



West Hills Farm Pty. Ltd.

ACN 009 293 681
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Monday, 31 January 2011

Senator Rachel Siewert
Senate Community Affairs Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Senator Siewert

The Social and Economic Impact of Rural Wind Farms

West Hills Farm Pty Ltd is a family run business that is currently installing five, five hundred kilowatt wind turbines to supply electricity to our carrot growing and processing operation. The turbines will be installed by late 2011.

The West Hills Farm is located in a rural area near the coastal town of Lancelin, Western Australia. Lancelin is renowned for its high winds and is popular with national and international kite-surfing and windsurfing enthusiasts.

The West Hills operation harvests and processes carrots for domestic and export markets from 23 x 40ha center pivot irrigators. The operation employs 70-80 staff directly.

Electricity prices have been rising in Western Australia over the last 18 months and a further 15% increase is expected for late 2011. West Hills Farm spent over \$1,000,000 on electricity in the last financial year. Wind speed monitoring has shown a good match between periods of high electricity use and high wind speed.

The wind farm is expected to meet 70% of the annual electricity load and offset the need to purchase electricity from the South West Interconnected System; thereby reducing associated greenhouse gas emissions by some 4,650 tonnes per year.

The embedded nature of the wind farm will be unique in Australia and is bound to attract interest from other horticulturalists. Typically, in the Australian context, wind farms are either large-scale installations that are owned by companies whose core business is energy production or remote, off-grid energy facilities.

We would like to sum up our experiences from this development within the terms of reference of this Inquiry.

Any adverse health effects for people living in close proximity to wind farms:

During our research prior to committing to this project, we were unable to find any compelling evidence that would lead us to believe there would be an adverse effect on the health and wellbeing

of our staff. It was of particular importance that we were satisfied that there would be no adverse health effects as we have staff living on site.

Concerns over the excessive noise and vibrations emitted by wind farms, which are in close proximity to people's homes:

We don't have any concerns over the sound levels generated by the wind turbines and don't believe it will have any negative impact on our operations. In order to make sure that we were informed about the likely noise level, we took practical measures beyond the normal noise studies by visiting a number of wind farms including a farm composed of the same model of turbines we will be using. We found the noise levels of the wind turbines to be compatible with the rural environment and consider that they will have no adverse impact on farm staff.

The impact of rural wind farms on property values, employment opportunities and farm income:

We don't believe the wind farm will suppress land values, in fact people in the community we have met with believe that the development will stimulate growth in the area.

We believe that the project will create more on-farm jobs, as it will increase the skill base required to operate the wind farm and better manage our electricity load. Local electricity prices are rising and we have difficulty passing on local cost increases to our export customers. Reduced energy costs will improve our competitive position and assist in our growth and the sustainability of our operations.

West Hills Farm currently produces more carrots than could be absorbed by the domestic market. Its financial sustainability relies on it being able to enter export markets. Decreasing the carbon footprint of the farm enhances our capacity to continue to be viable in the global market, particularly in those markets where environmental audits of fresh produce are becoming commonplace.

Some of our domestic customers have already begun Carbon Accounting and we believe this a trend that will continue to grow as Australia moves to capture the cost of carbon in all parts of the supply chain. Our customers are very supportive of the wind farm development and are keenly aware of the need for their growers to have sustainable operations that underpin stable supply of produce.

In summary the use of renewable energy on site will increase the company's ability to market its goods both internationally and domestically as many buyers are factoring in the environmental impact of the product they are purchasing so as to align it with their corporate values, commitments they have made to their own customer base, or to meet government policy or statutory requirements.

The interface between Commonwealth, state and local planning laws as they pertain to wind farms:

The wind farm project has been a positive influence on our relationship with the local community and authorities. Both are aware of the need to foster renewable energy developments to meet sustainability objectives. The community, local and state governments are supportive of the use of renewable energy on our farm. We have received no objections during the planning approval process and the people we have met with have been very encouraging.

Other relevant matters:

The project is demonstrating to other growers the practical opportunities that embracing renewable energy presents. A number of local vegetable and olive growers have met with us to understand the project's potential. They are keenly watching to see the outcomes of the project as they are located within a similar wind resource and it is expected there will be the opportunity for them to adopt a similar methodology within their operations.

Our employees are interested and supportive of the installation of the wind farm. It is fair to say that our staff are keen to be part of the renewable energy story and this has created a lot of positive energy and enthusiasm among our staff.

Our involvement in the project has acted to heighten our understanding of the electricity supply equation and has made us more aware of a range of activities that we can do (beyond wind energy) to reduce our carbon footprint and better manage our electricity load.

Projects such as the West Hills wind farm demonstrate the viability of small-scale embedded wind farms and the resulting innovative commercial relationships between on-site generators and energy retailers. It is expected that this will facilitate the adoption of embedded renewable energy without the need for a "feed-in tariff" such as those that underpinned the development of the embedded generation market in countries such as Germany that has seen significant growth in on-farm renewable energy projects.

We receive strong support from large-scale wind energy developer Pacific Hydro, who are developing a wind farm nearby. They have shared their expertise and their resource assessment data with us, and this has been instrumental in giving us the confidence to pursue this project. The camaraderie within the industry has been a pleasure to experience.

Conclusion

We would like to thank Senator Fielding for allowing us the opportunity to share our experience with the development of our rural wind farm.

Regards,

Nick Tana
Managing Director