

Chalmers: Hydrogen, energy transition and tech will fuel economy

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Treasurer Jim Chalmers says Australia's economy will grow as the result of building a new hydrogen industry and investing in new decarbonisation tech areas, including rare earths, critical minerals and batteries.

Dr Chalmers was speaking a day after business leaders, in *The Australian Financial Review*, urged the Albanese government [<https://www.afr.com/politics/federal/one-year-in-albanese-lacks-a-growth-engine-ceos-20230510-p5d782>] to channel more effort into formulating a growth agenda.

Addressing business leaders at an Australian Chamber of Commerce and Industry budget-related event, the Treasurer also highlighted the Albanese government's investor roundtables as his preferred route of bringing government and business together on economic opportunities.

Dr Chalmers defended his most recent budget, which he said would manage inflationary pressures while laying the track for economic growth.

"What we tried to do in the budget is to set ourselves up to lay the foundations to grow out of this downturn," he said.

"Whether it's critical minerals, whereas whether it's the capacity of our people to adapt and adopt technology ... the energy transformation is Australia's big chance and we'd be mad not to grab it.

"We think our slice of the action is hydrogen, batteries, critical minerals and how that interacts with our skills, space and the budget reflects all of that."

Technology also represents a growth opportunity the government is investing in, he said, including green metals, advanced manufacturing, and artificial intelligence.



Treasurer Jim Chalmers. **Alex Ellinghausen**

As Dr Chalmers spoke, sector leaders including Woodside chief executive Meg O'Neill said [Australia risked missing an opportunity](https://www.afr.com/companies/energy/no-carrots-for-carbon-capture-laments-woodside-energy-boss-20230516-p5d8oq) [https://www.afr.com/companies/energy/no-carrots-for-carbon-capture-laments-woodside-energy-boss-20230516-p5d8oq] to tap natural advantages in carbon capture and storage, which Resources Minister Madeleine King has also highlighted as the [best way for the resources industry](https://www.afr.com/companies/energy/carbon-capture-the-best-way-to-net-zero-but-subsidies-scarce-20230510-p5d7b0) [https://www.afr.com/companies/energy/carbon-capture-the-best-way-to-net-zero-but-subsidies-scarce-20230510-p5d7b0] to reach net zero emissions.

There is also widespread concern that Australia will be beaten by the US government and other international governments ploughing billions into CCS projects.

Mr Chalmers said he was committed to engaging with the industry as partners rather than stakeholders and said he was committed to consultation, even if he couldn't guarantee agreement.

He singled out the government's two investor roundtables – a first event in Brisbane on energy and a second event in Sydney on housing, bringing together investors, industry and government to address public issues – as a model he wanted to see more of.

“We are not unanimous on every issue, but ... we are genuinely trying to work closely with you as much as we can, so much of what we want to achieve in the defining decade again will not be achieved without a thriving, job creating, opportunity creating private sector,”

“There have been differences as well as broad areas of agreement.

“When we have a different view, we say so. That should just be part of the normal interaction between a good middle-of-the-road government and a good job-creating, opportunity-creating business sector.”



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