

Goldwind Australia

Wind towers exported from China and Korea

Voluntary Submission

Document Version History

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1.0	11/10/2013	Review			

1 Introduction

In August 2013, an application was lodged by two local Australian producers of wind towers to the ADC for duties to be applied to towers imported from China and Korea.

One of the projects referred to in that application is the 73 turbine Gullen Range Project near Goulburn in New South Wales. Goldwind Australia Pty Ltd (Goldwind Australia) is developing this project and the ADC has contacted Goldwind Australia seeking information in relation to the wind towers used in the project which are sourced both from Australian and international suppliers. Goldwind Australia is providing this submission in connection with that request.

2 Goldwind Australia Pty Ltd and its activities

Goldwind Australia was established in order to contribute to the achievement of the Australian Government's 2020 Renewable Energy Target. Goldwind Australia's parent company produces technically advanced, Permanent Magnet Direct-drive wind turbines to power renewable energy generation projects throughout the world.

The Goldwind Australia business in Australia is focused on both selling Goldwind turbines directly to third parties and the construction of whole wind farm projects using Goldwind wind turbines. Goldwind Australia has made significant investments in Australia, developing a local Australian capability and investing in two major wind farms, making a significant contribution to the Australian Government's renewable energy target. Our wind farm projects are designed to achieve these goals and to contribute to local communities.

Goldwind Australia's first wind farm project was the Mortons Lane Wind Farm. Mortons Lane Wind Farm is located in Victoria and was completed in January 2013. This wind farm includes 13 Goldwind 1.5MW wind turbines totaling 19.5 MW installed capacity and generates enough renewable energy into the National Electricity Grid to power the equivalent of 17,000 houses. All 13 towers for the Mortons Lane Wind Farm were sourced locally and indeed the whole project achieved a very high level of local content at 69%.

Goldwind Australia's second project is the Gullen Range Wind Farm. At Gullen Range Wind Farm, Goldwind Australia is installing 73 turbines including both 1.5 MW and 2.5 MW wind turbines. The 165.5 MW Gullen Range Wind Farm is at an advanced stage of construction with the transmission connection commissioned, all foundations now poured and 20 wind turbines installed. This project will provide approximately 500 GWh per year of renewable energy for 20 years. This is the equivalent of reducing greenhouse gas emissions by more than 500,000 tonnes of carbon dioxide per year. During construction, the project created a peak of 115 jobs (70% from the local community) and going forward the project will continue to support 15 ongoing jobs.



At Gullen Range Wind farm, Goldwind Australia invited a range of parties to tender to supply towers. Orders were won by both an Australian based production facility for 17 towers and a Chinese based production facility for 56 towers. In addition, for the 56 imported towers, local tower fit out services were secured from the Australian wind tower industry. Overall, even though key contracts were awarded during a period in which the Australian dollar reached unprecedented levels, the Gullen Range project will achieve approximately 47% local content by value.

These substantial expenditures at Gullen Range and Mortons Lane are making a significant contribution to creating and maintaining high quality local skilled employment opportunities both within the wind industry and more generally.

3 Our global corporate group

Our presence in Australia reflects the high priority that the Australian Government places on increasing the country’s engagement and interaction within the APEC region.

Goldwind Australia is a wholly owned subsidiary of Goldwind International Limited, a Hong Kong based company, that is a majority owned subsidiary of Xinjiang Goldwind Science & Technology Co Ltd (Xinjiang Goldwind) based in China.

Xinjiang Goldwind is a manufacturer of advanced wind turbine technology sourced from German company (Vensys Energy AG) in which the group has made a substantial investment. This turbine technology is a ‘gear-free’ technology that reduces maintenance costs.



Xinjiang Goldwind Science & Technology started operations in the far Western Chinese provincial capital of Urumqi, Xinjiang. It has grown to become a significant national business in the highly competitive Chinese wind industry. Through its activities, significant quantities of Chinese greenhouse gas emissions have been avoided to the benefit of the global environment.

Goldwind International has other subsidiaries building wind farm projects in other countries. As in Australia, our sister companies procure locally where possible.

When constructing Australian wind farms, Goldwind Australia has access to high quality designs and significant accumulated expertise from the broader Goldwind global group of companies. These designs benefit from the accumulated experience of the projects undertaken globally by the group.

4 Procurement at Goldwind Australia

Goldwind Australia's procurement priorities are focused on:

- **Quality:** including the implementation of best practice Australian and international standards;
- **Supporting local Australian industry:** which is consistent with the strong preference of our own customers; and
- **Ensuring cost competitive sourcing:** supplying our customers on a cost competitive basis ultimately helps to participate in the renewable energy supply chain to control energy costs for the eight million customers connected to the National Electricity Market in Queensland, NSW, the ACT, Victoria, Tasmania and South Australia.



In summary, Goldwind Australia has sourced competitive supply options for towers and other inputs to wind farms. This has been achieved through a combination of competitive local and competitive imported components.

This has resulted in relatively high levels of local content for both the Morton's Lane Wind Farm and the Gullen Range Wind Farm.

Goldwind is proud to have delivered our first 2 wind farms with the support and assistance of major local manufacturers and contractors including:

- Wilson Transformers
- Keppel Prince Engineering
- Australian Radio Towers
- Prysmian Cables
- Civil and Allied Technical Construction (CATCON)
- Consolidated Power Projects (CPP)

5 Towers

Goldwind Australia does not manufacture towers for wind turbines and nor do any companies within the broader Goldwind group in Australia or any other country.

The procurement of wind towers is important to Goldwind Australia both when we are building our own projects and when we supply turbines to other project developers because they are designed and built to match our own proprietary turbine designs.

We are proud to be working with the Portland Victoria based facility of global engineering firm, Keppel Prince, on the Gullen Range Project. Keppel Prince is one of our two tower suppliers and is a provider of other services to our wind projects. Keppel Prince has supplied all the wind towers for our GW82 1.5 MW turbines for both of our Australian projects (Mortons Lane Wind Farm and Gullen Range Wind Farm).

6 Summary

Goldwind seeks to maximize local content in our wind farm projects by procuring products and services from locally based suppliers through the Goldwind Australia project management teams. Globalisation through localization is a company policy driven by senior management.

Goldwind competes in a very competitive market for renewable energy and as such we have an interest in seeing our local suppliers being efficient, globally competitive and providing value for money. The scale of the Australian wind power market and the turbulence in the Australian renewable energy policy has created challenges for Australian wind industry participants.