

Western Sydney Manufacturers' Forum

2 April 2025

The Hon Matt Kean

Chair - Climate Change Authority

Check against delivery

I begin by acknowledging the traditional owners of the land on which we are meeting today, the Darug people, and pay my respects to their elders, past and present.

Thank you to everyone involved in convening this event, particularly the NSW Decarbonisation Innovation Hub and the NSW Smart Sensing Network. And congratulations to every participant here today – many of you are working on the frontlines of innovation. This event is an exciting showcase of your ingenuity and enterprise, generated right here in Western Sydney.

I hope you'll indulge me in a short diversion through history to kick off.

In 2019, soon after my appointment as NSW Minister for Energy and the Environment, I commissioned work via the state's Chief Scientist to understand the challenges and opportunities attached to acting on climate change. The prospect of boosting our capacity to meet the state's emissions goals while creating a new wave of investment, jobs and prosperity was tantalising.

One of the findings of that review was that the state needed to accelerate the research and development, commercialisation and uptake of clean technologies. We chose to consolidate that work by creating the NSW Decarbonisation Innovation Hub – a platform for creativity and collaboration among the finest minds from industry, research and government. We soon backed it in with \$15 million in funding.

So, I hope you can understand why I'm particularly thrilled to return today, seeing the fruit of that early work borne out in this great event and your fantastic ideas.

For me, investing in clean tech innovation has always been a strategic play with an eye to ensuring our future prosperity. It's about seeing our state, and indeed the entire nation, gain a first-mover advantage in the race to create the technologies needed to decarbonise at home, and help our global partners do the same.

It includes grabbing hold of the opportunities that present themselves in Western Sydney, which is already one of the largest and fastest growing economies in the nation. A region that can continue to flourish as we shift to cleaner ways of making and doing things.

It's a moment we should seize.

Australia has a short window to cut emissions in line with our legislated targets and give households and businesses the reliable energy they need and expect. Coal-fired power stations began exiting the system as far back as 2012 and AEMO estimates 90 percent of today's capacity will close by 2035, with the rest by 2038.

Overhauling our electricity system is non-negotiable, so we need to get on with it by deploying the fastest and most cost-effective forms of new generation out there. Engineering and economics tell us that's renewables – like wind and solar, backed by storage and firming – like batteries and peaking gas.

Now, 'lowest cost' doesn't necessarily mean 'cheap'. The job of financing this overhaul is substantial. Renewing the National Electricity Market will cost \$122 billion alone in present dollars, with much of the capital coming from the private sector. But we know there is a wave of capital washing across global markets – seeking the right opportunities to invest in cleaner energy and technology.

For example, global energy investment topped \$4.5 trillion in 2024 – with two-thirds going to clean energy technology and infrastructure. Take storage – Australia’s large-scale batteries totalled 2.3 gigawatts of capacity at the end of 2024. This tally will rise more than five times by 2030, to 12.1 gigawatts, Bloomberg New Energy Finance predicted last week.

If we can get our policy settings right, and give investors the comfort and clarity they need, home-grown innovators will share in the spoils and jobs will flow along with the electrons.

At the moment, much of the focus for investment has been on the energy grid. That makes sense. The electricity sector can do much of the heavy lifting on cutting emissions to 2030, with proven and affordable solutions increasingly on hand.

By rolling out clean energy infrastructure now, Australia can also unlock potential for deeper cuts to pollution in other sectors in the decades ahead. This shift will help existing industries not just survive but thrive in a low-carbon world – with clean energy as the ‘secret sauce’ for our competitiveness.

Now, the Climate Change Authority recognises that different sectors of our economy will decarbonise at different rates. Some – like industry and manufacturing – need both clean, abundant energy and technological solutions that are still being refined. Some will go from the pilot phase and on to commercialisation – including many based in Western Sydney, we hope.

Understanding exactly what it’s going to take was the focus of the Sector Pathways Review, which the Authority released last year. It reflects our mandate to deliver robust, independent, expert advice and analysis to governments on what’s required for Australia to meet its emission reduction targets. The report included a sector-by-sector deep dive – exploring the emissions profile of major parts of the economy, and the solutions needed to achieve decarbonisation. We identified barriers such as workforce and skills shortages, which, if left unaddressed, could hamper Australia’s efforts to reach net zero by 2050.

The Authority believes there is a clear case for governments and industry to work together to diversify the nation’s workforce and ensure a fit-for-purpose education system. There’s also a simple lack of data that has to be remedied. If not, we will be operating in the dark on both workforce demand and our ability to create a skilled, mobile and flexible workforce. The review also revealed that Australia has a great shot at crafting the products, goods and services that will be in high demand as the world shifts to net zero. We must be prepared to back our entrepreneurs and innovators and remove policy and regulatory barriers that inhibit progress.

We can see existing manufacturers are already taking big steps to lower their energy bills and emissions footprint through the electrification of low and medium process heat. A lot of the manufacturing that happens here in Western Sydney is so-called ‘light manufacturing’ – things like food and beverage production, recycling and pharmaceuticals. These sub-sectors are great candidates for replacing gas with electric heat pumps and other equipment that dramatically boosts energy efficiency.

The cheapest power and the lowest emissions, after all, come from reducing energy wastage.

At the heavier end of the manufacturing scale, products like renewable hydrogen, green ammonia and green metals are essential to reimagining Australian industry. Importantly, they’re going to be in hot demand across the globe.

As a nation that sits on the doorstep of Asia – which is home to some of the fastest-growing populations and economies in the world – Australia should be a supplier of choice for green goods.

We can build on the trusted trade partnerships developed across our region over decades with countries like Japan, Korea, China and Singapore – relationships which are more important than ever in a fracturing global trading system. We can supply the goods, services and products needed to help them decarbonise their own economies – and unlock an export opportunity that could make the resources boom look like a blip.

But let's be clear that Australia's success depends on a stable investment environment – one in which investors can take decisions today without the risk of goalposts being shifted markedly tomorrow.

That's why our best bet is backing the natural advantages Australia possesses:

- an abundance of wind and solar needed to drive renewable energy,
- access to the capital needed to remake our grid and fuel investment in new industries,
- a nation of innovators and entrepreneurs who can drive the breakthroughs needed to slash carbon pollution while boosting prosperity,
- and a capacity to take home-grown decarbonisation solutions, made in places like right here in Western Sydney to the world stage.

As we pursue that clean, prosperous future, I look forward to continuing to work with everyone here today and across the region.

And I look forward to joining the NSW Decarbonisation Innovation Hub to highlight more of its good work soon.

The future is one to be seized – let's get on with it!