

6 February 2011

Department of the Senate PO Box 6100 Parliament House Canberra ACT 2600 Australia

Dear Senators,

The Social and Economic Impact of Rural Wind Farms

Thank you for the opportunity to make a submission on the social and economic impacts of wind energy. Our involvement with the wind energy industry goes back to May 2002 when we met our first wind energy developer, Wind Power Pty Ltd. Over the years we have studied the industry closely. These studies have ranged from the politics of wind, the inefficiencies, costs and the impacts on people and fauna. We would welcome the opportunity of presenting to the committee more detail on these findings.

Over the past 9 years our community at Tarwin Lower/Walkerville on the coast of South Gippsland has spent tens of thousands of dollars and hundreds of hours fighting the developer and the state government. This is money that no longer goes to the Red Cross, the footy club or help with school fees. This is time not spent with children, working or playing sport. There is a social impact here.

Over 1,500 individuals objected to the facility. Opposition was received from parties as diverse as The South Gippsland Shire Council, The National Trust, The South Gippsland Conservation Society, The Greens (Vic), The Victorian National Parks Association, to name a few. The current developer, Mitsui and Co were blatantly dishonest in claiming widespread community support for the project.

Neighbours stopped talking, signs were vandalized, threats of violence were issued by the developer. Donations were hurriedly made by the developer to the bowls club ( a technique perfected by Pacific Hydro in purchasing support with money they get from tax payers anyway).

Our studies have led us to conclude that wind energy does not live up to its promise and we recommend the Senate review in detail:

the subsidies provided to the wind industry

the claims of job creation

and in particular review the actual emissions saved by wind energy versus the claims by the industry not via desktop study, but through real measurement of generator shutdown when the wind is blowing

The economic impact of the cost of infrastructure upgrades and the loss of jobs as a result of higher energy costs.

There are a number of social and economic impacts of wind energy, some are listed below and details provided under separate headings:

Wind energy has a material impact on neighbours' enjoyment of their surroundings.

Wind turbines devalue neighbouring properties and make properties hard to sell.

Wind energy drives up the cost of electricity.

Wind energy companies claim social benefits in terms of job creation and reduction in emissions.

In their pursuit for windy sites to maximise profit wind companies have successfully seduced a number of political figures to their cause, particularly those in the Rann and Brumby governments and more recently in the Rudd/Gillard governments. What stands out is an obvious avoidance of any scrutiny of emissions reductions, impacts on neighbours and real economic outcomes.

The wind industry always claims that there are “no peer reviewed studies” to support issues raised against them. We say, “there is no peer reviewed study to show this industry does anything to materially reduce emissions from stationary energy production”. In fact the reality in Germany and Denmark shows no impact, apart from a massive drain on the public purse, and creation of highly subsidized, unviable jobs.

The wind industry have become masters at producing surveys and studies to support their product. These are not independent. They talk of job creation but do not look at the other side of the balance sheet on the jobs destroyed by their direct cost on the economy. Their subsidy is equivalent to smashing windows to create jobs for glaziers. The worst thing is that their product is so unreliable.

In Denmark wind energy is exported at loss to neighbouring countries and a premium paid for imported, reliable energy. See: for a fully referenced paper on the problems with wind.

Wind Energy Impact on Neighbours' Amenity.

When people object to a wind energy proposal and its impact on views, the landscape and noise the standard response from developers and the industry body is that “they will get used to it”. This unfortunate stance has been adopted by Planning Panels Victoria in approving virtually every single application they have seen. The reality is different and is supported by the following actions by the wind industry themselves. In many cases the people involved had to sign confidentiality agreements and the the enquiry members should question why this is so, given the apparently benign impacts quoted by the wind industry.

At Toora, South Gippsland.

Stanwell Corporation paid compensation to \_\_\_\_\_, in excess of \$100,000, after they made regular complaints about the noise from the generators and in particular their struggle to sell their property (over 200 inspections) in a booming market. The Hursts had to sign a confidentiality agreement. Why?

Stanwell bought the home of \_\_\_\_\_, initially a strong supporter of wind energy, and demolished the property. Why?

Here is a picture of \_\_\_\_\_' house after the wind company bought it. Why does the wind industry not acknowledge this?

Stanwell also bought the property of \_\_\_\_\_, a person who hosted turbines on her property. Why?

Stanwell paid compensation to \_\_\_\_\_ and \_\_\_\_\_ whose house at Toora was surrounded by turbines. Why?

All the way these people suffered the impacts of the turbines for years on their daily lives. The developer denied their claims over and over and the wind industry and the Victorian Labor Government denied there was a problem. If this was the case, why was compensation and demolition Stanwell's answer to the issues raised? This is a social impact. The industry uses media spin and money to hide their dirty little secrets.

At Waubra.

The issues with Acciona Energy's wind facility have been well documented and subject to scrutiny in the media. The case of Trish Godfrey is of particular interest. Following her repeated complaints of impacts, that the wind industry claims do not exist, Acciona has paid off Ms Godfrey, who is now bound by a confidentiality agreement. Why?

Here is the link to Trish Godfrey's story as told to ABC Stateline:

Here's a quote: "TRISH GODFREY, WAUBRA RESIDENT: Basically, the best way I can describe it is that you feel that you've got motion sickness, but it's not just for a little while, it's all the time in varying degrees, depending on how much you're getting blasted. Today is particularly bad. It feels like my head is in a vice. I can't remember last night that I had a full night's sleep. Usually we wake up at least five or six times during the night".

Why did Acciona buy her out if they denied the impacts in the article?

At Codrington:

The original family who hosted Pacific Hydro's turbines at Codrington made a submission to the Portland Wind Energy Project. In it they stated that the turbines were killing birds, made excessive noise and also made it difficult to sell their property.

The Role of the EPA in Victoria.

The EPA recently commissioned a study into impact of noise in rural areas. They specifically excluded noise from wind turbines from their study. Why? This stinks of political interference within a statutory body. That is a social impact when the independence of a statutory body appears compromised.

The National Health and Medical Research Council paper on health impacts of wind energy.

This report came out of the blue and one wonders who commissioned it? The wind industry loves to quote from it, yet it is not peer reviewed. In fact, if you ask the NHMRC for details of their research and any empirical evidence to support their theories they have none. What is really damning of their report is that they did not consult with any of the people who have been bought out by wind companies. They did not consult Dr David Iser from Foster, South Gippsland, who has treated a number of people suffering impacts from turbines. Why not? They were given his details?

They also will not acknowledge any liability for the contents of their report nor accept liability for impacts on people who rely on their findings. There is a social impact when a supposedly professional body looks the other way.

Devaluation of neighbouring properties.

The wind industry consistently claims that there is no evidence turbines devalue neighbouring properties. The one consistency here is that the wind industry has avoided doing the studies. It was reported in the Herald Sun on the 3rd of February 2011 that a senior consultant with Elders Rural Services stated that turbines have the capacity to devalue a property by between 30-50%. He likened wind turbines to the same impact that a piggery may have on a property.

The experience at Toora, in receiving compensation from Stanwell, suggests they did not receive a market price for their property. This devaluation was clearly highlighted and evidenced by their council rates notice that showed a reduction in the capital improved valuation of their property when most other properties in the shire received increased valuations. The wind industry peak body and a number of their members are well aware of this fact, but continue to deny.

At Tarwin/Walkerville, South Gippsland, site of the proposed Bald Hills facility and neighbor to the facility, Noel Uren, has been instructed by the South Gippsland Shire Council that the section 178 agreement of a subdivision on his property must include

wording on the title that a wind facility is proposed nearby and that there may be impacts. These devaluations have a material social impact on farmers who rely on the equity in their properties to borrow from banks to fund their operations and ultimately on the sale of these properties to fund their retirement. There is also a massive social impact in terms of the stress neighbours endure as they see their asset base wiped out, usually by some faceless industry super fund or overseas speculators such as Investec Bank or R.E.S. This view is supported by a rural property expert in the Herald Sun of 6 February, who states: "THERE is 'no doubt' wind farms have a negative effect on the value of adjoining properties, according to a senior rural real estate agent. Elders Rural Services national sales manager said the towers were seen by most of the market as 'repulsive' and could lead to a 30 to 50 per cent drop in the value of the land." See:

#### Wind Energy Drives up the Cost of Electricity.

The facts speak for themselves. The wholesale average cost of production of energy in Victoria ranges between \$30-\$40 per megawatt hour. Wind energy is now quoted as having a cost of production in excess of \$100/mwh, more than three times. It is simply expensive and this has a social cost.

Every increase in electricity prices hurts every aspect of our community and business. Whilst some costs are unavoidable, such as network upgrades, there is a long-term, quantifiable benefit. There is no material, substantiated, benefit from wind energy and the cost it imposes on all consumers.

The wind industry often spins out quotes such as "wind will only cost a cup of coffee a week". This is simply unacceptable. Imagine if every unviable business operated on the same model? Eg: My product is expensive, inefficient and unviable but subsidise me because I can claim some 'green' benefits.

There is another insidious social impact to wind energy and this is the role played by industry super funds. Through extensive lobbying of the Bracks Labor Government, and unprecedented access to high yielding sites, a subsidy regime was created that created outstanding yields on wind investments. The initial modeling done for the Victorian Government called for a policy that would give access to sites that would produce a return on capital of 13%, currently more than double the current treasury bill rate.

The industry super funds didn't have to be asked twice and rapidly moved on the market. There is no issue with taking a risk in a market, but there is a matter of simple social equity when dealing with a highly subsidized (unviable) product that enriches a small sector at the expense of others.

The Senate may well wish to look at those closely connected to the industry super funds who are now in a position to influence the current government from positions within bodies such as Infrastructure Australia for the benefit of their members at the expense of the tax payer.

#### Claims of Job Creation and Emissions Reductions.

The wind industry uses these two claims to justify many of their actions, including destruction of treasured landscapes, such as Cape Bridgewater, destruction of rural community harmony and slaughter of native fauna. The truth is these are often hollow promises:

On job creation, Pacific Hydro Ltd, spruiked the creation of over 2,500 local jobs if they were allowed to build the Portland Wind Energy Project. A turbine manufacturer, NEG Micon (now Vestas Wind) promised a blade manufacturing facility for Portland. Vestas also promised a nacelle manufacturing plant for Tasmania. These projects did proceed, briefly. Local employees were initially delighted to get these jobs however their joy was short lived as Vestas very quickly closed both facilities. But not before banking many millions of taxpayer dollars in tax credits.

There is a social impact in building up community expectations and then dropping them in favour of building blade factories in China. There is a social impact in taking tax credits and not delivering a long term return.

Pacific Hydro's 2,500 jobs from PWEP never eventuated.

The claims of emission reductions from the production of wind energy is the holy grail of this industry. In their minds, and the minds of eco-zealots and some politicians, it justifies their expensive and incessant demands for higher subsidies. It justifies their demands for access to windy sites. It justifies their destruction of neighbouring amenity. It justifies their slaughter of wedge-tailed eagles. And yet they are unwilling to prove their claims. Labor governments in Victoria, South Australia, Tasmania and New South Wales have all promoted wind energy as a green, job-creating, salve to their inner-city eco credentials. Collectively they have avoided any empirical study on the true impacts of wind energy on emissions reductions.

Evidence from electricity monitoring shows that more often than not the wind does not blow on hot days. It has been ignored by the wind industry and government. The former GM of the Sustainable Energy Authority of Victoria, Megan Wheatley, stated at the Yallock panel hearing "we have no way of measuring the impact of wind on La Trobe Valley generators". Her CEO, David Young, stated at the Bald Hills panel hearing 'we will not know if wind energy works until we build them'. Upon this the Victorian Labor government claimed emission reductions of 1.4 tonnes of CO2 equivalent for every megawatt hour of wind generation. A figure that has been disputed by their own consultants McLennan Magasanik and Associates who claimed some 40% less in a desktop study.

In the United Kingdom the wind industry was forced to restate the CO2 benefits of wind, down by 50% of that previously claimed. There has been no real study of the impacts in Australia, aside from some desktop studies by economic modelers.

There are broader social environmental impacts from wind energy. The following article highlights the toxic waste issues in the production of wind turbine parts in China. It doesn't appear in any of the wind industry websites' environment declarations. The Clean Energy Council spruiks it's calculation of the embedded CO2 in the construction of wind turbines. They haven't included the toxic waste their magnets produce. The social impacts are not confined to our shores. See the following article on the impacts of turbine component manufacture in China. We quote:

"This toxic lake poisons Chinese farmers, their children and their land. It is what's left behind after making the magnets for Britain's latest wind turbines... and, as a special Live investigation reveals, is merely one of a multitude of environmental sins committed in the name of our new green Jerusalem" Read more:

Wind is an intermittent and unreliable source of energy, practically useless in a modern society. This is highlighted in a recent article in The Australian at:

To quote "While this might sound like a green gold rush, there are serious questions about the alternative generators' impact on the reliability of the power system. By definition, renewables such as the wind and sun are intermittent. Last Monday in South Australia at 4.30pm, extreme heat led electricity demand in the state to reach a record 3399 megawatts; of that, just 49MW was met with wind. "The wind farmers will get upset; they say, 'You are always quoting these numbers at the peak time', but that's the reality for us. I have to meet the peak assuming that there's hardly any wind there. Because otherwise you will have issues regarding security, reliability and so on," Zema says.

For an outstanding, amusing and simple explanation of the wind industry refer to Dick and Jane Talk Wind Power

In conclusion, thank you for the opportunity of being able to tell some of our story. This enquiry is well overdue and the costs of the current subsidy programs dwarf that of the pink batts debacle, yet it is motivated by the same underlying misguided policy of 'because it is green, it must be good'. It isn't about being green, it is about being greedy.

Yours faithfully,

Tim & Heather Le Roy & family.