

ERM

Socio-Economic Impact Report

**For a proposed wind farm
at Black Springs, NSW**

PREPARED FOR WIND CORPORATION AUSTRALIA PTY LTD

SOCIO-ECONOMIC IMPACT

1. INTRODUCTION

This report addresses the potential social and economic impacts of the proposed wind farm. Many of the issues examined here were raised by the local community during consultation undertaken throughout the original Environmental Impact Assessment (EIA) process for the 33 turbine Black Springs Wind Farm. Other socio-economic issues have been identified by government agencies for consideration. This report discusses the potential social and economic impacts of the proposal.

Where further technical assessment has been required (eg. for noise, visual and cultural impact), cross-reference is made to other reports.

1.1. METHODOLOGY

This assessment has been prepared using publicly available information sourced from Oberon Council, the Australian Bureau of Statistics (ABS), and government agencies. Various websites with articles and papers relating to landscape and property values, Environmental Impact Statements (EIS) for other wind farms and planning documents have also been utilised, as well as the information gathered from the wider community through the consultation activities. Reference is also made to the various technical assessments that have been undertaken as part of the EIA.

Given the relatively low number of community submissions, and the non-quantifiable nature of community values, the approach taken for this assessment is of a qualitative nature. This report assesses the issues and concerns raised by these community members in order to determine the potential nature and level of impact.

Where available, demographic information has been provided for the Black Springs area. It should be noted that the numbers for Black Springs provided below are from ABS Collector Districts (CDs)¹ 1142006 and 1142007. This data has been selected for use as Oberon Council has not yet prepared a community profile from the most recent Census². These CDs cover an area greater than that of Black Springs, but given the relatively small geographical size of the village and its outlying areas, this is the smallest level of data available from the ABS.

¹ The collection district (CD) is the basic geographic unit of collection. A CD is generally a census workload area that one Collector can cover delivering and collecting census forms in a specified period. On average there are about 225 dwellings per CD, however there may be more in some urban CDs, and in rural areas a CD may contain fewer dwellings yet cover an extensive area (Source www.abs.gov.au).

² Discussions with Oberon Council revealed that given the recent amalgamation with part of Evans Shire, a current community profile has not yet been prepared. It should be noted that given the recent amalgamation, ABS data does not reflect the new boundaries. Data used in this chapter are therefore for the old Oberon LGA boundaries only.

1.2. IMPACTS

Community Consultation Process

The consultation component of the EIA process is discussed in detail elsewhere in this EIS report.

In short, the consultation component of the EIA process has comprised two elements:

1. Liaison with a range of government and other agency stakeholders; and
2. Liaison with the local Black Springs and Oberon community.

As outlined in the Community Consultation Report, various government agencies have outlined issues they require to be addressed within the EIS process. Many of these issues are assessed in detail in other reports of this EIS, however, those issues with social, community and economic impact are discussed in detail here.

The community consultation program comprised various activities to engage and inform the local community, including newsletters, a publicly advertised information session, with feedback forms, face to face meetings with landowners, and response to phone calls, faxes, letters and other submissions.

The most frequently mentioned concerns were property devaluation, visual impact, noise impacts, and disruption to the general amenity of the Black Springs area.

1.2.1. Oberon and Black Springs Community

Oberon LGA

Oberon Local Government Area (LGA) is located approximately 2.5 hours drive west of Sydney, between the Blue Mountains and Bathurst.

Prime lamb and beef cattle are the main rural industries for the LGA, along with timber processing being the major secondary industry, with the timber sourced from local State Forests and private plantations. There is also a sizeable local horticultural industry, with tree nurseries, nut tree plantations, bulb farms, new ventures and experimental enterprises also developing (Oberon Council 2005).

The General Vision for the Oberon LGA, is:

"To build on the strengths and diversity of the Oberon Local Government Area by encouraging opportunities aimed specifically at the provision of social equity through additional employment, while maintaining environmental sustainability" Oberon LES p10.

The Village of Black Springs lies approximately 20kms south west of Oberon township. The village and its surrounds have a population of just less than 500 people. Black Springs supports a primary school, a local tennis club and a progress association which meets monthly at the local community hall. A shop and petrol station are located at the intersection of Black Springs' main streets, however, they have been closed for some time.

Demographic Characteristics

At the time of the 2001 census, Oberon LGA had a reported population of 4,846 people and the Black Springs area³ had a population of 496 people (ABS 2001). More recent population estimates put the LGA's population at 5,007 (2002 figures, ABS Regional Statistics (2003) in Oberon LES).

The Oberon LGA has a significantly lower proportion of its population born overseas than NSW (8.4% compared to 23.1%), so too the proportion of Oberon's population who speak a language other than English at home is significantly lower than for NSW as a whole (3.3% compared to 18.8%) (ABS 2001).

The proportion of Oberon's residents who identified themselves as being of Aboriginal or Torres Strait Islander decent was quite representative of NSW as a whole (2.1% compared to 1.9%)(ABS 2001).

Age Profile

As can be seen in *Table 13.1*, the largest age grouping within the Black Springs population are people aged 45-64, with this age grouping comprising almost one third of the area's population (31.5%). People aged 25-44 comprise almost one quarter of the area's population (23.8%) as so children aged 0-14 (23.0%). The two smallest age groupings in the area are the 65+ category, at 11.3% and young people aged 15-24, who make up 9.9% of the population.

Table 13.1 Age profile breakdown for Black Springs, Oberon LGA and NSW, 2001

	<i>Black Springs Persons</i>	<i>Black Springs %</i>	<i>Oberon LGA %</i>	<i>NSW %</i>
0-14	114	23.0%	23.3%	20.6%
15-24	49	9.9%	12.7%	13.2%
25-44	118	23.8%	26.6%	29.5%
45-64	156	31.5%	25.5%	22.7%
65 +	56	11.3%	11.2%	13.0%
<i>Overseas Visitors</i>	3	0.6%	0.6%	1.0%
Total	496	100%	100%	100%

1. ABS Census of Population & Housing, Basic Community Profile (Table B03), 2001

Table 13.1 also illustrates that the Black Springs' population profile is skewed toward the younger and older population groupings, when compared with both Oberon and NSW, in that it has higher proportions of children and older people, yet lower proportions of young people and the middle age grouping.

Income

The median household income for Black Springs in 2001 was \$700-\$799 per week (ABS Census Table 33 2001). These figures are the same for the Oberon LGA, but lower than

³ ABS Collector Districts (CDs)³ 1142006 and 1142007

those of NSW as a whole, where the median household income for NSW was \$800-\$999 per week.

Table 13.2 Household Income for Black Springs, Oberon LGA and NSW, 2001

Income	Black Springs	Black Springs %	Oberon LGA %	NSW %
\$0-\$299	16	11.0%	12.6%	12.2%
\$300-\$599	31	21.4%	22.2%	20.6%
\$600-\$999	34	23.4%	24.8%	18.8%
\$1000+	33	22.8%	29.3%	36.9%
Partial income stated (a)	22	15.2%	7.9%	8.0%
All incomes not stated (b)	9	6.2%	3.1%	3.5%
Total	145	100.0%	100.0	100%

Source: ABS Census of Population & Housing, Basic Community Profile (Table B31), 2001

a) Includes families where at least one, but not all, member(s) aged 15 years and over did not state an income and/or at least one family

b) Includes households where no members present stated an income.

Table 13.2 provides a snapshot of comparative household income characteristics for Black Springs, Oberon LGA and NSW. It can be seen that Black Springs has a lower household income profile than Oberon LGA and NSW. It should also be noted that the figures for Black Springs for the categories of 'partial incomes stated' or 'all incomes not stated' is significantly higher than for Oberon and NSW, which may distort the true income profile for the area.

Tenure

More than two thirds (68.8%) of residential houses in Black Springs are owner occupied, or are in the process of being purchased. As can be seen in Table 13.3, this is a higher rate of ownership than both Oberon (64.9%) and NSW (64.2%).

Table 13.3 Tenure Type for Black Springs, Oberon LGA and NSW, 2001

Tenure Type	Black Springs No. of occupied private dwellings	Black Springs %	Oberon LGA %	NSW %
Fully Owned or being purchased	130	68.8%	64.9%	64.2%
Rented	18	9.5%	21.2%	27.7%
Other Tenure Type (a)	13	6.9%	4.4%	2.8%
Not Stated (b)	28	14.8%	9.6%	5.3%
TOTAL	189	100.0%	100%	100%

1. ABS Census of Population & Housing, Basic Community Profile (Table B19), 2001

2. (a) Includes dwellings occupied rent-free and dwellings being occupied under a life tenure scheme.

3. (b) Includes dwellings where the tenure type was not stated.

Table 13.3 also illustrates that the proportion of rented residential houses is less than half that of both Oberon and NSW. Again, however, it should be noted that the proportion of 'not stated' responses is very high, which may have distorted figures somewhat.

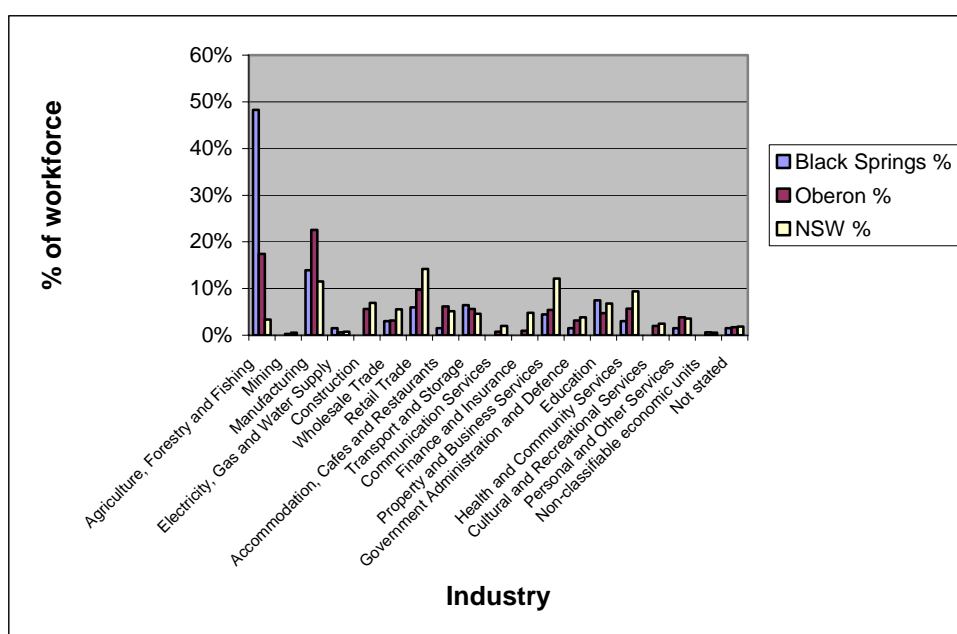
Economic Base and Employment Patterns

As mentioned above, prime lamb and beef cattle are the main rural industries in the Oberon LGA, along with timber processing being the major secondary industry, with the timber sourced from local State Forests and private plantations.

As can be seen in *Figure 0.1* below, within the Black Springs workforce, almost two thirds of employment is within these industries, with 48.9% employed in *Agriculture, Forestry and Fisheries* and a further 13.9% in *Manufacturing*.

When compared to Oberon as a whole, the proportion of Black Springs' workforce in the *Agriculture, Forestry and Fisheries* is significantly higher, while the Oberon workforce has a higher proportion engaged in *Manufacturing*.

Figure 0.1 *Employment By Industry, Black Springs, Oberon and NSW 2001*

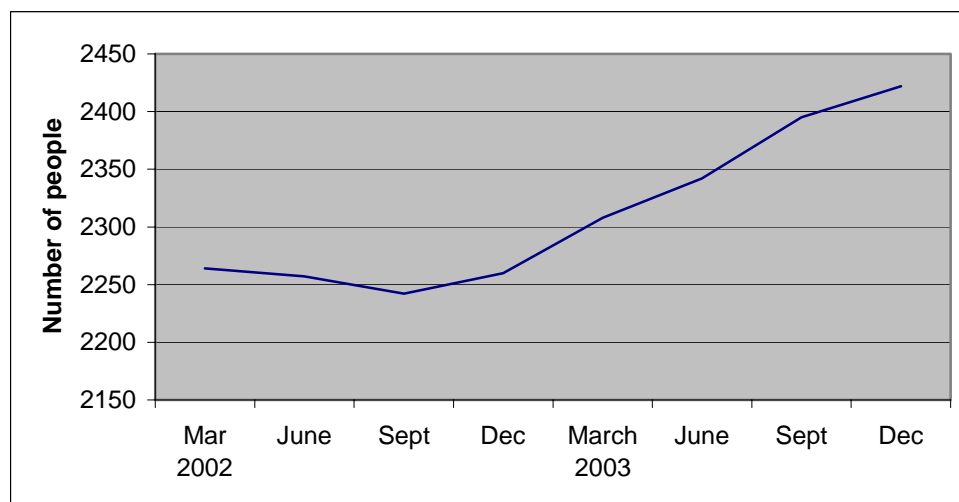


Workforce Participation and Employment rates

Using as a base figure the working aged population (15 years +) for Oberon, in 2001 (3,715 people) and labour force numbers provided by DEWR (2004 Small Area Labour Markets), in March 2002 the LGA would have had a workforce participation rate of around 61%, which is slightly lower than the same figures for NSW.

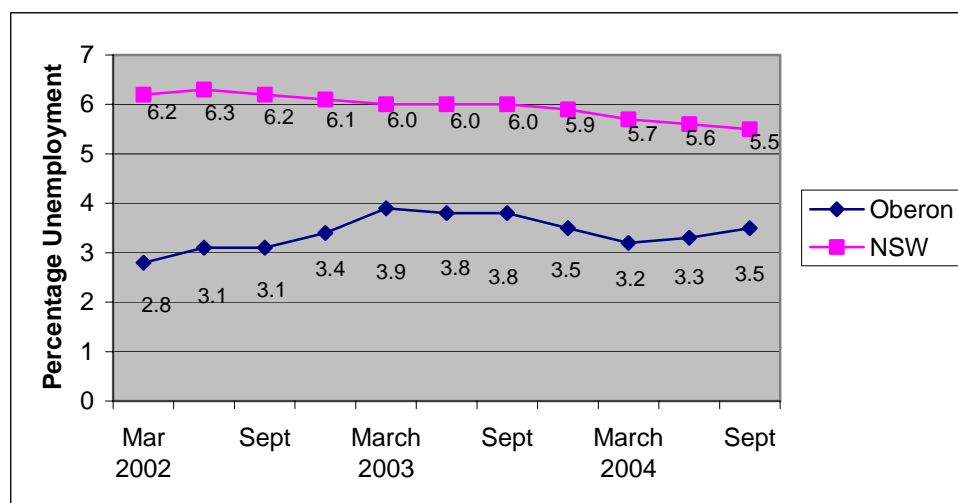
Figure 0.2 shows the growth in Oberon's labour force between March 2002 and December 2003.

Figure 0.2 Oberon Labour force March 2002 - December 2003



Within its labour force, the Oberon LGA has a very high rate of employment. In September 2004, only 3.5% of Oberon's workforce were unemployed (DEWR 2004 Small Area Labour Markets, Australia). As Figure 13.3 shows, over the last two years, Oberon's unemployment rate has risen slightly, yet remains significantly lower than NSW rates.

Figure 13.3 Unemployment Rates, Oberon LGA and NSW, March 2002-Sept 2004



1.2.2. Impacts on Community

This section identifies potential implications the wind farm may have on the local and wider community. The following issues have been identified in the following ways:

- Via community consultation;
- From agency requirements
- Technical review of available information; and

- From ERM's experience with assessment of infrastructure projects.

Issues

Property Devaluation

This has been identified both by government agencies as a matter for the EIS to address, and as an issue of great concern to local community members. In particular this is a matter of concern to those local property owners immediately adjacent to the properties that are proposed as locations for the wind farm turbines.

The potential impact one single factor such a proposed wind farm may have on the value of property in the local area is very difficult to determine. According to research by the Australian Wind Energy Association (AusWEA), the relatively short time since the introduction of wind farms in Australia has not allowed any significant quantitative assessment of property values near wind farms.

The Royal Institute of Chartered Surveyors, prepared a snapshot of the UK housing market in relation to wind farms and house prices in November last year. The report concluded that housing process are affected at DA stage and as construction of wind farms begin, but that there is evidence that prices begin to recover after the wind farm has been up and running for two years. They also suggest that wind farms become more accepted as communities grow used to them (RICS 2004).

The AusWEA has also looked at overseas trends and reports that 'evidence indicates wind developments have no material affect on property values'. They also report that an informal study on the effects at Esperance, WA where there are two of Australia's earliest wind farms, showed that of 15 properties investigated only one reduced in value. This was also put down to the fact that the one property had been subdivided into two lots and one lot had sold for less than the value of the original lot (AusWEA 2004).

Given the nature of AusWEA as Australia's peak body for wind energy, it is, however, necessary to further investigate impacts on property prices. In order to do this, Real Estate Agents in areas near to existing wind farms in NSW were contacted for comment. Real Estate Agents were contacted in the Goulburn/Crookwell, Hampton and Blayney areas. A summary of their comments is as follows:

- ***Crookwell***
 - At Crookwell the impact on values seems to be nominal, even given different sizes of land lots sold. However, people in the area seem to think that the proposal for another 55 turbines in the area would threaten land values.
 - One Agent also said that people who have bought in the area over the last 3 years have mostly moved from the city to the 'country' for lifestyle purposes and that they may become more cautious about where to purchase land as more turbines are built.
 - Another Agent suggested that like any property (eg. near a road or another piece of infrastructure) "99 out of 100 people would like it and one would see it as a feature and would be willing to pay top dollar for it". This Agent had only moved to the area

within the last 5 months and suggested that there was no impact now, 3 years after the Crookwell turbines had been built.

- One Agent said she has not had any problems selling properties in the area of the wind farm, and that she has had more problems selling properties where electricity lines are visible. This Agent did suggest, however, that as more turbines become visible, interest in some property may reduce.

- *Blayney*

- Two properties have been sold quite recently near the wind farm at Blayney, and there was no evidence of an impact on their value, according to an Agent in Blayney.
- Another Agent indicated that he promotes the wind farm as a landmark for the area when describing properties. He felt that there had not been any impact on either interest in local properties or in land values as a result of the wind farm.

- *Hampton*

- The Agent close to the Hampton wind farm has not sold property near to the Hampton turbines, so was unable to comment on impacts to nominal values. He did indicate very clearly that the two turbines located there had quite significant impacts on interest from city buyers on the area, who were very cautious in asking about wind farm proposals and other infrastructure around properties.

The comments from this snapshot of Agents reinforced the difficulty in assessing the impact a wind farm may have on property prices in a local area. However, they could be seen to follow the RICS conclusions that the impact of a nearby wind farm on property prices if negative, may settle over time.

Mitigation measures

As mentioned above, no one factor can be contributed to changes in property values. It is difficult, therefore, to suggest mitigation measures for an impact that is difficult to assess. However, the following activities may assist with positive marketing of the area toward the future buyers market:

- The wind farm proponent would enter into agreement with those property owners who would have turbines on their properties, which would include an ongoing payment to 'compensate' for use of their land;
- The wind farm proponent should continue to communicate about the wind farm with the local and wider community, passing on factual information about the farm, its electricity generation and the environmental benefits it creates. This would help to engender a positive image of wind farms within the community, which would spread to potential buyers when properties are marketing via estate agent means;
- WCA should continue active involvement with AusWEA, who are undertaking ongoing investigations into the impacts of wind farms into property values.

Property devaluation is discussed in more detail in the Environmental Assessment report.

Visual Impact and Loss of Amenity

Many objections to the wind farm proposal that were voiced through the EIS process were related to the visual prominence the turbines would have on the local landscape.

Visual Impacts and impacts on amenity are, therefore, very closely related. The visual impact is discussed in more detail in the Environmental Assessment report.

Impacts on community identity and cohesion

As mentioned above, wind farm developments have been recognised as creating a polarisation in views and opinions. The consultation component of the EIA process did reveal community discord, both implicitly in how local residents were speaking about other community members and explicitly in the recognition by some residents that the issue of 'to wind farm or not to wind farm' is dividing the community.

This discord seems to be restricted to those properties and residents who are likely to be directly affected by the wind turbines i.e. between those considering the turbines (but would be compensated through lease payments) and those neighbours who are not considering the turbines but would be in view of or close proximity to the proposed turbines.

At the Preliminary Shire Visioning workshops for the Council's Local Environmental Study, the local residents raised the following as significant identifiers for Black Springs:

- there is a strong sense of community;
- the importance of farming to the area;
- the timber industry is of importance, given it is a major employer in the area; and
- opportunities for the area included new tourism opportunities, which could bring not only tourists but also new residents to the area.

Their vision for the Black Springs area has been stated as:

"To invigorate both the village of Black Springs and its surrounding areas, through the provision of additional employment opportunities, including tourism, housing options and support services, while still maintaining a rural village atmosphere"p10.

Mitigation

As mentioned above, the wind farm proponent should continue to communicate about the wind farm with the local and wider community, passing on factual information about the farm, its electricity generation and the environmental benefits it creates. This would help to engender not only a more positive image of wind farms within the community, but also allow in time the local community to take ownership of the wind farm as part of it's community identity.

Wind Corporation Australia should also continue to actively pursue community investment opportunities, with the local school, tennis club and progress association. This

would show the local community that WCA is genuinely interested in the ongoing wellbeing of their area and community.

References

Australian Bureau of Statistics 2002 Basic Community Profile for NSW

Australian Bureau of Statistics 2002 Basic Community Profile for Oberon Local Government Area

Australian Bureau of Statistics 2002 Basic Community Profile for Collector Districts 1142006 & 1142007

Australian Wind Energy Association (AusWEA) 2004 Wind Farms and Property Prices

Australian Wind Energy Association (AusWEA) 2004 Wind Farms and Tourism

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Royal Institute of Chartered Surveyors 2004 - www.rics.org

The Hunter Development Brokerage 2004 The Oberon Council - Local Environmental Study and Landuse Strategy