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The Treasury Langton Crescent
PARKES ACT 2600
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Patent Box tax concession – Treasury discussion paper on policy design July 2021

The Australian Hydrogen Council (AHC) supports the introduction of measures to incentivise investment in innovation.

A concessional tax rate for income derived from Australian held patents is one of a range of mechanisms which would assist the Australian hydrogen industry achieve scale required to realise the nation's ambitions of becoming a leading exporter of clean hydrogen. We support the expansion of the Patent Box mechanism to include low emissions technologies and suggest that it focus on hydrogen production and utilisation as well as innovation in renewable electricity which is needed to facilitate its production.

Driving innovation will assist Australia to maintain its place among world leaders for hydrogen and other low emissions technologies. The Patent Box approach will assist in this regard, however we note that benefits of such a regime are relatively less attractive to smaller and medium-sized entities and that a range of incentives such as grants, concessional funding and a variety of amendments to Australia's taxation regime should also be considered.

We look forward to continuing to engage with the Australian Government on this issue.

If you would like to discuss any aspect of this submission, please contact me on 0413 266 081 or via email to jkremzer@h2council.com.au.

Yours sincerely



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