

## Chapter 17. Economic Impacts.

Where a wind farm developer once again ignores the SEARs requirements to assess economic impacts and the Department, once again, turns a blind eye.

Surely, the economic impacts of a project should be a key issue, especially so in this unique wind farm area of rural residential character.

The revised SEARs for the Jupiter wind farm clearly state the requirement for the developer to include:  
“an analysis of the suitability of the project with respect to potential land use conflicts with existing and future surrounding land uses (including rural residential development, building entitlements and subdivision potential..... taking into account local and strategic land use objectives and the potential for social and economic impacts on the local community.” (emphasis added)

The NSW Department of Planning has never insisted on a complete appraisal of the economic impacts, both positive and negative from a wind farm developer.

The Commonwealth Department of Environment (DoE) writes more succinctly and clearly of its requirements:

“The economic and social impacts of the action, both positive and negative, must be analysed.

Matters of interest include:

(a)....

(b)....

(c) projected economic costs and benefits of the project, including the basis for their estimation through cost/benefit analysis or similar studies.

(d) employment opportunities expected to be generated by the project (including construction and operational phases).

Economic and social impacts should be considered at the local, regional and national levels”.<sup>1</sup>

But, having delegated its assessment obligations to the NSW Department of Planning, past history will tell us that little of the detail above required by the Commonwealth will be addressed, and it wasn't.

This submission examines the economic impacts of the Jupiter wind farm and whether the developer has:

- mainly addressed those that, on face value, are beneficial to the project,
- minimized or dismissed those that have a significant economic impact on the project,
- ignored some major impacts.

In summary, the answers are Yes, Yes and Yes.

By taking the approach they have, Epyc and their consultant ERM's study of the economic impacts of the Jupiter wind farm is misleading by omission and in some cases, factually unsupportable (eg. job numbers) and this community is entitled to know why Epyc and their consultants are not subject to the legislation that prohibits such behaviour.

They were asked in the SEARs to analyse the **impacts on** the local community, not only the **benefits for**. There were plenty of other opportunities for Epyc and ERM to trumpet the benefits of the wind farm ie. in the other 1499 pages.

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<sup>1</sup> Section 7. Jupiter additional SEARs, September, 2015.

Instead of addressing the “economic impacts” as required by the SEARs, ERM digresses, probably deliberately, into a topic called “Socio Economic Issues” which is, of course, totally different, one being a statement of the facts, the other being based on a social “science”.

The only references to economic impacts in that whole chapter (15) were in relation to economic activity and property devaluation. (Not including the currently totally unsuccessful Benefit Sharing Scheme, the Community Enhancement Fund with its total lack of detail and the host payments, which may be spent on the Gold Coast for all we know, that all get a passing mention.)

The “employment opportunities” have been thoroughly debunked in my earlier submission headed Chapter 5, and the argument against “property devaluation” was also discredited in Chapter 16.

The character of the viewshed surrounding the Jupiter wind farm in the past 20 years has been changing from rural to rural residential. The NSW Department of Planning and Environment (DPE) clearly understood this in the initial rejection of the Jupiter EIS where it said:

“The EIS contains insufficient consideration of...the suitability of the site, paying particular attention to the growing rural - residential character of the surrounding area”

The Jupiter viewshed, uniquely for a wind farm, now contains hundreds of lifestyle properties. Every sincere person and group concedes that lifestyle properties are devalued in the presence of wind farms. Property devaluation (whilst, we accept, is not a planning determinant), does have huge economic impacts.

Clearly, new rural residential development in the Jupiter viewshed has virtually stopped, further investment on existing lifestyle properties has dried up and existing residences are unsaleable at a realistic price.

### **Loss of economic opportunity**

As stated above, it is more than the loss of value of existing properties. It's the impact of the stigma of being associated with wind farm country. There will be fewer and fewer lifestyle subdivisions, because there will be fewer and fewer lifestyle interested in the Jupiter surrounds. They are not stupid. Their first question will always be: “where will the next one be proposed?”

Do the sums.

One vacant 40 or 100 hectare lifestyle block attracts fencers, road builders, dam excavators; A house builder, a power supply and a sewerage system; Another group of patrons for the local businesses for all the products and services we never seem to stop wanting.

This is new investment, not the ownership changeover of an existing developed property, and it goes on for years.

Multiply that for every lost lifestyle.

Where in this economic analysis is the massive negative effect of this loss of opportunity?

Where is the analysis of this economic impact over the next 10 years whilst this wind farm awaits an owner, then a buyer for its electricity and then a financier, all phases being vehemently opposed by this united community?

Where is the analysis of the economic activity related to the creation of a new subdivision before a lifestyle block is even put on the market?

Unless the developer can prove otherwise, there is no net economic benefit and certainly, through omission, the proponent has failed to demonstrate any net benefit.

Perhaps the Department could finally insist on a cost benefit analysis of the relative benefits of an area of rural residential character or the other option, wall to wall turbines. This is the perfect project for this analysis.

### **The jobs myth**

The 336 construction jobs and 32 operations jobs will not happen. (see Chapter 5).

For those construction jobs that will eventuate, we are not told how many could be temporary overseas experts on 457 visas.

City folk seem to think that rural contractors are sitting around waiting for the phone to ring. If I want a dam dug, I get put in the queue and it could be weeks or months. If a wind farm developer wants some excavation or road building and my guy puts in a winning tender, then the queue gets shuffled. No job is created. A bulldozer only needs one driver.

And then, the broader local community may benefit, or maybe not.

In this EIS, there are lots of “where feasible”(s), “expected to”(s), “anticipated”(s), “assist”(s), “likely”(s) and “predicted”(s). Very few unconditional will(s)

You also can’t restrict the economic impacts of this wind farm to the local region as the Commonwealth DoE advises above.

### **Job destruction**

Where in this economic analysis is the impact on non renewable jobs assessed?

Where is the impact of the renewables strategy on the closure of manufacturing in this country?

Where is the impact on jobs in the traditional power production sector caused by wind farms like Jupiter which produce a product that is not required?

Where is the Australian study confirming others overseas that shows for every renewables job created, multiples are lost in other sectors?

The National Electricity Market as a whole, and NSW in particular, does not require any more grid based electrical capacity for the foreseeable future (20 years)<sup>2</sup>

Is ERM saying that we are going to add additional jobs to produce electricity that is not required? Of course not. Jobs in the grid based sector will be lost to compensate and more. Ask the employees of the Northern Power Station at Port Augusta in South Australia which closed in May 2016 or the Hazelwood Power Station in Victoria which will close in 2017 whether they are excited about the 32 employment opportunities 5 kms South East of Tarago.

Where is the analysis of the financial impact of NSW grid instability, to which Jupiter will contribute, as we follow South Australia into a dark energy future.

### **Additional electricity charges.**

With no more grid based electricity required, this expensive, intermittent power will, by Government decree, replace cheap reliable fossil fueled electricity.

Any complete and objective economic analysis would include this huge impost on all consumers on the grid.

Each of Jupiter’s 88 4.5 megawatt turbines will attract an annual subsidy under the RET scheme of more than 1.25 million dollars. That amount, multiplied by 88, will be added to the electricity bills of NSW residents each and every year.

That is in addition to the wholesale cost of the electricity itself, and the subsequent retail margin, marching ever upward, accelerated due to this wind farm madness.

Remember, every extra dollar spent on electricity is a dollar less spent in the community as South Australian small business is experiencing.

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<sup>2</sup> AEMO. 2016 National Electricity Forecasting Report

**The Investment Myth.**

The capital for this project will be sourced overseas, either directly or indirectly.

All turbine infrastructure will be sourced overseas.

Other physical infrastructure will be sourced overseas.

Inflated interest payments to service this capital will flow from the pockets of NSW electricity users to overseas entities.

Profits, if any, will be remitted overseas. Eventually some company tax may be paid.

Where is the analysis of the true benefit to NSW of this capital investment?

This area is unique for a wind farm proposal. The economic impacts on this area are therefore unique. If the developer is not prepared to address and assess them, the only option the Department has is to add this deficiency to the long list of reasons justifying a recommendation to reject the Jupiter wind farm.