



SEMAPHORE

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Association of Australia and New Zealand



Australian Offshore Energy Sector Boom Predicted

A period of significant new investment in Australian offshore electricity generation and transmission infrastructure is being predicted following the Federal Government's passing of the Offshore Electricity Infrastructure Act late last year.

According to the 275-page Act document, the objective of the legislation is to provide an effective regulatory framework for both:

- (a) offshore renewable energy infrastructure
- (b) offshore electricity transmission infrastructure

Under a "Simplified outline of this Act" heading, the document states that the Act will regulate offshore electricity infrastructure by:

- (a) prohibiting unauthorised offshore renewable energy infrastructure and offshore electricity transmission infrastructure in the Commonwealth offshore area
- (b) providing for the Minister to declare areas that are suitable for offshore renewable energy infrastructure
- (c) providing for the Minister to grant various kinds of licences authorising offshore renewable energy infrastructure and offshore electricity transmission infrastructure in the Commonwealth offshore area

It is understood the Act enables the Federal Government to designate areas in Commonwealth waters over three miles offshore for wind energy development. The associated Offshore Electricity Infrastructure (Regulatory Levies) Act 2021 also allows for the imposition of levies on regulated entities to recover regulatory costs.

When introducing the legislation in September, Minister of Industry, Energy and Emissions Reduction Angus Taylor described it as delivering on a Morrison Government pledge to "unlock a wave of new investment in offshore electricity generation and transmission projects".

"An offshore electricity industry in Australia will further strengthen our economy, create jobs and opportunities for Australians, and enhance the delivery of affordable and reliable power," Minister Taylor stated at the time.

"A new offshore industry, enabled by this Bill, represents an important new opportunity for Australia.

"Offshore generation and transmission can deliver significant benefits to all Australians through a more secure and reliable electricity system, and create thousands of new jobs and business opportunities in regional Australia."

Minister Taylor expected the legislation to accelerate a number of projects already under development, including the:

- Marinus Link transmission line, which will connect the mainland to Tasmania's Battery of the Nation project

- Star of the South off the coast of Gippsland (Victoria)
- Sun Cable in the Northern Territory

Combined, Minister Taylor estimated those three projects will be worth over A\$10 billion and will create over 10,000 direct and indirect job opportunities during construction.

Victoria Onboard

The Victorian State Government this month signalled its intent in the sector by publishing the 32-page [“Offshore Wind Policy Directions Paper”](#).

Within her foreword, Victoria Minister for Energy, Environment and Climate Change/Minister for Solar Homes Lily D’Ambrosio said her Government was committed to developing an offshore wind industry and supporting transition toward a net-zero emissions economy by 2050.

“Victoria is blessed with rich offshore wind resources,” stated Minister D’Ambrosio.

“Harnessing this offshore wind will create a new industry for the state while also providing renewable energy for the Victorian economy.

“Maximising the potential of local wind resources could sustain up to 3100 high-quality local jobs for 15 years during the development and construction phases, and up to an additional 3000 during ongoing operations.”

Minister D’Ambrosio said Victoria would lead the nation in developing Australia’s first offshore wind industry, “delivering clean power to Victorians and developing local supply chains that will serve both national and international offshore wind projects”.

“We will support the establishment and growth of this emerging industry by committing to a 2032 offshore wind target for Victoria of at least 2GW, and the Victorian Government is aiming for the first power by 2028, following a competitive process.

“As a long-term commitment to offshore wind, Victoria is also setting targets to reach 4GW of offshore wind capacity by 2035 and 9GW by 2040.”

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