



## Summary Sheet – Economic Impact

This is a Summary Sheet on the Economic Impact Assessment (EIA) which is available in full at <https://osmi.com.au/planning/>.

### Context

In 2018, 21% of total Australian electricity generation was from renewable sources, the highest level ever. The Large-scale Renewable Energy Target (LRET) scheme is a Federal Government scheme with the target for 2020 of 33,000 GW hours of renewable electricity generation, being met ahead of schedule in September 2019.

The Victorian Government is committed to Victorian renewable energy generation targets of 25% by 2020, 40% by 2025 and 50% by 2030. Only three of the 25 operating wind farms in Victoria are located in the Gippsland region. Latrobe currently has no operating wind farms. Wind farms create an opportunity for Latrobe to transition from coal powered electricity generation to renewable electricity generation. Latrobe's high-capacity transmission connection to the Victorian grid could be utilised by Delburn Wind Farm, as well as a significant number of local employees with relevant skills.

The Delburn Wind Farm would generate approximately 620,000 MWh of renewable energy each year and would reduce the amount of carbon dioxide released into the atmosphere by approximately 620,000 tonnes per annum.

### Local Economic Impact

The local economic impact will be multifaceted. The owner of the timber plantation will receive an annual lease payment. For the purposes of this assessment, \$5,000 per MW is the assumed income paid to the land owner, who would therefore receive \$1m per annum to have the wind turbines and associated infrastructure located on their land.

Neighbouring dwelling owners within 2km (approximately 99 residences, subject to final design changes) will receive a combined ~\$500,000 per annum in neighbour contributions.

The construction and operational labour force employed by the Project will directly benefit from their wages. The types of workers required to construct the wind farm are expected to include: project developers, field engineers, managers and consultants, apprentices, safety technicians and contractors. The types of workers required in the operation and maintenance phase are expected to include engineers, project managers, wind turbine technicians, environmental consultants and apprentices. Incomes paid in both construction and operation phases are expected to average around \$75,000 per annum based on the types of employees required. This is approximately 60% higher than the median Latrobe salary. Therefore, Latrobe and surrounding regions are likely to experience an increase in median incomes during the construction phase and in the operating years following.

### Property values

A study initiated by the NSW Government, the 'Preliminary Assessment of the Impact of Wind Farms on Surrounding Land Values in Australia' analysed the impact of wind farms on the value of land. Based on a literature review and preparation of eight case studies in NSW and Victoria, they concluded that there is no evidence that wind turbines cause property values in their vicinity to reduce.



### Community impact

A Community Development Fund will be created, with OSMI Australia contributing approximately \$150,000 per annum. On top of this, the project is expected to pay up to \$400,000 in municipal charges under the Electricity Act, which will go to Latrobe, Baw Baw and South Gippsland Shire Councils. The community is also expected to benefit from 6.2km of local road upgrades and repairs to support the construction of the wind farm and the reinstatement of roads.

### Conclusions

The main economic benefits are:

- During the construction phase, local benefits to the Gippsland region are expected to total \$23 million additional Gross Regional Product, creating approximately 183 jobs (includes direct and flow-on effects).
- During the operation phase, approximately 19 new ongoing jobs are expected and annual benefits of about \$1.7 million to the Gippsland Gross Regional Product (includes direct and flow-on effects). The jobs created will be paid above-median wage rates.
- Significant transfers to the local community through payments to neighbouring properties, local road upgrades and a Community Development Fund.

Overall, the proposed wind farm is expected to deliver substantial ongoing economic benefits to the Latrobe, Baw Baw and South Gippsland regions by leveraging existing transmission assets and local skillsets to create a new source of employment in the region. From a regional, State and national perspective, the project will contribute to the achievement of renewable energy generation targets.

