

19 October 2023

Australian Government  
Department of Climate Change, Energy, the Environment and Water

Submission via Have Your Say portal

## **BUSINESS ILLAWARRA RESPONSE TO PROPOSED OFFSHORE WIND AREA: PACIFIC OCEAN OFF ILLAWARRA REGION, NSW**

Thank you for the opportunity to provide input to the Proposed Offshore Wind Area on behalf of Illawarra businesses. Business Illawarra is the peak organisation representing businesses across the Wollongong, Shellharbour, Kiama, Shoalhaven and Wingecarribee local government areas (LGAs). Our submission provides in principle support for the development of offshore wind in the Illawarra, based on the premise that it will provide significant economic benefits to the Illawarra region.

In preparing this submission we sought and received the perspectives of a number of our members either in the energy sector or that are significantly exposed to energy costs. These have informed the response that follows. We have not tried to capture the details of each of our members' own individual submissions, however, aim to summarise some of the key areas that are critical to this proposed zone meeting our members' expectations in relation to the opportunities and benefits for Illawarra businesses arising from this proposal.

We see our role as trying to help maximise the potential benefits from this proposal for our members and the regional economy at large. Through this proposal, our region has before it an opportunity for significant private sector investment, supported by the Australian Government's commitment to renewable energy as a cornerstone of its broader net zero emissions by 2050 target.

What we want is for Illawarra businesses to be able to seize these opportunities and for the region to see tangible benefits in terms of business opportunities, long-term jobs and regional economic growth. That is, we want the benefits of any offshore wind projects to be felt in the region and for the business opportunities to stay in the region wherever possible.

Our support for offshore wind is based on the projects arising from this proposed zone delivering the following two key outcomes:

1. Opportunities for Illawarra businesses to be part of the supply chain delivering and servicing the projects within the proposed zone.
2. A more sustainable energy supply to help ensure long-term downward pressure on energy costs for Illawarra businesses.

Our support is premised on the following:

- Adherence to all necessary environmental and social checks and balances;
- Consistency of approach and Government support for each of the proposed zones across Australia so that Illawarra businesses are competing on a level playing field;
- Appropriate Government support to help businesses investment in the necessary equipment, technologies and skills development to support their participation in the supply chain for these projects;

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- A whole of system planning approach, especially given achieving net zero by 2050 will require fundamental changes to the way we generate, store and use electricity – including new technology, investment and infrastructure, and reform to policy and regulation as required; and
- Ongoing dialogue with all key stakeholders at each stage of the process to ensure businesses are abreast of opportunities and projects can proceed as smoothly as possible.

Business Illawarra represents the perspectives of member and affiliate businesses across a range of sectors. This includes some of the State's major energy users and a range of businesses involved in energy research & innovation, production, supply and transmission. Business Illawarra's regional advocacy on energy security and renewables is long standing and recently culminated at our 'Illawarra Clean Energy Summit' in August, and we are proud that the Ministerial announcement of the commencement of offshore wind zone consultation occurred at this event.

Business Illawarra's support for this proposal is caveated by the need for appropriate consultation with Illawarra businesses and the delivery of benefits to Illawarra businesses. We also acknowledge the views of Illawarra employers are not uniform in relation to this issue, and that concerns are held for property values as a result of the visual impacts, as well as environmental and sea life impacts resulting from an offshore wind industry.

We believe that the consultation process should ensure due consideration of the views of all Illawarra businesses and we would be happy to assist the Government in convening such consultations focused on relevant businesses should that be helpful. Whilst many of our members may attend the public consultation sessions and make their own submissions, we think it is important that a business roundtable discussion would be helpful to all parties and all levels of government to progress this proposal.

Business Illawarra would like to thank the following organisations for their inputs into this submission – Blue Float, Bluescope, Green Gravity, Endeavour Energy, John Holland Group, NSW Ports, Oceanex, Port Authority NSW, Squadron Energy and the University of Wollongong. Many of these organisations have provided their own submission and we recommend reading each of these for further information on a range of important topics.

We look forward to an ongoing engagement with the Government on this important matter, in partnership with our members and other stakeholders. To discuss this submission further, please ask your office to contact me at [adam.zarth@businessillawarra.com](mailto:adam.zarth@businessillawarra.com) or on 0404 146 829.

Yours sincerely,



**Adam Zarth**  
Executive Director

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## Submission to Department of Climate Change, Energy, the Environment and Water's Proposed Offshore Wind Area: Pacific Ocean Off Illawarra Region

### 1. Opportunities for Illawarra businesses to be part of the supply chain delivering and servicing the projects within the proposed zone.

We have a national commitment to reaching net zero carbon emissions by 2050 set out in legislation. Government's commitment to this goal will be supported by investment and business support and we must seize these opportunities both in relation to high-value jobs, modern manufacturing, clean energy and the knowledge economy.

For the Illawarra, there are huge benefits for us stemming from local content (steel) as well as local manufacturing. There will be thousands of high-tech jobs in a future industry, with many more involved in servicing it.

The project has the benefit of leveraging existing Infrastructure and experience. Port Kembla has a world class port facility that is equipped to support the development needed to develop and maintain the offshore installation and industry. Our members at NSW Ports and at the Port Authority of NSW have incredible experience in managing large vessels and there are significant opportunities for proponents to draw on the deep manufacturing expertise that exists in the Illawarra.

This proposal has the potential to provide a number of immediate benefits for Illawarra businesses resulting from wind farm developments. Should Illawarra businesses successfully bid for work on these projects it will open up significant opportunities for business growth and broader economic growth in the region. We have businesses that could support all elements of manufacturing, technology support, infrastructure development and other aspects of the supply chain for work in this space.

As a result of the immediate projects arising from the proposal, Illawarra businesses that support this work will grow their workforce and build skills in this area that will allow them to support other renewable energy projects both within, and outside the region going forward. We have a highly skilled labour force in the Illawarra which will be supported in this endeavour by world-class tertiary institutions within the region. The Government's support for the Energy Futures Skills Centre to be located at the University of Wollongong and creation of a Renewable Energy Training facility at Wollongong TAFE will further support the workforce in the energy sector.

### 2. A more sustainable energy supply to help ensure long-term downward pressure on energy costs for Illawarra businesses.

Affordable energy supply continues to be a key long-term challenge facing business. As identified in our member surveys, electricity and diesel are the energy sources they rank as posing the highest costs to business. More than 40 per cent of businesses describe electricity as being one of their biggest costs, while 37 per cent of diesel-using businesses say the same. By contrast, only around 20 per cent of businesses using gas and LPG reported these as being one of their biggest costs, with more than half of LPG users describing it as being a minor expense or not relevant. On July 1, this year, the Australian Energy Regulator confirmed electricity prices would rise by a further 20-25 per cent. Our shift towards net zero has to take into consideration the need to ensure downward pressure on energy costs.

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In 2022, 68 percent of electricity generation in Australia relied on fossil fuels. Business support for net zero is relatively strong, with 53 per cent of businesses indicating they were either supportive (33 per cent) or very supportive (20 per cent).<sup>1</sup>

The Illawarra region has an unprecedented number of infrastructure, wind farm, hydrogen energy, and steel production projects that will be of national importance, and will require an affordable energy supply to sustain these projects, especially within the reduced emissions frameworks imposed by Government and/or shareholders.

Business Illawarra encourages the Government to examine how it can enact this proposal in a way that helps the Illawarra region be part of the success story in leading reform in affordable renewable energy for businesses.

Business Illawarra strongly encourages Government to take a leadership role in explaining to the business community why it should support the growth of renewable energy rather than oppose it, and to work with businesses to help build consensus on this critical issue. We encourage Government to include business in the process and make public any useful research on issues such as supply chains to help businesses with their future decision-making. We also expect Government to ensure that there is ongoing dialogue with relevant Illawarra businesses and that all key stakeholders are kept informed at each stage of the process to ensure projects proceed as smoothly as possible.

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<sup>1</sup> Unfinished Business, Business NSW, December 2022.