



18 December 2015

The Hon Lily D'Ambrosio MP
Minister for Industry and Energy and Resources
Department of Economic Development, Jobs, Transport
and Resources
futureindustries@business.vic.gov.au

Ask for: Daniel Boden
Phone: 9932 1115
Our Ref: A2278411

Dear Minister,

Victoria's Future Industries – New Energy Technologies Discussion Paper

Council welcomes the identification of new energy technologies as one of the Victorian Government's eight priority economic growth sectors and is pleased to provide a response to the Victoria's Future Industries – New Energy Technologies Discussion Paper.

The promotion of new energy technologies as a priority economic growth sector aligns with the priorities of both the Hobsons Bay Economic Development Strategy 2015-20 and the Hobsons Bay Community Greenhouse Strategy 2013-30, in terms of promoting sustainable business practices and opportunities for diversification into new markets and industries, and supporting Council's role in enabling, engaging and encouraging the local community to move to a low carbon future.

Comments to the questions within the discussion paper that are most relevant to Council are provided in an attachment to this letter.

If you would like to discuss this submission further, please contact Daniel Boden, Coordinator Economic Development on 9932 1115 or dboden@hobsonsbay.vic.gov.au.

Yours sincerely,

Natalie Walker
Director Strategic Development



Victoria's Future Industries – New Energy Technologies Discussion Paper

Introduction

Council welcomes the identification of new energy technologies as one of the Victorian Government's eight priority economic growth sectors and is pleased to provide a response to the Victoria's Future Industries – New Energy Technologies Discussion Paper.

Hobsons Bay, located in the western region of Melbourne is uniquely placed to capitalise on the growth of this sector; having a strong association with the traditional energy industry (home to Viva Energy, Mobil and Caltex) a well-established and growing base of advanced manufacturing and engineering companies, a skilled workforce, and a supply of well located industrial land and premises.

Innovation and diversification is important for all companies within Hobsons Bay to create a resilient and diverse economy but none more so than those within the supply chain for transition industries such as automotive manufacturing and ship building. Opportunities for these companies to tap into future growth sectors, such as new energy technology, will be imperative to their future economic success.

Council is committed to working with the Victorian Government to support local businesses in capitalising on these opportunities. The recent launch of the Victorian Automotive Transition Plan is a positive step forward and will hopefully play a lead role in forging links and opportunities across these sectors.

Comments are provided below in response to the questions within the discussion paper that are most relevant to Council.

4. Where are the greatest opportunities for the local manufacture of equipment relating to energy data and management, renewable energy and energy efficiency improvement? What is the likely scale of these opportunities?

In Hobsons Bay and the wider western Melbourne region, the greatest opportunities that exist in relation to growth of the new energy technology sector are three-fold.

Firstly, manufacturing contributes over \$24bn of economic output for Melbourne's West and is worth over \$7.6bn to the local economy in Hobsons Bay, representing 54 per cent of total economic output within the municipality (*Remplan August 2015*). The local strength in this sector provides an opportunity for existing advanced manufacturing and engineering companies to diversify and take advantage of growth opportunities within new energy technologies, such as the ability to develop and construct renewable energy equipment and components.

Secondly, there is the opportunity for high skilled workers, particularly those employed in transition industries such as automotive and ship building (over 4,300 people are employed in the transport equipment and parts manufacturing sector in Hobsons Bay) to transfer these skills into the production of high tech, advanced renewable energy



equipment and components. There are many other businesses that have expertise that would also allow expansion and diversification into new energy technology sectors; however they are likely to need assistance, at least initially, to make these steps. The Victorian Government should provide direct assistance in guiding and mentoring businesses through an expansion or diversification process. This should include assistance with business planning and market analysis, streamlining regulatory processes and facilitating conversations between stakeholders in relevant sectors to ensure first-hand experiences are being shared to the benefit of all.

Thirdly, Hobsons Bay and the wider western Melbourne region provides a supply of suitable and available land and premises in close proximity to major transport infrastructure, including the Port of Melbourne, providing several advantages for companies to locate and expand their operations within the municipality.

5. What barriers face Victorian business in providing smart meter-enabled products, services and solutions? Is there a role for the Victorian Government to help businesses address these barriers and, if so, what actions should the Victorian Government consider?

One of the key barriers that is likely to impact on businesses effectively providing smart meter-enabled products, services and solutions is the lack of understanding or 'energy literacy' of consumers. It is Council's experience that many households and businesses have a limited understanding of the basic concepts included on their energy bill (e.g. what a kilowatt-hour or mega joule is) and therefore don't have the knowledge and understanding to make informed decisions regarding new technologies and their benefits, limitations and suitability.

The Victorian Government should take an active role in delivering programs, services and funding to improve basic 'energy literacy' throughout the community.

6. Are new community-owned and co-operative business models legitimate alternatives to conventional commercial projects, or is there a role for Government in specifically seeking to promote and assist the development of this emerging sector? If there is a role for Government, what types of assistance are appropriate as compared to standard commercial enterprises?

New community-owned and co-operative business models are legitimate alternatives to conventional commercial projects. The Victorian Government could play a lead role in assisting local government to conduct due diligence and assess the feasibility of proposals for new community-owned and co-operative business models.



The Victorian Government should also assist community groups and co-operatives to navigate regulatory requirements and facilitate discussions with utilities and other relevant regulatory bodies or government departments.

16. What more could be done regarding investment attraction and facilitation relating to the:

- **design and construction of large-scale renewable energy facilities**
- **installation of small-scale renewable energy technologies**
- **installation of energy storage technologies**
- **installation of energy efficiency technologies?**

The Victorian Government should develop and offer a suite of supporting initiatives to facilitate these actions. This may include:

- allocate funding to collaborative research and development in the sector to ensure that the most effective methods and delivery models are being utilised to design, construct, install and operate new energy technologies
- provide funding or facilitate access to a range of finance options for the design, construction and installation of new energy technologies
- provide information to consumers to ensure they understand risks and benefits associated with local projects, investments and engaging new technology suppliers
- consider reviewing and increasing minimum energy performance standards for the design, manufacture and operation of energy related products and services
- consider reviewing construction codes and Environmental Sustainability Design standards to increase minimum energy performance standards, including onsite renewable energy generation, energy efficiency and energy storage targets to put Victoria on par with global best practice standards

21. What policy or regulatory reform should the Victorian Government consider that will support and grow investment and assist Victoria's new energy technology businesses expand?

The Victorian Government should consider reviewing and increasing minimum energy performance standards for the design, manufacture and operation of energy related products and services. Where this may be outside the Victorian Government's ability, it should advocate for change with the relevant regulatory bodies. This may include areas such as environmentally sustainable design requirements for buildings, energy tariffs, planning controls and disclosure of appliance and equipment performance.

22. How could the Victorian Government work with businesses, research and educational institutions to identify opportunities for the development of a new energy technologies industry hub?

The creation of a Victorian centre of excellence for renewable energy would provide a focal point for bringing together relevant industry, research institutions and government



organisations (state and local) to facilitate the commercialisation of new energy technologies. This could provide the platform for the development, demonstration, roll out and grid integration of renewable energy technologies across the state and build on best practice (policy and project implementation) from Australia and internationally.

The Victorian Government should work collaboratively with leading Victorian businesses, research and educational institutions within the sector to establish a sector advisory board to provide expertise and advice on how an industry hub could be developed. This partnership should also work closely with local governments, who have well established relationships with their business communities and an understanding of local issues and opportunities around this sector.

Council has worked collaboratively to deliver sustainability initiatives to local businesses, including energy and water assessments delivered in partnership with City West Water and Toyota. This aims to identify process improvements and provides best practice advice to improve local businesses. This type of project collaboration highlights the valuable role local government can play in building effective working partnerships with the private sector at the local level.