



On solid foundations: Setting up offshore wind for success

Submission by the Australian Council of Trade Unions on the Offshore Electricity Infrastructure Bill (OEI Bill) and the Offshore Electricity Infrastructure (Regulatory Levies) Bill.

ACTU Submission, 20 September 2021
ACTU D. No 49/2021

About the ACTU

Since its formation in 1927, the ACTU has been the peak trade union body in Australia. The ACTU consists of affiliated unions and State and regional trades and labour councils. There are currently 43 ACTU affiliates. They have approximately 1.8 million members who are engaged across a broad spectrum of industries and occupations in the public and private sector.

Introduction

The ACTU and Australian unions have been engaged in Australia's climate and energy policy development for nearly two decades. Our consistent position has been that Australia needs ambitious and coherent climate and energy policy to limit the impacts of global warming, and that we also need industry planning, support and resources to ensure that no workers or communities are left behind as we make the shift to net zero emissions.

The ACTU and Australian unions support the development of an offshore wind industry for Australia. Australia's outstanding offshore wind resource, located close to regions with transmission assets and energy intensive industries, offers the chance to develop an industry providing large amounts of clean power and secure unionised jobs in manufacturing, construction, operations and maintenance of offshore wind farms.

The ACTU and Australian unions commissioned and released research earlier this year in cooperation with the Blue Economy CRC, CSIRO and UTS to fully understand the potential of this emerging industry. We recommend this report, [Offshore Wind Energy in Australia¹](#), to the Committee.

In general, the ACTU supports the objects and architecture of the legislation, which provides a regulatory framework for offshore wind approvals, acreage and worker health and safety. It is important that this legislation is passed quickly given the delays proposed projects have experienced in the absence of a regulatory framework.

The ACTU supports and recommends to the Committee the detailed submission made by the Electrical Trades Union and the Maritime Union of Australia. We would like to draw the Committee's attention to the following issues raised in that submission and with us by our members that need addressing before the Bills are passed into law.

Work Health and Safety

The Bills support the application of the *Work Health and Safety Act 2011 (Cth)* to offshore wind infrastructure, however as they are currently written the Bills would result in a bespoke work health and safety (WHS) system which blends WHS requirements from several Acts. This adds to regulatory burden and potentially causes confusion as to the WHS responsibilities of licence holders.

¹ 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

These concerns are outlined in full in the ETUA/MUA submission, who recommend that the Bills be amended to ensure that WHS provisions are fully harmonised with the national WHS system and that the WHS system is consistent, robust, and provides adequate rights for workers.

Timeliness of decisions by the Minister

A number of proposed offshore wind farms have already been significantly delayed as a result of the lack of a regulatory regime. The Bills need to be amended to ensure that decision makers make approval and regulatory decisions in a timely manner. The ACTU supports the recommendation of the ETU and MUA that a provision should be added to the Bill that allows a developer, a government electricity planning agency, or a state government to request that the Minister commence the process for declaring an Offshore Electricity Area, and a timeline for when that process will be complete (s.17).

We also note that Commencement of the Act could be as late as 6 months after the Act receives Royal Assent and urge the Committee to ensure that commencement of Chapter 2 Part 2, which allows for the Declaration of Offshore Electricity Areas, commences immediately to avoid any further delay to exploration opportunities.

Purpose and Merit criteria

The Bills as drafted miss an important opportunity to incentivise projects to maximise the employment benefits for host communities and the development of an Australian offshore wind manufacturing industry.

The Purpose and the Merit Criteria for the Feasibility Licence (s. 30 and 34), the Commercial Licence (s. 39 and 44) and the Transmission Licence (s. 58 and 62) should include creating employment and promoting local industry, manufacturing and jobs; increasing employment and income opportunities for First Nations communities; and contributing to a just transition for impacted energy workers and communities. The Licensing scheme created by regulation (s.29) should support these objectives in greater detail. Financial offers for Feasibility licences should be removed (s.32(3)), and replaced with decision-making based on social, environmental, and economic criteria.

These amendments aim to ensure that projects can proceed safely and that the economic benefits of local supply chains and manufacturing jobs are maximised. [Offshore Wind Energy in Australia](#) found that eight times more jobs are created in manufacturing components for offshore wind than the construction of projects.

Offshore renewable energy projects should be incentivised to support regional economic diversification, worker transition opportunities, expanded local manufacturing and scalable supply chain benefits for Australian SME's. However, without certainty about the declaration of offshore electricity areas or clear expectations on local content, Australia could miss out on these benefits.

Need for offshore wind industry policy

The ACTU shares the views of the ETU and the MUA that there is a need for industry policy to ensure that this emerging industry achieves its potential. We note that offshore wind is not one of the technologies prioritised by the Federal Government's Low Emissions Technology Roadmap and believe this is a missed opportunity.

Over time the Act and government policy may need strengthening to consider the following issues:

- Including emissions reduction as a priority in the Objects of the Act and the criteria for declaring Offshore Electricity Areas. The Objects should also include the need for a just transition, and the creation of employment and promotion of local industry, manufacturing and jobs;
- Creation of a tripartite body with representation from unions, business and government to advise the Minister on granting licences;
- Require the use of Australian ships for construction and operations, and require they be Regulated Australian Vessels under the Navigation Act;
- Ensure Native Title rights are not interfered with and First Nations benefit from projects in their lands and waters;
- Clarify the role electricity planning processes and agencies will have in Declaration and Licencing;
- Ensure State and Territory portable long service leave schemes can apply to workers offshore;
- Ensure offshore renewable energy projects are not held to higher decommissioning financial security standards than offshore oil and gas;
- Ensure that Management Plans require only information appropriate to the relevant stage of the project and that workers and unions can access them;
- Inclusion of strategic environmental assessments for Declaration of areas;
- Ensure that change of control provisions do not create obstacles for pension and superannuation investment in offshore renewable projects.

The development of an offshore wind industry policy should prioritise the following measures:

- Measures to support the development of the industry's workforce, skills and qualifications;
- A research and investment program through the Australian Renewable Energy Agency, the Clean Energy Finance Corporation and the CSIRO;
- Investment in port terminals and manufacturing hubs, particularly in areas where economic diversification for a just transition is needed;
- Integration of offshore wind into the National Hydrogen Strategy and the Australian Energy Resource Assessment;
- Setting clear targets for offshore wind construction with local content requirements;
- Investing in research and development and port-side innovation and manufacturing hubs;
- Building offshore wind training centres;
- Doing baseline environmental research;
- Coordinating the construction of transmission infrastructure to the offshore substation;
- Providing long-term energy contracts and ensuring publicly owned energy companies like Snowy Hydro participate in the industry.

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