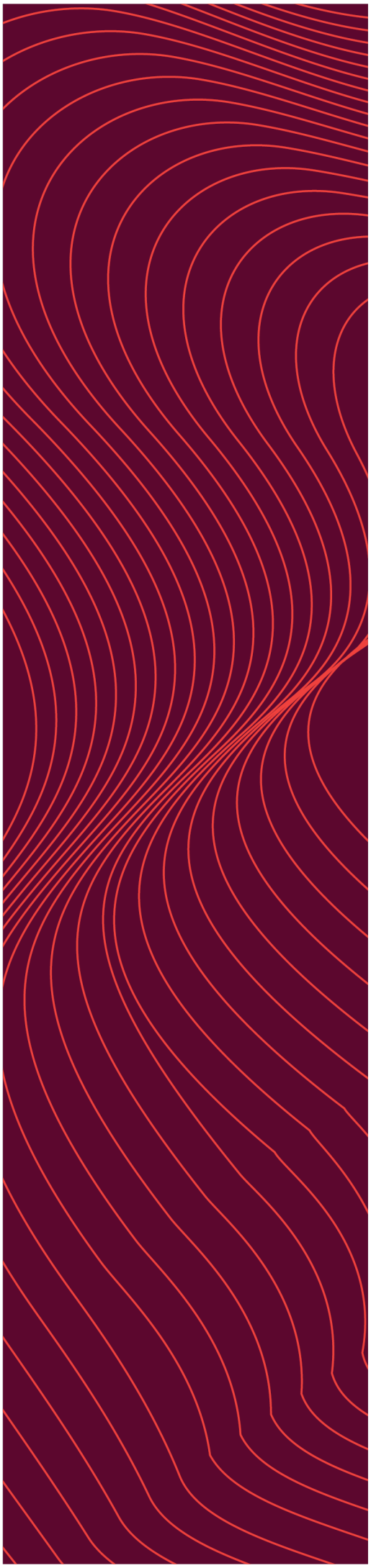
LATROBE CITY COUNCIL

Latrobe City Councils Submission to:

Domestic manufacturing of wind and transmission infrastructure

March 2026



Introduction

Latrobe City Council welcomes the opportunity to provide feedback on the Australian Government's consultation on domestic manufacturing of wind and transmission infrastructure under the Future Made in Australia (FMA) agenda.

Latrobe City sits at the centre of Victoria's energy transition. As the host of legacy coal-fired power generation assets and the future closure of Yallourn W Power Station in 2028, our region is the most impacted by the structural transformation of Australia's energy system.

Council's submission focuses on consultation questions most relevant to:

- Regional economic transition and workforce resilience.
- Sovereign manufacturing capability.
- Industrial land readiness and infrastructure activation.
- Supply chain security.
- Enabling conditions for private investment.

Council has not responded to highly technical manufacturing questions outside its direct remit but instead provides a strategic regional development perspective aligned to the consultation Terms of Reference.

The Future of Wind and Transmission Manufacturing in Australia

Question 1

What is your outlook for wind tower and transmission tower manufacturing in Australia? What opportunities or risks do you see emerging for the sector over the next decade?

Latrobe City strongly supports the expansion of domestic wind and transmission manufacturing capability.

Australia's transition to large-scale wind generation and transmission infrastructure presents a significant opportunity for regions with existing industrial capability to support the development of new clean energy industries.

For transitioning regions such as Latrobe City, this presents:

Opportunities

- **Repurpose former large-scale industrial land and energy infrastructure** currently associated with thermal generation.
- **Leverage an experienced industrial workforce**, including trades such as boilermakers, electricians, fitters and heavy fabrication specialists.
- **Build on existing regional suppliers and manufacturers** that already possess capability relevant to energy infrastructure delivery, including steel fabrication, engineering services, mechanical maintenance, electrical works and industrial construction.
- **Strengthen local procurement outcomes** by ensuring that existing Latrobe-based businesses are well positioned to participate in renewable energy and transmission infrastructure projects.
- **Support domestic steel demand and advanced fabrication capability**, particularly for steel-intensive infrastructure such as wind towers and transmission structures.
- **Create long-term skilled employment opportunities** that can absorb workforce transitions from coal-fired generation.
- **Improve sovereign manufacturing capability and supply chain resilience**, reducing reliance on imported components.

Latrobe City offers several strategic advantages that position the region well to support the development of domestic wind and transmission infrastructure manufacturing and supply chains, including:

- **Large-scale industrial land**, although the activation of some strategic sites has been constrained by legacy coal overlays associated with former power generation activities.
- **Established transmission and energy infrastructure**, reflecting the region's historic role in electricity generation.
- **A highly skilled industrial workforce**, including trades such as fitters, welders, electricians and heavy fabrication specialists.
- **A central location within Gippsland**, positioned between Melbourne and many existing and proposed renewable energy projects, with direct access to the region's primary freight corridors.
- **Existing grid connections and energy infrastructure**, which provide a strong foundation for energy-related industry development.

Latrobe City is also home to a number of established regional businesses that currently service the power generation, construction and heavy industry sectors. These firms already possess relevant technical capability, industrial facilities, specialised equipment, and experience working within complex industrial environments, including fabrication, engineering services, mechanical maintenance and electrical works.

However, many of these businesses do not currently possess the full scale of plant, property and specialised equipment required to expand into large scale wind tower or transmission infrastructure manufacturing without targeted capital investment.

With appropriate policy signals and procurement frameworks, these existing businesses could expand their participation in renewable energy and transmission infrastructure supply chains.

Ensuring that major renewable energy and transmission projects create meaningful opportunities for local and regional suppliers. This would enable regions such as Latrobe and broader Gippsland to capture a greater share of the economic and employment benefits associated with Australia's energy transition, while strengthening domestic supply chain capability.

Risks
Without coordinated policy settings and pipeline certainty, Australia risks:

- Continuing reliance on imported tower sections and transmission components.
- Missing the opportunity to anchor advanced manufacturing in transitioning regions.
- Workforce dislocation following successive power station closures.
- Increased exposure to global supply chain disruptions.

For Latrobe City, the compounding effect of successive closures, such as the abrupt closure of Hazelwood Power Station in 2017 and the scheduled closure of Yallourn W in 2028, makes timely economic transition intervention critical.

Manufacturing investment must align with the power station closure timeline to prevent workforce and economic leakage from the region.

Question 2

What are the key barriers or enabling conditions needed for Australian firms to supply domestic projects and be competitive? This could include regulatory settings, access to capital, operating costs, skills and training, certainty and investment signals.

Key enabling conditions for competitiveness include:

1. Pipeline Certainty and Project Delivery
Investment in domestic wind and transmission manufacturing capability is closely linked to the certainty and timing of major renewable energy project pipelines.

Australia's first offshore wind zone is located in Gippsland, adjacent to Latrobe City. Several large-scale offshore wind projects have progressed through early feasibility and licensing stages and have

the potential to anchor significant domestic supply chain demand for components such as towers, foundations, transmission structures and associated heavy fabrication.

However, delays and uncertainty around project timeline, including auction and procurement processes required to progress projects to financial close, is weaken investor confidence and slow supply chain investment decisions.

Large-scale manufacturers require clear signals of sustained demand before committing to capital-intensive facilities such as tower fabrication, heavy steel manufacturing and specialised transport and logistics capability.

Early project certainty is particularly important for capital-intensive facilities such as wind tower manufacturing, where investment decisions must be made several years before project construction begins.

Where project timelines remain uncertain, there is a significant risk that:

- Manufacturing investment decisions are delayed.
- Regions with existing industrial capability miss early opportunities to anchor new clean energy industries.
- Supply chain development occurs offshore rather than domestically.
- Australia risks losing early investment in domestic offshore wind supply chains and the opportunity to anchor new manufacturing industries in transitioning regions.
- Australia loses its first offshore wind industry opportunity and Gippsland loses thousands of potential jobs.

Providing clearer and coordinated national visibility of renewable energy generation and transmission infrastructure build schedules would help restore investment confidence and help align domestic manufacturing development with project delivery timelines.

This is particularly important in regions undergoing structural economic transition, where the timely development of new industries can align with workforce redeployment and support regional economic stability.

2. Infrastructure Activation

Industrial land in transitioning regions often requires:

- Site remediation.
- Grid upgrades.
- Transport upgrades.
- Water and enabling infrastructure.

Targeted infrastructure activation funding would unlock private capital at scale.

3. Capital Intensity

Wind and transmission tower manufacturing requires significant upfront capital investment in:

- Heavy fabrication facilities.
- Advanced manufacturing and automation technology.
- Workforce development.

Blended finance models and co-investment mechanisms such as capital grants or concessional finance would accelerate establishment and production.

4. Workforce Transition Support

Workforce redeployment from coal-fired generation into advanced manufacturing requires:

- Targeted retraining pathways.
- Apprenticeship expansion.
- Industry-aligned training programs.
- Regional housing and social infrastructure support.

Question 3

What market conditions, policy settings, or infrastructure would support sustained private investment in domestic wind and transmission manufacturing over the short, medium and longer term?

To support sustained private investment:

- Long-term renewable energy and transmission build schedules must be transparent and stable.
- Local content settings should require Australian steel use where feasible.
- Commonwealth procurement frameworks should recognise and enable participation from regions undergoing significant energy industry transition, where existing industrial capability can support domestic manufacturing capacity and deliver value-for-money and supply chain resilience outcomes.
- Infrastructure activation funding should align with clean energy manufacturing priorities.

Regions most impacted by structural transition should be prioritised based on the scale of transition to be undertaken and recognised as priority manufacturing zones under Future Made in Australia FMA policy settings.

Australian Participants and Capability in the Renewable Energy Supply Chain

Question 1

What are the most significant capability gaps across the wind and transmission tower manufacturing and supply chains in Australia?

Current structural vulnerabilities include:

- Complete reliance on imported wind tower sections and many transmission components.
- Jobs and skills shortages in advanced fabrication and industrial automation.
- Transport and logistics constraints for oversized components.

From a regional perspective, the greatest gap is not workforce willingness, it is investment readiness.

One potential mechanism to support investment readiness would be mandating clear domestic manufacturing capability targets or local participation benchmarks for wind and transmission infrastructure projects. Such targets would provide clearer market signals for investors and manufacturers, helping to justify capital investment in fabrication facilities, workforce training and supply chain development within Australia.

Regions like Latrobe possess:

- Strong fabrication and engineering skills.
- Established Industrial heritage.
- Existing grid and energy infrastructure.

However, without coordinated national policy, there is a risk that these assets will be underutilised, leading to duplicated investments and increased government expenditure.

Question 2

What policy options will help boost local participation and domestic manufacturing?

Policy mechanisms that would strengthen domestic participation include:

1. Predictable local content frameworks tied to major renewable energy and transmission projects, providing clear visibility for regional manufacturers and enabling existing industrial regions to scale participation in domestic supply chains.
2. Mandate Australian steel usage where economically viable.

3. Capital grants or concessional finance for large-scale fabrication facilities in transitioning regions.
4. Support for regional industry clustering to co-locate suppliers and reduce logistics costs.

Local content frameworks must balance competitiveness with sovereign resilience objectives.

Question 3,

What supply chain risks, beyond manufacturing capacity, could affect the timely delivery of wind and transmission infrastructure in Australia?

Key risks include:

- Housing shortages in regional manufacturing hubs.
- Oversized freight handling constraints.
- Energy price volatility impacting fabrication competitiveness.

These constraints highlight that manufacturing policy must be integrated with:

- Regional housing policy.
- Transport infrastructure planning.
- Fit for purpose, local economic conditions and policy reform.

Building Economic Resilience

Question 1

What are the main workforce issues and opportunities across the wind and transmission manufacturing sector that we need to understand to support workforce growth?

Latrobe City has a significant base of transferable skills, including:

- Mechanical fitters
- Boilermakers
- Electricians
- Engineers
- Industrial operators

The opportunity lies in structured transition pathways from power generation into fabrication and advanced manufacturing.

However, risks include:

- Workforce outmigration if employment gaps emerge.
- Early retirement of skilled trades.
- Loss of institutional knowledge.

Transition planning must align manufacturing development timelines with the Yallourn W Power Station closure schedule in 2028.

Response to Question 2

How do cost or other economic pressures such as energy, labour and materials affect competitiveness?

While establishing domestic manufacturing capability may require initial capital support or enabling infrastructure investment from government, it can reduce long-term public expenditure associated with supply chain disruptions, import dependency and regional economic decline following major industry closures.

Strengthening domestic manufacturing capacity also stabilises regional employment and economic activity in diversifying energy regions. Thereby reducing the broader fiscal pressures that can arise when large-scale industries exit without replacement economic activity.

For heavy manufacturers, energy costs, labour costs and capital access remain key competitiveness constraints.

To support long-term competitiveness:

- Energy pricing certainty is critical.
- Co-investment mechanisms should reduce upfront capital burden.
- Infrastructure co-funding would lower establishment costs
- Demand-side policy certainty should reduce market volatility.

The objective should be cost competitiveness over time, not permanent subsidy dependence.

Role of Government

Question 1

What key actions could government take to boost domestic wind and transmission manufacturing opportunities and investment?

Latrobe City Council recommends:

1. Establish Clean Energy Manufacturing Priority Zones
Targeted transitioning regions for coordinated investment attraction mechanisms, such as:

- Accelerated depreciation for eligible capital investment.
- Investment offsets for wind or transmission manufacturing plant, equipment and facility establishment.
- Commonwealth procurement preferences tied to local content and employment outcomes.
- Reduced or deferred capital gains tax obligations where proceeds are reinvested into wind or transmission manufacturing enterprises and precincts.

2. Align FMA Innovation Fund with Regional Transition
Ensure transitioning coal regions are eligible and prioritised for capital support.

3. Infrastructure Activation Funding
Co-fund enabling infrastructure projects to unlock industrial land, grid upgrades and transport readiness.

4. Long-Term Pipeline Visibility
Publish integrated wind and transmission build schedules to provide investment certainty.

5. Skills and Training Alignment
Coordinate Commonwealth and State workforce programs aligned with manufacturing investment timelines.

Question 3

How could the Australian Government better partner with industry and states and territories to maximise our clean energy manufacturing advantage?

Effective partnership requires:

- Joint Commonwealth–State-Local government coordination.
- Early engagement with regional councils.
- Alignment with regional economic transition strategies.
- Integrated planning across energy, industry and infrastructure portfolios.

Local governments play a critical role in:

- Industrial land planning.
- Community engagement.
- Promoting the region to attract industry and workforce.
- Enabling infrastructure delivery.
- Attracting investment to support economic diversification.
- Supporting local businesses to build capability and participate in emerging supply chains.

Conclusion

The expansion of domestic wind and transmission manufacturing presents a once-in-a-generation opportunity to:

- Strengthen sovereign manufacturing capability.
- Build supply chain resilience.
- Support Australian steel production.
- Deliver long-term skilled employment.
- Repurpose heavy industry capability in transitioning regions.

For Latrobe City, this consultation is not theoretical. It directly intersects with the scheduled closure of Yallourn W Power Station and the urgent need to secure replacement industries before significant economic leakage occurs.

With coordinated economic policy certainty, infrastructure activation and capital support or co-investment, Australia can establish a viable and resilient domestic wind and transmission manufacturing capability while ensuring that diversifying energy regions are central beneficiaries of this transformation.

Latrobe City Council welcomes continued engagement with the Australian Government as this policy work progresses. Please contact Latrobe City Council's Acting Senior Strategy & Advocacy Advisor Kate Cumming, at Advocacy@latrobe.vic.gov.au or 0409 327 314, should you wish to discuss any of the content outlined in this submission in further detail.

Sincerely,

Steven Piasente
Chief Executive Officer