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Offshore Renewables Team
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To whom it concerns,

SUBMISSION – BUNBURY OFFSHORE WIND ZONE

The Chamber of Minerals and Energy of Western Australia (CME) is the peak representative body for the resources sector in Western Australia. CME is funded by member companies responsible for 20 per cent of Australia's corporate income tax receipts in 2022-23.¹ In 2022-23, the WA resources sector accounted for 65 per cent of Australia's resources exports,² half of Australia's resources capital expenditure³ and 53 per cent of Australian resources employment.⁴

CME and its members support the Paris Agreement goals of limiting global warming to well below 2 degrees Celsius, and preferably to 1.5 degrees Celsius, by reducing greenhouse gas (GHG) emissions to net zero as soon as possible and no later than 2050.⁵ Recognising the important role of renewable electricity in cross-sectoral decarbonisation, CME welcomes the opportunity to provide a written submission in response to the consultation conducted by the Department of Climate Change, Energy, Environment and Water (DCCEEW) on the proposed Bunbury offshore wind zone.

The Western Australian 2023 Wholesale Electricity Market Electricity Statement of Opportunities (2024 WEM ESoo) provides a very clear view of the generation shortfalls that are facing the WEM in the near to medium term. In short, urgent investment in generation capacity is essential to meet growing demand for low emission electricity in the South West Interconnected System (SWIS). Demand is driven by increased industrial loads for new and emerging industries (including hydrogen, critical minerals and green steel), electrification of existing loads to support decarbonisation, and electric vehicle uptake,⁶ while capacity will be constrained as state-owned coal-fired power stations retire by 2030.⁷ Peak demand is forecast to increase by 150% by 2033, and triple by 2042.⁸ According to the 2023 SWIS Demand Assessment, this would require "almost 10 times the current amount of generation and storage capacity, and over 4,000 km of new transmission lines."

Access to low-emissions electricity is an essential pathway for decarbonisation of the mining and resources sector, especially for facilities located in the South-West region that are already connected to the SWIS. Electrification of industrial processes and switching from a liquid or gaseous fuel to electricity powered from renewable sources will be the primary decarbonisation pathway in the near term.

While demand for low emissions electricity is increasing, consumers still require reliable and affordable supply. In CME's view, policy settings that enable investment in a diverse generation mix, including offshore wind generation in WA, are essential to meet the triple objectives of low emissions, reliable and affordable electricity. Consistent wind patterns in Australia's South West offer a reliable, additional source of low emission electricity to the SWIS. Additionally, offshore wind patterns differ to those onshore, and can balance the weather-dependent variability of onshore renewables.

CME supports the development of an offshore wind zone the South West region of Western Australia, connecting a consistent and reliable source of low emission electricity to the SWIS to meet increased

¹ Includes company tax, fringe benefits tax, petroleum resource rent tax and excise duty. Commonwealth of Australia, [Final Budget Outcome 2022-23](#), The Treasury, 22 September 2023, Note 3: Taxation revenue by type, p 39.

² Government of Western Australia, [2022-23 Economic Indicators Resource Data File](#), Department of Energy, Mines, Industry Regulation and Safety (DEMIRS), 9 January 2024. Australian Bureau of Statistics (ABS), [5368 International Trade in Goods](#), Table 32a.

³ Investment refers to capital expenditure as measured by gross fixed capital formation, current prices. ABS, [5220 Australian National Accounts: State Accounts](#), catalogue number 5220, Table 25. ABS, [5206 Australian National Accounts: National Income, Expenditure and Product Australian National Accounts: National Income, Expenditure and Product](#), catalogue number 5206, Table 34.

⁴ ABS, [6291 Labour Force, Australia, Detailed Labour Force, Australia, Detailed](#), Catalogue number 6291, Table 5.

⁵ CME website, [Climate Policy](#) cmewa.com.au.

⁶ Government of WA, May 2023, [SWIS Demand Assessment 2023 to 2042: A future ready grid](#), Energy Policy WA.

⁷ Government of WA, June 2022, [State-owned coal power stations to be retired by 2030](#), media release Hon. Mark McGowan and Hon. Bill Johnston.

⁸ Government of WA, May 2023, [SWIS Demand Assessment](#), Energy Policy WA.

electricity demand. The ability of the SWIS to supply low emission, reliable and affordable electricity underpins the decarbonisation of South West industry and contributes to the achievement of national emission reduction targets.

To promote investment in low-emission generation infrastructure at the pace required to meet Government's target of 82% renewable energy by 2030 and 43% reduction in GHG emissions in the same period, Government needs to actively work with the private sector to ensure that the energy transition proceeds at the required pace.⁹ CME believes that Government has an important role to play in leading consultation on the location of infrastructure development within the wind zone, to ensure that infrastructure is appropriately located and balances the needs of multiple stakeholders and environmental values.

Furthermore, CME contends that a clear and timely approvals process is essential to the development of additional generation infrastructure, including offshore wind. Lengthy, uncertain, and duplicative Federal and State assessment processes are a barrier to entry for investment in low-emission generation assets in WA. CME recommends that clear assessment guidelines and timely statutory assessment periods be prioritised for renewable generation projects.

CME recommends advancing projects through partnerships between government and private enterprise to mitigate commercial risks. Reducing commercial risk in this collaborative manner will help to create a competitive investment environment and attract potential project proponents.

We note that there was vocal opposition to the Bunbury offshore wind zone at the Community 'drop-in' sessions held in Bunbury, Busselton, and Binningup during March, which mirrors the opposition observed on the East Coast during similar consultation processes. Based on our engagement in one such session, CME feels there is an opportunity to review the format of future consultation sessions in order to provide more context about the proposed wind zone and an overview of the processes that will be followed to determine the location of potential infrastructure within the zone. We believe government should play a lead role in community education aimed at improving the understanding of the infrastructure and investment required to deliver Australia's energy transition objectives. Education will be critical to fostering social acceptance within designated renewable energy zones and enhancing project certainty to improve investment attractiveness.

Lastly, development of the proposed Bunbury offshore wind zone will require a dedicated workforce with specialised skills and training to be deployed in the region. Australia needs to be proactive in attracting and retaining the workforce required for the energy transition, given the intense global competition for talent. The Australian Government should ensure migration settings are competitive and attractive, domestic training programs are industry-led and well-funded. For development in regional areas, such is the case for the proposed Bunbury offshore wind zone, it is essential that sufficient infrastructure to support workforce needs is also developed, such as housing and childcare.

Conclusion

CME looks forward to further engagement with DCCEEW as plans to develop generation, storage, and transmission projects related to Australia's energy transition progress. CME sees these projects as essential to addressing growing demand for low emission electricity in the SWIS.

If you would like to discuss the matters raised in this submission, or require any further information, please contact Anita Logiudice on 0448 468 632 or via email at A.logiudice@cmewa.com.

Yours sincerely,



Adrienne LaBombard
Director – Policy & Advocacy

⁹ Department of Climate Change, Energy, Environment and Water, May 2024, [Powering Australia](#)