



NRF Net Zero Fund: Proposed Design

October 2025

Submission of the ETU

20 October 2025

About the ETU

The Electrical Trades Union of Australia ('the ETU')¹ is the principal union for electrical and electrotechnology tradespeople and apprentices in Australia, representing well over sixty-thousand workers around the country.

ETU members make up a critical pillar of the licensed electrical workforce responsible for delivering the Australian Government's commitments on delivering a more efficient, affordable, and secure emissions-free energy network. As Australia simultaneously engages in two energy transitions, both on the supply side – with the build out of renewable energy; and on the demand side – with the electrification of heavy industry, passenger vehicles, cooking, heating, and even thinking; electrical workers are the keystone occupations of the future.

Acknowledgement

In the spirit of reconciliation, the ETU acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all First Nations peoples today.

NRF – Net Zero Fund: Proposed Design Consultation

The ETU supported the establishment of the National Reconstruction Fund Corporation as the vehicle to deliver that \$15bn investment in the future of Australian manufacturing.

The ETU has consistently advocated for the \$15bn National Reconstruction Fund (NRF) and related Specialist Investment Vehicles (SIVs) to be applied in a coordinated manner to the expansion and diversification of Australian industry in an economy transformed by the transition to renewable energy. The energy transition, and subsequent decarbonisation and transformation of the manufacturing and industrial sectors, demands large-scale investment and accelerated, coordinated state support.

As originally envisaged, the NRF is intended to renovate and build out green industrial manufacturing in time to drive and to capitalise on the energy transition away from fossil fuels. The same targeted transformation and expansion of industry, driven by the NRF, is critical to the delivery of a just transition for communities currently dependent on fossil fuel industries. The government's Future Made in Australia agenda and vision of Australia as a 'Renewable Energy Superpower' will not be realised without targeted delivery of funding at scale through the NRF and related SIVs.²

Affordable, firmed, renewable energy *the critical input for a Future Made in Australia.*
Reliable, affordable, renewable energy is *the critical input for a Future Made in Australia.*

¹ Being a division of the CEPU, a trade union registered under the *Fair Work (Registered Organisations) Act 2009* (Cth).

² Treasury, 2024, Future Made in Australia National Interest Framework, <https://treasury.gov.au/sites/default/files/2024-05/p2024-526942-fmia-nif.pdf> [Accessed 12 October 2025], pp. 21-29.

The objectives of the NRF and related SIVs to deliver on the vision of Australia as a Renewable Energy Superpower will not be realised without commensurate investment in and delivery of sufficient, firmed renewable energy and associated transmission and distribution infrastructure, with cost competitive energy offtakes for large industry.

The market alone cannot deliver the needed renewable generation, where and when it is needed to drive the expansion of green manufacturing. Instead, we need strategic government investment to secure globally cost competitive energy offtakes for large manufacturing facilities – both existing and new – that could simultaneously provide pathways for taxpayers to share in the upside of this investment over the medium to long term.

The government could do this by expanding the remit of the NRF and related SIVs to directly contract for clean energy, and to enter into long term power purchase agreements with large industrial users. This would have the benefit of supercharging the renewables rollout, while providing greater cost certainty and energy security for large industrial users looking to invest in decarbonisation.

Access to power purchase agreements could be made dependent on having a strategy to increase the efficiency of and decarbonise these facilities.

Insufficient pace and scale of funding allocation

The NRF has now been in operation for more than two years. In that time the NRF has proved incapable of identifying investment opportunities and allocating funding at the pace and scale necessary to deliver or to capture the competitive advantage promised by the energy transition.

Since it commenced operation, the fund has announced only 12 investments for a cumulative \$709.50 million,³ or an average of just over \$28 million per month. At the current pace of investment, the NRF would not allocate the full \$15bn committed to the fund until around 2067.

The slow pace of investment is at odds with the ambition of the government's emissions targets over the medium term, and the expected timelines for transition of native industry away from fossil fuel. The scale of investment to date is insignificant in the context of a manufacturing sector with an industry that delivers total value added of just under \$135bn annually.⁴ The scale and pace of investment out of the fund must increase significantly if the NRF is to have an impact on the development of new industry.

The slow pace and modest scale of investment to date is also at odds with the emphasis that the government has placed on the NRF in its messaging around energy policy and the future of Australian manufacturing. We note the observation of the AWU in its submissions to this inquiry, that the Minister for Industry and the Prime Minister have between them referred to the NRF at least 477 times in media, public addresses and in parliament. That messaging would suggest that the NRF is the primary vehicle for delivery of the government's agenda for new and

³ National Reconstruction Fund Corporation, *Our Investments*, <https://www.nrf.gov.au/our-investments> [Accessed 12 October 2025].

⁴ Australian Bureau of Statistics, 2025, *Australian Employment and IVA Data and Movements 2023-24*, <https://www.abs.gov.au/statistics/industry/industry-overview/australian-industry/latest-release> [Accessed 12 October 2025].

expanded manufacturing driven by renewable energy. The ambition of the government's messaging around the NRF appears not to be matched by the scope and pace of investment from the fund.

NRF allocations for low emissions manufacturing

Ringfencing of funding within the NRF for low emissions manufacturing is not a new feature of the fund. In its original construction, the NRF included an allocation of funding for low-emissions manufacturing, in the amount of \$3bn. That allocation for 'Powering Australia' was reserved for investing in green metals, component manufacturing for green energy generation, hydrogen electrolyzers and fuel switching to hydrogen, and abatement of agricultural methane and other agricultural waste.⁵ A further \$3bn was allocated for critical technologies, value-adding in resources, and advanced manufacturing.⁶ Three quarters (\$6bn) of all funds allocated for a specified purpose (\$8bn) were allocated explicitly to low emissions manufacturing or would be available to low emissions manufacturing in a targeted part of industry.

Existing allocations within the fund for low emissions manufacturing has not engendered any urgency in the fund's investment activity in those parts of industry. None of the 12 investments announced by the NRF to date fall within the 'Powering Australia' tranche. It is not clear that the proposed new NRF sub-fund would be more effective at accelerating investment activity absent new directions and approaches to the NRF's investment mandate.

The ETU welcomes the proposed allocation of \$5bn for low emissions manufacturing, expanding on the \$3bn previously allocated, for its material effects and for the signal that it sends to the NRF and to industry on the importance of local low emissions manufacturing to the future of the Australian economy. The ETU also welcomes the extension of funding for low emissions manufacturing to include both the decarbonisation of large facilities and the production of new technologies.

Delivering community benefits

The ETU emphasises the importance of attaching clear, ambitious and enforceable community benefits to investments made by the Net Zero Fund. Delivering tangible community benefits in the form of industry-leading labour conditions, secure careers, workplace safety, indigenous engagement, gender equity, and investment in local training and workforce development is critical to driving public confidence in and social license for the broader energy transition, and essential criteria for the success of any program of public investment. Workers and their communities rightly expect that public investment will deliver broad community benefit and advance best practice in industry.

Interagency and intergovernmental coordination

The ETU notes that the NRF is one of a growing number of SIVs focussed on the expansion of renewable energy generation and transmission infrastructure, transformation of fossil fuel industries, and development of green manufacturing. There is a need to coordinate that growing ecosystem of funding vehicles and related agencies with a regional and sub-regional focus. The

⁵ DPS, *Bills Digest: National Reconstruction Fund Corporation Bill 2022*

https://parlinfo.aph.gov.au/parlInfo/download/legislation/billsdgs/8999927/upload_binary/8999927.pdf,

pp.19-20.

⁶ *Ibid.*



Net Zero Economy Authority is best placed to take on an overarching coordination and engagement role over industry investment and development.

This coordination role must include coordination of the required firmed, renewable energy generation and transmission infrastructure to power an electrified heavy industry and manufacturing sector.

Finally, the energy transition presents enormous opportunities for a competitive advantage in manufacturing and an expansion of the manufacturing sector in Australia. The proposed allocation of \$5bn in the NRF for low emissions manufacturing, while welcome, must be accompanied by greater urgency and substantially more ambition in the NRF's investment activity overall.