

28 August 2024

UPLOAD SUBMISSION TO COMMITTEE SECRETARY

ATTENTION: Committee Secretary, Senate Standing Committees on Environment and Communications

Dear Sir/Madam,

OCEANEX ENERGY PTY LTD
SUBMISSION TO SENATE: AN INQUIRY INTO THE OFFSHORE WIND INDUSTRY CONSULTATION PROCESS

Oceanex Energy Pty Ltd, an Australian offshore wind farm developer and owner (**Oceanex**), makes this submission in respect of the Senate Standing Committee on Environment and Communications seeking opinions and proposals on the consultation process undertaken on behalf of the Australian Government into the offshore wind industry.

On 17 June 2024, Oceanex and global energy company Equinor via Equinor Australia B. V. (**Equinor**), were notified by the Hon Chris Bowen MP, Minister for Climate Change and Energy, of his intention to offer Novocastrian Wind Pty Ltd, our special purpose vehicle established for the purposes of developing, constructing, operating, maintaining and decommissioning the Novocastrian Offshore Wind Farm, the grant of a feasibility licence under section 33 of the *Offshore Electricity Infrastructure Act 2021* (**OEI Act**)

We wholly support the actions of Minister Bowen and the Department in their work to date implementing the OEI Act and enabling an offshore wind industry to grow and prosper in Australia.

Oceanex and its founders have had the benefit of working with the Commonwealth Government, Opposition, State Governments, local governments, industry (local and international), First Nations, key stakeholders and those otherwise interested in offshore wind in Australia for over 10 years including as the founders of the Star of the South Offshore Wind Farm in Victoria. This further includes Oceanex's extensive engagement and investment with key stakeholders at all levels in both the Hunter and Illawarra Regions since early 2020.

Upon grant of a feasibility licence, we look forward to helping realise the objectives recognised by the Commonwealth Government which include the creation of new jobs, regional development and significant investment in Australia's coastal economies.

Submission

Oceanex makes the following observations in respect of the consultation process undertaken by the Australian Government.

OBSERVATION 1

The Albanese Government acted with speed to operationalise the OEI Act. Offshore wind projects take many years to develop but developers first need a feasibility licence to start.

CHRONOLOGY OF KEY EVENTS AND CONSULTATION UNDERTAKEN BY THE AUSTRALIAN GOVERNMENT

DATE	EVENT
March 2019	The first deed of licence to allow Star of the South off the coast of Gippsland to undertake resource exploration for an offshore wind farm was approved by the Morrison Government (Angus Taylor MP)
September 2021	The offshore electricity bill was introduced by the Morrison Government (Angus Taylor MP)
June 2022	The OEI Act came into force.
July 2022	New Albanese Government opened 47th Parliament
August 2022	The Minister for Climate Change and Energy announced six proposed regions for offshore wind energy projects (The Hon Chris Bowen MP)
October 2022	Proposed Gippsland VIC offshore wind area consultation closed after 64 days with a total of 765 submissions received
December 2022	Gippsland offshore wind zone declared: ~15,000km ²
April 2023	Proposed Hunter NSW offshore wind area 2,815km ² consultation closed after 65 days with a total of 1,916 submissions received
July 2023	Hunter offshore wind zone declared: 1,854km ²
August 2023	Proposed Southern Ocean VIC offshore wind area consultation closed after 65 days.
November 2023	Proposed Illawarra NSW offshore wind area 1,461km ² consultation closed after 94 days with a total of 14,200 submissions received
January 2024	Proposed Bass Strait TAS offshore wind area consultation closed after 100 days.
March 2024	Southern Ocean offshore wind zone declared: 1,030km ²
May 2024	Proposed Indian Ocean WA offshore wind area consultation closed after 74 days.
June 2024	Illawarra offshore wind zone declared: 1,022km ²

Within two years of the Albanese Government taking office, the Minister for Climate Change and Energy completed the consultation process in all six regions identified as potentially suitable for offshore renewable energy infrastructure.

Offshore wind projects take at least five to seven years to develop (the development phase of a project prior to construction). Before any project specific environmental studies and detailed development work can be undertaken, offshore wind developers first need a feasibility licence which provides regulated access to a project “site” or a designated area of seabed in Australian waters.

The emerging offshore wind industry needs a regulatory framework and feasibility licences as soon as practicable to start the long process of determining whether offshore wind projects are viable. In other words, a consultation process to inform a declared offshore wind zone is the first step in a long journey of stakeholder and community engagement.

OBSERVATION 2

DCCEEW’s (Commonwealth Department of Climate Change, Energy, the Environment and Water) offshore wind consultation process identified potential impacts and other matters necessary for the Minister for a decision as to whether an offshore wind area is suitable for offshore renewable energy infrastructure.

The Australian Government’s role and the regulatory process for declaring offshore areas is described in Chapter 2 of the OEI Act: the purpose of DCCEEW’s public consultation process is to identify potential impacts and other matters which the Minister should consider in his determination of the suitability of an offshore wind area.

Importantly, this regulatory process does not require the Australian Government to determine the likelihood or significance of project impacts: feasibility licence holders as project proponents are responsible for obtaining project approvals from regulators.

Projects have up to seven years to seek environmental assessment and approvals during the feasibility licence phase. Stakeholder engagement and community consultation are critical inputs to these regulatory processes and proponents are asked to detail their intended approach as part of their feasibility licence application submission.

We observed that some community stakeholders interpreted the DCCEEW public consultation process as a substitute for the environmental assessment and approval process under the EPBC Act for example, potential impacts on marine life and marine environments in Australian waters.

Further, the offshore infrastructure regulator NOPSEMA, issued a strong recommendation to project developers in July 2023 that:

Unless early engagement on commercial-scale projects is requested, project developers are encouraged not to undertake project-specific consultation with stakeholders or commence detailed works on a proposed offshore renewables project until they have been granted a feasibility licence under the OEI Act. **The Regulator 2023- Issue 2**

Therefore, the Australian Government views the award of a feasibility licence as the appropriate time for project owners to commence formal engagement with key stakeholders and communities.

OBSERVATION 3

Feasibility licence holders not regulators, hold the prime responsibility for stakeholder engagement, community consultation and social licence.

Social licence is a concept described by the Australian Energy Regulator (**AER**) in its 2023 [Directions Paper](#).

The AER advises that:

Social licence or 'social licence to operate', is a broad concept covering factors related to the level of community acceptance of, or opposition to, potential change or an organisation's operations. New transmission lines will impact the lands and communities in which it is proposed, potentially in positive and negative ways. Therefore, successful investment in this infrastructure requires a serious effort from the sector, particularly transmission businesses, to closely engage with, and respond to, the needs of communities, First Nations and landholders. This will rely on:

- Trust: which takes time and effort to establish social licence refers to level of acceptance of an organisation and its activities by a community.
- Credibility: providing true and clear information and fulfilling commitments
- Legitimacy: clearly following all rules and obligations to meet community expectations.

While the AER's paper focuses on onshore transmission infrastructure, the findings apply to offshore renewable energy infrastructure. That is, infrastructure project proponent or feasibility licence holder, is responsible for obtaining social licence through a robust process of meaningful engagement to build trust, credibility and legitimacy with the community in which they operate. The paper goes on to describe the AER's functions and social licence which are limited to: system planning, influencing policy, guiding engagement approaches and cost recovery.

Pursuant to the OEI Act, feasibility licence holders must adhere to the key principle of coexistence with other users of the marine environment. International experience shows that offshore wind farms can co-exist with other offshore industries and activities, with many examples of fishing continuing in and around operational offshore wind farms. Effective stakeholder engagement and community consultation is important to understand the interactions between the users and to identify, avoid and mitigate any potential impacts such as displacement of fisheries. Again, it is the responsibility of a feasibility licence holder to carry out appropriate consultation with potentially impacted marine users.

OBSERVATION 4

A greater number of public submissions were received in NSW compared with Victoria because community consultation in Gippsland was started by the Star of the South project in 2012.

Australia's most progressed offshore wind project, the Star of the South, has been under development since 2012 ([SOTS EIS Consultation Plan](#)).

Gippsland communities have been in discussion with the project team since 2016 and formal consultation started at least 12 months prior to the Australian Government's consultation process.

It follows that the number and sentiment of submissions received during the Australian Government's Gippsland public consultation benefited from the many years of consultation undertaken by Star of the South because project specific engagement had already begun.

The SOTS EIS Consultation Plans outlines the following key issues and topics of interest raised by communities and stakeholders:

- Jobs, economic and industry benefits from the project
- How environmental impacts will be identified, assessed and avoided or minimised
- Environmental benefits from the project
- How impacts to private property will be minimised
- Any changes to commercial and recreational fishing and boating that could result from the project
- The visual impact of the offshore wind farm and transmission infrastructure
- How construction will be managed to avoid or minimise impacts on communities, landholders, marine users and the local environment
- Support for renewable energy and new forms of power generation in Gippsland
- Effectiveness, cost and reliability of renewable energy.

OBSERVATION 5

The Australian Government's public consultation in the Hunter and Illawarra was negatively impacted by Facebook campaigns disseminating misinformation and disinformation.

Following on from Observations 2 and 3 above, we observed confusion at a community level as to the:

1. Legislative purpose of consultation
2. Regulatory role of government
3. Project developer's role in consultation.

This confusion was amplified by the misinformation and disinformation published on several Facebook groups (not listed here).

The following articles call out some of the false information which spread on social media, regardless of whether there was an intention to mislead, and also the deliberately misleading or biased information which was purportedly disseminated to support opposing commercial and political agendas:

<https://www.abc.net.au/news/2023-11-07/editor-blasts-fake-study-linking-whale-deaths-to-wind-farms/103069922>

<https://www.theguardian.com/environment/2023/nov/12/how-a-false-claim-about-wind-turbines-killing-whales-is-spinning-out-of-control-in-coastal-australia>

<https://www.crikey.com.au/2023/11/06/facebook-groups-offshore-wind-farms-fighting/>

<https://www.crikey.com.au/2023/12/04/offshore-wind-farm-australian-fishing-trade-association/>

<https://factcheck.afp.com/doc.afp.com.344G83N>

OBSERVATION 6

The Minister considered submissions received in both the Hunter and Illawarra NSW consultation processes which resulted in sizeable reductions in the ultimate declared area.

The Hunter declared area was reduced by 34% compared with the proposed area after consultation.

Hunter Offshore Wind Zone

Consultation Area

2,815 km²

> 10 km from NSW Coast



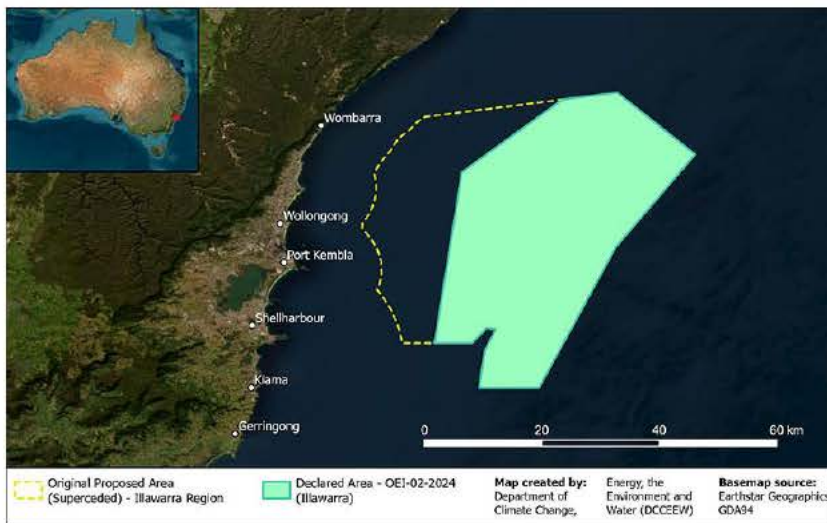
Declared Area

1,855 km²

> 25 km from NSW Coast



Map of Illawarra offshore wind area showing proposed and final declaration area



OBSERVATION 7

The Australian Government’s consultation process in NSW was effective in identifying other matters which resulted in unique conditions of the declared area and improved community messaging.

The Minister listened to stakeholder feedback received during Hunter consultation process and reduced the size of the Hunter declared area to:

- protect the environment, including the breeding and foraging ground of the endangered Gould’s Petrel around Cabbage Tree Island
- ensure space for the safe management of shipping
- address concerns regarding visual impacts
- address aviation safety with offshore wind infrastructure limited to a height of 260 metres.

In the Illawarra, the Minister’s offshore wind area declaration confirmed and clarified community feedback with the following statements:

- Offshore wind projects do not currently have approval. This area declaration is the first step, ahead of future projects being considered.
- Your feedback matters. The Minister for Climate Change and Energy considered issues raised in public submissions.
- The environment is protected under Australian law. Any future offshore wind projects will need approval under Australian environmental laws and regulations.
- Future offshore wind projects must share the space with existing marine users, including commercial and recreational fishers, shipping and defence.
- A local offshore wind industry could provide clean, reliable energy to communities and local manufacturing, support thousands of jobs, and help us reach net zero by 2050.

OBSERVATION 8

The Australian Government’s consultation process in NSW was highly effective in identifying the potential economic benefits of offshore wind projects which resulted in high quality submissions.

Feasibility licence holders were asked to summarise the potential economic benefits of their submissions.

Under the right conditions, the Novocastrian Offshore Wind project has the potential to generate the following economic benefits:

Community Benefits

Benefit sharing:

- Create an **estimated 3,191 direct jobs: 2,869 during construction and 322 during operations**
- Revitalise vocational trades with TAFE NSW in the Hunter
- Maximising fabrication and assembly activities at NSW ports
- The Port of Newcastle has been earmarked as a fabrication, assembly and installation base during construction as well as a dedicated Operations and Maintenance base in Newcastle to support around 300 local residents with secure well-paid jobs to service the wind farm for 30+ years
- Enabling and accelerating hydrogen production at the Clean Energy Precinct located at Port of Newcastle
- Help decarbonise Hunter industry including Tomago Aluminium Smelter, vehicle charging facilities or existing assets such as large industrial tenants

First Nations
<p>First Nations participation</p> <ul style="list-style-type: none"> • Prioritisation of local Aboriginal community programs in our Community Partnerships Program • Target 1.5% of addressable spend on Aboriginal businesses • The establishment of an Aboriginal Engagement Working Group • The establishment of an industry coordinated approach to engagement through an established governance body and a dedicated Aboriginal liaison • Employ and utilise Aboriginal subject matter experts to develop an industry collaboration to reconnect with Sea Country • Engage local Aboriginal businesses to conduct Cultural Appreciation training
Local Content and Supply Chain Development
<p>Local content</p> <ul style="list-style-type: none"> • Maximum local content potential resulting in stimulus of \$4.18 in GDP growth for every dollar of investment over the next 30 years and potentially increase Australia’s GDP by \$45.1 billion, NSW’s GSP by \$49.9 billion and Hunter gross regional product by \$44.3 billion over project lifecycle <p>Supply chain development</p> <ul style="list-style-type: none"> • Local-first principle and where practical with preference given to companies with existing local offices and procurement package strategy to maximise local content • Prepare local manufacturers through a host of supplier fairs and an ICN portal • Mature steel semi floating foundation component design to maximise Australian supply chain capability • Lead the establishment of a Steel Taskforce to identify local opportunities for assembly, fabrication, design and industrial scale solutions • Engage with unions to support local supply chains and workforce development planning
Training and Skills
<p>Apprentices</p> <ul style="list-style-type: none"> • Apprenticeship target 10% of total labour hours being undertaken by apprentices and trainees, with a minimum of 6% of these hours to be undertaken by women <p>Skills and pathways</p> <ul style="list-style-type: none"> • Funding commitments to attract the next generation of workers and support young Australians find a pathway to an offshore wind job • Lead the establishment of a Hunter Jobs Transformation Taskforce • Participate in co-design initiatives with universities to develop industry specific courses for the future energy workers of the Hunter • Partner with TAFE NSW to develop vocational pathways for a regional workforce development • Partner with Weld Australia to develop solutions for local steel manufacturing and increase apprenticeships in steel fabrication • Career pathways to support the transition of a Hunter coal workforce and diversification of local workers from adjacent industries

We would be delighted to provide further detail on our submission, projects or our learnings and can be contacted at

Yours sincerely,

Emily Scivetti
Chief Executive Officer
Oceanex Energy Pty Ltd