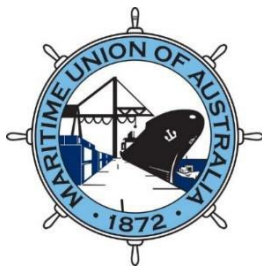


Offshore Renewable Energy Area: Southern Ocean Region off Vic and SA

Submission from the CFMMEU (Maritime Union of
Australia and Construction Divisions) and the
Electrical Trades Union



August 2023

Department of Climate Change, Energy Environment and Water

Submitted via website.

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Background

This submission has been prepared by the Maritime Union of Australia Division (MUA), Construction Divisions of the **Construction, Forestry, Maritime, Mining and Energy Union** (CFMMEU) and the Electrical Trades Union (ETU).

The Maritime Division (MUA) represents approximately 14,000 workers in the shipping, offshore oil and gas, stevedoring, port services and commercial diving sectors of the Australian maritime industry. This includes coal export terminals. The MUA is also part of the Offshore Alliance (with the AWU) which represents workers on offshore oil and gas facilities.

The Construction Division has been involved in building onshore wind farms for many years. Our members have dug the holes, tied the steel, poured the concrete, rigged the turbines and lifted them in place since the first Wind Farm in Salmon Beach, back in 1987. Once the Salmon Beach Wind Farm was completed, many workers transferred to offshore careers as they were well skilled and formally trained.

In a future offshore renewables industry, CFMMEU members across both Divisions will work on offshore renewables construction and cable-laying vessels as maritime crew, catering crew, crane operators and divers as well as involvement in various aspects of landside works essential to the completion of projects and allowing them to connect to the grid.

The Electrical Trades Union of Australia ('the ETU') is a division of the Communications, Electrical and Plumbing Union ('the CEPU'). The ETU is the principal union for electrical and electrotechnology tradespeople and apprentices in Australia, representing well over 60,000 workers around the country. The CEPU represents close to one hundred thousand workers nationally, making us amongst the largest trade unions in Australia.

In a future offshore renewables industry, ETU members will be performing all electrical work associated with the offshore generation, transmission and distribution infrastructure during construction, installation, testing and operations both on shore and at sea.

Summary

The CFMMEU Maritime and Construction Divisions, along with the ETU welcome the opportunity to make a submission to the consultation. We strongly support the development of offshore renewable energy in Australia, and the designation of the Offshore Renewable Energy Area in the Southern Ocean Region off the States of Victoria and South Australia.

We recognise that this Offshore Renewable Energy Area is proposed for the Land and Sea Country of the Gunditjmarra, Eastern Maar, and the Bunganditj First Nations. First Nations must also be thoroughly consulted in the development of projects in this area and included in the benefits from these projects.

The Declaration of this offshore electricity area is an incredible opportunity for both the Southern region of Victoria and the South East of South Australia to build the renewable energy infrastructure we need to tackle the climate crisis and create thousands of good union jobs. This area has a skilled workforce, great electricity grid connections, deep water port infrastructure, an existing high voltage substation, and strong and consistent winds that blow at times that solar power isn't available. Multiple developers have said they would like to build floating and fixed offshore wind projects here.

A key consideration for government when deciding on the area to include in a Declaration is an adequate supply of low-cost electricity to keep the Portland aluminium smelter functioning. Keeping the smelter keeps the port viable for other industries, including agriculture, to export their products. It also provides an anchor for employment and other economic activity in the area.

To support the ongoing viability of the Portland aluminium smelter as coal-fired power stations close, an area of at least 500km² with a water depth of less than 60m must be retained as part of the final Declared Area. The shallower area is needed because it allows the use of lower-cost fixed bottom offshore wind technology. It is likely that only 250km² would be needed for fixed bottom turbines to support the smelter, but detailed geotechnical, environmental and cultural surveys have not yet been completed. Including 500km² of shallower area in the Declaration would allow the area with the least impact to be selected for final construction. The current proposed area includes about 1000km² with a depth of less than 60m, so there is some scope to reduce the area to address community concerns, while providing for electricity supply for the future of the smelter.

Offshore renewable projects in the Area must use local manufacturing and ensure that workers can be trained up for these renewable energy jobs. Governments must ensure adequate port facilities for construction and operations are created in Portland to capture local economic benefits – otherwise developers will be required to use Hastings, Geelong or Bell Bay.

Given the urgency of the climate crisis, we are also asking for development of renewable energy to be given priority over other uses in the Southern Ocean offshore area, such as oil and gas exploration and production. Renewable energy will also provide long-term employment and energy that does not end when a gas field reaches end of life. A significant portion of the shallower parts of the proposed area overlap with Commonwealth petroleum exploration permits and a small portion of one production licence, all issued under the OPGGS Act.¹ The area also contains roughly seven older petroleum exploration wells scattered along the coast from Port Fairy to Discovery Bay and west into South Australia. The proposed area is close to the Henry and Netherby gas fields and to

¹ The main overlapping exploration permits are Vic/P74 and Vic/P44.

exploration permits issued by the state of Victoria for state waters. Disused wells must be permanently and safely decommissioned and plugged so they do not interfere with the development of offshore renewable energy.

There are very few places in Australia that offer all elements that we need to build renewable energy on a mass scale – the Southern Ocean offshore area has the potential to host 14 GigaWatts, and power 8.4 million homes. Renewable energy is the foundation of Australia’s future, and we must ensure that we take full advantage of its potential.

We offer a package of recommendations with the aim of ensuring a just transition, providing maximum quality employment, and to remove obstacles to the construction of the infrastructure we need to deliver the full potential of this area.

Recommendations

Recommendation 1: The Declaration should require that all licences issued in the area maximise the contribution of the project to the Australian economy and local communities, including:

- a) maximise the use of **locally produced** and supplied goods and services.
- b) maximise the **employment of suitably qualified local workers**, including energy workers, engaged under registered industrial instruments, agreed between relevant unions and employers.
- c) provide for **training and skills development** of local workers, minimum requirements for trainees and apprentices, worker transition opportunities from industries facing closure, and the employment of workers from groups underrepresented in the workforce.
- d) ensuring projects are aligned with the **First Nations Clean Energy Network Best Practice Principles** for Clean Energy Projects, including employment and income opportunities.
- e) ensure quality jobs through the implementation of a Secure Jobs Code, to be applied across government-funded projects.

Recommendation 2: The Offshore Electricity Act must be overhauled to ensure Traditional Owners are considered primary rights holders in the declaration of renewable energy areas, and are also considered key partners and rights holders for the grant of feasibility licences and commercial licences.

Recommendation 3: The Commonwealth should set clear national offshore wind targets and establish a new national Offshore Renewable Energy Board. The Board should be led by government and involve industry and unions. It should advise government on appropriate targets to meet emissions reduction goals, ensure all regulatory processes are aligned to meet targets, ensure that the required supply chain, workforce and infrastructure is in place, and work through other industry challenges going forwards.

Recommendation 4: If Portland is used as construction or maintenance port, further investigation must be undertaken to identify the upgrades necessary to township infrastructure, such as health and emergency services.

Recommendation 5: That the Minister ensure that an area of at least 500km² with a water depth of less than 60m be retained as part of the final Declared Area, to support the ongoing viability of the Portland aluminium smelter as coal-fired power stations close, using lower-cost fixed bottom offshore wind technology.

Recommendation 6: The Southern Ocean Offshore Renewable Energy Area is a critical area for renewable energy development, because of the available grid and port infrastructure, the location close to large electricity loads, and the quality of the wind resource. Given the urgency of the climate crisis, development of renewable energy projects must be given priority over other uses of the Southern Ocean offshore area, such as oil and gas exploration and production. Disused wells in the Area must be permanently and safely decommissioned and plugged so they do not interfere with the development of offshore renewable energy.

Recommendation 7: The Declaration should clarify that sections 77 d) and 78 d) of the Offshore Electricity Infrastructure Act do not allow interference with Native Title rights in the Declaration area or associated transmission infrastructure.

Recommendation 8: The government must build publicly owned transmission infrastructure from the grid to a shared connection point at an offshore substation. Projects in the Area should be required to cooperate on the use of shared infrastructure with an appropriate mechanism to allocate costs, risks, ownership, and control.

Recommendation 9: The Declaration for this area must specify that the vessels used for the construction, operation and maintenance of renewable energy infrastructure are Regulated Australian Vessels covered by the *Navigation Act* (not the *Maritime Safety (Domestic Commercial Vessel) National Law Act*).

Recommendation 10: The government must ensure that the Port of Portland is developed to include a publicly owned common user port terminal for offshore renewable energy construction and maintenance, modelled on the Port of Esbjerg, Denmark, which is currently the world's largest renewable energy port.

Recommendation 11: Recreational fishers must be allowed to fish within the boundaries of offshore wind farms (as is the case in the USA and UK) and as close as possible to wind turbines. There must be a clear plan documenting access for recreational fishing at all stages of each project.

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Securing a Just Transition

The CFMMEU and the ETU support the government taking action to address climate change. Our members have been on the front lines of horrifying rescues from fires and floods. Increasing numbers of days with extreme temperatures and exposure to bushfire smoke affects us on the job. We understand the need to limit global heating to 1.5°C.

Reducing greenhouse gas emissions will have a major effect on our members, especially those working in coal export ports and in the offshore oil and gas industry.

The development of offshore renewable energy must be used as an opportunity to deliver a just transition to energy workers and their communities. These workers see the need to support climate action and are leaders in their communities and workplaces. But to maintain their support, we must ensure they can move to good secure union jobs in new industries.

Climate action must be joined to a just transition. This means ensuring that projects and policies delivering the energy transition maximise the number and quality of jobs and community and First Nations benefits that they provide, and that there is a clear path for the workforce and communities from old industries to new industries. A regional and national Energy Transition Authority must also be established to support workers, plan for diversification, and ensure the right training is available.²

It was an important step for the current government to insert an assessment of offshore renewable energy projects' 'impact on, and contribution to, the Australian economy and local communities,

² ACTU, *Energy Transition Authority: What Workers Need*, January 2023.

including in relation to regional development, job creation, Australian industries and the use of Australian goods and services' (*Offshore Electricity Infrastructure Regulations 2022*, s.26(4)(a)). However, this remains one of several criteria under the merit criteria for National Interest when developers apply for licences and is therefore optional.

The process for the declaration of an offshore electricity area under the *Offshore Electricity Infrastructure Act 2021* (Offshore Electricity Act) also allows the Minister to attach conditions to any licence issued in the declared area (s.19, 20), and the Minister did attach conditions to the Gippsland Declaration.³

We believe the government would be in a stronger position to require that the development of offshore renewable energy benefited the Southern Ocean region if similar, but broader provisions were mandatory and attached to the Declaration for the Area. The Declaration should require that all licences issued in the Area maximise the contribution of the project to the Australian economy and local communities, including:

- a) Prioritising the use of **locally produced** and supplied goods and services
- b) maximising the **employment of suitably qualified local workers**, including energy workers, engaged under registered industrial instruments, agreed between relevant unions and employers
- c) providing for training and **skills development of local workers**, minimum requirements for trainees and apprentices, worker transition opportunities from industries facing closure, and the employment of workers from groups underrepresented in the workforce
- d) ensuring projects are aligned with the **First Nations Clean Energy Network Best Practice Principles** for Clean Energy Projects, including employment and income opportunities
- e) ensure quality jobs through the implementation of a Secure Jobs Code, to be applied across government-funded projects.

Similar provisions were included in the US 2022 Inflation Reduction Act.⁴ The language suggested above also aligns with the NSW *Electricity Infrastructure Investment Act 2020*, and the NSW Renewable Energy Sector Board Plan released in 2022.⁵ The importance of such provisions has recently been described in Parliament by the Hon. Don Farrell, Minister for Trade and Tourism, in relation to the provisions to be included in the new National Reconstruction Fund:

Our proposed amendments to clause 75 require the corporation to develop policies on how environmental, labour, social and governance matters need to be considered in relation to its investment functions and powers and also its subsidiaries. This represents modern investment best practice, and we thank those stakeholders who raised these issues.

By introducing these amendments, the government reaffirms that one of the most important outcomes of the National Reconstruction Fund will be the creation of secure, well-paid jobs in these key industries that build upon our national strengths.

The fund will revitalise and strengthen our local supply chains to ensure that we have our own industrial and manufacturing capabilities. By legislating the core functions of the board to include the creation of secure jobs, we are emphasising one of the biggest benefits that our

³ [Offshore Electricity Infrastructure \(Declared Area OEI-01-2022\) Declaration 2022](#), 17 December 2022.

⁴ The White House, [Inflation Reduction Act](#), 19 August 2022.

⁵ NSW Office of Energy and Climate Change, [NSW Renewable Energy Sector Board's Plan](#), September 2022

domestic manufacturing industry provides and will continue to provide: opportunities for Australians to make a meaningful, high-skilled contribution to our nation's future. Nearly 85 per cent of the jobs in manufacturing are full-time.

When we proposed the National Reconstruction fund in March 2021, Labor said we were doing this to rebuild secure work. When he announced the Inflation Reduction Act in August 2022, itself a huge investment in manufacturing capability in the US, President Joe Biden said that it would 'lift up American workers and create good paying union jobs across the country'. 'Union jobs' is universally recognised language for secure, safe, high skilled, well-paid jobs.

That is exactly what this government is doing with our National Reconstruction Fund, creating jobs that communities can build around, especially in regional, remote, and outer-suburban Australia. We're investing in businesses so that they can invest in their workers, developing the skills that we need to meet any challenges that the future may have in store. But we're only going to get there by working together—government with business and their people. We all have a common goal: an Australian industry that will lead the world. This can only be achieved if everyone has a voice, which can be heard, and a stake in the success of our collective effort.⁶

Securing the development of local supply chains is critically important as about eight times more jobs are created in manufacturing components for offshore wind than are created in the construction of projects.⁷

Onshore renewable energy projects have unfortunately been rife with poor labour practices and exploitation of workers.⁸ We are determined that this experience is not repeated. The Declaration and licencing processes must be used to ensure a baseline minimum best practice employment, safety and supply chain standard is established across all renewable energy project zones, which facilitates the development of a genuine local industry that delivers the broadest possible economic benefits to the Australian community.

First Nations

Our unions are proud of our solidarity with First Nations peoples and are participants in the ongoing struggle for self-determination, land rights, constitutional recognition, justice, and equality. We are determined to continue to be a leader amongst First Nations allies, and we declare forthrightly that the land we know as Australia always was and always will be Aboriginal and Torres Strait Islander land. We admire the enormous cultural heritage, tradition and legacies that have been built up over 60,000 years of continuous civilisation and independent sovereign nations, and the necessity of repairing the damage done by colonisation.

⁶ Senator Hon. Don Farrell, [The Hansard - National Reconstruction Fund Corporation Bill 2023](#), 28 March 2023. Support for ensuring 'broad socio-economic benefits' under the Offshore Electricity Act was also including in the Senate Report on the Bill when it was introduced, see Senate Environment and Communications Legislation Committee, [Report of the Inquiry into Offshore Electricity Infrastructure Bill 2021](#), October 2021, p.30.

⁷ Briggs, C., M. Hemer, P. Howard, R. Langdon, P. Marsh, S. Teske and D. Carrascosa (2021). [Offshore Wind Energy in Australia, P3.20.007 – Final Project Report](#). Hobart, TAS: Blue Economy Cooperative Research Centre, p.29 and p.70.

⁸ Australian Council of Trade Unions, [Sharing the benefits with workers: A decent jobs agenda for the renewable energy industry](#), November 2020.

We are concerned that the Offshore Electricity Act inherited from the previous government does not establish a framework that best respects First Nations' rights and responsibilities nor captures the opportunities presented for engagement and the enabling of First Nations by projects developed under the Offshore Electricity Act. The Act must be urgently overhauled to ensure best practice and reduce uncertainty going forwards. Reforms must ensure:

- Traditional Owners are considered primary rights holders in the declaration of renewable energy areas and afforded a core voice to where and how those areas are shaped, before they are put out for broad public consultation.
- In the grant of feasibility licences, Traditional Owners are key partners and rights holders and must be genuinely included in the process for the grant of feasibility licences.
- In the grant of commercial licences, Traditional Owners are again key partners and rights holders and should be treated as such in the Act and regulations, including Free Prior and Informed Consent.

First Nations Clean Energy Network

Our unions participated in establishing and supporting the work of the First Nations Clean Energy Network (FNCEN). The FNCEN is a network of First Nations people, community organisations, land councils, unions, academics, industry groups, technical advisors, legal experts, renewables companies and others, working in partnership to ensure that First Nations communities share in the benefits of the clean energy boom.

The FNCEN has developed Principles and Guidelines for the development of renewable energy, to ensure that country is protected and to make sure First Nations communities share the benefits of Australia's clean energy boom. The principles and guidelines should also be followed by clean energy companies and the governments that regulate projects. The 10 principles cover such things as ensuring projects provide economic and social benefits, mutual respect, clear communication, cultural and environmental considerations, land care, and employment opportunities.

The government should examine the Aboriginal and Torres Strait Islander Best Practice Principles for Clean Energy Projects⁹ and ensure the Declaration for this requires that all licences issued in the area follow these Principles.

Deen Maar Indigenous Protected Area

The proposed renewable energy zone sits adjacent to the island of Deen Maar. The island of Deen Maar was the first indigenous protected area in Victoria and is a site of significant sacred and cultural importance to local First Nation's people. Due to the island's close proximity to the anticipated renewable energy zone, genuine consultation must be given to Traditional Owners throughout all phases of the project's life.

⁹ First Nations Clean Energy Network, [Aboriginal and Torres Strait Islander Best Practice Principles for Clean Energy Projects](#), November 2022.

Any Declaration process must recognise the historical importance of this land to Gunditjmara and Eastern Maar peoples.

Recommendation 1: The Declaration should require that all licences issued in the area maximise the contribution of the project to the Australian economy and local communities, including:

- a) Prioritising the use of locally produced and supplied goods and services
- b) maximising the employment of suitably qualified local workers, including energy workers, engaged under registered industrial instruments, agreed between relevant unions and employers
- c) providing for training and skills development of local workers, minimum requirements for trainees and apprentices, worker transition opportunities from industries facing closure, and the employment of workers from groups underrepresented in the workforce
- d) ensuring projects are aligned with the First Nations Clean Energy Network Best Practice Principles for Clean Energy Projects, including employment and income opportunities
- e) ensure quality jobs through the implementation of a Secure Jobs Code, to be applied across government-funded projects.

Recommendation 2: The Offshore Electricity Act must be overhauled to ensure Traditional Owners are considered primary rights holders in the declaration of renewable energy areas and are also considered key partners and rights holders for the grant of feasibility licences and commercial licences.

Planning for a Just Transition

Delivering the potential local benefits of offshore renewable energy and ensuring that projects are built as quickly as possible will require a coordinated national approach that involves industry, unions, and government. The Minister must establish new Offshore Renewable Energy Board to achieve this. The purpose of such a board should be:

1. To advise on national targets for the rapid development of offshore wind energy to ensure Australia is able to meet and exceed its emissions reduction targets and timelines.
2. To ensure that the environmental and other regulatory processes for offshore wind are aligned to meet Australia's emissions reduction targets, and that obstacles are identified and effectively addressed.
3. To ensure that the appropriate supply chain, infrastructure, and workforce is in place to maximise the contribution of offshore wind investment to Australia's economy and regional communities. This will include requirements for secure union jobs; training, transition and apprenticeships measures, development of industry policy for the local manufacturing of components, cables, and vessels; First Nations benefits; and methods to assess these aspects of offshore renewable energy licence applications and management plans.
 - Infrastructure includes transmission, ports, and other common user facilities (eg. manufacturing infrastructure), training facilities, and vessels.
4. To provide a forum to ensure that legislation and regulation is effective in addressing industry challenges going forwards, including monitoring, compliance, enforcement, and safety issues.

A good example of what such a process can achieve is the NSW Renewable Energy Sector Board (RESB) process. The Board's Plan, has now been [approved by the Minister](#) and was incorporated into NSW onshore renewable energy tenders at the end of 2022, as well as other areas of government decision making and policy. The Plan sets out minimum labour, equity and local content requirements (as well as stretch targets) and proposes priority areas for government and private investment.

The RESB is a tripartite statutory board created under the NSW *Electricity Infrastructure Investment Act 2020*, with representatives from unions, steel manufacturers, metal fabricators, employers in the electricity, manufacturing and construction sectors, energy customers, and energy planners. It was established 'to make sure our local workers, communities and industries reap the economic benefits of the transition to cheap, reliable and clean electricity...in ways that are cost-effective for all electricity consumers, drive sustainable growth and competitiveness of our industry, and provide quality jobs for new and existing workers in New South Wales.'¹⁰

The Board went through an initial research and planning process, underpinned by work from the University of Technology Sydney (UTS) Institute for Sustainable Futures, SGS Economics, MBB Group and ACIL Allen.¹¹ RESB members were able to participate in the commissioning the required research and providing feedback to researchers as the research progressed.

In particular the study on *Employment, Skills and Supply Chains: Renewable Energy in NSW – Final* produced by the Institute for Sustainable Futures at UTS is a landmark piece of research, for the way it examines supply chain and workforce gaps and opportunities for renewable energy in NSW, and clearly articulates steps forward for policy makers contending with critical planetary deadlines in a challenging environment.¹²

A similar piece of national employment, skills and supply chain research is required to guide government decision-making for offshore renewable energy. There are very considerable economic benefits that could be captured through the development of offshore wind and its supply chains, which have been documented by a Danish study as follows for a 1 GW Danish offshore wind farm:

- Will generate around EUR 5 million (one-off) to the installation port
- An O&M port is assessed to receive around EUR 0.5 million EUR per year, which is equivalent to EUR 12.5 million over 25 years

If local suppliers are included (shipyards, steel manufacturers and electricians, to local restaurants, hotels and catering companies), the benefits for a 1 GW project are:

- Between EUR 11-28 million in turnover and between 30-96 FTEs to the local installation port and suppliers combined.
- Between EUR 3.2-9.1 million in turnover and between 59-81 FTEs each year over a period of 25 years to the local O&M port and suppliers combined.¹³

¹⁰ Office of Energy and Climate Change, [NSW Renewable Energy Sector Board's Plan](#), September 2022, p.3 The Plan was assessed against Australia's international trade obligations and electricity customers' financial interests (p.18-20), and then separately by the NSW Independent Pricing and Regulatory Tribunal (IPART).

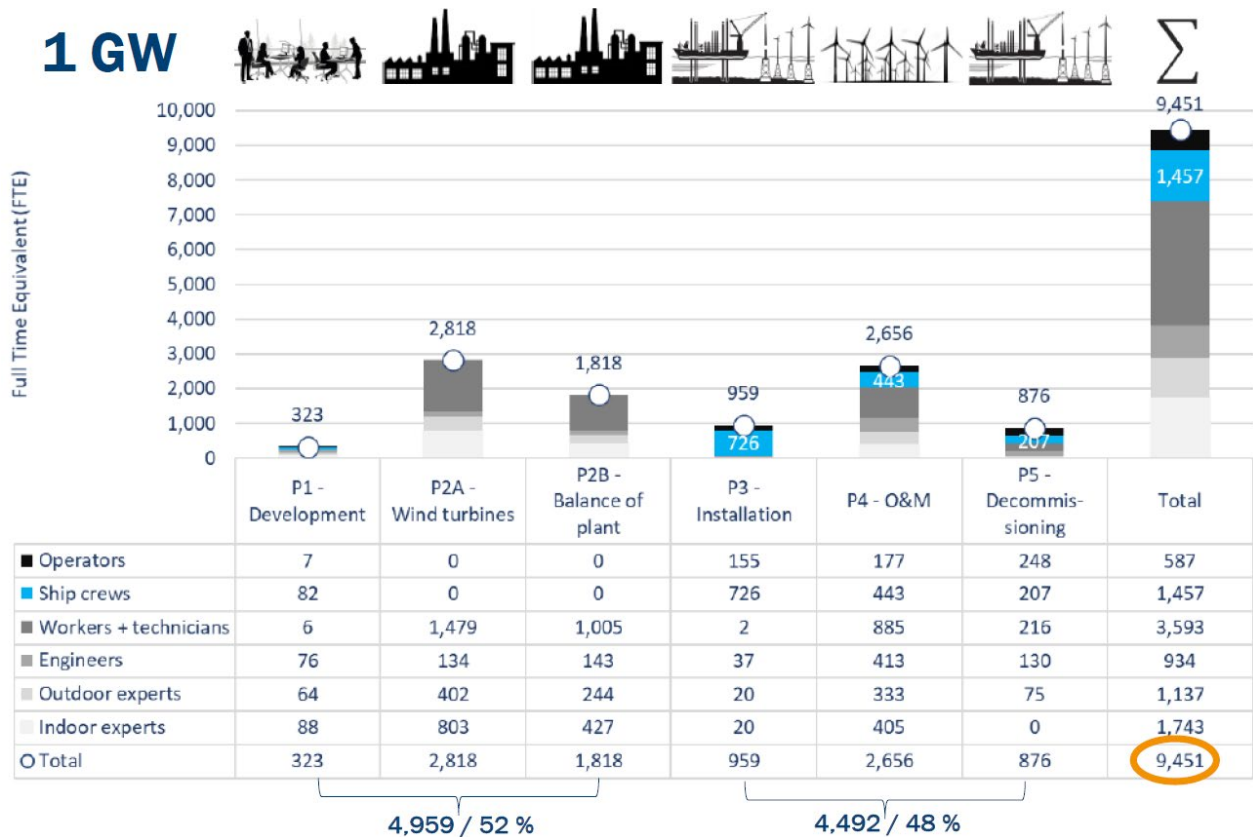
¹¹ Studies commissioned by the NSW RESB are available under the header Renewable Energy Sector Board on [this page](#).

¹² Briggs, C., Gill, J., Atherton, A., Langdon, R., Jazbec, M., Walker, T., Youren, M., Tjondro, M., Rutovitz, J., Cunningham, R., Wright, S. and Nagrath, K., 2022. [Employment, Skills and Supply Chains: Renewable Energy in NSW – Final Report](#). Sydney: University of Technology Sydney and SGS Economics and Planning.

¹³ QBIS, Socio economic impact study of offshore wind, 2020, p.7

There are also very significant numbers of jobs for the overall project, as illustrated in Figure 1.

Figure 1: Estimated number of jobs arising from a 1 GW offshore wind project.



Source: Port of Esbjerg presentation, sourced from QBIS, [Socio economic impact study of offshore wind](#), 2020, p.29.

Another important outcome of the NSW RESB process is a strong set of minimum standards and stretch targets for renewable energy tenders, used in the 2022 tender round. Where there is competition for a tender, projects will be judged on how far they go to meeting stretch targets. This includes:

- Minimum requirements and stretch goals for apprentices
- Minimum requirements and stretch goals for First Nations participation
- Minimum requirements and stretch goals for employment of underrepresented groups (women, long-term unemployed, young people, and anyone else covered by the *NSW Anti-Discrimination Act*.)
- Minimum requirements and stretch goals for steel products and components using locally milled steel
- A contractually binding investment in local supply chain innovation
- Requirements to 'have a current certified industrial agreement registered with the Fair Work Commission'¹⁴

¹⁴ Office of Energy and Climate Change, [NSW Renewable Energy Sector Board's Plan](#), September 2022, p.28. AEMO Services, Renewable Energy Sector Board update, 5 July 2022, p. 6 'How RESB plan recommendations are considered under MC8'

- The company's record on work health and safety, payment of employee entitlements, timely payment of small business subcontractors, and compliance with modern slavery legislation is also examined.

Introducing similar or better standards into offshore renewables licencing decisions is important to meet the government's current policy objectives to improve job security and pay equity, increase labour force participation, to reduce barriers and disincentives to employment (particularly for women and other groups underrepresented in the workforce), and to improve skills and incentivize upskilling.¹⁵ Furthermore, the Southern Ocean region of Victoria is well versed in renewable energy technologies, including the manufacturing and building of turbine infrastructure required for wind farms. The components for Macarthur Wind Farm, located in the western district of Victoria were produced locally, and built over a 2.5-year period creating 875 jobs in the Portland region, and flow on employment of over 5,000.¹⁶

Recommendation 3: The Commonwealth should set clear national offshore wind targets and establish a new national Offshore Renewable Energy Board. The Board should be led by government and involve industry and unions. It should advise government on appropriate targets to meet emissions reduction goals, ensure all regulatory processes are aligned to meet targets, ensure that the required supply chain, workforce, and infrastructure is in place, and work through other industry challenges going forwards.

Supporting local infrastructure and the Aluminium Smelter

If substantial offshore renewable energy is developed in this Area it will have a significant impact on local communities, especially if Portland is used as a construction and maintenance port. Further investigation must be undertaken to identify the upgrades required in the area that will be necessary to support the extra workforce required region. For example, the [local Portland District Hospital](#) is currently equipped with only 69 inpatient beds. With a growing population, other services may also come under pressure and this must be investigated. It is imperative that the local community is not disadvantaged by sharing emergency and health services.

The Portland Aluminium Smelter is one of the largest smelters in Australia that was constructed by CFMEU members back in 1979. Since its establishment in 1986, the smelter has played a crucial role in the region's economy as the largest employer in the Portland region, employing 470 direct employees and 160 contractors.

However, as the world seeks to reduce emissions, the smelter's reliance on power sourced from brown coal generators in the Latrobe Valley raises concerns about the sustainability of its operations. Not only does this mean that Victoria relies on unsustainable energy to power the smelter, but that substantial power is lost while travelling the long distance over high voltage lines to Portland. Moreover, the impending closure of power stations in this location within the next 15 years means

¹⁵ See [Budget Strategy and Outlook Budget Paper No.1](#) October 2022-3, p.11, p.14 [Women's Budget Statement](#) October 2022-3, p.27. Australian Government Treasury, [Jobs and Skills Summit September 2022 – Outcomes](#), September 2022. Australian Government Treasury, Employment White Paper [Terms of Reference](#), September 2022

¹⁶ See AGL [Macarthur Wind Farm](#) August 2022.

that we must urgently secure a reliable and forward-looking local energy supply to fuel the smelter's continued operations. Offshore wind off Portland represents the most efficient and effective way of powering the smelter.

A key consideration for government when deciding on the area to include in the Declaration is an adequate supply of low-cost electricity to keep the Portland aluminium smelter functioning as coal-fired power stations close. The smelter requires 600MW of power, but a sustainable project that also supplied the community would need to be about 1GW in size. An area of at least 500km² with a water depth of less than 60m must be retained as part of the final Declared Area. The shallower area is needed because it allows the use of lower-cost fixed bottom offshore wind technology.¹⁷ It is likely that only 250km² would be needed for fixed bottom turbines to support the smelter, but detailed geotechnical, environmental, and cultural surveys have not yet been completed. Including 500km² of shallower area in the Declaration would allow the area with the least impact to be selected for final construction. The current proposed area includes about 1000km² with a depth of less than 60m, so there is some scope to reduce the area to address community concerns, while providing for electricity supply for the future of the smelter.

Beyond its role as a vital job provider, the Portland Smelter is also a prominent global exporter of aluminium, distributing 19% of Victoria's total aluminium production to customers in Asia. Through export revenue, the Smelter bolsters the economic resilience of Victoria's southern region.

The smelter stands not only as an industrial powerhouse but also a lifeline that empowers Victoria's southern region to thrive. As the largest employer and greatest export earner of the region, it is imperative that the smelter continues to operate in the Portland community.

Recommendation 4: If Portland is used as construction or maintenance port, further investigation must be undertaken to identify the upgrades necessary to township infrastructure, such as health and emergency services.

Recommendation 5: That the Minister ensure that an area of at least 500km² with a water depth of less than 60m be retained as part of the final Declared Area, to support the ongoing viability of the Portland aluminium smelter as coal-fired power stations close, using lower-cost fixed bottom offshore wind technology.

Other uses of the area

There are very few areas in Australia that have all the ingredients we need to build renewable energy on a mass scale. The Southern Ocean Region has a skilled workforce, great electricity grid connections and port infrastructure, a location close to large electricity loads, and strong and consistent winds that blow at times that solar power isn't available.

The urgency of the climate crisis means that we must take full advantage of the opportunity to build offshore renewable energy in this region. We support the recent amendments to the Offshore

¹⁷ For a comparison of current fixed vs floating offshore wind costs see Graham, P., Hayward, J., Foster J. and Havas, L. 2023, [GenCost 2022-23: Final report](#), CSIRO, Australia, p.43

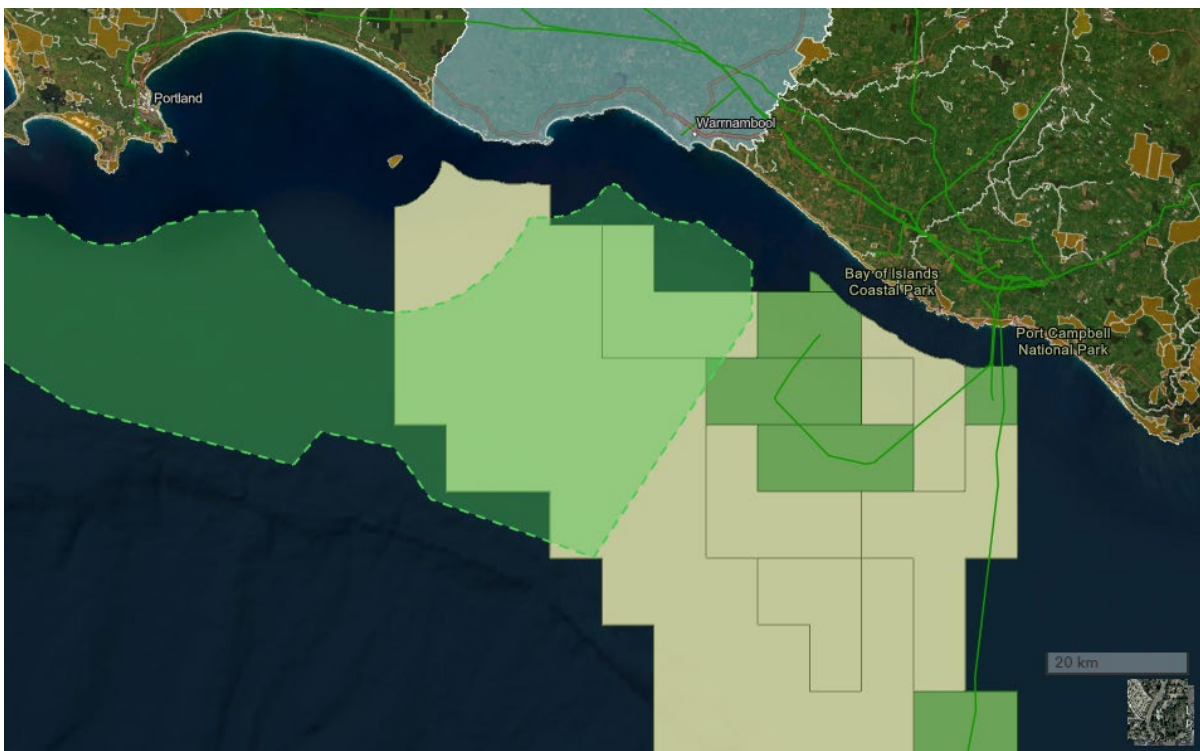
Electricity Infrastructure Act that embed emissions reduction targets into the decision making to designate Offshore Renewable Areas.¹⁸ The imperative of reducing emissions to address climate change means that if there is a conflict between the development of offshore oil and gas projects and offshore renewable energy projects, the renewable energy projects must be given precedence.

A significant portion of the shallower parts of the proposed area which are critical to securing low-cost power for the smelter overlap with Commonwealth petroleum exploration permits and a small portion of one production licence, all issued under the OPGGS Act (Figure 2).¹⁹ The area also contains roughly seven older petroleum exploration wells scattered along the coast from Port Fairy to Discovery Bay and west into South Australia.

Disused wells must be permanently and safely decommissioned and plugged so they do not interfere with the development of offshore renewable energy.

The proposed area is close to the Henry and Netherby gas fields which feed into the Athena gas plant operated by Cooper Energy, and to a gas exploration permit issued to Bridgeport Energy within [State waters of the Southern Ocean region](#), very close to shore near Portland (Figure 3). These permits have led to the commissioning and production of several wells within the area.

Figure 2: Commonwealth petroleum exploration licences (yellow) and production licences (green rectangles). Green lines are gas pipelines leading to the Athena gas plant onshore.



¹⁸ Provided in the *Climate Change (Consequential Amendments) Act 2022*. Greenhouse gas emissions reduction targets as set in the Climate Change Act are included in the criteria for decisions to declare an area in s. 19(1)(e), and to amend or revoke such a declaration (s.23, 26). This should also be extended to cover licencing decisions.

¹⁹ The main overlapping exploration permits are Vic/P74 and Vic/P44.

Figure 3: Location of gas exploration permit Vic P007191 issued to Bridgeport Energy close to the proposed renewable energy area.



Recommendation 6: The Southern Ocean Offshore Renewable Energy Area is a critical area for renewable energy development, because of the available grid and port infrastructure, the location close to large electricity loads, and the quality of the wind resource. Given the urgency of the climate crisis, development of renewable energy projects must be given priority over other uses of the Southern Ocean offshore area, such as oil and gas production. Disused wells in the Area must be permanently and safely decommissioned and plugged so they do not interfere with the development of offshore renewable energy.

Protection of Native Title rights

The First Nations Clean Energy Network Best Practice Principles for Clean Energy Projects²⁰ provides best practice for renewable energy projects which all offshore renewable energy and transmission projects should meet. At the same time, existing Native Title rights must be fully respected, and unfortunately this is not protected in current offshore renewable energy legislation.

The OEI Act (s.77 and s.78) prohibits Licence holders and people acting on their behalf from interfering with the exercise of Native Title rights and interests. However, 77 d) and 78 d) allow interference if it is necessary for 'the reasonable exercise of the person's rights under this Act or the licence' or 'the performance of the person's obligations under this Act or the licence.'²¹ Interference with the exercise of Native Title rights and interests should not be permitted by the legislation and 77 d) and 78 d) should not apply to Native Title rights and interests.

²⁰ First Nations Clean Energy Network, [Aboriginal and Torres Strait Islander Best Practice Principles for Clean Energy Projects](#), November 2022.

²¹ See also Madeline Taylor and Tina Soliman Hunter, [Australia's first offshore wind farm bill was a long time coming, but here are 4 reasons it's not up to scratch yet](#), *The Conversation*, 3 September 2021.

The OEI Act should be amended, but in the meantime the Declaration should clarify that sections 77 d) and 78 d) do not allow interference with Native Title rights in the Declaration area.

Recommendation 7: The Declaration should clarify that sections 77 d) and 78 d) of the Offshore Electricity Infrastructure Act do not allow interference with Native Title rights in the Declaration area or associated transmission infrastructure.

Transmission infrastructure

The historical lack of energy system planning at a national level has left Australia with serious transmission infrastructure deficits. In overcoming these deficits, it is important that we ensure that any conditions placed on a declaration play an important role in reducing duplication, maximising efficiencies, and reducing costs while avoiding monopoly risks.

Transmission is not just about the physical underwater cable infrastructure but also the installation of offshore switching stations and substations, managing the infrastructure at the point of landfall and connection to and export into the existing grid. With the potential for multiple offshore wind projects, it will not be practical for each project to build separate transmission infrastructure to connect to the grid.

Central coordination is required to ensure that the responsibility for outlaying the initial capital investment in transmission doesn't simply fall onto the first mover, and that the initial infrastructure is suitable for expansions and further continued developments long into the future.

Coordinated infrastructure between the existing grid and offshore connection points is also important for securing community support for projects and reducing opposition. For this reason, the Victorian government is developing shared infrastructure for offshore wind in Gippsland and Portland.²² This is an important initiative which we support.

Denmark is the preferred model, with publicly-owned shared transmission infrastructure built out to the offshore substation, and providing multiple connections for offshore wind projects.

Recommendation 8: The government must build publicly owned transmission infrastructure from the grid to a shared connection point at an offshore substation. Projects in the Area should be required to cooperate on the use of shared infrastructure with an appropriate mechanism to allocate costs, risks, ownership, and control.

Maritime Safety

Any interface between a vessel subject to waves and wind and a fixed structure is dangerous and must be treated with the utmost caution. Such interactions will have to constantly take place in the construction and operation of offshore renewable energy.

²² Victorian Government, [Transmission planning for offshore wind](#), accessed August 2023. VicGrid, [Offshore Wind Transmission Development and Engagement Roadmap](#), accessed August 2023.

The highest safety standards must apply. For this reason, the Declaration must specify that the vessels used for the construction, operation and maintenance of renewable energy infrastructure are Regulated Australian Vessels covered by the *Navigation Act* (not the *Maritime Safety (Domestic Commercial Vessel) National Law Act*).

This will ensure that appropriate skills and qualifications and vessel standards apply to the industry, and will also contribute to the broader pool of maritime skills for the operation of Australian ports and exports.

Serious issues have arisen in the UK offshore wind industry arising from a poor systems for maritime qualifications and training in the offshore wind industry, leading to the publication of a combined report on wind farm vessel incidents by the Marine Accident Investigation Branch (MAIB).²³ This was also taken up in a submission to the 2020 consultation on the development of the OEI Act from the University of Aberdeen Centre for Energy Law.²⁴ In the foreword to the combined report on windfarm accident investigations, the MAIB Chief Inspector ‘highlighted a need for robust crew recruitment, training and assessment procedures to ensure the supply of mariners with the right skills.’²⁵

Recommendation 9: The Declaration for this area must specify that the vessels used for the construction, operation and maintenance of renewable energy infrastructure are Regulated Australian Vessels covered by the *Navigation Act* (not the *Maritime Safety (Domestic Commercial Vessel) National Law Act*).

Port Infrastructure

Common user port facilities are needed to build offshore wind, and planning for these facilities must start as soon as possible. The port of Esbjerg, Denmark is a very successful model to follow here. The port is publicly owned with extensive common user facilities, and a workforce employed directly by the port authority. It is by far the largest renewable energy port in the world. It has been used as a base to build the majority of the offshore wind infrastructure in Europe. It also handles an enormous quantity of onshore renewable energy components (Figure 5).

The shared workforce and infrastructure allow renewable energy developers to use the port facilities they need, and to concentrate on their projects without having to build new ports or terminals to accommodate them. The port also hosts training facilities for the offshore wind workforce.

²³ Marine Accident Investigation Branch, 2013, [Combined report on the investigation of the contact with a floating target by the wind farm passenger transfer catamaran Windcat 9 on 21 November 2012 and the investigation of the contact of Island Panther with turbine I-6, in Sheringham Shoal Wind Farm on 21 November 2012](#).

²⁴ Eddy Wifa and Tina Soliman Hunter, 2020, [Proposed Framework for Offshore Clean Energy Infrastructure in Australia](#), University of Aberdeen School of Law Centre for Energy Law Working Paper Series 002/20.

²⁵ Marine Accident Investigation Branch, 2013, p.i.

Figure 5: Part of the Port of Esbjerg, Denmark, which handles vast quantities of components for onshore and offshore renewable energy. There are multiple wind turbine component manufacturing and assembly facilities in the surrounding area.



The Victorian government is starting to follow this example with the expansion of the Victorian Renewable Energy Terminal at Hastings.²⁶ However, the port of Hastings is likely to be fully occupied constructing offshore wind in the Gippsland declared area, where the final declared area has the capacity to hold 54 GW of offshore wind.

The port of Portland should be upgraded to include a publicly owned common user port terminal in order to maximise the local economic benefits from the construction and operation of offshore renewable energy in the Portland areas. Otherwise, Hastings, Geelong or Bell Bay will be used as a port to construct and service projects in the Portland area.

Recommendation 10: The government must ensure that the Port of Portland is developed to include a publicly owned common user port terminal for offshore renewable energy construction and maintenance, modelled on the Port of Esbjerg, Denmark, which is currently the world's largest renewable energy port.

²⁶ Victorian Government, [Offshore Wind Implementation Statement 2](#), March 2023, p.18-21. Port of Hastings Corporation, Supporting Offshore Wind, accessed August 2023.

Recreational fishing

Recreational fishing is an important pastime for many residents captured within this renewable energy zone, with both Portland and Glenelg Shire boat ramps recognised as the busiest launching sites in the state. Both Fixed and Floating wind turbines may provide habitat for fish and other sea life and could improve recreational fishing.

Early assurances from government and developers that they will allow access to windfarm areas to recreational fishers will be important to securing community support for projects.

Recommendation 11: Recreational fishers must be allowed to fish within the boundaries of offshore wind farms (as is the case in the USA and UK) and as close as possible to wind turbines. There must be a clear plan documenting access for recreational fishing at all stages of each project.

Visual impacts

We are not concerned about the visual impact of wind turbines.