Ted Baillieu’s anti-wind farm laws: Costing Victoria jobs and climate action

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Introduction

In 2011, the Baillieu government introduced the world’s toughest regulations for wind farms. The amendments to the Victoria Planning Provisions banned wind farms in large swathes of the state, thwarting both community-initiated and commercial projects. Despite hopes that the new Premier would restore fair laws for wind farms and allow the state to take advantage of this lucrative renewables energy resource, Dr Denis Napthine endorsed Ted Baillieu’s ‘brown tape’ policy.

Alarming climate change science forms the backdrop to the Napthine government’s anti-wind farm policies. Climate change indicators are still heading in the wrong direction. In May 2013, global atmospheric concentrations of carbon dioxide passed the 400 parts per million threshold - rising to their highest level in three million years. Fires, floods, storms and heatwaves exacerbated by climate change have cost Victoria $19.9 billion dollars over the last decade.

Victoria is among the most polluting states in the developed world. The state’s high greenhouse gas contributions are principally due to the use of heavy-polluting brown coal-fired plants to generate electricity. Comparatively, clean and safe wind energy is the most mature and affordable renewable energy technology. As such, it offers Victoria the most bang-for-our-buck when it comes to decarbonising the economy.

This report outlines the cost of the Coalition’s anti-wind farm laws for Victoria—in terms of jobs, economic benefits and carbon emissions. It looks at the effects of current laws on wind farm proposals, outlines key critiques of the current policies, and presents recommendations for restoring fair laws for wind farms in Victoria.
Victoria’s anti-wind farm laws: What are they?

The Baillieu government made four key changes to the Victoria Planning Provisions that have had material impacts on the wind energy sector. The VC82 amendments:

• Established a right of veto for householders living within 2kms of proposed wind turbines.
• Created large ‘no-go’ zones for wind farms. These include: The Macedon-Mcharg Ranges, the Great Ocean Road, the South Gippsland Coast, the Yarra Ranges, and the Mornington and Ballarine Peninsulas.
• Created large exclusion zones of 5kms around 21 Victorian regional towns.
• Made it difficult to extend or make changes to approved projects.

The VC78 amendment:
• Made local councils the responsible authority for assessing wind farm projects—transferred from the minister and the Department of Planning.

Anti-wind farm laws: Robbing Victoria of jobs, investment and climate action

New analysis by Friends of the Earth’s Yes 2 Renewables campaign reveals that the anti-wind farm laws introduced by Ted Baillieu and endorsed by Premier Napthine have cost Victoria:

• 438 megawatts of clean renewable energy generation capacity.
• 1.38 million tonnes of carbon emissions abatement.
• Killed off two community-owned wind farm projects and stalled two.
• Community funds worth over $806,840 each year.
• Over $2.1 million of drought-proof income for farmers each year.
• 402 construction jobs and 64 ongoing jobs.
• Scrapped or stalled projects worth up to $864 million.
• $10.5 million in economic benefit to regional economies.
• Over $516,000 million in rate payments to local councils each year.

Biggest Loser #1: Jobs and regional economies

It is estimated that 490 construction jobs and 64 on-going jobs for the life of the wind farm have been lost. The construction phase of wind farms have substantial flow-on benefits for regional economies.

Ted Baillieu’s anti-wind farm laws has scrapped or delayed projects worth $864 million in the past three years. Modelling by Sinclair Knight Merz values the flow-on benefits from construction at $1.2 million for a typical 50MW wind farm. Baillieu’s wind farm restrictions have robbed regional economies of $10.5 million worth of economic activity.

Biggest Loser #2: Climate change action

Ted Baillieu’s wind farm laws resulted in 438 MW of wind energy generation capacity being scrapped or stalled.

This wind energy capacity would have powered almost a quarter of a million Victorian homes (230,318) and reduced the state’s carbon emissions by 1.38 million tonnes each year—representing carbon savings equal to taking 290,928 vehicles of the road.

Biggest Loser #3: Regional communities

Operating wind farms set aside a proportion of the income generated from selling clean renewable energy to community funds. These funds, usually managed by community members, distribute cash grants for infrastructure and services with community benefits.

Communities have missed out on $806,840 worth of investment in communities each year as a direct result of the wind planning laws. Over a 25-year period, the laws will have cost Victorian communities more than $20.1 million.
Biggest Loser #4: Wind farmers
The scrapped or delayed wind farms have denied many farmers a secure, drought-proof income stream.

The wind farms killed by the laws introduced by the Baillieu government have robbed farmers of $2.1 million worth of income each year. Over a 25-year period, this amounts to $54.2 million of drought-proof income for farmers.

Biggest Loser #5: Local councils
In Victoria, operating wind farms are required to pay council rates. In some regions wind farms are among the largest single ratepayers.

The wind farms affected by restrictions on wind farm developments have robbed municipal coffers of $516,937. Over a 25-year period, this amounts to $12.9 million for regional municipalities.

Baillieu's brown tape is bad policy
Unprecedented 2km “veto power” to block turbines
The origins of the arbitrary 2km setback distance between wind turbines and households stems from the wind farm opposition group, the Landscape Guardians, who was the first to advocate for the measure in Australia. The 2km figure gained prominence after being advocated by known anti-wind farm campaigners in the United States.

To date, the Baillieu and Napthine governments have failed to outline scientific justification or any other evidential basis to support the 2km setback distance.

Academics from the University of Melbourne's Melbourne Law School describe the 2km setback policy as a “veto power” for householders. It stands as an unprecedented measure in Victorian planning. As the right does not apply to any other land use application in the state, it can be reasonably argued that the government is unfairly targeting renewable energy.

The policy puts too much power in the hands of individuals who are not beholden to the aims and objectives of the Planning and Environment Act 1987.

Arbitrary wind farm no-go zones
At the time of implementation, the Baillieu government presented no community consultation or economic impact assessment to justify its ‘no-go’ zones. Incidentally, the Great Ocean Road and Macedon-McHarg Ranges no-go zones correspond with some of Victoria’s richest wind energy hotspots.

The arbitrary nature of the exclusion zones, supposedly to protect “iconic” landscapes, raises questions on the criteria used to define “iconic.” For instance, much of the Bellarine Peninsula is modified agricultural landscape, while the Macedon-McHarg Ranges exclusion zone extends deep into farm country near Castlemaine.

The Age links the Macedon-McHarg Ranges no-go zone with Ted Baillieu’s cousin, Lady Marigold Southey. It has been suggested that the rationale for this exclusion zone was to satisfy the interests of family members with properties in the area.

As there is no visible scientific rationale behind the inclusion of these zones, this decision cannot be justified on grounds of fairness and transparency in the planning process.

Transferring decision making to under-resourced local planners
The Baillieu government’s planning amendments transferred the decision making power for wind farms to local councils. Previously, wind farms with a capacity greater than 30MW were referred to the state Department of Planning for approval.

University of Melbourne researchers have questioned the ability of local council planners to cope with large-scale critical infrastructure projects. “As a 2010 Victorian Parliamentary Inquiry found,” wrote Carapis and Kallies, “local governments lack the capacity, expertise and resources to adequately assess and make decisions on such applications”.

The Baillieu government’s amendments transferred decision-making power on wind farms from the...
Arbitrary wind farm no-go zones

Areas where a wind farm is not permissible under Liberal-National Policies
Department of Planning to the local governments. The planning laws ‘poorly equipped’ to balance interests of stakeholders.

Under the previous framework, wind farm planning decisions took the broader context into account: factors such as the need for increased renewable energy generation and state contributions to national policy goals were considered. Local governments, on the other hand, prioritise local interests, such as land value. Local councils are also susceptible to political pressure from anti-wind campaign groups.

University of Melbourne planning law experts argue that “the Victorian planning system is poorly equipped to effectively and appropriately balance recognition of the wider importance of promoting wind energy with local concerns regarding such development.”

**Baillieu’s brown tape stalls Victoria’s wind energy sector**

When amending the planning scheme, Planning Minister Matthew Guy said he did not believe the policy would stop developers investing in wind energy in Victoria. Then Premier Ted Baillieu also rejected suggestions that the changes would harm the industry.

However, two years on, the facts suggest otherwise. Already we have seen several projects blocked or abandoned, including four potential community-owned projects.

“If Victorian Premier Ted Baillieu came to power with a determination to kill off opportunities for wind farm development in Victoria,” wrote respected energy commentator, Giles Parkinson, “then he can be proud of his work.”

In addition to the costs Friends of the Earth outlined in this report, the Clean Energy Council estimated the laws will eventually drive up to $3.6 billion of investment away from Victoria.

**State planning policy undermines national renewable energy goals**

The Baillieu anti wind farm laws undermine the national Renewable Energy Target. By imposing laws that prevent developers from accessing Australia’s richest wind energy resources, the Victorian government has deferred responsibility for meeting the target onto other states, along with regional development benefits. Given that wind energy is the most affordable and mature renewable energy source, rejecting it would increase the cost of meeting the scheme for all electricity consumers.

**No transition package for workers**

When government intervention leads to significant implications for an industry, it is standard practice for the government to consult with relevant parties and provide some level of support for affected workers. This might include retraining or help in employment transition. This has been the case for several decades, for example, support for forest workers as access to native forests has been reduced to create national parks.

In the case of the wind energy sector, however, workers who were impacted by the state government’s intervention were not provided a transition package.

By rushing through the amendments to wind farm planning laws, the Baillieu government failed in its duty to assess the impact on jobs and associated social impacts of the restrictions on wind farms.

**Anti-wind farm laws increase power prices**

Australian electricity generators have an incentive to produce power at the lowest price. Energy retailers have an incentive to meet their Renewable Energy Target obligations at the least cost. The restrictions preventing wind farm development in Victoria cut-off some of the most viable renewable energy projects in Australia. This unnecessarily prevents generators and retailers from accessing the lowest-cost renewable energy available.

Kobad Bhavnagri of an independent clean energy analyst, Bloomberg New Energy Finance, told the ABC, “Our modelling indicates that Victoria's new wind farm regulations could push up the price of electricity for consumers by around $2 billion. This is because the Victorian laws essentially will make it harder and more expensive to build renewable energy.”

**Community wind farms blocked by brown tape**

Community-owned wind farms give locals a stake in their energy future, and create jobs and income for communities. However, all the existing community projects in Victoria have been stopped or stalled by the restrictive planning laws.

Community-owned energy delivers significant benefit to regional economies. The Hepburn wind farm procured more than $7m worth of local content—in which more than half was sourced from regional Victorian towns.

In addition to the jobs, investment and income generated, community-owned and initiated wind farms benefit the community through grant funds which allocate a proportion of their revenue into community
projects. Hepburn Wind, for example, invests $30,000 in a community fund each year.

The two most advanced proposals, Woodend and Castlemaine, were slated to follow in the footsteps of the award-winning Hepburn Wind farm. The community groups behind these two projects have indicated they wish to continue development despite the planning restrictions.

**Mount Alexander Community Wind**
The MACWind plan for a wind farm between one to six 2MW turbines would supply a significant portion of the energy needs of the Shire.iii

The Mount Alexander Sustainability Group’s plans have been thrown into doubt, however, by the Macedon-McHarg Ranges exclusion zone, which covers half the Mt Alexander Shire.

MACWind originally identified five sites in the Shire suitable for the wind park. Two of the best locations are within the exclusion zone causing difficulties for the project to proceed.

The reason for the inclusion of Mt Alexander in the no-go zone is uncertain given it is some distance north of the Macedon Ranges—more than 40km in some parts of the Shire—and has a very different landscape to it. The Baillieu government has not provided an explanation for this decision.

**Woodend Integrated Sustainable Energy - Wind Power**
Woodend Integrated Sustainable Energy (WISE) is seeking to build a community-owned wind farm 7 kilometres south of Woodend.iv The project would supply enough clean energy to meet the electricity needs of 3,300 households in Woodend, Macedon, Mount Macedon and Newham.

Unfortunately for WISE, their community wind farm proposal has been blocked by Baillieu’s brown tape as it falls within the Macedon Ranges exclusion zone.

**Westgate Community Wind**
The Westgate Wind community project was hoping to build Australia’s first urban wind farm.v The visionary plan to power over 2,000 homes was abandoned due to the onerous and near-impossible requirement of obtaining written consent from every resident within 2km.

**Surf Coast Community Wind**
Surf Coast Energy Group’s wind farm proposal consisted of two to six turbines—generating enough electricity to power 4,000 to 12,000 homes. Both proposed turbine sites sit in the declared Bellarine exclusion zone.

“‘The new legislation’s made it harder to install wind farms, including community wind farms, which is incredibly frustrating,’” Surf Coast Energy Group’s Graeme Stockton told the Surf Coast Independent. “I would’ve liked to have seen the Surf Coast follow the Daylesford/Hepburn wind farm example but I don’t really see the opportunity, not in the short-term.”

**Commercial Projects stopped by the anti-wind farm laws**
A number of commercial wind farm projects were blocked or abandoned directly as a result of the new planning laws coming into effect.

**Baynton and Ben More**
The proposed Baynton wind farm had been planned for a site stretching south west of the town of Tooborac in what is now the declared Macedon-McHarg Ranges ‘no-go’ zone.

The proposed Ben More wind farm was planned for a site between the towns of Amphitheatre and Lexton, and is currently on hold due to the difficulty of meeting the requirements of the new laws, particularly the 2km setback.
When the new restrictive policy was released, RATCH Australia chief executive Steve Loxton said he was disappointed with the Government’s announcement, as his company had already invested more than $2 million into a site at Baynton.

**Sidonia**

Hydro Tasmania has said that the government’s wind policy ended their plans for 34 wind turbines at Sidonia, which is in the Macedon-McHarg Ranges exclusion zone. The project was cancelled despite saying the project progressing and a development application for the project prepared, indicating the restrictive nature of Baillieu’s wind farm law.

**Pykes Hill**

Future Energy’s project at Pykes Hill in Moorabool shire, 5km north-east of Ballan, was the first publicly announced victim of the new laws. Future Energy said, after more than three years of project development, it was abandoning the project due to the Baillieu government’s planning amendments.

The site was said to be particularly suitable for a small wind farm because it has sufficient setback from urban residences, tourist attractions and major roadways; the mostly agricultural terrain meant there would be minimal impact on flora and fauna; and its proximity to the electrical grid required little additional power infrastructure.

**Cherry Tree Range**

The Baillieu anti-wind farm laws stalled Infigen’s Cherry Tree Range proposal for a 50MW wind farm in Trawool, Central Victoria. The proposal was bogged down in VCAT for almost a year before being given the green light in December 2013.

The Trawool community was subjected to a targeted scare campaign organised by known anti-wind farm campaigners from the time the proposal became public. The fear mongering in the region resulted in 190 objections against the wind farm—mostly citing concerns about potential adverse health impacts.

Despite the shire planners recommending the project for approval, and support from the Mitchell Shire Environment Advisory Committee and BEAM-Mitchell Environment Group, councillors failed to make a determination within the requisite 60 days. This allowed the proponent to seek approval from VCAT. In a hypothetical vote on the wind farm, councillors voted 9 - 0 against the proposal.

Anti-wind farm campaigning cost Mitchell Shire ratepayers at least $165,000 in legal expenses by hijacking the VCAT hearing. Council representatives stated at the outset that they did not reject the wind farm on health grounds, yet it was health arguments that dominated and dragged out the proceedings.

A Freedom of Information request undertaken by Friends of the Earth uncovered $165,210 of expenditure for the legal costs. It is anticipated that the costs to Mitchell Shire are greater than the FoI revealed, given that there were several additional days of hearings. If the anti-wind groups stayed out of the matter, the hearings would have been much shorter. Mitchell shire ratepayers were the collateral damage in an ideological fight against clean and safe wind energy.

The case of the Cherry Tree Range wind farm illustrates that local government is unable to act as a responsible authority on wind farm proposals. Apart from resourcing considerations related to overworked planning departments at local Councils, this level of government is susceptible to political pressure and fear campaigns and unable to make decisions based on the planning scheme. The current planning regime, introduced by Ted Baillieu, created the conditions that allowed fringe wind farm opponents to disrupt the proposed wind farm.

**When planning permits expire, projects lose their approval**

When planning permits issued under the previous laws expire, the developer will have to renew them under the 2011 laws.

**Yarram project rejected by council**

In February 2012, Synergy Wind’s proposed Devon North wind farm near Yarram in South Gippsland had an extension of its planning permit rejected by the Wellington Shire Council. The Council made its decision in part because the project did not meet new 2km buffer guidelines.

**Naroghid project gets thumbs down from Minister**

In early 2012, Planning Minister Matthew Guy rejected the final works approval for Wind Farm Developments’ proposed Naroghid wind farm (near Camperdown). The proponent appealed the decision at VCAT.

Despite the original planning permit being approved in 2006, VCAT ordered the proponent to submit a new planning application which would be required to meet the current planning conditions. A high number of opponents living within 2kms of the proposed wind farm resulted in the project being scrapped.

“The recent VCAT decision meant further court hearings and delays would be necessary and for a small wind farm project, this is not a commercially viable proposition,” said Wind Farm Developments in a statement.
Matthew Guy: Minister for site huts...

A key element of Victoria’s wind laws (often overlooked in reporting and in addition to bans and veto) is the lack of ability to make minor alterations to planning permits or to extend the expiry date on wind farm planning permits.

Planning Minister Matthew Guy claims the Hawkesdale, Ryan Corner, Mount Gellibrand, Woolsthorpe and Salt Creek wind farms are now under construction, yet these projects have only commenced ‘early works’ in accordance with their permits. For these projects to keep their planning permits active current wind farm laws required the “date for the commencement of the development be no later than 15 March 2012.”

“Wind has been very important to Portland over the past 12 years and our company has expanded a business on that,” Keppel Prince Engineering general manager Steve Garner told The Weekly Times. “We’ve now got a wind section that employs about 100 people. There were about 150 people in that section earlier in the year, but we’ve had tough times in past six months.”

WestWind “on hold in Victoria”

Gisborne-based WestWind is actively pursuing development sites in other States as future potential Victorian project sites remain at early feasibility stages. The company is yet to decide whether it will take the Victorian projects through the current assessment process. Staff numbers have been reduced to reflect this.

WestWind has lost over $200,000 in investigations of potential sites that are now in wind exclusion zones. Nevertheless, it has committed to building its approved projects.

South Australian economy benefits from wind boom

On the other end of the scale, Victoria’s neighbour South Australia is experiencing a wind energy boom. The active rollout of wind farms is creating jobs and unleashing investment while cutting carbon emissions from coal power plants.

In July 2012, The Weekly Times reported “$5 billion of capital investment in the wind industry was pumped into the South Australian economy last financial year creating 1824 direct and 222 ongoing jobs.”

The massive growth of the wind energy sector comes on top of an already impressive deployment. South Australia’s wind farms make up 23 per cent of the electricity generation capacity and provide 27 per cent of electricity demand. When rooftop solar installations are accounted for, 31 per cent of the states electricity comes from renewable energy sources.

The state’s wind farms have outcompeted the most polluting coal power plants in the state. Playford B has been mothballed and Northern is running less than half the time. Data from AEMO’s South Australian Historical Market Information report reveals carbon emissions from South Australia’s energy sector declined 7 per cent in just one year. Energy analysts attribute the lowest wholesale electricity prices since the market commenced in 1998 to wind energy.
Recommendations to restore fair wind farm laws

The Napthine government’s energy policy applies onerous requirements for wind farms which are not applied to other infrastructure projects. The government has unfairly targeted the Victorian wind energy sector.

To restore fair laws for wind farms and create jobs and investment in Victoria, the state government must:

1. Revoke the 2km right of veto/setback from households. Amend the planning scheme to allow for scientific considerations—such as acoustic modelling, topography, turbine type and noise standards—to determine appropriate turbine setback distances.

2. Revoke the wind farm exclusion zones and release the advice used to determine their boundaries. Determine any future exclusion zones based on transparent assessment of landscape values and other social and economic considerations.

3. Ensure projects with existing planning approval are given extensions until they are able to begin construction.

4. Reinstate the Minister for Planning as the responsible authority for projects over 30MW.

To get Victoria back on track and regain ground lost to competitors such as South Australia, the government must:

1. Support the national Renewable Energy Target as it stands. Endorse the current 41 Terawatt hour target for large-scale renewable energy generation by 2020.

2. Re-enact the Victorian Renewable Energy Target to drive investment in shovel-ready wind farm projects.

3. Reallocate taxpayer-funded programs for fossil fuels towards establishing renewable energy and clean technology manufacturing hubs. The remaining allocation for the Victorian government’s $370 million Energy Technology Innovation Strategy (ETIS) and $90 million made available for the Advanced Lignite Demonstration Program (ALDP) can be reallocated in the 2014-15 budget.
Appendix

Analysis assumptions are based on Sinclair Knight Merz estimates for a typical 50MW wind farm (Clean Energy Council 2012):

* 48 direct jobs
* 5 ongoing job (operations and maintenance)
* $250,000 for turbine hosts
* $1.2 million flow-on economic benefit
* $80 for community funds

Clean Energy Council, Wind Farm Investment, Employment and Carbon Abatement in Australia, (Melbourne: CEC, 2012) (Link)

Figures for the community funding from community-owned wind farms are based on Hepburn Wind’s grant scheme at $15,000 per turbine, per annum.

Expected rate payment figures are based on the amount specified in the Electricity Industry Act 2000 (Order Under Section 94).

Figures for houses powered is based on the Australian Energy Market Commission’s figure of 5MW of electricity consumed per Victorian household, per year.\textsuperscript{xxiii}

Estimates off the carbon emissions abatement assume 30 per cent wind turbine capacity factor and 1.2 tonnes CO2/MW grid intensity.
Endnotes


viii Ibid, p.434


xvi ‘Wind farm ditched: VCAT setback decision kills off Naroghid plan’, The Standard, Sean McComish, 18 July 2013


