

South Australian Parliament

SELECT COMMITTEE ON WIND FARM DEVELOPMENTS IN SOUTH AUSTRALIA

Held at Clare Country Club, White Hut Road, Clare
Wednesday 17 July 2013 at 1:45pm

MEMBERS:

Hon. D.W. Ridgway MLC (Chairperson)
Hon. M. Parnell MLC
Hon. R.P. Wortley MLC

Testimony of ALLAN AUGHEY, Mayor, Clare and Gilbert Valleys Council

779 The CHAIRPERSON: Welcome to the Select Committee on Wind Farm Developments in South Australia. Thank you very much for coming. The Legislative Council has given the authority for this committee to hold public meetings. A transcript of your evidence today will be forwarded to you for your examination for any clerical corrections. Should you wish at any time to present confidential evidence to the committee please indicate and the committee will consider your request.

Parliamentary privilege is accorded to all evidence presented to a select committee. However, witnesses should be aware that privilege does not extend to statements made outside of this meeting. All persons, including members of the media, are reminded that the same rules apply as in the reporting of parliament. Mayor Aughey, over to you.

Mr AUGHEY: Thank you very much, Mr Chair and members of the select committee. I am very pleased and honoured that you have chosen to meet in our home town of Clare and would encourage all parliamentarians, when they get the opportunity, to come and visit the regional areas of South Australia, for not only do we feed Adelaide in the direct sense, we actually contribute a lot financially to the wellbeing of Adelaide and the entire state of South Australia from this particular region.

I'm here basically as a layperson, as a community representative, not as a technical witness. My expertise in the associated areas is somewhat limited, but I am more than happy to be able to give you some feedback as I have experienced it and the effect of wind farm technology on my community.

It needs to be said that my community, myself and council are in favour of renewable energy; there is no question about that. Our question with it is its location, and it's horses for courses. We believe that even with the wind turbine industry there are more than adequate wind resources in places that will cause a lot less problems than thus far they have created in our council area. So, location is really important, and we would encourage parliament and the experts in the industry to conduct a full state survey of the wind resource and the locations and better select geographical areas for the locations of these turbines.

Clearly, I am a nimby, a 'not in my backyard' person, because I am legally charged with looking after my backyard, which comprises the Clare & Gilbert Valleys Council area. We pride ourselves and, indeed, are privileged to be able to live within a very valued and quality geographical location where landscape is extremely important, not only adding to the value of our lives and the value of our locations and our properties but also very important to our tourism industry. We get many visitations from people who are indeed enthralled by our unique landscape.

We are a quirk of geography, if you wish. We are a long narrow council area; specifically, our valley is very narrow and only goes to a few kilometres each side of the Main North Road location. Our quality of life is extremely important to us; indeed, we enjoy a high quality of life here in the country. As a result of living in the country, we inherently have a lower noise threshold and perhaps a lower tolerance to noise, unlike people who are used to urban lifestyles. This may make us, in a very general sense, more sensitive to the role of noise in our lives.

In specifics, in the industry one of the great advantages touted by that industry is the employment opportunities. In my experience thus far, employment is overstated. There is a flurry of activity during the construction phase, but the ongoing jobs seem to me to be very limited. In fact, in some respects I would much rather have a new supermarket than a new wind farm for

the ongoing jobs, the ongoing training opportunities for our young people, who really struggle. We have found that the wind farm development situation has been very divisive in the community; in fact, I have found it to be the most divisive subject that I've had to deal with as mayor for almost seven years now.

At Waterloo, we have 37 turbines currently established. Permission was granted by a preceeding council in 2005, and permission has just been achieved, through our development assessment panel, for a further six on the southern extension to the existing 37. We have dealt with companies such as Hydro Tasmania, the Roaring 40s and Energy Australia, which is a shareholder in the Roaring 40s and has just recently increased its ownership so that now, I understand, it is the controlling shareholder in that company.

In our experience in dealing with wind farm proponents, we have found them difficult to deal with. We have found a degree of arrogance; the residents' views have not been, in my opinion, treated with the degree of sensitivity, respect and finesse that they should have been, particularly with a well-funded organisation that is able, one would assume, to amass the correct personnel to be able to better integrate their proposals within country communities, who normally are pretty easy-going and not hard to get along with, I must say.

I found their community integration inept; I have found their public relations nightmare; and we have found, as a result, that we have been unable to properly negotiate due to a systemic bias here in South Australia.

We feel that the industry enjoys too many free-kick advantages through the planning process and through many other factors whereby it seems that the process is somewhat easier than many other applications have to suffer. Delays are inevitable even in putting up sheds, agricultural infrastructure and wineries proportional to the value or the costs of the infrastructure—they seem to go through more pain than the wind industry.

My people are often described, as recently as in the *Sunday Mail* in Peter Goers column or offering, that if they oppose wind farms they are simply sore because they have missed out on financial advantages in not having turbines on the property. This could not be further from the truth. In my investigations the complainants that we are dealing with are genuine, honest, country folk. They are not liars. In many cases they just want a good sleep. They do not need a bigger bank balance. They have to put up with the stigma of being categorised in a way that is not accurate in any way, shape or form. This should be recognised, not least by the industry who should be making greater efforts to ameliorate their complaints and their genuine issues.

In local government, I'm more than aware of the financial challenges facing the country communities in terms of financing infrastructure. It seems to me that there is a woeful lack of sensitivity to the financing requirements of local government in that these facilities are largely free of rates. There is a small rate income stream by way of a secondary consideration of the value of the leases on the land, on the ridge land. Other than that, councils are unable to directly rate these capital investments. They are being treated, I'm told, as plant and equipment and ought not to be—at least the towers should be rated even if the nacelle. at the top is treated as plant and equipment. As a result, the companies make themselves out to be Father Christmas, in effect, by giving out community grants that are woefully short of any rate revenue that would otherwise be coming into the community.

In terms of advantages to local communities, there has been some initial investigation into the opportunity to be able to provide discounted electricity to the communities that are in the near vicinity of these wind farms. It struck me as a good, practical idea. However, it seems that, as a result of a competitive policy and the ACCC, that may not in fact be legally possible to achieve. That is, I think, lamentable. There is an understanding that the large amounts of electricity generated here in the Mid North of South Australia actually ends up in Victoria. Again, if that continues, that is a lamentable outcome as well.

Residents precede the turbines in our region and I think that, at the minimum, they ought to be offered some degree of a buyout option. This would at least give them a degree of choice and freedom from what would otherwise be, in many cases, a less than ideal residential environment.

In terms of our topography we are by definition a hilly area, being a valley. The geography and the role that that plays in the noise situation strikes me as warranting much closer attention. Noise sources on plains act very differently in terms of their amplification than they do

when noise sources are located on ridge tops where they may echo from one side of the valley to another. As I've said at the beginning, I'm no expert on this matter but I have reports of people— honest people, I again reiterate—who are plagued by noises at odd hours of the night, a drumming and a thumping eight kilometres away from the source.

This can be not only a cause of concern in hilly areas but also I think it is probably under the influence of matters like the air. Air weighs more in the evenings than it does during the day, I am informed. The predominant wind and other issues that may have an effect have been somewhat more investigated. It certainly warrants more investigation, and more scientific structure should be put in place before any more wind farms are located near residential areas.

We are very concerned that, as a result of the changes to the planning regime that have occurred, in terms of setback in particular, a cynic could look at those figures and say, 'Well, this was merely done to prevent turbines being established on the Adelaide Hills.' As an economic, rational approach, the turbines could be established on the Adelaide Hills Face Zone and feed directly into the major consumer area. We are paying a price here in the region for green electricity in the cities, and that is poorly recognised.

The EPA, as they should have, have a big interest in this issue and in terms of setting technical borderlines on matters, I am concerned about their resourcing and their ability to resource to any great extent on this matter. It is a matter where particular equipment is very expensive. It is specialised equipment; it is supersensitive. It's highly technical and I'm just a little concerned about their ability to fund and resource what I consider to be the appropriate scientific investigations into aiding not only residents but in fact aiding the wind farm proponents themselves—the companies.

In summing up, our experience has not been a particularly good one. We have been able to negotiate agreements in terms of road infrastructure on two occasions now quite successfully. I think there is a way forward, but I think this is an area that we have rushed into and we may pay a bigger price down the road because these whirligigs of woe are permanent. They are there forever. We needed to get this better organised and get it correctly balanced before it got to this stage. I am hopeful that, from here on, this will be a watershed and we may be able to do it better for the sake of the future.

780 The CHAIRPERSON: Thank you, Mayor Aughey. I must firstly just offer apologies. The Hon. Ann Bressington and the Hon. Robert Brokenshire are two members of the committee who are apologies today. You spoke about a systemic bias. Can you elaborate on that, please?

Mr AUGHEY: Certainly. Systemic bias in terms of planning is quite clear and pronounced, as witnessed by the latest changes to facilitate the better integration of these wind farms in terms of proximity to singular residences and townships. Also, we have been unable to achieve protection or even delineation of our scenic areas and our landscape areas which normally I would have expected would have been pretty clear-cut, particularly in a place like the Clare Valley, but I would also include the Barossa Valley. To me, these are no-go zones but they lack protection, so there is a systemic bias in that sense as well—that the system favours the applicants at the expense of longstanding, traditional recognition of landscape values. There are two areas straight away.

781 The CHAIRPERSON: Earlier in your evidence, you spoke about inappropriate locations. Does your council have a view of where there are appropriate locations?

Mr AUGHEY: Within our council area, I'm very proud to say that our area is of singular scenic beauty from north, south, east and west; we are blessed. But I may point out that to our west, the Wakefield plains council, as I understand it—and I'm not speaking for them, as you will understand—and the community actually welcome wind farms and they have a significant number of turbines that are about to be expanded. We say that is fine on landscapes that are less aesthetically valuable than ours are and that is part of why I say horses for courses. So, in direct answer, no, I do not see any position for them in our particular council area, but certainly we think there are plenty of places for them. There is one proviso, and we understand why, and it is the connectivity of turbine placement to the market and we understand the huge costs of the connection infrastructure.

782 The CHAIRPERSON: You also spoke in your evidence about the community benefit and some reference to cheaper electricity for neighbouring property owners or communities.

Now, just this morning we visited the Waterloo farm and that was raised with us there that it is something they were looking at. I was just interested to hear you say that because of the ACCC that may not be possible.

Mr AUGHEY: It is a supposition to some extent, Mr Chair, on my part that we have not had a positive response thus far from the companies and the company involved was pursuing it. The message has come back to me, via alternative means, that it is not looking all that promising. I would say the ball is still in the air on that matter, but it is something that would be really good for both the companies and for the local residents. At least they would then get some immediate benefit and I think it would just be good for PR purposes if nothing else.

783 The Hon. R.P. WORTLEY: I have got four questions, Mayor Aughey. Look, you were quite critical of the utility company that is developing these wind farms. You actually mentioned arrogant. Can you just expand on your experience with the company?

Mr AUGHEY: Absolutely. We found the relationship extremely troubling. They seem to come in and treat it all as a fait accompli and that the fact that they are dealing with renewable energy gives them carte blanche to dictate in almost every way the way they want to achieve their outcome, which is invariably the shortest and the cheapest method, both in time, resources and with an eye on their bottom line profitability. A much better way of doing it would be to be more consultative and more understanding that the nearby communities do have a bigger investment at risk.

Land values and property values are questionable as soon as a wind farm is mooted for any particular area, so the community, even before it gets off the ground, is largely in a state of stress. Whether they are for turbines or against there is an uncertainty that is involved and we have found that, in view of the sensitivity of the community, almost without exception, the degree of arrogance is not warranted and it would be better to come into the process from a wind farm proponent's point of view with an attitude of greater consultancy and understanding.

784 The Hon. R.P. WORTLEY: You have also mentioned they do not pay rates?

Mr AUGHEY: Yes.

785 The Hon. R.P. WORTLEY: That has been brought up with this committee in the past. At Wattle Point, the council there mentioned the same issue. What you are advocating is that, if there is a property that has six or seven turbines, you can accept the very top is plant equipment, but the funnel might be worth a million dollars or whatever—I am not quite sure—so you say then the actual property would have an extra \$6 million of capital value which you can then rate. Is that the way it works?

Mr AUGHEY: Well, that is one possibility, sir. There are a number of approaches that could be taken to it, but I understand one of the stumbling blocks is the status of the development or the capital infrastructure as plant. If there is a concern for setting a precedent that might affect other industries and other developments, then that strikes me as one opportunity to class the tower and the other associated infrastructure as, indeed, capital improvements of a building nature and leave the operating cell as plant, but certainly councils across the board—and I speak in financial terms as a generality—are financially stressed. Rates are a tax, if you like, on property and property improvements.

This is one classic case where, to the industry itself, frankly, it's petty cash but it means a lot to councils in the provision of infrastructure. We have a lot of infrastructure challenges where that financial stream would be really, really welcome, with basically minimal effect on the payer and a magical effect on the community which could benefit from the facilities that that capital stream would provide.

786 The Hon. R.P. WORTLEY: You mentioned also a payout, a buyout, option. Can you expand on that?

Mr AUGHEY: Yes, certainly. I associated that with a remark that the residents preceded the turbines, and I acknowledge that there's an opportunity for opportunists to come in and buy a property on the strength of a rumour of a wind turbine coming in and then making a lucky capital gain, and that needs to be protected. Having said that, though, it strikes me, as a matter of natural justice and fairness, that at least the company offer to purchase the nearby houses. There are not a large number of them involved and, again, it's not a deal breaker in terms of the overall

finance of the industry. The offer doesn't have to be accepted but I think that, at least as a matter of a fair go to country residents, that would give them a way out.

That would mean that they would at least be able to realise their capital before the market depreciates their capital investment in the property and give them an alternative to be away from the wind turbines. I don't think that the drafting or the wording of such a requirement would be onerous. I think it would be appreciated by all and I think in terms of the long-term prospects and economy of the industry itself that would be very advantageous and assist them in the public relations aspect, in which, to me, they seem to be struggling.

787 The Hon. R.P. WORTLEY: How do you see the public consultation process? Are you happy with the way it has taken place?

Mr AUGHEY: No, I'm not, and perhaps I can divide that up for the purposes of this select committee. The public consultation could be divided into that carried out and engaged in by the company itself and then that which is required by law. Firstly, the consultation needs to start a lot earlier, it needs to be more closely focused, and it needs to be done with a greater degree of sensitivity, which I have already alluded to; and I think those comments I will just direct, for the sake of time, to that particular side of the way the company carries out its consultation. In terms of consultation that is legally required, we were very concerned about the changes to the planning regime where rights were actually taken away from citizens.

To me, that is a major change and people don't appreciate it. Whether they use those rights or not is almost irrelevant. The fact that they've got them and either use them or don't use them is an important choice that I think all citizens in South Australia ought to have, and they ought not to be removed without deep consideration and, indeed, with consultation with the population generally. We are concerned that the rights of appeal have been interfered with, as it were, to hasten the advancement of the wind industry in South Australia and I would encourage parliament to revisit that and, indeed, to restore the rights that citizens in South Australia previously enjoyed, whether they utilise them or not.

788 The Hon. M. PARNELL: One issue we are going to have to grapple with on this committee is the planning system. You have referred in your evidence to one part of it, which is the rules—what are the planning guidelines, the development plan, and against what criteria should decisions be assessed, and that includes no-go zones or it might be setbacks, whatever. The other part of the equation is: who should make the decision? Certainly, historically, local councils have made decisions. Then we went through a period where developers went to the state government and the Development Assessment Commission, or the minister—in fact, the minister usually, under section 49. I think you said that it was your council that approved Waterloo in 2005, and you have approved an extension to it. Is it your view that local councils are well enough resourced to be able to adequately assess and then decide on these projects, or is it a matter that should be better dealt with at a higher level, such as the Development Assessment Commission?

Mr AUGHEY: My direct answer to that is that, at the moment, no, because the amount of money we are allowed to charge the applicants is capped at \$200,000. We are finding that, as a result of the situation on the ground, we need a higher degree of specialist information. They are at the cutting edge of scientific technology, in many cases, so that cost of \$200,000 is, I fear, woefully inadequate for the job. So, my direct answer to that is no. But given adequate and proper finance opportunities, the answer is definitely yes.

I would see an ideal situation as a cooperation between state government, local government and the community. We all work together, we are all part of the community, and we want the best outcomes for the community, so a collaboration on this matter, in particular, would be extremely welcome. I am sure that we could all work together and get a better outcome. We all want renewable energy. Electricity is the oxygen of the modern world. We all use it, and we are all keen to get it. We can do it better in South Australia.

789 The Hon. M. PARNELL: Of the various suggestions you have made, which ones of them might be the deal breaker, if you like, the one that has your council welcoming more wind farms into your area? Some of the things you said were making them pay their way more or more fairly, with better rates, maybe cheaper electricity for the neighbours. Leaving aside legal difficulties, I am sure that Port Augusta residents would love to hear that the hosts of electricity generating facilities are entitled to cheaper power because, of course, they have put up with the

fallout of the coal-fired stations. So, if you had cheaper electricity, you had a fair share of rates, would that be enough? Would this council then see that there are opportunities for more wind farms in this area?

Mr AUGHEY: You have specifically asked me about my council, and I would have to say that, at this stage, we would not want any more under any circumstance, purely because of the aesthetics and the value of the scenery and the landscape, not only to us as locals but to our visitors. That is not shunting aside the issue at all; that would be an easy way out, and I am not taking that avenue. What I would suggest, though, is that all of those benefits to local residents and communities should be on board, and could be on board.

I think that the attitude towards renewable energy is widespread across South Australia: we all want it, we all need it. I think that more consideration for the individuals involved and their families would go down really well, and that may be the clincher, because we as a community in South Australia are small; there are only 1½ million of us—half of us are related, the other half knows each other. If somebody is not getting a fair deal, we all tend to know about it.

I think that the way in which individual neighbours are being treated by the wind farm proponents and developers is not a fair go, so I think that the buyout is really important. I think that, if they want to remain in their house, the companies, then, or we as a community even, ought to share some of that burden and soundproof their houses, give them the TV sets that don't flicker away, resolve their problems—these should not be without a solution in a modern society. I would go right down to that level, as it were, and seek solutions from there up, and that will spread the goodwill that I think the industry does need, and it would make us all a better and more content community in South Australia.

790 The Hon. M. PARNELL: When we visited Waterloo this morning, one of the things they reminded us of was that the EPA had been doing a noise testing study. In fact, if you go online, as I did, you would find the location of the six monitoring stations, and they were at various distances around the wind farm. I notice that the raw data has been loaded up online, as well as, I think, diaries that people have been keeping. Was your council involved at all with the EPA? Did they ask for your assistance or for any help with where the monitoring station should be located? You can take it on notice if you do not know, that's fine.

Mr AUGHEY: I find that difficult to answer because administration may well be integrating with it. I rather doubt it, actually. We have a relationship with the EPA, obviously, and we have spoken to them on this matter—we have had a number of discussions—and we have found them very fair and reasonable, very attentive and able to take on board the considerations that we have passed on from the community. So the simple answer is that yes, we have integrated with the EPA, and we will continue to cooperate with the EPA. As to the extent of that cooperation, at this point in time I am unable to quantify that for you. There may be, on the technical side and the administrative side of the council, some closer relationship.

791 The CHAIRPERSON: You spoke about division in the community earlier; has that subsided? Obviously the Waterloo wind farm has now been there for a number of years. Have you noticed any change in that community division?

Mr AUGHEY: A degree of moderation, probably achieved through frustration. No; I actually think that this has riven our community and will continue to have that effect on the community for many years to come.

792 The CHAIRPERSON: I think we've all discussed with you the potential ways of developing these wind farms, sharing some of the benefit, whether it is paying council rates or in cheaper electricity. As a council, are you involved with the community liaison group—or whatever they call them—and has the council being proactive in saying, 'We would like a contribution for a project'? Has council been involved?

Mr AUGHEY: Again, I have to be careful in how I answer that because there may be relationships that I am not directly aware of over a period of time. What we have noted from the community, though, is that the community or groups in the community have, on occasions, had a relationship with the wind farm proponents. One that comes to mind is the Clare Racing Club. TruEnergy sponsors a race meeting; in fact, I think they still have their signs on the racecourse. So the community is not backward in approaching people of their wealth and influence to try to get a subsidy, or assistance or sponsorship for any of the activities.

The companies themselves—and this has been on their own initiative, as far as I understand it—have set up a community chest, as it were, of a set amount of money and have invited submissions from the community with projects that could be financed from this chest of money. However, from where I sit I see what they are offering to the community, the way that has been treated as a PR exercise, compared with the actual far higher rate income stream that would be—again, through council—accessed by the community. From what I have seen that would far outweigh any of the offerings made by the companies voluntarily.

793 The CHAIRPERSON: We do not have any further questions. Thank you very much for your evidence today. As I said earlier, a copy will be sent to you for clerical corrections.