

Portland New Energy Forum Minutes

6 May, 2010

Richmond Henty Hotel Complex, Portland

Addressing Impediments – Creating opportunities

Attendees: Ian Bail - Chair of the Committee for Portland, Mike Barrow - Planning Manager Colac Otway Shire Council, Terry Binder - Economic Manager Corangamite Shire Council, Marcus Bolger - Senior Research Partnerships Manager Deakin University, Ian Courtney - Community Relations Advisor Origin Energy, Jonathan Dahmani - Electrical Project Manager Suzlon Energy Australia Pty Ltd, Bart Gane - State Coordinator Wind Energy Facilities Department of Planning and Community Development (DPCD), Steve Garner - General Manager Keppel Prince, Geoffrey Grant - Project Manager Industrial & Energy Division Leighton Contractors Pty Limited, Andrew Guyton – Project Planner Acciona Energy, Danny Halstead - Pacific Hydro, Murray Herron - Strategic Planner Glenelg Shire Council, Phil Hoggan -Project Manager - Great South Coast Skilled Migration Warrnambool City Council, Chris Logan - Regional Stakeholder Advisor Origin Energy, David Madden- CEO Moyne Shire Council, Paul Phelan - Project Manager Suzlon Energy Australia Pty Ltd, James Purcell - Councillor Moyne Shire Council, Anita Rank - Executive Director Committee for Portland, Peter Reefman President Portland Sustainability Group Director of Energised, Chris Righetti - NewEn Australia, David Stafford - Campus Manager South West Institute of TAFE, Emma Vagg - Development Manager Great South Coast Regional Development Victoria, Tanya Watson - Wordbiz, Greg Wood - Vice Chancellor's nominee as interim campus head for Warrnambool Deakin University

Background:

Following on from the inaugural New Energy Forum conducted in Warrnambool Victoria last October directed to developing an ongoing collaborative structure for the New Energy sector in SW Victoria (possibly ranging across information exchange, the development of a new energy voice for the region, and more efficient engagement with Municipal, State and Federal agencies) a second Forum was conducted on 6 May, 2011.

Welcome:

The Forum attendees were welcomed by Anita Rank, Executive Director Committee for Portland who then handed over to Ian Bail, Chair of the Committee for Portland to facilitate proceedings.

Each of the attendees then gave a brief introduction of themselves and of their organisations, and an outline of where they were hoping that the Forum would add value to their organisation's current actions. These value adds were:

- Improve linkages between stakeholders
- Assist progressing investment in SW Victoria
- Increase understanding of the expectations of stakeholders
- Clarify training needs/skilled migration opportunities
- Help improve planning and zoning processes
- Better understand community engagement processes/needs
- Build relationships and identify R&D opportunities/needs
- Help repair some damaged relationships

The attendees were then divided into three groups, with each group addressing one of the following issues:

- Planning and regulatory barriers
- Workforce education, training and skills development/retention
- Community engagement and advocacy

and then report back to the entire group with:

- A summary of the issues
- What is working well now
- Suggested actions

REPORTS

1. Planning and regulatory barriers

This was a very robust discussion.

The major issues were:

The cumulative impact of a large number of planning applications in rather close areas;
The issue of surety about buffers; and
Education and the need to bring the community along.

Wind farms require:

1. Wind
2. Access to the grid
3. Community acceptance

It was generally felt that we know where the wind is so that's relatively easy, we know what the existing grid is like, but the community may have been left behind to some extent.

How do we deal with the effect upon individuals? Buy back or buy out schemes with Government involvement? Neighbourhood planning schemes to certain radiuses?

Do we need a review of the planning process to reduce bottlenecks. Everybody wants a simpler process; planning takes too long, Companies often feel that they spend 80 per cent of their effort in planning and 20 per cent in actually building something.

Would wind farm zones work? MOUs between industry and local government so that industry funds the strategic work to do the technical assessment of applications? Upfront assessment of construction details? When permits have been issued by the Government in the past, the industry thinks that that's the end of the process, but the issue of the permit is usually only about half way as there are so many details that are left unresolved that they have to be dealt with at a later date. There is sometimes not the understanding of the time it will take. Proper fees or resourcing are needed for local governments if they are going to deal with the planning applications.

Increasing application fees? The State Minister issued a statement before this issue was raised formally, saying no – there are other ways of dealing with it. Local government has the choice of referring the application to the Minister asking the Minister for assistance with resources, but there would be a substantial amount of resources needed to deal with the applications, and the other issue is fees.

Local government in Victoria is the responsible planning authority for most things and deals with these on a fees basis; research shows that these are all little bit light, but local government subsidises the rest, but the fees are close. The maximum fee though is \$16,000 – the planning system wasn't set up for local government to be dealing with one half to one billion dollar projects. The \$16,000 maximum fee is nothing like enough and was never envisaged for projects like that. Somehow someone has to provide the resources - the community doesn't want local government to increase its rates to fund new energy applications.

There needs to be more discussion - industry and the development in the region is growing so fast that there needs to be continued dialogue between local government, State Government and the industry and this Forum is a great opportunity for that. It is believed that the Minister is keen to keep that dialogue going with local government authorities about wind farms and that dialogue is expected to continue.

The State may take back some of the applications and it will have access to more appropriate resources - Local government just doesn't have the resources.

Industry might be willing to support a fees increase in view of the fact that this might "weed out" out some of the speculative planning applications (aka Cowboys) with no intention of building in the hope that someone will buy the rights from them and build. A lot of the problems are caused by these cowboys who are out to make a quick return on their investment.

Increased fees would increase the proportion of serious applications and reduce the total number of applications that need to be processed, thereby reducing the level of community angst to some extent.

The Shire Councils and the community have a better relationship with the companies that are constructing the facilities because the companies are putting good effort into forming those community relationships and relationships with the Councils. The Councils' main difficulty is with companies that are simply seeking a licence to sell; some of these are quite reputable, but there are some that need to be improved.

It was suggested that perhaps wind farm developers could carry out peer reviews on their own studies which would assist Councils in approving the conditions or studies that developers submit. For example, the developer's flora and fauna data, any noise and cultural heritage issues data could be peer reviewed. If there are any issues that need to be addressed prior to the application being submitted, the developer could address these beforehand.

There are some good examples in land use developments for residential where a developer pays for studies which are reviewed by consultants, and the Councils have a say in which consultants review it, but the financial arrangements are between the developer and the consultant and then the consultant pays for the panel hearing. This can assist in speeding up the process.

It is clear that the industry is keen to work with local government to overcome planning issues.

There are guidelines for wind farms, but for other industries, such as poultry and piggeries, they have Codes of Practice where the Codes are part of the planning schemes, but they are developed by industry, local government and Government. The Codes are reviewed regularly and so the Codes take account of the changing standards or the changing best practice, so instead of having to get into detail in the planning scheme, it actually sits as a separate document, a live dynamic document, and when it is updated by the Code of Practice Committee it is immediately updated in the State planning schemes. This could potentially be applied to the new energy space.

2. Workforce education, training and skills development/retention

There are no problems in SW Victoria with regard to education and training facilities (eg Deakin University and SW TAFE). However, there is a major shortage of engineers in the region, particularly mechanical, electrical, civil, environmental, and more recently, acoustic engineers.

Labour retention is always an issue in country areas. Higher wages and other incentives in the major cities are a factor, as well as good workers being promoted and moved elsewhere around Australia and internationally. There is also strong competition for skilled staff from the forestry sector; this competition is expected to ramp up over the next few years as existing mature forests are being increasingly harvested.

Unfortunately, only about 25% of Year 12 students from SW Victoria go on to university (versus roughly 60%, in Melbourne's East) and very few of those who don't go on to further studies take up apprenticeships. The reason for this, in part, is that Year 12 graduates are able to find reasonably well paid jobs in the region. For example, \$40 - 45k per year in Warrnambool. Regional unemployment is low.

Bearing in mind that there is a lack of skilled engineers in the region, coupled with the fact that most secondary school students don't seem to know what engineers really do, the engineering profession needs to be better marketed in schools

It would also be useful if a scoping study was to be conducted to determine current and future demand for engineers by type.

Vocational employment of students over the summer which could count as credit towards courses and cadetship programs such as those instituted by RDV could provide incentives for people to come back and work in the region. Geelong students could work in the SW over the summer which could result in them returning to the region when they have completed their qualifications.

Positive benefits of the region, such as sustainability, local amenity, lifestyle and affordable housing should be marketed to prospective workers.

Interestingly, Warrnambool has a much younger demographic (20 – 40 year olds are coming back), rather than it being a retiree destination as in the past.

There also needs to be a means of easier recognition of skills gained overseas for partners of skilled migrant as these partners often have difficulty finding employment.

Companies should be encouraged, perhaps via Enterprise Agreements, to take on a fixed percentage of their workforce as apprentices – a form of “affirmative action”.

3. Community engagement and advocacy

Early on, the community was not supportive of the wind industry, but this is improving over time.

There has been a rise of new, small organised (and very vocal) groups who managed to put their point across and get some momentum focussing on issues which are very important to communities, such as health concerns, sometimes without having full scientific backing. A solution to that could be to obtain support from local, State and the Federal government for independent studies to determine whether or not these claims are well founded.

Industry has done very well compensating landholders, but there is a rising need for considering people affected around wind farm boundaries. Perhaps an arrangement such as a “Good Neighbour Agreement” as in the U.S. may be contemplated for compensating affected people (eg <http://www.cpn.org/topics/environment/goodneighbor.html>)

What is the community afraid of?

- Lack of control
- Perhaps for communities that have not had wind farms in their community previously, a fear of the unknown
- Support from the community is usually higher where wind farms already exist in the particular area
- Concerns during construction – large influx of workers and the effect that that has on the community
- While there are more higher paid jobs during construction, this is only for a reasonably short period and these people later move elsewhere, including local workers who have been employed during construction who want to maintain the higher pay rates that aren’t available elsewhere in the SW.

Different business models that are used overseas:

Community owned wind farms – small scale – can build local support for later, larger wind farms in the same area.

Wind farms can be a tourist attraction

Emphasise how much green energy is generated by the community and the wider population to build community support

How can we emphasise the benefits that the community extracts from having a wind farm or a renewable project on their land?

Apart from monetary compensation, improvement of infrastructure, impact on eco business etc. Long term benefits for the region – jobs, better facilities

How do you go about compensating the community to gain support – timing is important – before planning application? Definitely not.

Establish a Community Fund which it is understood are used on some other sites in Australia.

Perhaps some of the power generated could go directly to some communities, such as to a local institution, if economically viable (doubtful). This would provide a tangible benefit directly to the affected community which could assist in raising the level of community acceptance.

Any other burning issues in the new and renewable space

The attendees were asked whether there were any other issues that should be addressed at a later date. The issues raised are:

Technical issues

Carbon price uncertainty

How can the funding that will be generated from the carbon tax be re-injected locally to fund further innovation?

Distribution capacity - a significant hindrance

New opportunities

As wind doesn't always generate to full capacity, solar parks and wave/tidal power could be integrated to maintain a more constant level of supply to the grid.

Did this Forum meet the attendees' expectations?

The short answer was yes. The primary reasons expressed were that attendees were able to freely discuss issues on an informal basis, they found out things of which they were previously unaware that gave them a clearer understanding of the position others were coming from, both of which were made easier by their being no hierarchy in the room.

Suggestions for a future forum?

Perhaps AEMO or others, such as electricity distributor Powercor, could be invited.

CONCLUSION

The Forum provided an open and informal opportunity for dialogue between all the stakeholders in the new and renewable energy space which will continue to yield benefits, including an increased networking opportunity and the ability to call someone who attended the Forum to have a follow up chat. The informality that we achieved will help to make the industry sustainable, to make it grow, and to make a direct sensible benefit to the community and regional benefit coming out of it.

It was agreed that the SW is the first place where government, agencies, DSE and industry are dealing with these issues and having to grapple with them first. The SW is at the forefront and other regions around Australia will be looking to the SW for its learning experience so the fact that we can get around the table and freely discuss issues is really valuable.

Next Steps

Should the Forum continue? If so, how often?

Would all attendees and those who received this email but were unable to attend on 6 May please provide a response on whether the Forums should continue, and if so, how often. It would also be useful if you could provide the contact details of any other representatives from your organisation who you feel should be invited to a future Forum.

Responses are to be sent to:

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