront of Australia's energy transition for over a decade, the ITS will leverage our skills and experience, and build upon our existing work helping Australian businesses to reduce their emissions.

We look forward to working with industry and with government to deliver these important programs.

Update on ARENA projects

Since February's Senate Estimates, ARENA has launched its latest Driving the Nation focus areas which will see \$70 million in funding aimed at fostering innovation in electric vehicle charging solutions across Australia. We've also opened round one of the Community Batteries Funding Program, allocating \$120 million of funding to support the deployment of community batteries across Australia to lower energy bills, cut emissions and reduce pressure on the electricity grid.

In April we launched our \$50 million Hydrogen Research and Development Round targeting research and development for renewable hydrogen and low emissions iron and steel.

ARENA project approval rate

These new programs and projects are indicative of the significant increase in the pace of ARENA project approvals. We're currently experiencing the highest level of activity in ARENA's history. In the current financial year, we forecast that we will approve approximately \$540 million to over 50 projects across our strategic priority areas and programs. We expect that this momentum will continue in FY24.

I believe this record-breaking activity is a reflection of ARENA's strong relationships with industry and other stakeholders, and represents a noticeable uptick in decarbonisation activity in Australia.

ARENA looks forward to playing a vital role in the transition to net zero emissions, to the benefit of all Australians.

Thank you.