

Crookwell 3 Wind Farm Socio-Economic

Purpose

Futureye Pty Ltd was engaged to conduct a socio-economic impact assessment of the proposed Crookwell 3 Wind Farm.

The purpose of the socio-economic characterisation was to establish the existing economic profile of the local area and identify the potential social and economic impacts that the proposed development could have on the local community and wider region.



International example of a wind farm

Key Findings and Impacts

Economic Impacts

The proposed Crookwell 3 Wind Farm will likely stimulate the economy in the Upper Lachlan Shire as a result of greater income generation and subsequent expenditure in the region.

It is anticipated that the proposed development would provide flow on economic benefits in terms of employment and commercial opportunities from economic investment along with the benefits of up-skilling of the local workforce.

Futureye anticipate that the positive economic contributions of the project would outweigh potential negative economic impacts, such as concerns regarding impact on property prices and potential property developments (e.g. subdivisions).

Employment

The proposed wind farm has the potential to create:

- 40 full time jobs during the construction phase
- 6 permanent jobs during the operational phase.
- further temporary employment for the decommissioning or re-powering of the site.
- up to 10 additional contractors once every 10 to 15 years as part of major site overhauls.

Capital Investment

The total capital investment for the Crookwell 3 Wind Farm is estimated to be approximately \$90-110 million. There would be an injection of capital investment spending into the region consisting of:

- construction and operation phase wages; and
- the purchase of local materials and services where available.

Previous wind farm construction in the area has involved a significant portion of locally sourced materials and employment due to large distances to other larger population centres.

The financial contribution proposed to be made to the Community Development Fund would be significant and would assist the Shire in funding local services and infrastructure.

Clean Energy Council 2012 Publication

A recent study *Investment, Employment and Carbon Abatement in Australia* (2012) revealed that the development of wind farms contribute significantly to investment, employment and emissions abatement, such as:

- Total local capital investment in Australian wind farms is \$4.25 billion (of a total \$7 billion).
- Potential further local investment in proposed wind farms is \$17.8 billion (of a total \$29.6 billion).
- Construction of a 50 MW wind farm would provide a gross value added of some \$50 million to a state.
- The national average of emissions abatement achieved by wind farms across Australia is 246,200 tons per annum which is equivalent to 57,300 cars removed from the road.

Indirect Impacts

Personnel employed during the construction phase may contribute to the local economy via expending some proportion of their salaries on local goods and services, in turn supporting existing jobs or creating new ones.

The provision of wages to locally based labour has the potential to increase household spending and demand for goods and services in the local area, during both the construction and operational phases.

Development of the proposed wind farm has the potential to enhance the local tourism industry, as large numbers of visitors tour wind farms every year in Australia, including:

- 50,000 visitors per year to Codrington Wind Farm,
- 30,000 visitors in three months to the Windy Hill Wind Farm, and
- 400-500 people to an open day at the existing Crookwell Wind Farm.

Changes to Land Value

The value of properties that are hosts to wind turbines should increase provided that the rights to rentals for the turbines are transferable with the sale of the property.

In relation to neighbouring properties and properties with views of the turbines, there is little local, national or international evidence that the land values are affected by the wind farm development.

Any impacts to the property market are primarily experienced during construction and commissioning of wind farms, and once a wind farm is established, the prices recover.

The *Preliminary Assessment of the Impact of Wind Farms on Surrounding Land Values in Australia* (2009) found that:

- Wind farms do not appear to have negatively affected property values in most cases.
- A property's underlying land use may affect its sensitivity to price impacts.
- No reductions in sale price were evident for rural properties or residential properties located in nearby townships with views of the wind farm.

A study of 78 property sales around the Crookwell wind farm from 1990 to 2006 found no measurable reduction in values for those properties that have a sight line to the wind turbines and factors such as soils, improvements and access to services are more important drivers in determining value than the visual amenity of the wind farm.

Community Investment

CDPL is committed to supporting local community organisations in the Crookwell area. CDPL is in the process of negotiating an agreement which proposes that:

- CDPL would contribute an annual monetary contribution of an amount of \$1,666 (adjusted annually to changes in the CPI) per operating turbine forming part of the Crookwell 3 Wind Farm; and
- these annual contributions would be paid into a Community Enhancement Fund which would fund local projects within a radius of 20-30km of the Crookwell 3 Wind Farm, including projects aimed at ameliorating any impacts from Crookwell 3.

This equates to an annual payment of \$49,980 to the Community Enhancement Fund if all 30 turbines proposed as part of the project are approved and constructed.

Community Consultation and Concerns

CDPL has developed a community consultation and engagement program. On 28, 29, and 30 April, 2010, CDPL conducted a door knock community consultation survey of households within a 3 to 5 kilometre radius of the proposed wind farm.

In addition, Futureye interviewed a select group of 6 highly-concerned community members between 14 June and 8 July, 2010 in order to further understand the issues which underpin their concerns.

The key concerns of the consultation were:

- **Corporate Engagement and Information:** some residents raised concerns about CDPL's approach to community engagement.
- **Health/Noise:** issue of noise impacting human health and the rural soundscape.
- **Wind Farm Technology:** scepticism about the environmental benefits of wind farm technology in terms of efficiency and its ability to meet energy requirements.
- **Community Development and Regional Planning:** the cumulative impacts caused by a range of wind turbines being built in close proximity to the town of Crookwell.
- **Flora and Fauna:** impacts on flora and fauna, particularly on specific bird species, such as the wedge tail eagle.
- **Property Values:** a perception among some residents that the wind farm proposals for Crookwell 2 and 3 have negatively impacted on property values.
- **Community Divisions:** beliefs that proposed wind farm developments have created divisions and tensions within the community and that wind farm developers are not helping to address these issues.
- **Buffer Zones and Proximity Issues:** requests for a two kilometre buffer between any wind turbine and a residential property, based on studies by Van Den Berg and Nina Pierpont as a scientific justification.
- **Distribution of Benefits:** some community members believed that it was unfair that neighbours who are perceived as being equally impacted received no financial benefit.

This consultation provided an opportunity for CDPL to consider these issues and respond accordingly. Feedback and concerns can be subsequently addressed in the approvals process and feedback into the project design where appropriate.

Changes to the project design since its inception to respond to community concerns have included:

- removing 3 turbines from the initial proposed layout;
- relocating turbines to increase buffer distances to houses;
- consideration for increased screening vegetation; and
- changes to the access tracks and access points.

Response to Findings

Futureye recommends that CDPL undertake a number of future activities in consultation with the NSW Government, Local Council, the community at-large, and highly critical community members, including:

- Continue to implement the current consultation strategy, ensuring that further consultation addresses the issues raised by the highly-concerned stakeholders;
- Continue to implement the consultation strategy in a coordinated, whole-of project and transparent manner throughout the project;
- Develop a robust governance structure with roles and responsibilities for the Community Enhancement Program;
- Formalise, maintain and promote a consultation register, grievance mechanism and issue resolution tracking mechanism;
- Establish and promote a local employment and purchasing policy for preferentially sourcing labour, services and products from the local community wherever practicable; and
- Provide employment requirements in the pre-construction compliance report.



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