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Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Consultation Submission - Phase 1 of the Independent Review of the Coastal Trading (Revitalising Australian Shipping) Act 2012

About Southernly Ten

Southerly Ten is a specialist offshore wind developer for Australia and New Zealand, from the team behind Star of the South – Australia’s most advanced offshore wind project. Having been on the ground in Australia since 2017, we bring unmatched commitment and capability to our mission – to advance a local offshore wind industry and leave a positive legacy of clean energy for future generations. Our pioneering work in Gippsland and network of global expertise gives us rare insight into what it will take to bring projects in Australia’s emerging offshore wind sector from idea to reality.

Southerly Ten is backed by Copenhagen Infrastructure Partners (CIP) – the world’s leading green energy fund manager with ambition to deploy EUR 100 billion into the green transition by 2030.

Independent review of the Coastal Trading Act 2012

Southerly Ten is supportive of the review of the Coastal Trading Act 2012 and strengthening Australia’s economic sovereignty and national security by making the maritime sector more attractive for owners and operators to stimulate re-flagging and crewing of Australian vessels.

The sector is currently experiencing complex challenges, as outlined in the review.

Initiatives taken by the Australian Government and recommendations by the Taskforce are considered prudent and timely given the globalisation of trading patterns and to strengthen Australia’s sovereignty. Australia’s offshore wind industry is dependent on the shipping sector providing transport capacity to and from Australia. This review should seek to increase local shipping and seafaring capacity so the offshore wind industry does not need to rely solely on foreign flagged vessel capacity.

Offshore wind is a nascent industry in Australia. As it establishes and early projects are delivered, there is expected to be greater reliance on international expertise and supply, with more opportunities for Australian content over time as both the offshore wind industry and local supply chain mature.

In developing our Australian projects, we are constantly looking to international lessons learnt and drawing on this experience. We understand that creating limitations to the flexibility of the maritime industry can be problematic and needs to be carefully considered. Some considerations that we wish to highlight include:

- The offshore wind sector includes highly specialised vessels which service global projects. The industry will be reliant on these global vessels and specialised crew to install and operate offshore wind projects in Australia. Southernly Ten would **support flexibility in relation to the Coastal Trading Act and obtaining exemption/relaxation of the cabotage rules** for offshore wind related vessels.

- Shipping will be a critical component in delivering renewable energy at scale and represents a significant input cost for a project. This includes the transport of essential wind farm elements such as turbines, foundations, and cables. Any increased shipping costs to offshore wind projects are ultimately paid by electricity consumers, and so impacts on project value-for-money outcomes and the cost-of-living. We recognise the essential role that shipping plays in supporting Australian communities, as well as the need to balance regulation, costs, and value-for-money outcomes, so **recommend some flexibility around vessel options for projects** to balance these factors.
- There is already a shortage of Australian national seafarers and challenges meeting current demand. If the fleet is expanded up to 12 vessels now, and 30-50 vessels in the future, a concern could be the lack of trained seafarers, which could create an increased bottleneck in the future. Southernly Ten is **supportive of initiatives for migration, further education/training and favorable taxation systems for Australian seafarers.**

Southerly Ten is a member of the Clean Energy Council (CEC). We have provided input to and support the CEC submission in response to this consultation, which encourages the Department to consider how the Coastal Trading Act can both support Australia's growing offshore wind industry and strengthen the Australian maritime industry. In particular, we are supportive of the following key points from the CEC submission:

- Clarification of how activities undertaken by offshore wind vessels will be classified under the Act.
- Expanding the blanket exemption applied to the offshore wind oil and gas industry to include the offshore wind industry, as it does not make sense for offshore wind vessels to be considered as participating in 'coastal trading' under the Act.
- Developing pathways for increasing the number of Australian seafarers and shore workers.

A more dynamic and attractive shipping environment has great synergies with, and potential to benefit the offshore wind industry. We encourage that the review seeks to avoid the creation of new hurdles for this nascent industry which will be an important contributor to Australia's net zero targets and energy security.

We look forward to following the progress of this review and supporting the Australian Government in this process.

