



Brotherhood
of St Laurence

Working for an Australia free of poverty

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Senate Standing Committees on Environment and Communications

Submission regarding Offshore Electricity Infrastructure Bills

The Brotherhood of St. Laurence (BSL) welcomes this opportunity to comment on the Offshore Electricity Infrastructure Bill 2021 and Offshore Electricity Infrastructure (Regulatory Levies) Bill 2021.

We welcome the Offshore Electricity Infrastructure Bills, which are needed to provide a legal framework and certainty to both investors in potential offshore wind projects and the communities that could benefit from them. This brief submission outlines issues that we believe should be addressed in order to ensure fairness and social licence.

Offshore wind has the potential to create jobs, spur regional growth and generate affordable, clean electricity

Offshore wind presents a significant and important opportunity to generate affordable and clean electricity, create jobs in regions that need them, and improve Australia's energy security. We note estimates of the scale of the potential employment and economic benefits include the creation of up to 8,000 jobs per year from 2030, and an average benefit of \$12 for every \$1 invested (Briggs et al. 2021). These jobs could also provide a potential pathway for fossil fuel workers as we transition toward clean energy.

To ensure fairness and social licence, BSL recommend the following:

Requirements for engagement with, and consent from, First Nations groups

While the Offshore Electricity Infrastructure Bills prevent certain types of 'interference' with native title rights, BSL believe that consideration should be given to strengthening requirements for engagement with Aboriginal and Torres Strait Islander people, and that these requirements should also apply to other energy projects, such as offshore oil and gas sites, if they are implemented. Meaningful engagement with First Nations groups should involve acquiring their consent for the project, sharing its benefits, and providing employment opportunities.

Research shows that Aboriginal and Torres Strait Islander communities can gain significant social and economic benefits from local energy projects where they are able to participate (e.g. in planning and employment) and have 'a significant financial stake and have power over other areas of the development to ensure it is in line with their cultural values and responsibilities' (O'Neill et al. 2019, p. 2). Where these conditions are not met, projects often fail to meaningfully benefit local First Nations communities.

Benefit-sharing with local communities

The Offshore Electricity Infrastructure Bills include no framework or requirements for proponents to engage or share benefits with communities near their potential developments or other social groups. We recommend that the Bills include requirements for project developers to engage communities and provide opportunities for communities to benefit, such as providing local jobs, the potential for co-ownership, and sponsorship or improvement of local services (see Lane & Hicks 2017).

The economic opportunities provided by benefit sharing could be particularly valuable for regions like the Latrobe Valley that are likely to lose fossil-fuel-related jobs as we transition toward clean energy. For developers of energy projects, benefit-sharing schemes ensure that their projects enjoy support from their local community (Rudolph, Haggett & Aitken 2018).

Social procurement

In addition to sharing benefits with First Nations groups and other local communities, the social benefits of offshore wind could be strengthened with social procurement. We suggest consideration is given to achieving social outcomes through social procurement requirements.

BSL research has found that social procurement can generate social value, especially where it is backed by frameworks to encourage communication and collaboration between stakeholders (Mupanemunda 2019). Victoria's social procurement framework provides an example, including the direct involvement of social enterprises, Aboriginal businesses, and disability enterprises as well as indirect opportunities via the private sector (see Buying for Victoria 2020).

Stronger environmental protections

The Bills should ensure adequate protection for the environment in order to preserve social licence. The Bills could be amended to broaden the range of environmental impacts that project developers must address as part of their environmental assessment (Taylor & Hunter 2021), as should the legislation for similar projects, such as offshore oil and gas sites. The Blue Economy Cooperative Research Centre's submission to this inquiry provides further detail on possible methods.

For further information about this submission, please contact: Damian Sullivan (e: dsullivan@bsl.org.au m: 0405 141 735) or David Bryant (e: dbryant@bsl.org.au ph: 03 9483 2470).

Yours sincerely,

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