

# The Canberra Times

## Winds of change: reforms coming for renewable energy

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Wind creates 13.4 per cent of Australia's energy but all of it is generated by turbines on land.  
Photo: James Ross/AAP PHOTOS

Any map will suggest Australia, an island nation with the world's sixth largest coastline, is a natural candidate for offshore wind projects.

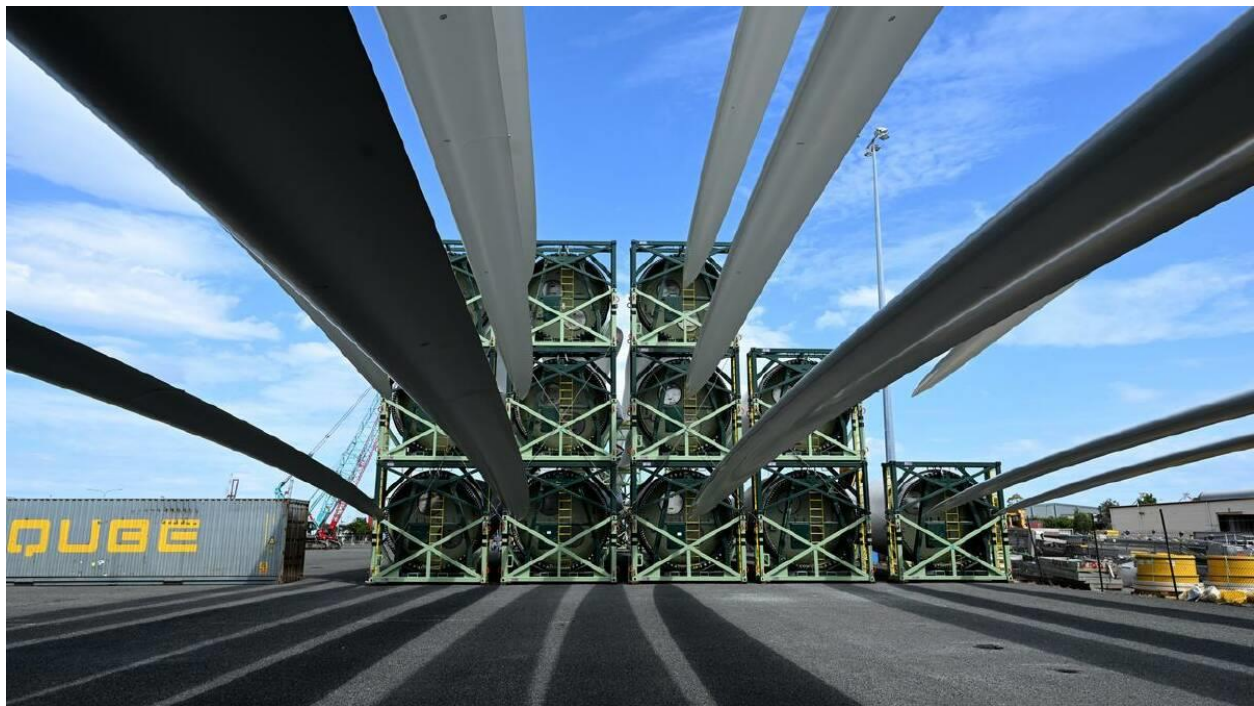
While rooftop solar leads the way in our energy generation, wind turbines could keep the lights on in thousands of homes with just a few ventures, according to Rewiring Australia chief executive Francis Vierboom.

"Offshore wind is a great opportunity to get a lot of energy into the system that's renewable," he says.

"It will be critical for Victoria's ability to turn off coal and it will play a similar role if we can make it happen in Newcastle where there are bigger power stations."

But strong headwinds have struck the technology, with companies backing out of multibillion-dollar projects off the NSW and Victorian coasts in recent weeks, rising construction costs and waning support in the US.

Changes being proposed by the federal government could make it easier for companies to assess offshore projects but experts say Australia may still need to change the direction of its plans.



Offshore wind technology could give Australia a big energy boost but projects are facing obstacles. (Darren England/AAP PHOTOS)

Wind is used to generate more than 1174 gigawatts of power around the globe, according to the [World Wind Energy Association](#), with China leading the way by a large margin followed by the US and Germany.

In Australia, wind creates 13.4 per cent of energy in the national grid but all of it is created by turbines on land.

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By installing turbines 10-30km off the coast, Climate Council spokesman Greg Bourne says the technology could play a significant role in swapping fossil fuel for renewable energy.

"Wind is going to play as much of a role as solar," he tells AAP.

"The sun does go down but the wind tends to blow day and night and therefore it has a portfolio effect which becomes very, very beneficial."

[Six areas](#) off NSW, Victoria, Western Australia and Tasmania have been declared offshore wind zones, ready for development.

But each is different, Mr Bourne says. Shallow waters are available in some like Gippsland in Victoria and Bunbury in WA and are suitable for fixed, gravity-based turbines. Others with deeper water would require floating constructions.

"Floating structures are much more expensive and you really need to know that you can get your project away," he says.



Deeper water offshore farms require more expensive floating constructions. (AP PHOTO)

Two major offshore wind projects proposed for Australia have been abandoned in recent weeks, including a \$10 billion development that would have been the first to deploy floating turbines.

Norwegian firm Equinor that had backed the [Novocastrian Offshore Wind Farm](#), to be located off Newcastle and Port Stephens, withdrew from a feasibility licence in August, leaving its Australian partner, Oceanex, unable to pursue it.

A second \$10 billion offshore wind project, called [Gippsland Dawn](#), shut down in July when a shareholder behind Blue Float Energy decided the industry was no longer commercially viable.

Around the world, offshore wind projects suffered an 18 per cent decline outside China during 2024 and the US government has since withdrawn approvals from several existing projects.

Danish firm Orsted has launched a lawsuit against the administration this week for preventing work on its offshore wind project when it was 80 per cent complete.

The market instability is making companies rethink investments in the technology, Climate Energy Finance director Tim Buckley says.

"We've just had a reality check from Trump destroying offshore wind in the US," he says.

"Offshore wind is going to be a very financially challenged proposition here in Australia."



Orsted has launched a lawsuit after work was halted on a project that was 80 per cent complete. (AP PHOTO)

Combined with inflated construction costs and untested floating turbine technology, he says, offshore wind is unlikely to play a role in helping Australia reach its target of 82 per cent renewable energy by 2030 but could help to tackle the remaining 18 per cent.

"Offshore wind could play a key role if Australia decides we are going to go to 100 per cent decarbonised electricity by 2040.

"It probably be the last five per cent."

To boost the technology's potential, federal Energy Minister Chris Bowen last month launched a [public consultation for 10-year research and demonstration licences](#) in declared zones.

Licences would allow companies to use monitoring equipment in dedicated areas, such as specialised buoys, before applying for a feasibility licence.

Satya Tanner, who leads the Australian arm of offshore wind consulting firm LAUTECH, says companies who seek to develop Australian projects take significant financial risks, betting on both environmental conditions and off-take agreements from state governments.



Chris Bowen: while floating offshore wind is nearing commercialisation, there's more to do.  
(Lukas Coch/AAP PHOTOS)

Introducing a less costly path into the industry could boost its chance of success, she says, particularly if financial assistance follows.

"Some R&D licences will allow us a bit more poking around without having to commit to a full project and I think that's a really great idea," Ms Tanner says.

"It's a bit like walking in the fog and only being able to see three steps ahead and an R&D opportunity would give you the ability to see a bit more than three steps ahead."

Australia will need a lot more renewable energy to reduce emissions from its biggest exports, such as iron ore, she says, and offshore wind projects could ensure continued export revenue and jobs in smelters and steelworks.

"If we do not make this shift towards clean electricity-based exports then it's not looking good for our economic future," Ms Tanner says.

*Australian Associated Press*

<https://www.canberratimes.com.au/story/9059451/winds-of-change-reforms-coming-for-renewable-energy/>