

CCA

Collector Community Association
c/o 12 Bourke Street Collector NSW 2581
ABN: 67 694 374 743

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

10 February 2011

Re: The Social and Economic Impact of Rural Wind Farms

To whom it may concern,

The Collector Community Association (CCA) hereby makes its submission on the Senate enquiry on the social and economic impact of rural wind farms. It does so at a time when it is actively engaged in a planning process underway to determine whether a large wind farm be established in close proximity to the town of Collector.

The CCA was established in 2006 with the purpose to enhance the amenity of the Collector community.

Essentially, the CCA's position on the proposed wind farm is to be recognised as a key stakeholder and active participant in the planning process for the proposed wind farm to ensure that the outcome of the proposal, whether it succeeds or fails, remains aligned with the CCA's purpose.

To that end, the CCA makes the following observations about the process so far, with the headline note being that its major criticisms lie with the process itself. The core reason that rural communities faced by the prospect of wind turbines in their vicinity have genuine feelings of disenfranchisement, disempowerment; inequity and anxiety is that the process is so immature.

1. The model of community engagement for such a large (\$400 million) infrastructure project is poor, largely up to the proponent to drive, not backed by any legislative requirements that 'raise the bar' on the proponent; and falls well short of international best practice.¹
2. Because the model of engagement is so poor, it has caused an immediate community-wide concern where feelings of anxiety, helplessness, and disempowerment echo around the community. Often these reactions are quite extreme, and led to real divisiveness, which is not a desired outcome. Arguably, and although the evidence is not yet conclusive, one can come to the conclusion that the process itself leads to adverse mental health effects. The feeling of disempowerment is then only compounded following construction of the wind farm.

¹ For example: Delivering Community Benefits from Wind Energy Development: A Toolkit, UK Department of Trade and Industry, 2007 <http://www.cse.org.uk/pdf/pub1078.pdf>

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3. The model of engagement relies on uni-lateral communication, where the proponent controls the message, instead of multi-lateral stakeholder engagement (Council, Planning Department, Proponent, community representative) working together around a table to achieve consensus.
4. A requirement should be that proponents, at a minimum, engage independent specialist community consultation experts to work with all stakeholders to achieve consensus.
5. The planning regime does nothing to support the imbalance of resources to equip the community to achieve a better understanding of what is involved in such a large project impacting upon such a small community.
6. There is no layering of social mapping over wind resource mapping (apart from guideline distance setbacks) – in other words the siting of the proposed turbines are imposed, and do not evolve out of any real consultation – the consultation on siting should come first, so that the community feels like it has participated in the process. The CCA encourages the Senate enquiry to consider in its report a recent journal article by Hindmarsh, R – *‘Wind Farms and Community Engagement in Australia: A Critical Analysis for Policy Learning’*, East Asian Science, Technology and Society: An International Journal.²
7. The scale of proposed community benefit schemes is tiny compared to international standards, and the legislative planning scheme makes no provision for anything other than ‘motherhood’ requirements. For example, at a minimum in the UK, a baseline figure of community benefit is around 2,000 pounds per installed mw per annum, going into a fund established to benefit a defined community area within 15 kilometres of the turbine site. Once established, with relatively low running and maintenance costs, a large scale wind farm is, in the words of Infigen Energy’s CEO, a ‘high margin’ business³.
8. Point 6 above feeds into this point – the feeling among the community that the proposed wind farm has no obligation to be a ‘good neighbour’ – rather it is seen as a ‘profiting tenant’ that has taken away an amenity in a landscape that has resonance and meaning stretching back generations, to serve a power thirsty city population.

² A relevant extract from the abstract is as follows: ‘The conclusion is that current policy responses with regard to community engagement, which encourage a largely inform-consult participatory engagement approach, are inadequate. A more promising approach is the collaborative approach, which can also facilitate social mapping of local community qualifications and boundaries about wind farm location alongside technical mapping of wind resources. This is needed to identify the most socially, economically and technically viable locations to locate wind farms to ensure effective renewable energy transitions.’

³ ‘It’s a very high margin business, around about 80 per cent margin business that’s EBITDA margin business. Our fuel’s free, as you said, so the main costs are things like land leases, the connection charges that we have to pay to grid operators, and the operating and maintenance charges for the turbines. But those are very low, and as a consequence, it’s a very high margin business and therefore also a predictable cash flow business, based on the contracted revenues combined with low costs. And even those costs, even though they’re low, they’re relatively fixed.’ - Interview with Infigen Energy’s CEO Miles George by Alan Kohler on ABC’s Inside Business, 27/09/2009 - <http://www.abc.net.au/insidebusiness/content/2009/s2697649.htm>

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9. If the wind farm industry is a such a high margin business, then there is an absolute obligation for Governments to impose minimum community benefit standards to ensure that communities such as Collector, which has experienced a degradation of infrastructure due to a chronically underfunded local Council, despite a consistent population increase, are delivered a real alternative revenue stream.
10. One of the principal reason these projects are so profitable is because the Government has in place laws that force wind farm producer's customers to buy its products. By fairly redistributing some of those high profits into real community benefit schemes (as opposed to token motherhood schemes initiated by the proponent), the Government would be not merely enabling large corporations to make large profits out of its legislatively backed renewable energy schemes, but requiring those corporations to give back to impoverished, under resourced local communities that are the locations from which these large profits can be made.
11. A figure of 2% of annual revenue back into a well-structured (in terms of governance) fund with a defined beneficiary pool of within 15 kilometres of the wind turbines would provide a solid baseline for the Senate enquiry to consider and for state planning authorities to adopt.

In conclusion, the CCA respectfully submits that much work needs to be done to improve the model of community engagement and encourages the Senate enquiry to consider working towards a model that ensures local communities feel empowered rather than disenfranchised by the process. The CCA is doing its utmost with limited resources to try and 'raise the bar' well above the current minimum standards imposed by current planning laws, but it has no real power other than pushing the moral and ethical buttons of stakeholders in the process to drive a positive outcome, and to continually work to draw out and provide as much information as possible to ensure that the community is empowered to put pressure on the proponent and planning authorities to listen to their concerns and act on them.

Finally, the CCA thanks the Senate for the opportunity to make a submission to the enquiry into the Social and Economic Impact of Wind Farms.

Yours sincerely,

James McKay,
President
Collector Community Association.