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Net zero pathway needs to support essential industries

Business Hunter is calling for a balanced and pragmatic approach to Australia's transition to net zero, warning that the nation's manufacturing strength and sovereign capability could be at risk if essential, energy-intensive industries are not adequately supported.

Business Hunter CEO Bob Hawes said that while the business community remains committed to achieving Australia's climate goals, and recognises the significant opportunities for our region, it is also critical to acknowledge the unique role that heavy industries play in the economy and national security.

"These industries are not only major employers in our region – they are the backbone of Australia's manufacturing capacity and sovereign capability," Mr Hawes said.

"As we transition to a low-emissions economy, we must ensure these sectors have a viable pathway forward. That means access to affordable, reliable energy, policy certainty and targeted support to invest in innovation and emissions reduction.

"Many of our energy-intensive industries have made major reductions in their carbon footprints and are looking to convert to renewable energy sources where possible. But the reality is that the pipeline for renewable projects is moving slower than anticipated and the options to source clean energy at scale and viable cost are not currently available."

With the Hunter region at the centre of the nation's industrial transformation, Business Hunter is urging state and federal governments to partner closely with industry to ensure Australia does not offshore emissions-intensive industries, only to import their products back at a higher environmental and economic cost.

"That means recognising the challenges these industries face and continuing to support the supply of affordable, reliable energy from available sources while we build renewable capacity," Mr Hawes said.

"These measures are essential to support the Federal Government's Future Made in Australia policy.

Mr Hawes said the Government's 2035 emissions target of 62 to 70 per cent was ambitious but also challenging.

"The path to Net Zero should be ambitious – and the Hunter stands ready to lead the transition – but the targets must also be achievable.

"We have to back the industries that built Australia and can help power a clean energy future."

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