



14 September 2021

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600
Email: ec.sen@aph.gov.au

Blue Economy Cooperative Research Centre

Submission

**The Senate Environment and Communications Legislation Committee
Offshore Electricity Infrastructure (Regulatory Levies) Bill 2021 and Offshore Electricity
Infrastructure Bill 2021**

The Blue Economy Cooperative Research Centre

The Blue Economy CRC performs world class, targeted, collaborative, industry focused research and training to underpin the growth of the blue economy through increased renewable energy production and offshore aquaculture.

The Blue Economy CRC brings together 40 industry and research organisations in ten countries working on five research programs with a ten year research plan guided by a vision that Australia's Blue Economy industries in offshore sustainable seafood and renewable energy are globally competitive, at the forefront of innovation and are underpinned by a robust environmental planning and management framework which consumers trust and value.

This submission first references the Blue Economy CRC's work on offshore wind potential in Australia and then provides a short assessment of key aspects of the Offshore Electricity Infrastructure Bill 2021.

Blue Economy CRC Research on Offshore Renewable Energy

Blue Economy CRC has recently released a key report *Offshore Wind Energy in Australia* (Briggs, Hemer, et al. 2021) which outlines Australia's high quality and abundant offshore wind resources. A key focus of this report is Australia; and our ability to capitalise on and harness this energy resource.

The report highlights suitable sites for offshore wind in Queensland, NSW, Victoria, Tasmania, South Australia and West Australia, close to transmission grids and with high capacity factors. Additionally, the

report states offshore wind can develop into a significant source of employment for offshore oil and gas workers along with the capacity to establish Australia as an 'Energy Superpower'.

The reports notes:

“Australia’s offshore wind resource potential is large, with high average wind speeds found offshore around most coastal regions. The gross potential capacity for Australian OSW energy was estimated at 27,562 GW and when constrained by depth (<1000 m) and distance to infrastructure (<100 km), reduced to 2233 GW. Estimates for gross and technical energy generation potential were 136,845 TWh/year and 9,396 TWh/year” (Briggs et al. 2021: 42).

A key recommendation from the report included the establishment of a regulatory regime for the development of offshore renewable energy in Commonwealth waters and incorporation into state and national planning:

“A major barrier to investment and development of current offshore wind projects in Australia is that the Commonwealth currently does not have a regulatory framework to enable timely permitting and approvals for offshore renewable energy. Consultation on a proposed regulatory framework for offshore renewable energy in Commonwealth waters by the Commonwealth Government has been occurring since early 2020. Given offshore wind projects typically cross Commonwealth and State jurisdictions, consideration needs to be given in the framework on the ways to provide complementary processes for activities that occur in both Commonwealth and State waters” (Briggs et al. 2021: 79).

The Offshore Electricity Infrastructure Bill 2021

The Offshore Electricity Infrastructure Bill 2021 and Offshore Electricity Infrastructure (Regulatory Levies) Bill 2021 are key elements in developing a regulatory regime. The Offshore Electricity Infrastructure Bill 2021 provides legislative certainty in relation to construction, operation, maintenance and decommissioning of offshore electricity projects. Importantly, too, it clearly prohibits unauthorised offshore infrastructure activities in Commonwealth waters. The Bill outlines processes for declaring areas and establishing consultation /submissions from the public on the declared area. It also uses the same definitions as the *Offshore Petroleum and Greenhouse gas Storage Act 2006* (Cwlth) with respect to offshore areas of a state or territory.

This supports the Blue Economy CRC’s finding that “marine allocation of space for offshore renewable energy projects should be considered”; specifically, that:

“With many OSW projects already in the development pipeline, Australia would benefit from proactive consideration, via Marine Spatial planning, to resolve potential conflicts in uses of the marine domain and ensuring it remains sustainably managed. This can help Australia meet its international commitments, such as Australia’s pledge through the High Level Panel for a Sustainable Ocean Economy to sustainably manage 100% of the ocean area under national jurisdiction by 2025” (Briggs et al. 2021: 79).



The Blue Economy CRC's analysis of needs in the broad area of 'environment and ecosystem' considerations for developing a productive blue economy identified a number of key issues for industry partners (Beecroft *et al.*, 2020) including;

"Stakeholders recognise the immediate requirement for a consistent and definitive regulatory framework which extends beyond State territorial boundaries. This should include the development of comprehensive assessment and monitoring guidelines to reduce regulatory uncertainty.

The long-term goal should be to link all physical, environmental, cultural and heritage, resource potential, operational logistics and risks into a comprehensive decision support tool. Site selection should also consider other users and how offshore projects may impact them. These risks may be mitigated through developed marine spatial planning tools through and accessibility [redacted] databases".

The Blue Economy CRC is responding to this industry need by commissioning a project to bring together regulators, industry, community groups and NGOs together with international experts to develop frameworks for site selection, authorisation and monitoring. It is hoped that the Blue Economy CRC can act as an independent broker in facilitating the development of a framework for marine spatial planning that provides for a transparent, evidenced based approach to the sustainable use of our shared marine estate, including regard for the needs and wishes of the traditional owners and the interests of a diverse range of industries and interest groups.

The Offshore Electricity Infrastructure Bill 2021 provides clear pathways for licensing offshore electricity activities, recognising that significant activities may need to be undertaken before commercial activities can take place. Transmission and infrastructure licensing provisions in the Offshore Electricity Infrastructure Bill 2021 are important in terms of ensuring connectivity to state and local government managed grid facilities.

The Bill recognises of public engagement in permitting processes is important. The Blue Economy CRC reports notes that:

"The permitting process for offshore wind should include economic development and local supply chain involvement criteria to create requirements and incentives for industry development. Community benefit including benefits to Traditional Owners should also be incorporated" (Briggs *et al.* 2021: 81).

Research and demonstration licenses are included in the legalisation - for smaller scale pilot projects are included (sec 209). This is an important provision as technical and engineering developments can be tested and will allow Australia to continue innovation in this area.



The NOPSEMA (the National Offshore Petroleum Safety and Environmental Management Authority) names as the regulator in the Offshore Electricity Infrastructure Bill 2021. This is an important decision, and builds on NOPSEMA's strengths in offshore energy regulation and provides a single point of contact for State governments and industry.

The Offshore Electricity Infrastructure Bill 2021 is a key to providing a regulatory framework for the development, commissioning and operation of offshore wind energy projects in Australia.

Should you wish to discuss any of the feedback with the BE CRC, please do not hesitate to contact me by email at [REDACTED] or by phone on [REDACTED].

Yours sincerely,



Dr John Whittington

Chief Executive Officer, Blue Economy CRC

References

- Beecroft, R., L. Bodrossy, M. Brasier, C. Brown, R. Cossu, G. Fisk, D. Foo, C. Gaudin, D. Guihen, S. Hook, M. Lacharite, M.-A. Lea, A. Leaning, M. Moutel, S. Riley, J. Ross, J. Semmens, E. Strain, S. Ugalde, C. White & C. Frid (2020). *Monitoring and assessing offshore/high energy production structures*. A report from the Blue Economy Cooperative Research Centre, Launceston, TAS. 101pp.
- Briggs, C., M. Hemer, P. Howard, R. Langdon, P. Marsh, S. Teske and D. Carrascosa (2021). *Offshore Wind Energy in Australia*. A report from the Blue Economy Cooperative Research Centre, Launceston, TAS. 92pp.