



The Power of Many

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Innovation

Collaboration

Networking

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Submitted by Portal and ec.sen@aph.gov.au

**SUBMISSION TO SENATE ESTIMATES COMMISSION INTO OFFSHORE
ELECTRICITY INFRASTRUCTURE BILL 2021 (CTH) AND OFFSHORE
ELECTRICITY INFRASTRUCTURE (REGULATORY LEVIES) BILL 2021 (CTH)**

Dear Committee,

HunterNet Co-Operative Limited (**'HunterNet'**) is a network of 120 manufacturing, engineering and specialist services companies located in the Hunter and Central Coast Regions of NSW supporting programs covering business development, business systems and processes, WHS and training, marketing and communications, innovation, business improvement and government advocacy.

HunterNet has been observing and increasing its participation in the pursuit of resources and energy diversification, in order that its members can enjoy enduring relevance and have the ability to access and open up new market opportunities as society looks to de-carbonise and replace fossil-derived energy with sustainable energy solutions.

HunterNet makes this submission to assist the Environment and Communications Legislation Committee's inquiry into the Offshore Electricity Infrastructure Bill 2021 (Cth) and Offshore Electricity Infrastructure (Regulatory Levies) Bill 2021 (Cth) (**'Offshore Bills'**) which was introduced into Parliament by the Minister for Energy and Emissions Reduction, the Hon. Angus Taylor MP, on 2 September 2021.

HunterNet is encouraged by the introduction of the Bills and the potential the framework sets out to establish more certainty for the offshore wind industry to grow and prosper in Australia's enduring future. HunterNet's main submission encourages an urgent finalisation of the Bills and licensing regime to ensure that 'declared areas' (as defined in the Bill) and associated licences are made available for application as soon as possible and granted expediently to allow projects to progress. Our membership includes Oceanex Energy, an Australian offshore wind farm developer, as well as many other members involved in turbine overhaul, machine shops, Defence, naval ship building, electrification systems, energy distributors (such as AGL), heavy industry fabrication, steel production, to name some, all of which would benefit from expedient progress of the origination industry of offshore wind.

In particular, HunterNet encourages the early priority indications for projects off the coast of Newcastle and the Illawarra in particular and desires the Bills' reflection of such priorities if



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that can be considered within the identified Bills. The economic and anticipated energy benefits that would emerge as a result would harmonise and align with various regional power plant closures forecast over the near term, the time anticipated for HunterNet member, Oceanex Energy to ramp up infrastructure investment and operation for scaled renewable energy production.

HunterNet looks forward to being a part of enabling the realisation of benefits recognised by the Commonwealth of Australia which include the creation of new jobs, regional development and significant investment in Australia's coastal economies. HunterNet supports member Oceanex Energy's considered opinion in identifying some areas of the Bill that are worthy of attention to help shape the Bills to provide greater certainty to investors to commit the expenditure required to develop supply chains, plan projects and attract the further investment required. This will provide greater certainty to other HunterNet members operating in legacy Energy & Resources supply chains by diversifying into this new industry for Australia.

Submissions

HunterNet makes the following submissions in respect of the Offshore Bills as presented to Parliament:

- Prioritising zones around Australia with a sense of urgency. Various projects have been publicised, including those by Oceanex Energy, and it is submitted that the regulatory framework be finalised and introduced into law expediently so that the process for declaring zones and granting licences can be commenced. HunterNet submits that a roadmap suggesting prioritisation may facilitate the process, particularly if it harmonises with forecast closures of power plants identified in the Hunter Valley. Offshore wind farms take many years from conception to construction, so time is of the essence, especially given the competition for investment capital for similar projects globally
- Expedient process for dealing with licence applications be applied. The timeline to achieving "work in progress" for these large-scale developments depends largely upon when licences are granted. Given that companies like Oceanex Energy have been preparing local communities and regions for offshore projects, HunterNet submits a recommendation to limiting the time for public submissions upon a licence application to be no more than 6 months.
- Detail on decommissioning financial security. HunterNet understands and supports the intent for decommissioning security, but submits that more detail on the business model of how security is maintained and when it is drawn throughout the development process be distilled. What models exist for aggregating many decommissioning securities retained during developments' work in progress, and how



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can the capital that is retained by the security be better utilised? The aim here is to mitigate the impact of quarantined capital for developers to commit capital to optimising projects, and not to deter investment. There is also opportunity for securities to be utilised for foundational activities supporting the industry in general.

- Instruments for local content. HunterNet submits that given much of the financial backing of developments will be sourced from offshore, that developers are encouraged to join local industry associations and maintain their membership throughout the life of the development. This will encourage the fostering of meaningful relationships within the establishment of local supply chains supporting the initial construction and ongoing sustainment of the developed capability.

About HunterNet Co-operative Limited

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HunterNet delivers value to members by conducting forums that showcase opportunities and educate members for management succession and growth. HunterNet also performs direct facilitation of industry-to-industry connection and fosters fellowship amongst members' people such that collaboration can take effect. HunterNet has been operating for nearly 30 years, supporting pursuit in Energy & Resources, Defence, Infrastructure & Asset Management, Environment & Sustainability, and latterly aims to pursue Medtech and Agribusiness.

Offshore electrical energy offshore floating wind, represents a massive opportunity for the Hunter region and therefore HunterNet's membership base. We wish to see this succeed and to commence with urgency to mitigate the existential threat of future irrelevance for many members involved in existing supply chains servicing legacy energy infrastructure, and the people that work within those supply chains.

HunterNet would be delighted to elaborate on our submission and can be contacted via Boris Novak on [REDACTED] or [REDACTED].

Yours sincerely,

[REDACTED]
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[REDACTED]
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