



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party **Proposal No:** C1070
Date Referred: 23/12/2022 **Date Published:** 20/03/2023
Proposal Title: Hydrogen Industry Centre of Excellence
Cluster: Treasury

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)		10,000		(10,000)	
Depreciation					
Less: Offsets					
Revenue					
Net Operating Balance:		(10,000)		10,000	

Capital Expenditure					
Capital Offsets					
Net Capital Expenditure:					

Net Lending/(Borrowing):		(10,000)		10,000	
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Total State Sector Impacts

Net Lending/(Borrowing):		(10,000)		10,000	
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Notes and costing assumptions:

This policy proposes to provide a grant of \$25m to create a Centre of Excellence at the Plumbing Training Centre in Glenwood to be run by the Plumbing Industry Climate Action Centre.

The funding would be drawn from existing resources within the NSW Hydrogen Strategy.

The policy results in a reprofiling of expenses, shifting \$10m of expenses from 2025-26 into 2023-24.

Assumptions and Methodology

It is assumed that the \$25m grant will be provided in 2023-24.

The Government's Hydrogen Strategy is funded from the Climate Change Fund, and expenditures must fit within the conditions of that fund. Over the forward estimates, the Budget has allocated \$187m to the Hydrogen Strategy, of which \$146m is already committed (or in the negotiation stage and close to commitment).

The following table summarises the funds allocated to the Hydrogen Strategy.

Notes and costing assumptions continued:

(\$'000)	2022-23	2023-24	2024-25	2025-26	Total
Budget allocation	19,832	63,439	70,464	33,588	187,322
Committed	17,485	48,367	70,273	10,359	146,484
Not yet committed	2,347	15,072	191	23,229	40,838

While around \$41m of Hydrogen Strategy funds are not yet committed within the forward estimates, the profile of uncommitted funds does not currently permit an additional grant of any more than \$15m in 2023-24.

To make the proposed \$25m grant in 2023-24, it is assumed that \$10m would be brought forward from uncommitted funding in the last year of the forward estimates, reprofiling expenses from 2025-26 to 2023-24.