Net Zero Commission

Pathways Call for Evidence Submission

18 July – 14 August 2026

Submission type	Upload
Submitter	Australian Manufacturing Workers' Union NSW & ACT Branch (AMWU)
Response ID	388611

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14 August 2026

AMWU Submission to the NSW Net-Zero Commission – Call for Evidence NSW Decarbonisation Pathways

The Australian Manufacturing Workers' Union NSW & ACT Branch (AMWU) welcomes the opportunity to make a submission to the NSW Net-Zero Commission's *Calls for Evidence* on the first NSW-specific set of decarbonisation pathways.

The full name of the AMWU is the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union". The AMWU NSW & ACT Branch represents over 13,000 workers across the manufacturing sector in every city and region of New South Wales.

AMWU members are the skilled tradespersons that proudly manufacture and maintain renewable technologies that will be essential to decarbonising the NSW economy and achieving net-zero by 2050.

The AMWU believes that supporting Australian jobs in existing and emerging industries related to the renewable energy sector should be a central element in the development of any NSW decarbonisation pathways. Without putting Australian jobs at the centre of a pathway to reduce emissions necessary for net-zero by 2050, NSW risks missing out on the social and economic benefits that decarbonisation can offer. In this spirit, the AMWU supports the development of a renewable energy manufacturing sector, grounded in public investment into renewable manufacturing. The AMWU further supports policies that facilitate a gas-demand reduction in NSW to support manufacturing jobs related to the electrification of gas and to ensure gas is available for hard-to-abate sectors. The AMWU stands behind our members in ensuring a just transition for workers directly and indirectly employed at coal-fired power stations and the AMWU recommends any decarbonisation pathway should include provisions for a just transition.

The following submission addresses questions raised by the *Call for Evidence* and puts forwards the AMWU's position on the role an NSW Decarbonisation Pathway should have in:

1. Supporting the development of a renewable manufacturing industry,
2. Facilitating a gas-demand reduction through electrification, and
3. Ensuring State-based funding and mechanisms are in place to support a just transition for workers and communities in fossil fuel related industries.

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Supporting the development of a renewable manufacturing industry

(Questions addressed - 1. What opportunities or barriers could improve the effectiveness of NSW's transition to net zero? 2. What are the opportunities and barriers to technology development sector, deployment for each sector?)

The transition to net-zero represents a critical economic and social opportunity to develop and support the emerging renewable manufacturing sector in NSW.

In the case of the manufacture of wind towers, as an example, it has been projected that upwards of 4 350 ongoing jobs and thousands more throughout the supply chain can be created across Australia.[1] A key barrier to unlocking this domestic job growth is geography. Inter-state transportation costs from existing manufacturers in Tasmania and Victoria to deploy wind towers in regional NSW presents a barrier that encourages the importation of inferior products manufactured offshore, thus undermining domestic job growth.[2] Aligning the location of manufacturing in NSW to declared Renewable Energy Zones (REZ) with designated wind projects presents an opportunity to reduce costs and reduce dependence on overseas manufacturers, while supporting job growth in NSW.

The NSW Government's Net Zero Manufacturing Initiative (Initiative), particularly the $100 million renewable manufacturing grant that sits within the Initiative, does provide funding for local manufacturing in NSW of up to $30 million and is particularly useful for mitigating risks for start-ups and attracting further private investment into NSW.[3] While the Initiative does play an important role in providing initial funding for projects, public investment should be leveraged to deliver a long term renewable manufacturing industry in NSW.

Building Australia's manufacturing capacity requires strategic government investment in technology and infrastructure to help facilitate the growth of small- and medium-sized enterprises (SMEs). This can be achieved through adoption of the 'Common User Facility' (CUF) model to renewable manufacturing in NSW.

The CUF model sees government own the land and infrastructure, providing open access to multiple private users. Rather than handing out money to private enterprises, the government invests in a publicly owned space and allows firms to bid for access. Some of the key features and benefits of CUFs include:

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[1] Phil Toner (2024), *An Industrial Strategy for Domestic Manufacturing of Onshore and Offshore Wind Energy Towers and Equipment*, The Centre for Future Work at the Australia Institute, 9. Available at Industrial Strategy for Wind Tower Manufacturing.
[2] Ibid., 57.
[3] NSW Government (2026), *Renewable Manufacturing Grant*. Available at Renewable manufacturing grant | NSW Climate and Energy Action.

- Firms leasing space in the CUF gain access to cutting edge common use infrastructure, which can include the latest in industry 4.0, digital, additive manufacturing and machine learning technologies.

- Supporting SMEs to achieve scale through alliances and joint ventures that bid for major projects.

- Providing firms with access to research and development opportunities to help them innovate.

- Containing skills centres, run in conjunction with TAFEs and universities, which provide access to state-of-the-art education and training facilities for the training of apprentices and the upskilling of workers.

- Co-locating enterprises and related services maximises local content and local jobs and creates an economy of scale effect that helps all companies to be internationally competitive.

All these benefits are provided while maintaining public ownership over infrastructure. All proceeds generated from leasing the infrastructure is reinvested in the facilities which means significant returns on initial public investment.

CUFs, in the vein of the Australian Marine Complex (AMC)in Western Australia, have a demonstrated capacity to facilitate the growth of small and medium enterprises, diversify industry, encourage technological adoption, and support the development of advanced manufacturing.[4] The AMC CUF in Henderson is a large, 40ha integrated facility and has supported the development of a world class shipbuilding and maintenance industry in Western Australia. Since its establishment the AMC has delivered hundreds of infrastructure projects and tens of thousands of jobs. The AMC CUF also supports fabrication and manufacturing for the WA mining, oil and gas industries. The Western Australian government maintains ownership of the AMC CUF which provides open access to multiple users.

Across Australia, there continues to be broad support for the development of industry specific precincts. The Business Council of Australia has advocated that the National Reconstruction Fund be geared towards building a handful of "internationally significant precincts" in strategic locations around the country.[5] The AMWU supports this idea but argues that public ownership should be maintained of these facilities to ensure long term benefits of the investments are controlled in the interests of the Australian people. The CUF model—on a similar template to the AMC facility—

[4] Development WA, *Australian Marine Complex*. Available at Australian Marine Complex - About - DevelopmentWA - Shaping our State's future.
[5] Joseph Brookes (2023), *Use $15bn NRF to build future industry precincts: BCA*, InnovationAus. Available at Use $15bn NRF to build future industry precincts: BCA.

should be expanded to facilitate the growth of manufacturing in other locations in Australia, including renewable manufacturing in NSW.

The NSW Government has already demonstrated its support for this type of model through the $12 billion dollar announcement in July 2026 to establish a publicly owned rail manufacturing facility, which will be operated by a private manufacturer, in the Hunter.[6] This approach should be expanded to create a renewable manufacturing CUF, that will underpin the delivery of renewable energy necessary to deliver net-zero by 2050 in NSW.

Facilitating a gas-demand reduction through electrification

(Questions addressed - 1. What opportunities or barriers could improve the effectiveness of NSW's transition to net zero? 2. What are the opportunities and barriers to technology development sector, deployment for each sector? 3. What are the opportunities to foster demand reduction and behaviour change?)

Electrification of gas across residential, commercial and industrial sectors is a necessary step to reducing the demand for gas and ensuring net-zero by 2050 is achieved while ensuring hard-to-abate industries have access to affordable gas. NSW wholesale gas prices have increased by 277% since 2011 due to the commencement of gas exports and the linkage of the East Coast domestic market to the Global LNG market.[7] While the implementation of the Commonwealth's domestic gas reservation scheme will mitigate the impact gas exports has had on the increase of domestic gas prices, there continues to be a need to reduce gas demand to further mitigate price growth and contribute to a reduction in total emissions.[8]

The technology to electrify gas-powered systems, particularly gas-heating systems in low-heat manufacturing, is readily available. Industrial heat pumps remain the stand-out technology, providing up to six times the thermal energy output relative to a gas boiler, with the increase in energy efficiency making this a cost-effective solution to reducing greenhouse gas emissions over the medium-long term.[9] The main barrier to uptake remains the initial cost of installing electrified systems. The AMWU believes the NSW Government should expand upon its Industrial Decarbonisation Initiative through increased funding to the Low Emissions Industry Program and

[6] NSW Government (2026), *$12 billion investment to rebuild Hunter train manufacturing*. Available at https://www.nsw.gov.au/ministerial-releases/12-billion-investment-to-rebuild-hunter-train-manufacturing.
[7] Australian Energy Regulator, *Gas market prices*. Available at Gas market prices | Australian Energy Regulator (AER)
[8] Australian Government, *Domestic Gas Reservation Scheme – draft Design Framework*. Available at Domestic Gas Reservation Scheme – draft Design Framework - Department of Climate Change, Energy, Environment and Water.
[9] *Turning Down the Gas Report* (2024), 24. Available at Turning Down the Gas - Australian Manufacturing Workers' Union - AMWU.

additional criteria to ensure local jobs are supported through government investment by prioritising local manufacturers of these technologies.[10]

The AMWU reiterates, given the NSW Government's policy to prioritise local manufacturing through the announced *Local Jobs First Bill 2026*, that public procurement should go towards supporting local safe-secure jobs.[11] The electrification of gas systems in housing is critical to achieving a significant gas-demand reduction, and the NSW Government should be a leader in this space through social and public housing delivered by Homes NSW. By ensuring all electrified heating systems are purchased from local manufacturers in NSW, a steady pipeline of demand can be secured for local manufacturers, ultimately protecting existing local jobs in the sector while improving the sector's ability to deliver further employment as the industry grows.

For further information and evidence, please refer to the *Turning Down the Gas Report* (2024) commissioned by the AMWU and Lock the Gate, and prepared by Springmount Advisory (Turning Down the Gas - Australian Manufacturing Workers' Union - AMWU).

Ensuring State-based funding and mechanisms are in place to support a just transition for workers and communities in fossil fuel related industries.

(4. What are the likely economic effects on NSW of different emissions pathways to net zero, relative to NSW's current level of ambition? 5. What are the opportunities and barriers to addressing socio-economic priorities for a just transition, including equitable outcomes for First Nations peoples and rural, regional and remote communities?)

While support has been offered at a Commonwealth level, little to no direct transition support has yet to be provided from the NSW Government, with the *Future Jobs and Investment Authority* (FJIA), as of August 2026, continuing to not be operational. In this context, any decarbonisation pathway in NSW should directly outline policies and pathways that will facilitate a just transition for workers and communities facing transition from fossil fuels to renewable energy and should consider jobs supported and jobs created as a metric in any pathway to net-zero.

The AMWU appreciates the opportunity to make a submission to the Net-Zero Commission and is available for further consultation on the decarbonisation pathways.

[10] NSW Government (2026), *Low Emissions Industry Program*. Available at Low Emissions Industry Program | NSW Climate and Energy Action.
[11] NSW Government (2026), *For the first time, local workers and businesses receive priority in NSW government contracts*. Available at For the first time, local workers and businesses receive priority in NSW government contracts | NSW Government.

Please reach out to [redacted] for any further questions in relation to this submission.

Yours sincerely,

[redacted]

[redacted]

[redacted]

AMWU NSW & ACT