

10 February 2011

The Secretary
Senate Community Affairs References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

By email: community.affairs.sen@aph.gov.au

Dear Sir/Madam

Submission to the Inquiry into the Social and Economic Impact of Rural Wind Farms

Vestas - Australian Wind Technology Pty Ltd (**Vestas**) has supplied more than half of all the wind turbines installed in Australia. Our parent company in Denmark is the world's largest manufacturer of wind turbines, employing more than 20,000 people around the globe.

Vestas welcomes the opportunity to make a submission to the Senate Community Affairs References Committee Inquiry into the Social and Economic Impact of Rural Wind Farms. Wind farms in rural areas have contributed many jobs and boosted the prospects of many towns and districts across Australia, and with the Australian Government's 20% Renewable Energy Target (**RET**) in place, this is set to continue.

We are particularly pleased that the Senate will be able to focus upon and examine many of the false, defamatory and misleading claims of anti-wind energy groups who have gone to great lengths to divide rural communities and create fear among local residents in recent years.

Background

The Australian Government has a policy commitment that 20% of Australia's electricity supplies by the year 2020 will come from renewable energy.

The Government's RET scheme is an essential part of delivering this policy outcome. The key enabling legislation, the *Renewable Energy (Electricity) Act* was most recently amended by the Australian Parliament in June 2010.

As a member of the Clean Energy Council (**CEC**), Vestas is one of almost 500 businesses of all shapes and sizes, from start-ups to ASX 200 companies. The one thing all these companies have in common despite their many other diverse interests is they are all ready to invest in clean technology projects in Australia.

All of these companies want to unlock the huge renewable energy resources in Australia and help play our part in the global effort to respond to climate change.

Delivering the entire 20% RET will deliver at least 10,000 megawatts of new renewable energy projects, and around \$25 billion of total investment. Much of this is forecast to come from wind energy, as it is currently the most economically efficient form of renewable energy and can be delivered on a large scale to meet Australia's energy needs.

Wind energy projects emit no greenhouse gas pollution and have no ongoing fuel costs, making them excellent investments in a carbon-constrained world. Even better, wind energy uses barely any water to produce this carbon-free energy.

Vestas is a long-term global investor in this industry and we can see a solid pipeline of clean energy projects that will result in significant reductions in carbon pollution as well as more jobs in regional Australia – jobs that are sorely needed.

We are excited about the potential for renewable energy in Australia, and we are ready to build the projects needed to reach Australia's policy targets in this area.

Terms of Reference

The terms of reference for this Inquiry cover a lot of ground.

The Committee has been asked to inquire into “the social and economic impacts of rural wind farms”, and in particular:

- (a) Any adverse health effects for people living in close proximity to wind farms;
- (b) Concerns over the excessive noise and vibrations emitted by wind farms, which are in close proximity to people's homes;
- (c) The impact of rural wind farms on property values, employment opportunities and farm income;
- (d) The interface between Commonwealth, state and local planning laws as they pertain to wind farms; and
- (e) Any other relevant matters.

Our submission will be structured in line with these terms of reference.

In addition, Vestas is a member of the CEC, and we strongly endorse the CEC submission dated 28 January 2011.

False allegations regarding health impacts

Wind energy is one of the cleanest and most environmentally friendly ways of producing electricity in the world. The safety record of the industry is outstanding, and wind energy companies such as Vestas work hard to ensure the safety of their employees, contractors and people living in the local community.

This compares favourably with the long history of workplace injuries and deaths in, for example, the coal industry. Fossil fuels such as coal and oil have also been involved in numerous examples of environmental disasters, as well as long term damage to the health and well-being of both close neighbours and the community at large.

Activist groups such as the Landscape Guardians in Australia have been involved in a political campaign against wind farms in rural communities for some time now, in which they have made claims that wind farms are responsible for adverse health effects. Sarah Laurie, a political activist and self-described “medical director” for the secretive Waubra Foundation, has in recent times suggested that people up to 10 kilometres away are suffering as a result of living near wind farms.

In making these claims, people like Ms Laurie and the Landscape Guardians have dispensed with any serious attempts to put forward evidence to support their allegations. In the meantime, health agencies such as the National Health and Medical Research Council (**NHMRC**) in Australia and the National Health Service (**NHS**) in the United Kingdom have examined the issue and found no direct link between wind farms and the adverse health effects alleged by activist groups such as the Landscape Guardians. Similar statements have been made by Worksafe Victoria as well as Victoria’s Chief Medical Officer, John Carney.

However, the possibility of an *indirect* link between wind farms and claims of stress have been considered and accepted to some extent by these health agencies. This is a relevant finding for this Inquiry to consider.

Stress can occur for many reasons. Some people in rural areas where a wind farm is proposed may suffer some stress at the prospect of the development going ahead. This is particularly so if those same people have been subject to the aggressive and misleading campaigning by Landscape Guardians groups, who tell them that wind farms will reduce the value of their property and will have severe impacts on their health and the health of their children. An example of such material is attached to this submission.

As the NHMRC notes, *“it has been suggested that if people are worried about their health they may become anxious, causing stress related illnesses. These are genuine health effects arising from their worry, which arises from the wind turbine, even though the turbine may not objectively be a risk to health.”*

Before leaving this topic, it is also worth considering the validity of the so-called “evidence” put forward by the Landscape Guardians groups on this topic. Health professionals and acoustics experts have made public statements criticising the methods by which political activists such as Nina Pierpont in the United States and Sarah Laurie in Australia have managed to obtain statements from people who claim that wind farms have damaged their health.

Pierpont and Laurie continually refer to their communications material as “studies” in an attempt to confer some credibility on those statements, hoping that they will be viewed by the media and the community as reliable and peer-reviewed evidence that has been obtained in a way that is generally accepted by the medical and scientific communities.

Such claims are misleading and deceptive. If a political party contacts people in a marginal electorate and asks them “*do you approve or disapprove of candidate X’s corrupt behaviour?*” then this is commonly known as “push-polling” and is rejected as nothing more than a dubious political tactic rather than any genuine attempt to measure public opinion on a topic.

However, if Sarah Laurie visits a town, whips up hysteria against wind energy, then meets with people later on to record their claims about how sick they feel and blame this on a wind farm, she calls this a “study” and expects people to accept it as some kind of legitimate medical evidence to back her argument for wind energy to be abandoned in Australia.

Noise from wind farms

Noise is a relevant consideration in the siting of wind farms, as it can affect the well-being and lifestyle of those that live and work in and around wind farms.

Thankfully, Australia has some of the toughest noise limits for wind farms anywhere in the world. A recent study done for the CEC by acoustic consultants Sonus revealed this key fact when comparing relevant noise standards for wind farms in Australia and New Zealand with those elsewhere in the world, including established wind energy markets such as Europe and the USA. The study is referenced in the CEC submission to this Inquiry.

Economic impact of wind farms on property values, employment opportunities and farm income

While the wind industry is still relatively new in Australia, it has already made a big contribution to the local economies of many rural areas.

When a wind farm is built in a rural area, a large number of jobs are created and many of these are local jobs. These range from electrical and construction work, but also catering, security, maintenance, fencing and other jobs in associated service businesses.

Many towns that were dying have been revitalised.

Wind farms are a great way of diversifying farm incomes. Unlike coal mining or gas extraction, wind farms can and do co-exist with most kinds of farming and only involve significant disruption during the construction stage.

Farmers who host wind turbines on their land will typically negotiate lease agreements with the owner of the wind farm, which provides a stream of income over the life of the project. During Australia's long drought during the past decade, such payments were fondly referred to as "drought-proofing" and gave many farmers the stability they needed to ride out years of ruined crops or low prices for their livestock or produce.

Like all power stations, wind farms require regular maintenance so that they perform at their peak. Employees and contractors involved in maintenance of wind farms will often live in the local region, or require temporary accommodation in local motels and/or other facilities. They buy houses, they spend money in local businesses and they become part of the community.

A good summary of these benefits is set out in an economic impact assessment carried out for AGL Energy by Sinclair Knight Merz (**SKM**), which focused on the Hallett region in South Australia where a number of wind farms have been built. This is set out in the CEC submission to this Inquiry.

Vestas alone has more than 300 suppliers in rural Australia that participate in the wind energy value chain. Those businesses keep wind farms running smoothly, ensure they are operating safely, provide transport, meals and accommodation for our employees, and contribute to the overall economic boost of the kind described in the SKM report mentioned above.

Claims about wind farms decreasing property values have consistently been rejected by independent studies. The most recent, by the NSW Valuer General in late 2009, again found that wind farms have no discernable impact on property values. This report is attached to the CEC submission to this Inquiry.

This follows similar findings in overseas jurisdictions including the USA, Canada and the United Kingdom.

The interface between Commonwealth, state and local planning laws

Planning responsibility for wind farms in Australia is held by state governments. In some cases, this is delegated to local governments under legislation. The *Environmental Protection and Biodiversity Conservation Act* is an example of Commonwealth legislation that is also relevant here.

Over the past decade, the number of wind farms that have received planning approval has increased to the point where the relevant planning decision-makers now have access to a large body of evidence and precedents that help them make decisions in order to address matters such as flora and fauna protection, noise limits, visual amenity and other key factors.

The Environment Protection and Heritage Council (**EPHC**) has for some time been considering whether to introduce a further layer of regulation in the form of a set of draft National Wind Farm Development Guidelines.

If adopted, those Guidelines would not improve the planning system for any stakeholders, and would slow down investment and add costs to wind energy projects all across Australia.

Wind energy is the most cost-effective form of renewable energy, and is forecast to retain this status for many years to come. Any move to slow down the development of wind energy is effectively a move to increase electricity prices, because other forms of renewable energy (eg. geothermal, solar) cost far more and in many cases are simply not commercially ready for deployment.

The draft Guidelines are 208 pages of complexity and detail that neither advances the interests of the wind energy industry, the communities in which we work or the decision-makers who regulate our sector of the economy.

Rather than achieving their stated aim of codifying existing forms of regulation at state and federal level, or even streamlining them, the draft Guidelines add new requirements and hurdles that would make it more expensive and slower than ever before to develop a new wind farm in Australia.

There are sections of the draft Guidelines that expose the wind energy sector to new requirements that are not faced by any other form of economic activity in the country. For example, attempts to regulate low-frequency noise do not apply to any other kind of power station in Australia, let alone manufacturing activities or transport corridors.

For Australia to move from its existing level of renewable energy (currently less than 10%) up to the Government's target of 20% will require a concerted effort to attract the necessary investment in new renewable energy capacity. This is also the case with respect to reducing greenhouse emissions from the energy sector.

The draft Guidelines do not help Australia achieve these policy targets in any respect at all. In fact they are a model example of how not to encourage investment and jobs in clean energy. For the reasons above we recommend that the draft Guidelines be abandoned.

Any other relevant matters

One final matter worthy of consideration is the vexed issue of community support for wind farms.

Despite the ferocity of the anti-wind energy campaigning by groups such as the Landscape Guardians in recent years, public support for wind farms still remains at a very high level.

For example, a survey of 2000 people in rural New South Wales conducted by AMR Interactive for the NSW Department of Environment, Climate Change and Water in May-June 2010 found that 80% of those surveyed supported the construction of wind farms in their local area.

The survey results can be found at this web address:

http://www.environment.nsw.gov.au/resources/climatechange/10947WindFarms_Final.pdf

Appearing before the Committee

Vestas would be pleased to meet with Committee members or staff, or indeed appear before the Committee hearing, to discuss our submission and answer any other questions.

Site visits

We would also invite the Committee to visit any of our wind farms around rural Australia or meet with our suppliers and contractors to discuss the social and economic impacts of rural wind farms with them.

Contact details are on the covering email for this submission.

Yours sincerely,

[original signed]

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