

National Wind Farm Commissioner

Commissioner's Presentation to the Community Consultative Committee

13 December 2017

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National Wind Farm Commissioner

www.nwfc.gov.au

Agenda

- The role of the Commissioner
- Achievements to date
- Wind farm information
- Complaint statistics
- Annual Report
- Reforms

Role

- Commenced in November 2015 for a three year term to:
 - ✓ Facilitate the handling of complaints from concerned community residents about planned and operating wind farms;
 - Identify and promote best practices for industry, government and related agencies to adopt with regard to the planning, operation and governance of wind farms; and
 - ✓ Improve information access and transparency about proposed and operating wind farms and the industry.
- National, independent role reporting directly to the Federal Minister for the Environment and Energy.
- Commissioner's Terms of Reference at www.nwfc.gov.au.

Achievements to date

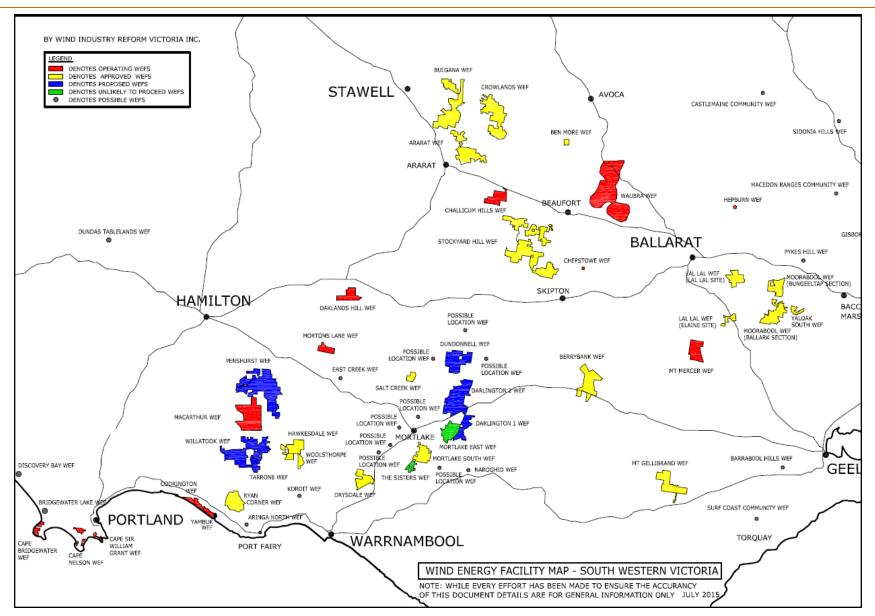
- Establishment of office and employment of staff
- Implementation of complaint handling policy, systems and process
- Independent website launched <u>www.nwfc.gov.au</u>
- Extensive stakeholder engagement more than 600 stakeholders including government, community, industry and experts
- Site visits to 31 operating/proposed wind farms and numerous residences
- Received 156 complaints, with 129 cases closed (as at 27 November)
- Identification and promotion of best practices
- Developed a range of preliminary observations & recommendations detailed in the Commissioner's 2016 Annual Report to Parliament.

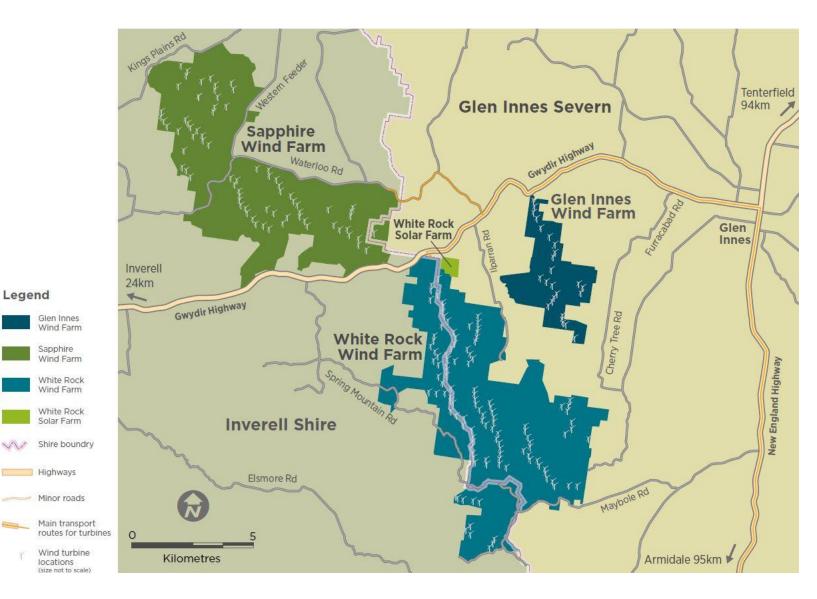
Wind farms: summary

- Industry in Australia began in late 1990s, most wind farms built after 2000.
- Approximately 79 operating wind farms in Australia.
- Total current capacity = 4,803 MW (2,180 turbines).
- Some 67 wind farms in the 'development' pipeline.
- Approximately 12,000 MW of potential capacity and 3,800 turbines in pipeline.
- Majority of proposed wind farms are for VIC (26), SA (18) and NSW (12).
- Additional 4,000 MW (approx.) required to meet the 2020 RET.
- Industry comprises both prospective developers and longer term owner/operators.









31 wind farm sites visited

(*proposed wind farm sites)

Victoria:

Ararat

Bald Hills

Cape Bridgewater

Hawkesdale*

Hepburn

Lal Lal*

Macarthur

Moorabool*

Mt Gellibrand

Oaklands Hill

Waubra

Wonthaggi

Willatook*

NSW:

Bango*

Collector*

Coppabella*

Crudine Ridge*

Cullerin Range

Glen Innes*

Gullen Range

Gunning

Jupiter*

NSW Energy Cluster*

Sapphire*

White Rock

Walcha*

South Australia:

Hallet

Palmer*

Snowtown

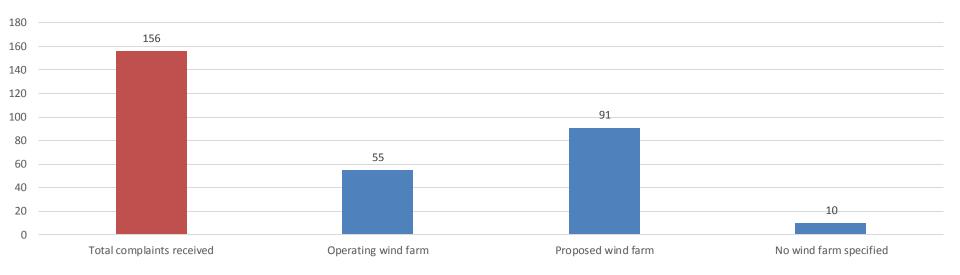
Waterloo

Tasmania:

Musselroe

Complaint statistics

(as at 27 November 2017)

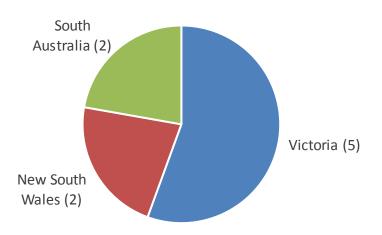


- 156 complaints received
- 55 complaints are from 9 operating wind farms
- 91 complaints are from 32 proposed wind farms
- 10 complaints did not specify a wind farm
- 129 cases closed, remaining 27 cases at various stages of our complaint handling process.

Complaint statistics – operating wind farms

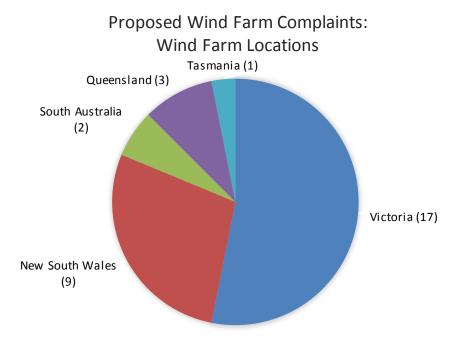
- 55 complaints about nine operating wind farms:
 - Victoria 31 complaints
 - NSW 7 complaints
 - South Australia 17 complaints.
- 53 of these cases have been closed.

Operating Wind Farm Complaints: Wind Farm Locations



Complaint statistics – planned wind farms

- 91 complaints about 32 proposed wind farms:
 - Victoria 55 complaints
 - NSW 24 complaints
 - South Australia 7 complaints
 - Queensland 4 complaints
 - Tasmania 1 complaint.
- 67 of these cases have been closed.



Top 8 complaint issues

- Complaint issue type in order of prevalence:
 - Noise and annoyance from operations (including noise testing process and noise standards) – 49% of complaints
 - Health concerns 38% of complaints
 - Amenity and impact on views 30% of complaints
 - Planning process and transparency 23% of complaints
 - Economic loss (property & opportunity) 21% of complaints
 - Natural environment 15% of complaints
 - Community engagement 14% of complaints
 - Vibration 13% of complaints.
- Resolutions range from provision of helpful information through to commercial settlements.

2016 Annual Report Observations and Recommendations

- Host landowner negotiations
- Neighbour consultation and agreements
- 3. Community engagement
- 4. Length and renewal of planning permits
- 5. Governance and compliance of standards and permit conditions
- 6. Selection and use of experts
- 7. Complaint handling and emergency procedures
- Site selection
- Health matters

Observations and Recommendations 1. Host landowner negotiations

- Landowner expectations should be properly managed from the outset (eg. advised of risks of reduction of turbines).
- Agreements should:
 - be fair and reasonable (landowner should also obtain independent advice prior to entering agreement)
 - be written in plain English
 - clearly outline responsibilities relating to liability insurance, decommissioning (including sources of funding for decommissioning) and other applicable rates, land taxes and emergency service levies.
- Developers should consider providing a level of compensation to all engaged host landowners, regardless of final turbine layout.

Observations and Recommendations 2. Neighbour agreements

- All neighbours within a vicinity of 5km of the wind farms proposed turbines should be identified and consulted where practical.
- Planning authorities, investors and other stakeholders should require evidence of effective neighbour consultations as part of due diligence and approval criteria.
- If used, neighbour agreements should:
 - be negotiable
 - be fair, reasonable and in plain English
 - not restrict neighbours from making complaints about the wind farm
 - not subject neighbours to conditions that exceed permit limits (unless neighbour is an 'involved' participant).
- Proposed mitigation measures such as screening solutions should be realistic and effective.

Observations and Recommendations 3. Community engagement

- Developers should invest in community engagement as early as possible.
- Operators considering purchasing permitted or operating wind farms should also assess effectiveness of community engagement undertaken by the original developer prior to purchase.
- In developing an engagement plan, proponents should consider the following:
 - establish relationships with key community stakeholders
 - establish a Community Consultative Committee (CCC)
 - establish a range of information opportunities for the community
 - establish a transparent and effective complaints handling process
 - assess appropriate 'make-good' activities and beneficial improvements in local infrastructure (eg. mobile phone services)
 - establish and maintain a community engagement fund
 - provide evidence to planning authorities and other stakeholders of community engagement plans and outcomes.
- Councils and State Governments should also proactively engage with community and promote community engagement initiatives.

Observations and Recommendations 7. Complaint handling and emergency procedures

- Typically, complaint management conditions and permits are limited to noise and construction complaints only.
- Our Office has observed that, while complaint handing procedure documents do exist, few have been published on websites and procedures are not being followed by wind farm operators.
- We have approached a number of wind farms and requested their complaint handling procedure be published – all have complied/agreed to date.
- States should consider modifying permit conditions to reflect:
 - Expanding complaint handling procedure requirements to include all complaint types in a prominent section of the permit
 - Introducing a permit condition requiring the complaint handling procedure to be published
 - Introducing a permit condition requiring the complaint handling procedure to be followed
 - The ability and powers to audit a wind farm's complaint handling activities and complaints register to confirm compliance with the procedures and therefore the permit.

Some considerations for clarity in landowner/wind farm agreements

- Fees payable during the project development stage (pre-permit), financial close stage (post-permit), construction stage and operational stages
- Considerations if project is cancelled or delayed
- Changes to turbine layout/turbine numbers
- Changes to infrastructure (eg. road systems) and maintenance of landowners infrastructure
- Responsibility for council rates
- Responsibility for land taxes
- Responsibility for emergency services levies
- Insurance matters
- Tenancy arrangements
- Transferral to new landowner
- Subdivision arrangements
- Termination provisions
- Decommissioning considerations
- Assurance if wind farm defaults (eg. deposit, bank guarantee).

Note: NSW Valuer-General policy: 'Valuation of land used as a wind farm' (May 2017)

Selected reforms and initiatives

- Publication of a bulletin listing items to consider when entering into a neighbour or host landholder agreement, in consultation with:
 - National Farmers Federation (and equivalent state organisations) to promote awareness across their members about matters to consider when being offered host landowner or neighbour agreements; and
 - appropriate peak bodies in each state to provide guidance for local solicitors on items to consider in reviewing commercial agreements with wind farms (eg. host landowner or neighbour agreements).
- Publication of a bulletin listing questions to consider about wind farms when purchasing rural property.
- Preparation of guidelines for medical practitioners when consulting to patients living in proximity to a wind farm.
- Reviewing and advocating for transparency, skills and effective processes in handling complaints about wind farm projects.
- Consulting with construction companies involved in wind farm projects to proactively assist them
 in their community engagement and complaint response programs.
- Review/continuation of arrangements in each jurisdiction with regards to rating wind farms for council rates, land tax and emergency services levies to yield any potential discrepancies and ensure that arrangements for landowners are reasonable.

December 2017

Selected reforms and initiatives (cont.)

- Review and clarification of key standards (eg. noise standards), including ownership of standards in each state, to minimise confusion for community members, government agencies and industry.
- Clarification of the primary compliance authority for wind farms across each jurisdictions to provide increased accountability for the monitoring and enforcement of wind farm compliance.
- Advocating a more transparent assessment process in the event of permit modification applications where material changes to a wind farm's design are proposed, to ensure processes are and clear. The Victorian Minister for Planning has now adopted this approach in approving planning permit modifications. For instance, best practice noise assessment should include independent audits of:
 - predictive noise modelling;
 - background noise modelling; and
 - post-construction noise assessment.
- Guidance to the Australasian Fire & Emergency Service Authorities Council (AFAC) and state-based emergency services responders in relation to emergency management/bushfire protocols based on our learnings from actual emergency events, including facilitating a presentation to the Clean Energy Council Wind Directorate by the South Australia Country Fire Service based on actual learnings from a recent bushfire at a South Australian wind farm.
- Identifying and promoting best practice models for the funding and accountability of wind farm decommissioning.