Offshore Wind Energy

Implementation Statement 2

# Victoria State Government

#### March 2023

#### Accessibility

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#### Traditional Owners acknowledgment

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

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## Procurement approach

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2. Commencing early 2023, Offshore Wind Energy Victoria will engage with key industry stakeholders to further develop and refine the optimal procurement process and support package for the first tranche of offshore wind, which may include a Contract for Difference (CfD), and complementary contributions for capital and financing

## Transmission update

1. VicGrid is leading the development of transmission infrastructure that provides a coordinated connection point(s) for offshore wind developers in Gippsland and Portland
2. VicGrid is considering a range of feasible transmission options that meet project needs and objectives
3. VicGrid expects to announce the specific transmission connection point locations and high-level route corridors in Gippsland and Portland in late 2023

## Ports update

1. The Victorian Renewable Energy Terminal at the Port of Hastings will deliver critical port capacity to meet Victoria’s offshore wind ambitions, bringing economic benefits and jobs to local communities
2. An Environment Effects Statement (EES) referral is expected to be lodged shortly for the development of the Victorian Renewable Energy Terminal, with the scope and requirements for the EES to be made available to the public

## Policy, workforce, and industry development update

1. Offshore Wind Energy Victoria will assess the opportunities to develop a Victorian Renewable Energy Supply Chain Hub to kick-start the establishment of renewable energy supply chains in Victoria
2. The Victorian Government is unlocking opportunities for a highly skilled renewable energy workforce and is developing a renewable energy workforce development plan to support the offshore wind energy sector
3. The Victorian Government has announced $6 million to fund a Wind Worker Training Centre to help train the next generation of workers to support our onshore and offshore wind energy industry
4. The Victorian Government will release guidance on local content targets for offshore wind energy developers by the end of 2023
5. Offshore Wind Energy Victoria will engage further with local businesses seeking to participate in the offshore wind energy supply chain about how best to build competitive capability

## Legislation and regulatory reform

1. Offshore Wind Energy Victoria is driving the delivery of a fit-for-purpose regulatory framework that will be delivered in three stages commencing 2023

# Minister’s foreword

The Victorian Government is leading the nation in the transition to net zero by 2045 - increasing our renewable energy targets to 65 per cent by 2030 and 95 per cent by 2035. Offshore wind energy is key to this once-in-a-generation renewable energy transition, delivering clean and affordable power, creating thousands of jobs and developing a thriving Victorian renewable energy supply chain.

This is the second in a series of implementation statements that will be released over the coming years to provide certainty and to facilitate ongoing collaboration with communities, local government, unions and investors, and in partnership with Traditional Owners.

To kick-start the development of the sector we established Offshore Wind Energy Victoria – a one‑stop shop and single point of entry for industry and community engagement. We have also begun the process of developing a support package for offshore wind and planning for the transmission infrastructure that will be required to unlock our offshore resource.

Offshore wind energy is key to our once-in-a-generation renewable energy transition

The Port of Hastings has been selected as the most suitable primary port to assemble offshore wind infrastructure and, subject to planning and environment approvals, we will establish the Victorian Renewable Energy Terminal at the Port of Hastings. This will place Victoria at the centre of Australia’s offshore wind construction and deployment.

We are designing a fit-for-purpose legislative and regulatory framework for offshore wind that will balance support for the industry, environmental considerations, community and stakeholder expectations, and recognition of the legal rights of Traditional Owners. By the end of this year, we will introduce legislation to give offshore wind proponents the certainty they need to proceed with their investments.

We also recognise that the regulatory landscape in Australia is unique, and requires cooperation between the Victorian and Commonwealth Government. Victoria is the first jurisdiction in Australia to establish an offshore wind industry, and will continue to work with the Commonwealth Government to deliver an aligned, efficient, and harmonised approvals and regulatory process.

And we will need a highly skilled workforce to help build and operate our renewable energy facilities. We’re funding Australia’s first Global Wind Organisation certified training course and investing $6 million into a Wind Worker Training Centre along with a renewable energy workforce development plan to be released in late 2023.

Future implementation statements will set out how the Victorian Government will continue to facilitate the establishment of the sector through an extensive engagement program, support for industry to develop offshore wind projects and supply chains and enabling infrastructure.

Community and industry engagement is key to successfully developing a thriving offshore wind sector in Victoria. Throughout the year, there will be many opportunities to have your say as we work towards an offshore wind industry that will deliver benefits for all Victorians.

I look forward to continuing to work hard with all Victorians to make this industry a reality.

**The Hon. Lily D’Ambrosio MP**

Minister for Climate Action, Minister for Energy and Resources, Minister for the State Electricity Commission

# Introduction

Victoria is bringing online at least 2 gigawatts (GW) of offshore wind by 2032, 4 GW by 2035 and 9 GW by 2040, supporting energy security and reliability, creating thousands of jobs, and cutting emissions.

The Victorian Government continues to lead the way on climate action. We have cut emissions more than any other state and tripled the amount of renewable energy installed. The Victorian Government will increase the State’s renewable energy targets to 65 per cent by 2030 and 95 per cent by 2035. We are also increasing our emission reduction targets, with a commitment to reducing emissions by 75 to 80 per cent by 2035 and to net zero by 2045.

Offshore wind presents a significant opportunity for Victoria to reduce emissions, enhance energy security, create thousands of jobs, drive economic growth and partner with Traditional Owners.

Victoria is leading the nation in developing offshore wind. In March 2022, we outlined Victoria’s targets to generate at least 2 GW of offshore wind power by 2032, 4 GW by 2035 and 9 GW by 2040.

In October 2022, the Victorian Government released **Offshore Wind Implementation Statement 1**. The first statement updated stakeholders on our approach to developing key enabling infrastructure including ports and transmission, our objective to build new industrial capability, develop learning opportunities for a highly skilled workforce, and the establishment of Offshore Wind Energy Victoria (OWEV) to drive the development of the sector, acting as a one-stop shop for sector development and single point of entry for industry and community engagement.

Momentum has continued to build, establishing Victoria as the leading Australian jurisdiction for offshore wind development. In December 2022, areas of the Bass Strait off Gippsland were declared by the Commonwealth Government as Australia’s first offshore wind zones. This year, we will continue to provide the Commonwealth Government with information and data to assist in the identification and evaluation of other potential offshore wind regions, including the Southern Ocean region off Portland.

## We are actively working with the community, local government, and industry to establish a thriving offshore wind sector

**Implementation Statement 1** highlighted the strong support industry and the community have for the offshore wind sector in Victoria. Extensive and ongoing engagement with industry and the community is vital to ensure we meet our offshore wind targets.

We are pleased to make the following updates, which include opportunities for stakeholder engagement throughout 2023.

The Victorian Government is committed to developing a balanced local content policy and commencing shortly, will consult with industry to determine the optimal local content targets to build our local capability and set up industry for long term success.

* Procurement approach: In early 2023, OWEV will engage with key offshore wind stakeholders, including regulators, developers and financiers, to design the optimal support package to deliver the first tranche of offshore wind energy of at least 2 GW by 2032.
* Transmission: VicGrid is undertaking a coordinated and integrated community, Traditional Owner and stakeholder engagement process from early 2023.
* Ports: The Port of Hastings Victorian Renewable Energy Terminal has been selected as the primary assembly port for the first tranche of offshore wind development, subject to environmental and planning approvals. Early engagement with key stakeholders has commenced and details on public engagement, including on the Environment Effects Statement, will be made available in mid-2023.
* Policy, workforce, and industry development: OWEV will engage with key stakeholders and potential offshore wind energy supply chain participants to identify the opportunities, and benefits from, developing a Victorian Renewable Energy Supply Chain Hub to kick-start the establishment of renewable energy supply chains in Victoria. The Victorian Government will work to develop a balanced local content policy and commencing shortly, will consult with industry to determine the optimal local content targets to build our local capability and set up industry for long-term success.
* Legislative and regulatory reform : OWEV will drive the delivery of a regulatory framework that is fit-for-purpose, reflective of global best-practice, and complementary to existing Commonwealth regulatory frameworks. This will be delivered in three stages commencing 2023.

## Traditional Owners

We understand and respect the First Nations peoples’ legal and cultural rights, along with their deep connections with Country and Sea Country as original custodians. The Victorian Government is working in partnership with Aboriginal communities and organisations to embed self-determination and improve outcomes across a range of government policies, strategies and reforms through the Victorian Aboriginal Affairs Framework – and continues to do so through its self-determination, Treaty and Truth reform agendas.

We know that Traditional Owners are more than stakeholders; they are partners who have rights that must be upheld. Under the *Traditional Owner Settlement Act 2010* (Vic), *Aboriginal Heritage Act 2006* (Vic) and *Native Title Act 1993*, Traditional Owners have legal rights and cultural responsibility that will be recognised.

We continue to work with Traditional Owner Corporations who may be potentially affected by offshore wind development, acknowledging that strong and mutually beneficial partnerships with Traditional Owners is imperative to the program’s success and integral to ensuring the goals and objectives of self-determination as set out in the Victorian Aboriginal Affairs Framework 2018-2023 and DEECA’s Pupangarli Marnmarnepu ‘Owning Our Future’ Aboriginal Self-determination Reform Strategy 2020-2025.

## Procurement approach for offshore wind energy generation infrastructure

The Victorian Government is working hard to achieve its offshore wind targets. We will deliver a comprehensive support package providing the investment certainty industry needs to develop and build offshore wind energy projects in Victoria.

Industry engagement in 2022 made it clear that early offshore wind projects will require financial support from government to ensure their projects are bankable and insurable. Commencing early 2023, OWEV will undertake detailed engagement with key stakeholders including regulators, offshore wind developers, investors and financiers to test and refine our procurement design and optimal support package. This package may include a Contract for Difference (CfD) and complementary contributions for capital and financing.

By 2025, OWEV is targeting commencement of a formal competitive procurement process for the first tranche of at least 2 GW of offshore wind energy capacity. Under this process the government would seek bids from developers looking to secure a support package for their offshore wind projects. Winning bids would be chosen based on several factors, for example, price, demonstrated track record, level of community engagement, project preparedness, workforce and industry development approach, and value for money. The Department of Energy, Environment and Climate Action (DEECA) will continue to work closely with the Australian Government to ensure these processes work in combination with the Australian Government’s licence procedures to support the establishment of the OSW sector.

## Transmission

Building offshore wind farms will require the development of new transmission infrastructure. These new transmission lines will ensure the energy produced by Victoria’s world-class offshore wind facilities provides reliable, renewable energy to Victorian homes and businesses.

VicGrid is leading investigations into the best way to implement this essential infrastructure. VicGrid, a division within DEECA, is leading the development of transmission infrastructure to coordinate offshore wind connections.

We understand that new transmission infrastructure is of interest to many stakeholder groups, particularly local communities, governments and Traditional Owners in the areas it may be built. In line with this, VicGrid is working with OWEV to partner with Traditional Owners and is undertaking a detailed community and stakeholder engagement process, which is commencing early 2023. This engagement will inform the conceptual design and high-level route corridor planning for potential transmission infrastructure.

To ensure new transmission is coordinated and in the best interests of local communities and key stakeholders, VicGrid will lead the development of transmission to provide coordinated connection points for offshore wind developers in Gippsland and Portland. This will help minimise transmission duplication and prevent a transmission ‘spaghetti effect’. We will investigate the ideal transmission solution and will consider a range of feasible options. This will include consideration of scalability and capacity to integrate both offshore and onshore renewable energy from Gippsland and Portland. Transmission will be developed in line with the Victorian Transmission Investment Framework (VTIF) principles and will include compensation to directly impacted landholders.

We expect to announce transmission connection point locations in Gippsland and Portland in Q4 2023.

## Ports

Developing specialised port infrastructure is critical to support Victoria’s ambitions of establishing a prospering offshore wind sector over the next decade and can bring significant economic and job opportunities to local communities in regional Victoria.

Through extensive technical review and stakeholder engagement, we have confirmed the Port of Hastings as the most suitable primary port to facilitate the first tranche of offshore wind projects. The Port of Hastings has many advantages, including large areas of appropriately zoned land, deep water channels, and proximity to proposed offshore wind projects off the coast of both Portland and Gippsland.

The Victorian Government has developed an ambitious vision to establish the Victorian Renewable Energy Terminal at the Port of Hastings to place Victoria at the heart of offshore wind construction and deployment across the country. Subject to approvals and final scope, the Victorian Renewable Energy Terminal port infrastructure will be capable of:

* Supporting offshore wind delivery of up to 1 GW per year
* Handling turbines up to 18 MW with fixed foundations

This major redevelopment is vital to delivering on our ambitions, but before construction can begin, we need to understand the facility’s potential impact on the environment. Development of the facility will be subject to an independent Environment Effects Statement (EES) and comprehensive stakeholder and community consultation process, as well as consent being granted under the *Marine and Coastal Act 2018*. The EES referral is expected to be lodged shortly and will be available for the public to view online at [engage.vic.gov.au](http://engage.vic.gov.au/). Details on community engagement will be released in mid-2023, and we strongly encourage all stakeholders across the wider community to participate.

We recognise that many commercial ports in Victoria can also benefit from the establishment of the offshore wind sector in Victoria, including for operations and maintenance services and we encourage all ports to consider how their facilities can support the establishment of the offshore wind sector.

## Renewable Energy Supply Chain Hub

The development of wind projects in Victoria creates a major opportunity for Victoria to capitalise on international lessons and develop new research, manufacturing, production, and logistic capability.

 OWEV will work with key stakeholders and offshore wind energy supply chain participants to assess the opportunities to develop a Renewable Energy Supply Chain Hub to maximise local capacity, support the emergence of new renewable energy industries and provide quality job opportunities for workers in Victoria’s regions.

## Policy and regulatory reform

The Victorian Government will work to develop a regulatory reform program that will ensure the Victorian regulatory framework is fit-for-purpose and complementary to existing Commonwealth regulatory frameworks to facilitate the establishment of the offshore wind industry.

A fit-for-purpose regulatory framework is one that supports the growth of the industry, considers the environment, recognises the legal rights of Traditional Owners, and ensures community and stakeholder expectations are met.

OWEV continues to work with the Australian Government to streamline Commonwealth and State processes for the establishment of offshore wind and will deliver this regulatory reform in three stages. In 2023, the Victorian Government will introduce legislation into Parliament to give certainty to offshore wind proponents around the length of land tenure and the ability to install offshore electricity infrastructure, providing them with confidence to proceed with their investments.

At the same time, we will work to reduce duplication, and create an efficient and transparent framework that meets the needs of industry and the community.

## Renewable energy workforce skills and Industry

An offshore wind energy workforce development plan will be released in 2023.

The plan will examine:

* The occupations, skills-sets and competencies needed
* Geographical demand for workers across the project lifecycle
* The education and training needed to develop the workforce
* Re-skilling and upskilling opportunities in the resources, industrial and construction sectors

The Victorian Government will dedicate substantial resources to developing a highly skilled renewable energy workforce that can rapidly build and operate offshore wind energy facilities in Victoria. In addition to funding Australia’s first Global Wind Organisation certified training course, located in Ballarat, with training delivered through Federation University's Asia Pacific Renewable Energy Training Centre, we are also investing $6 million into a Wind Worker Training Centre. This will enable both metropolitan and regional Victorians to upskill in the clean economy and reap the economic benefits of the transition to net zero by 2045.

The development of offshore wind in Victoria provides a once-in-a-generation opportunity for Victorian businesses to participate in the supply chain. OWEV will work with unions, stakeholders and partners in 2023 to assess the capability and capacity of Victorian businesses to enter the supply chain. Findings from this assessment will help to inform preliminary local content targets for offshore wind developers, which will be consulted on through **Implementation Statement 3**.

### Implementation Statement 2

#### March 2023

* Update on policy, workforce, and industry development
* Update on transmission and ports
* Update on procurement process, including timelines, and support package
* Update on legislation and regulatory reform Update on engagement and partnerships

### Implementation Statement 3

#### Late 2023

* Further detail on the offshore wind energy procurement process and design of the support package
* Guidance on local content targets for offshore wind energy developers
* Update on energy workforce development plan

# 1 Procurement approach

The Victorian Government will support industry-led development of the first tranche of offshore wind energy generation infrastructure of at least 2 GW.

The Victorian Government recognises that early offshore wind projects will require financial support from government to ensure projects are bankable and insurable. It is anticipated that greater support will be needed for the first tranche of generation infrastructure compared to later tranches, reflecting market maturity, as has been observed in more mature markets overseas.

A well-designed procurement process and support package is vital to facilitate investment certainty and ensure that Victoria can meet its offshore wind targets, whilst building a successful offshore wind sector that benefits all Victorians.

The Victorian Government has been exploring a range of financial support and procurement options to support industry to deliver the first tranche of at least 2 GW of offshore wind energy by 2032. Engagement with government agencies, developers, financiers, and industry has been undertaken to support the analysis and understand what the sector needs to ensure these early offshore wind projects are financially viable.

## Notice 1

### Offshore Wind Energy Victoria is targeting commencement of a competitive process for the first tranche of offshore wine by 2025

The procurement approach for the first tranche of offshore wind will include a competitive bidding process that will deliver cost savings while ensuring the extensive development and construction experience of offshore wind developers is brought to Victoria.

OWEV is targeting commencement of a competitive procurement process by 2025 to ensure offshore wind projects can be commissioned in time to achieve the first offshore wind target of at least 2 GW by 2032. Under this process, OWEV would seek bids from developers looking to secure a support package for their offshore wind projects. This model has been used in many other jurisdictions to successfully build offshore wind, including the UK and Europe.

Winning bids would be chosen based on several factors, for example, price, demonstrated track record, quality of community engagement and benefits sharing, project preparedness, workforce and industry development, and value for money.

We have successfully run competitive processes for electricity generation in the past, for example our Victorian Renewable Energy Target (VRET) auctions.

Detailed procurement design will involve further analysis and engagement with key industry members including developers, investors and financiers to test and refine the procurement model and ensure it is fit-for-purpose.

We will share further detail on the procurement approach in **Implementation Statement 3**.

## Notice 2

### Commencing early 2023, Offshore Wind Energy Victoria will engage with key industry stakeholders to further develop and refine the optimal procurement process and support package for the first tranche of offshore wind, which may include a Contract for Difference (CfD), and complementary contributions for capital and financing

Industry-led development of offshore wind supported by a government financial support package is the optimal method to deliver the benefits of offshore wind for Victoria.

OWEV is designing a comprehensive support package that will provide the certainty required for project developers and financiers to deliver offshore wind projects in Victoria.

In 2022, we undertook extensive analysis and stakeholder engagement on a broad range of state support options for offshore wind projects which included a review of mature and emerging offshore wind industries internationally. This analysis found that the optimal financial support package may include a Contract for Difference (CfD) and complementary contributions for capital and financing.

A Contract for Difference (CfD) is a financial instrument under which the parties agree to pay each other depending on whether a floating price (the wholesale electricity spot price) is above (i.e., the developer makes a payment) or below (i.e., the Victorian Government makes a payment) an agreed strike price. Since future electricity market prices are influenced by a variety of factors, a CfD would give offshore wind developers and financiers increased revenue certainty to make long-term investment in offshore wind projects. They are widely used in overseas markets and well understood by offshore wind developers, operators, and financiers.

In addition to CfDs, we are also exploring potential complementary supports such as a capital contribution, and financing support.

Further detail on the design of the optimal support package will be shared in **Implementation Statement 3**.

## Major milestones

### Early 2023

Targeted market engagement on support package and procurement process

### Late 2023

Further detail on the offshore wind procurement process and design of the support package will be released in **Implementation Statement 3**

### 2024-2025

First offshore wind competitive process commences

# 2 Transmission update

VicGrid is commencing technical assessment and community engagement on transmission infrastructure to coordinate offshore wind connections in Gippsland and Portland.

## Notice 3

### VicGrid is leading the development of transmission infrastructure that provides a coordinated connection point(s) for offshore wind developers in Gippsland and Portland

Offshore wind farms cannot transport the electricity they generate to homes and businesses without connection to Victoria’s transmission network. VicGrid, a division within DEECA, is leading the development of transmission infrastructure to coordinate offshore wind connections.

As outlined in the **Implementation Statement 1**, we will deliver a coordinated transmission connection point(s) for offshore wind projects near the Gippsland Coast (east of Wilsons Promontory) and Portland (at or near the existing Portland terminal station). Offshore wind farms will be required to connect underground to these connection points as a condition of the Victorian Government’s offshore wind generation procurement process (Unless an offshore wind developer can demonstrate a transmission solution that has significantly greater net benefits, including for local communities and the environment, and is cost effective). In **Implementation Statement 1**, we also provided initial areas of interest for the connection points near the coast to the east of Wilsons Promontory and at or near the Portland terminal station – and these areas are where we are starting our investigations and consultation.

VicGrid-led development of transmission infrastructure to coordinate offshore wind connections means there will be common connection point(s) for offshore wind developers who seek to participate in the Victorian Government’s offshore wind generation procurement process. This prevents these individual offshore wind developers from developing their own transmission lines or augmentations to the existing grid, or connecting to other transmission lines being developed by transmission network owners.

If this were to occur, it would create uncoordinated development or a ‘spaghetti effect’ of multiple transmission lines, which we understand is a key concern for local communities, Traditional Owners and stakeholders.

A coordinated, government-led transmission solution is the best way to support the achievement of Victoria’s offshore wind targets, securing Victoria’s energy future while minimising impacts on communities and costs for consumers. [Figure 1](#_Figure_1_Offshore) illustrates the aspects of offshore wind and transmission development that are the responsibility of developers and VicGrid.

#### Figure 1 Offshore wind and transmission development led by developers vs VicGrid

##### With coordinated transmission

1. Renewable energy developers and generators
2. VicGrid will develop transmission solutions that provide common connection points for offshore wind farms and shared transmission lines to connect to the current network where necessary
3. Homes and businesses

##### Without coordinated transmission

1. Renewable energy developers and generators
2. There is a risk that renewable energy projects will develop their own individual transmission infrastructure to connect to the current network
3. Homes and businesses

We are aware there are some offshore wind and transmission developers that have undertaken feasibility assessment for transmission lines that may overlap with the VicGrid-led transmission, particularly in Gippsland. These developers have undertaken technical studies and/or engaged with local communities (including landowners), Traditional Owners and stakeholders.

We expect that as VicGrid increases its engagement activities and identifies scale-efficient transmission options, these developers will remove any overlapping transmission development from their project scope and engagement activities. This will reduce confusion and promote a coordinated approach to engagement. However, this does not mean the offshore wind developers will stop engagement activities as they will still be developing offshore wind farms and cables to the VicGrid nominated coordinated connection point(s).

We are working with these developers to ensure we learn from their findings and avoid duplicating engagement activities where we can. We want to undertake comprehensive engagement to inform our decision-making, while reducing the risk of engagement fatigue as much as possible.

## Notice 4

### VicGrid is considering a range of feasible transmission options that meet project needs and objectives.

To accommodate the Victorian Government’s offshore wind target of at least 2 GW by 2032, the starting point for the current VicGrid-led transmission infrastructure is to facilitate connection of around 2–2.5 GW generation capacity in both Gippsland and Portland respectively. **Implementation Statement 1** sets out VicGrid’s initial considerations on this transmission infrastructure, and explains that the projects will be developed via Stage Two of the Victorian Government’s Renewable Energy Zones (REZ) Development Plan.

In undertaking the project options assessment for each transmission project, we will consider a range of technically and commercially feasible project options that meet project needs and objectives. This includes options for innovative transmission line designs, components and high-level route corridors. We will also consider the capacity of each project, so it can facilitate sufficient generator connections. For example:

* If there are committed offshore wind projects that demonstrate more GW of offshore wind generation will be developed by 2032, then we will consider this in the project options assessment in a coordinated way. We note that transmission capacity does not necessarily need to match the nameplate capacity of generation, as generators do not always dispatch their nameplate capacity, and are subject to electricity demand from energy consumers and competition from other generators in the National Electricity Market (NEM). However, we intend to provide access to offshore wind generators so they can connect to the infrastructure without experiencing material network curtailment up to the existing transmission network, and will provide more information on this by June 2023.
* In addition to offshore wind generation, there are a number of onshore renewable energy generation projects in development in Gippsland and Portland. We will consider both offshore and onshore project developments and generation forecasts in the project options assessment. This is because while the development of the transmission infrastructure is being driven by offshore wind development, VicGrid has been established to holistically plan for the development of REZs in Victoria. This includes consideration of all renewable energy generation in a region. The infrastructure will allow for the connection of offshore and onshore generation in Gippsland and Portland with further details on access arrangements for such connections to be provided by June 2023.

Lastly, we acknowledge the first offshore wind target of at least 2 GW by 2032 is followed by future targets of 4 GW by 2035 and 9 GW by 2040. This means more transmission infrastructure will be needed in Gippsland and/or Portland to coordinate future offshore wind connections and enable the wind farms to safely connect to the grid. In Gippsland, it is likely that more than one transmission line would be needed to support likely total offshore wind generation development, to ensure network stability and security in the case of an outage on one line. VicGrid will lead the development of transmission infrastructure in Gippsland and Portland to coordinate the offshore wind generation needed to meet these future targets through the VTIF reforms currently being developed. This ensures the future transmission infrastructure is developed through a best practice REZ planning process. However, we will develop the current VicGrid-led transmission infrastructure to meet the first targets in a way that anticipates and prepares for future development.

## Notice 5

### VicGrid expects to announce the specific transmission connection point locations and high-level route corridors in Gippsland and Portland in late 2023

VicGrid will work closely with the Australian Energy Market Operator (AEMO), the Victorian transmission planner, to develop and deliver the transmission infrastructure to coordinate offshore wind connections in Gippsland and Portland. We will ensure the transmission infrastructure meets the timing commitments set by the Victorian Government and takes into account input from local communities and Traditional Owners.

The key stages of the VicGrid-led transmission development process include:

* Project options assessment and engagement: This involves developing, investigating and assessing different project options for transmission infrastructure in Gippsland and Portland. These project options must be technically and commercially feasible, and meet project needs and objectives. VicGrid will develop a rigorous options assessment method in consultation with stakeholders, local communities and in partnership with Traditional Owners, including consideration of local community and environmental impacts. This ensures the transmission infrastructure has net benefits and is cost effective. VicGrid’s engagement and partnerships during this process will be focussed on building understanding of the projects and informing the project options assessment.
* Announcement of coordinated connection points: The specific transmission connection point locations and high-level route corridors in Gippsland and Portland are expected to be announced late 2023. This timing is critical for offshore wind developers to participate in the Victorian Government’s offshore wind generation procurement process and meet the first offshore wind target. VicGrid’s engagement and partnerships at this time will focus on building understanding of the announced transmission projects.
* Competitive transmission procurement process: VicGrid will work with AEMO to commence the lead-in to transmission procurement in late 2023, with the formal competitive procurement processes for the transmission infrastructure in 2024. The purpose of these procurement processes is to select a proponent to undertake the detailed design and construction of each project. VicGrid will work with AEMO on engagement during this process, focussing on preparing for the introduction of the successful proponent for each project.
* Detailed design and construction: The successful proponent(s) will undertake detailed planning and design activities from 2024/25, including environmental and planning assessments and approvals processes. They will also construct and commission the transmission infrastructure by the delivery date(s) specified in their contracts with AEMO and/or VicGrid. The successful proponent(s) will lead engagement from this point, but VicGrid will continue engagement and partnerships to ensure community, Traditional Owners and stakeholder voices are being heard and addressed.

[Figure 2](#_Figure_2_Major) sets out the major milestones for transmission to coordinate offshore wind connections near Gippsland Coast and Portland.

#### Figure 2 Major milestones for transmission to coordinate offshore wind connections

##### Q1 2023

Community and stakeholder consultation (including Community Engagement Plan) and project development begins

##### Q4 2023

Connection point identification and high- level route corridor determination

##### Q1 2024

Competitive procurement for infrastructure provider begins

##### 2024/2025

Planning and design activities begin – overall timeline to be consistent with Victorian Government targets and informed by offshore wind generation procurement

# 3 Ports update

The establishment of the Victorian Renewable Energy Terminal at the Port of Hastings will support offshore wind energy construction

## Notice 6

### The Victorian Renewable Energy Terminal at the Port of Hastings will deliver critical port capacity to meet Victoria’s offshore wind ambitions, bringing economic benefits and jobs to local communities

Specialised port infrastructure is crucial to support offshore wind construction. Offshore wind farm components are significantly larger than those used in onshore wind farms and are too large and heavy to be transported over the road network.

To realise Victoria’s ambition for offshore wind, the Port of Hastings has been confirmed as the most suitable primary port to facilitate offshore wind assembly for the first tranche of offshore wind development, subject to required approvals. This follows an extensive technical review and engagement with key stakeholders including offshore wind developers and ports.

The Port of Hastings has many attributes that make it an ideal location for offshore wind assembly, including large areas of appropriately zoned land close to deep water channels, proximity to existing port precincts, and to proposed offshore wind farms off the Gippsland and Portland coasts. Locating offshore wind assembly at the Port of Hastings will allow easy access to expertise in the surrounding regions. For example, Gippsland has a skilled workforce that can contribute to construction, operations, ports, manufacturing, engineering and research activities related to offshore wind.

The Victorian Government has developed an ambitious vision for the Port of Hastings to establish the Victorian Renewable Energy Terminal that can meet Victoria’s aspiration of delivering 9 GW of offshore wind by 2040.

This project is designed to establish Victoria at the centre of offshore wind construction and deployment in Australia. If approved, the Victorian Renewable Energy Terminal port infrastructure will be capable of:

* Supporting offshore wind delivery of up to 1 GW per year
* Handling turbines up to 18 MW with fixed foundations

Our preliminary work shows that a land-backed wharf layout is the preferred layout for the Victorian Renewable Energy Terminal. This layout will enable the Victorian Renewable Energy Terminal to serve as a multi-user port that can facilitate bulk commodity trade to reduce the load on other ports which may reach capacity, adding resilience to Victoria’s port system.

Subject to detailed design and approvals, the Victorian Renewable Energy Terminal is expected to:

* Consist of two berths with a total wharf length of at least 400m
* Suitable water depth, noting this requirement may require dredging to handle heavy lift and offshore installation vessels
* Form up to 35 hectares of heavy-duty hardstand comprised of 10 hectares of reclaimed land connecting the wharf to the existing 25-hectare Old Tyabb Reclamation Area (OTRA) land

[Figure 3](#_Figure_3_Possible) and [Figure 4](#_Figure_4_Possible) present possible concept imagery of the Victorian Renewable Energy Terminal for illustrative purposes.

#### Figure 3 Possible concept imagery of Victorian Renewable Energy Terminal at Port of Hastings for illustrative purposes only



#### Figure 4 Possible concept imagery of Victorian Renewable Energy Terminal at Port of Hastings for illustrative purposes only



## Notice 7

### An Environment Effects Statement (EES) referral is expected to be lodged shortly for the development of the Victorian Renewable Energy Terminal, with the scope and requirements for the EES to be made available to the public

The Victorian Renewable Energy Terminal will be a major infrastructure project and is pivotal to delivering reliable, renewable energy for Victorians. The terminal will be in Western Port Bay, an important marine habitat, and RAMSAR listed wetland, so development of the terminal will require a comprehensive understanding of the facility’s impact on the surrounding environment. As such, the terminal will be subject to an independent Environment Effects Statement (EES) and a comprehensive community consultation process.

The final design of Victorian Renewable Energy Terminal will be determined through the EES process based on findings from the environmental monitoring, assessments, and from stakeholder feedback. Opportunities to improve the overall design and better meet community expectations will be considered.

The EES referral is expected to be lodged shortly and will be available for the public to view via Engage Victoria at [engage.vic.gov.au](http://engage.vic.gov.au/).

Robust environmental data underpins the EES process. In early 2022, the Port of Hastings Corporation commenced environmental studies to ensure appropriate data is available to support the EES process. Many of these studies will continue until late 2024 to support the detailed design and approvals process.

We also recognise the opportunities that commercial ports in Victoria can bring to Victorians, including for operations and maintenance services for the offshore wind industry and we encourage all ports to consider how their facilities can support the establishment of the offshore wind sector.

## Expected approval timeline

### Mid 2023 Scoping

The Government will publicly communicate EES process and opportunities for stakeholder input. We will also provide more detailed information about Victorian Renewable Energy Terminal.

### From 2024 Preparing the EES

The Government will confirm the final EES scoping requirements and share the reference design for consultation. We will also share information about the technical assessments we have conducted to understand the impact of the Victorian Renewable Energy Terminal.

### Late 2024 Public review

The Government will summarise progress on the EES to date for the public and invite formal submissions from stakeholders on the proposed design.

### Early 2025 Making an assessment

The Government will update the public on the Minister for Planning’s assessment of the Victorian Renewable Energy Terminal and explain the next steps.

### Early 2025 Planning approvals

The Government will seek requisite planning approvals under the Planning and Environment Act 1987 and Marine and Coastal Act 2018.

### Mid 2025 Readiness for market

The Government will choose a contractor to upgrade the port and construct the Victorian Renewable Energy Terminal through a competitive tender process.

### Late 2025, subject to approval Construction

The selected contractor will begin construction onsite.

# 4 Policy, workforce, and industry development update

The Victorian Government will ensure that the establishment of an offshore wind industry benefits all Victorians, including communities, workers and businesses.

## Notice 8

### Offshore Wind Energy Victoria will assess the opportunities to develop a Victorian Renewable Energy Supply Chain Hub to kick-start the establishment of renewable energy supply chains in Victoria

The development of offshore wind projects in Victoria creates a major opportunity for Victoria to develop new research, manufacturing, production, and logistic capability in the southeast. OWEV will work with key stakeholders and offshore wind energy supply chain participants to assess the opportunities to develop a Renewable Energy Supply Chain Hub to maximise local capacity and support the emergence of new industries and trades providing long-term stable job opportunities for workers in Victoria’s regions.

Hubs in close proximity to offshore wind development areas can support the manufacturing of offshore wind components reducing the need to transport large and heavy offshore wind components portside for construction. The hub could also support manufacturing of other renewable energy components and technologies, and support research, innovation and training for the offshore wind sector.

OWEV will engage with key stakeholders and potential offshore wind supply chain participants to fully leverage the potential of a hub to deliver economic opportunities that benefit Victorians. This will explore:

* How local manufacturing of critical offshore wind components could increase resilience of renewable energy supply chains and contribute to energy security
* How a large manufacturing and logistics workforce in the southeast could complement existing industries and local catchment areas
* How a Victorian Renewable Energy Supply Chain Hub could best capture economic growth and employment opportunities
* How a Victorian Renewable Energy Supply Chain Hub could create opportunities to service the offshore wind industry beyond Victoria in the long-term

## Notice 9

### The Victorian Government is unlocking opportunities for a highly skilled renewable energy workforce and is developing a renewable energy workforce development plan to support the offshore wind energy sector

Capturing the significant job opportunities available from offshore wind energy will require extensive planning, necessary training infrastructure, and capable trainers and educators. We will need a detailed renewable energy workforce development and labour supply plan that considers both supply and demand factors to deliver the right workforce at the right time to meet our offshore wind targets.

Work has already begun on developing this detailed plan. We are leveraging the most recent research and industry insights to better understand the factors that will drive demand for key occupations in the offshore wind sector going forward. We are also examining emerging labour supply pathways to understand how government can best build the workforce needed to meet demand and fill jobs with world-class personnel who can deliver offshore wind projects.

The detailed renewable energy workforce development and labour supply analysis will examine:

* Demand for different occupations required within the offshore wind project lifecycle
* Necessary skill sets, competencies and training needed
* Geographical demand against existing and future labour supply
* Education and training capability to meet growing workforce demand
* Reskilling and upskilling opportunities for existing workers in the resources, industrial, and construction sectors

We will work collaboratively with local government to ensure workforce needs are met, with a place‑based approach.

By the end of the year, we will release the renewable energy workforce development plan that outlines the actions the Victorian Government will take that will turn numbers into reality. The plan will identify where labour supply shortages are most acute and where training gaps limit workforce participation, enabling targeted responses in the regions where industry transition is occurring, such as Gippsland. The workforce development plan will help give stakeholders the certainty they need to contribute to a prospering renewable energy workforce that will sit at the heart of the Victorian economy for years to come.

We will include an update on the Victorian Government’s plan in **Implementation Statement 3**, to be released in late 2023.

## Notice 10

### The Victorian Government has announced $6 million to fund a Wind Worker Training Centre to help train the next generation of workers to support our onshore and offshore wind energy industry

A highly skilled and competent workforce is vital to ensuring we can deliver on our offshore wind ambitions. The significant potential of offshore wind to create job opportunities for thousands of Victorians will only be realised if we develop the capability, skills, and knowledge within the existing and future workforce.

To ensure Victorians receive world-class training and education to succeed in this new industry, the Victorian Government has committed to investing $6 million to establish the Wind Worker Training Centre.

Based in Melbourne, the centre will help to train the next generation of skilled workers to support both our onshore and offshore wind industries.

Combined with our investment in Australia’s first Global Wind Organisation-certified training facility at Federation University’s Asia Pacific Renewable Energy Training Centre (APRETC) in Ballarat, this will ensure workforce training opportunities are available to both metropolitan and regional Victorians.

We remain committed to upskilling Victorians and empowering them to harness the economic opportunities of our emerging offshore wind sector.

## Notice 11

### The Victorian Government will release guidance on local content targets for offshore wind energy developers by the end of 2023

Developing an offshore wind sector provides a once-in-a-generation opportunity for Victorian businesses to participate in a supply chain that will underpin renewable energy generation for decades to come. Local content requirements play a major role in ensuring that the economic benefits of these extensive investment opportunities remain in Victoria. **Implementation Statement 1** announced that the Victorian Government will apply the **Local Jobs First** policy to offshore wind projects.

It is recognised that supply chains for offshore wind energy are not well established in Australia. Other countries have many years of experience delivering these projects at scale and as a result have developed mature supply chains.

We need to strike a balance between international knowledge and local content to establish a thriving sector that delivers for all Victorians.

We will set local content requirements to ensure Victorian businesses can contribute to the renewable energy supply chain as soon as possible. We expect that local content requirements will be ramped up over time as we build capacity and capability within Victorian businesses to contribute to the offshore wind energy supply chain. We will look at opportunities for local content across the full supply chain for offshore wind energy.

We will work collaboratively with unions, industry and communities in delivering offshore wind in Victoria, including how we design and develop key elements of our procurement approach.

To ensure a balanced local content target, the Industry Capability Network (ICN) is engaging with businesses and other stakeholders across the industry to assess the capability and capacity of Victorian businesses to participate in the offshore wind supply chain. The ICN’s findings will inform the setting of preliminary targets for offshore wind local content.

In mid-2023 we will embark on a consultation process with key industry stakeholders, including project developers, on our preliminary local content targets to understand the opportunities and challenges these proposed targets present. This process will give certainty to offshore wind developers on their ability to meet local content requirements and help Victorian businesses capture benefits from preliminary targets.

The process will also identify other opportunities and challenges that may be presented by the preliminary local content targets, including understanding gaps in current capability. This could inform how the capability and capacity of Victorian businesses can be developed over the longer-term as local content requirements for offshore wind are ramped up.

The primary targets of this consultation will be local industry, unions and businesses, as well as potential offshore wind developers and Original Equipment Manufacturers (OEMs).

The findings from this engagement process will be directly used to refine our approach to setting local content targets. In **Implementation Statement 3**, we will release an update on this process, including expected local content targets that will be applied to project developers as part of our procurement process.

## Notice 12

### Offshore Wind Energy Victoria will engage further with local businesses seeking to participate in the offshore wind energy supply chain about how best to build competitive capability

The social, economic, and environmental benefits from offshore wind will be significant for Victoria and facilitating an environment that captures these benefits is a high priority for the Victorian Government.

Key to capturing these benefits is to ensure that Victorian businesses can fully participate and compete on an equal footing with existing renewable energy supply chains. We are committed to supporting local businesses build capability and capacity to be key contributors and beneficiaries of the offshore wind sector.

We know from stakeholder engagement to date that many businesses are not yet ready to participate. The scale of manufacturing and production capability is of an order greater than what exists today. Raw materials and subcomponent inputs that meet the specifications for offshore wind are non-existent or may not be cost competitive with existing supply chains. Businesses also highlight that specialised offshore wind skills do not yet exist in the current labour force, and across the economy, skills shortages persist in many occupations and trades required for the industry.

To bridge these gaps and build a thriving local supply chain, we will investigate how best to support Victorian businesses to build the necessary capability. We are considering how best to address key capability and capacity gaps identified by the industry. We know that stakeholders view the ability to connect with each other, source skilled workers, navigate approvals processes and access support for research, development and investment as possible areas for government support.

We will also collaborate with the Australian Government to identify and develop the right mix of support programs that will ensure we develop the capability needed to deliver real value within the supply chain for offshore wind. Local Government will also be engaged to ensure businesses have an environment that supports their participation in supply chains.

# 5 Legislation and regulatory reform

In December 2022, the Federal Minister for Climate Change and Energy formally declared an area in Bass Strait off the coast of Gippsland as Australia’s first offshore wind zone.

This declaration is a critical first step towards delivering offshore wind projects in Victoria. The declared area spans approximately 15,000 square kilometres and runs from Lakes Entrance in the east to south of Wilsons Promontory in the west. The area, applicable for both fixed and floating offshore wind turbines, has the potential to support more than 10 GW of year-round wind energy generation.

The formal declaration of Gippsland’s offshore wind zone allows offshore wind developers to apply for a feasibility licence within the declared area. Feasibility licence applications for offshore wind projects in the Gippsland area opened on 23 January 2023 and will close on 27 April 2023.

The Offshore Infrastructure Registrar will lead the assessment of all applications against the criteria outlined in the *Offshore Electricity Infrastructure Act 2021* and the Offshore Electricity Infrastructure Regulations 2022.

The Victorian Government will continue to provide the Australian Government with information, tools and data to assist in the identification and evaluation of other potential offshore wind regions, including the Southern Ocean region off Portland.

Effective and streamlined regulation is critical to the Victorian Government’s plan to establish a thriving offshore wind industry.

### Figure 5 Commonwealth declared area in Bass Strait off Gippsland



## Notice 13

### Offshore Wind Energy Victoria is driving the delivery of a fit-for-purpose regulatory framework that will be delivered in three stages commencing 2023

The Victorian Government is proposing a regulatory reform program to ensure the Victorian regulatory framework is fit-for-purpose, reflects global best-practice and is complementary to existing Commonwealth regulatory frameworks. The Victorian Government’s proposed reform pathway consists of three stages to be implemented to facilitate the long-term growth of offshore wind in Victoria, commencing in 2023:

In the immediate term, it is important that offshore wind developers have certainty around land-tenure in offshore and onshore areas, and that the installation of offshore electricity infrastructure is allowed within the Victorian legislative framework. The Government will introduce a bill in 2023 that will amend land legislation to allow offshore wind developers to obtain tenure over Crown land and amend electricity safety legislation to allow the installation of energy infrastructure on public land in onshore and offshore areas. The legislative and regulatory reform will work alongside the proposed *Public Land Act* under development, existing *Marine and Coastal Act 2018* and the *Aboriginal Heritage Act 2006*.

* At the same time as progressing the Amending Act, the Victorian Government will examine its existing policy and regulatory settings to identify uncertainty, inconsistency and inefficiency, and address these through administrative solutions. Additionally, the Government will release guidance materials setting out which regulatory frameworks are engaged by an offshore wind project and develop a pro‑forma licence containing the rights an offshore wind developer will have if granted tenure over the Victorian seabed.
* A fragmented regulatory framework or attempting to retrofit the existing framework to incorporate offshore wind energy may create confusion and inefficiencies if the process is not well communicated. To facilitate the long-term growth of the industry, the Government will consider regulatory settings and reform options, including the development of a bespoke legislative and regulatory framework that would apply specifically to offshore electricity infrastructure within Victoria.

# 6 Engagement and partnerships

Consulting with stakeholders and forming partnerships with Traditional Owners has been critical to developing the offshore wind industry so far. We will continue to engage with industry, the community and stakeholders to inform and guide the program. We will keep working with Traditional Owner Corporations to establish meaningful partnerships.

## Traditional Owners

We have been working with Traditional Owner Corporations who might be impacted by the establishment of offshore wind in Victoria. These conversations are paving the way for mutually beneficial partnerships. We are grateful for the time, resources and perspectives that Traditional Owners have shared.

Our announcements in this Implementation Statement demonstrate our commitment to partnering with Traditional Owners, recognising Traditional Owners and the State are equal partners in the management of their lands, waters and natural resources. We recognise this partnership approach must embed self-determination as a core principle.

Partnership requires us to prioritise culture, address trauma and support healing, address racism and promote cultural safety, and transfer power and resources to communities. We will be accountable to Traditional Owners in meeting these requirements and commit to continuous learning and improvement.

We know that the areas prospective for offshore wind off the Gippsland and Portland coasts, and onshore areas that will support offshore windfarms, are on Traditional Owner Country and Sea Country.

A key part of this is the VicGrid-led transmission infrastructure to coordinate offshore wind connections in Gippsland and Portland. VicGrid is working closely with OWEV to develop a partnership approach with Traditional Owners, particularly with regard to the development and design of the transmission infrastructure.

Working with Traditional Owners for them to identify how they can shape and take-up the opportunities of skilled occupations associated with Victoria's offshore wind industry will be a key focus of the work underway in the workforce development plan.

Traditional Owners have told us the importance of their early input into our reform processes and development of legislation. We will ensure that the voice of Traditional Owners is heard as we progress with legislative and regulatory reform to establish a Victorian offshore wind industry.

## Industry, community and stakeholders

Together, OWEV, VicGrid and the Department of Transport and Planning are working to coordinate overall program engagement to support our local communities and ensure local governments and stakeholders have their say and inform our policy and workstream development.

## Procurement

Industry and stakeholder engagement is a key factor in designing an optimal support package and procurement process, that strikes the right balance for the government, developers and Victorians. In 2022, OWEV undertook extensive analysis and stakeholder engagement on a broad range of state support options for offshore wind projects, which included a review of mature and emerging offshore wind industries internationally. This analysis found that the optimal financial support package may include a Contract for Difference (CfD) and complementary contributions for capital and financing.

Targeted market engagement with key industry stakeholders to further develop and refine the optimal procurement process and support package for the first tranche of offshore wind will commence early 2023.

## Transmission

VicGrid-led transmission infrastructure to coordinate offshore wind connections will be developed and designed in partnership with Traditional Owners, and in consultation with stakeholders and local communities in Gippsland and Portland.

We will engage and consult on the development of a project options assessment for each transmission project, to inform the recommended conceptual design, connection point locations and high level route-corridors (where required). This is the first step in our development process for these projects, ensuring our approach provides early and meaningful engagement to promote an inclusive and participatory process. This is a key component of the preliminary Victorian Transmission Investment Framework (VTIF) objectives and aligns with Victoria’s Public Engagement Framework 2021-25.

We are releasing an Offshore Wind Transmission Engagement Roadmap in March 2023. This provides clarity on our proposed approach to developing the new transmission infrastructure, and where Traditional Owner, community and stakeholder feedback can inform our decision-making. In our decision-making, we will seek to balance the needs of local communities and Traditional Owners, electricity consumers and the energy industry to deliver better outcomes for all Victorians.

The VicGrid-led transmission to coordinate offshore wind connections in Gippsland and Portland will be developed in line with the VTIF principles, and will include compensation being paid to directly impacted landholders.

VicGrid will undertake significant engagement during 2023 to inform the project options development and assessment process. We expect to continue to engage with communities, Traditional Owners and stakeholders throughout the subsequent transmission procurement process and project lifecycle.

## Ports

Port of Hastings Corporation has commenced early engagement with key stakeholders to provide an indication of the approval pathway and timing for the Victorian Renewable Energy Terminal. These engagements have included local environment groups, councils, Traditional Owners, port tenants and more.

To ensure we capture all relevant industry and community feedback, the Port of Hastings Corporation has developed a comprehensive Victorian Renewable Energy Terminal Communications and Engagement Strategy.

This Communication and Engagement Strategy outlines key details on our approach to engaging communities, including on the EES approvals process. The comprehensive EES approvals pathway will be made available to the public, including when and where stakeholders will have the opportunity to provide feedback on important elements of the Victorian Renewable Energy Terminal.

The Port of Hastings Corporation’s website at [portofhastings.vic.gov.au/supporting-offshore-wind](http://portofhastings.vic.gov.au/supporting-offshore-wind) and social media channels will provide updates on progress and opportunities for engagement on the project.

## Policy workforce and industry

We will work collaboratively with industry, local government, and communities in delivering offshore wind in Victoria, including how we design and develop key elements of our procurement approach.

In mid-2023 we will embark on a consultation process with key industry stakeholders on our preliminary local content targets. This process will give certainty to offshore wind developers on their ability to meet local content requirements and help Victorian businesses capture benefits from preliminary targets.

The process will also identify other opportunities and challenges that may be presented by the preliminary local content targets, including understanding gaps in current industry capability. This work could then inform how current capability and capacity of Victorian businesses can be established over the longer-term as local content requirements for offshore wind are ramped up.

The primary targets of this consultation will be local industry and businesses, as well as potential offshore wind developers and OEMs.

The findings from this engagement process will be directly used to refine our approach to setting local content targets. In **Implementation Statement 3**, we will release an update on this process, including expected local content targets that will be applied to project developers as part of our procurement process.

Industry participants will have the opportunity to share their views through targeted engagements. Insights collected throughout this engagement process will complement further commercial analysis and the design of a support package and a competitive procurement process.

## Legislation and regulatory reform

Early engagement with industry and stakeholders is a critical input into the design of a fit-for-purpose legislative and regulatory framework. OWEV will partner with Traditional Owners and engage with industry and the community to ensure that the legislative and regulatory framework governing offshore wind is reflective of the needs of the broader Victorian community, while also meeting the needs of industry.

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