

14 June 2009.

The Hon. John Pandazopoulos, MP
Chair
**Inquiry into the Approvals Process for
Renewable Energy Projects in Victoria**

By email.

Dear Minister,

Thank you for the opportunity to make a submission into the Inquiry into the Approvals Process for Renewable Energy Projects in Victoria. I have observed the activities and development of the wind energy industry and wind energy policy in Victoria since 2002. Let me say at the outset that what I have observed is **one of the most disgusting exhibitions of political bastardry** by the Victorian ALP that has:

- disenfranchised local communities.
- disenfranchised local government.
- endorsed environmental misconduct.
- enriched ALP donors and supporters to the tune of tens of millions.
- defrauded Victoria energy consumers.
- endorsed the desecration of some of our most treasured landscapes.
- avoided any meaningful scrutiny of environmental or economic claims.

I will deal with each topic briefly to show how the ALP policy on wind energy and subsequent planning panel enquiries and legislative changes have created a planning regime that facilitates the development of wind energy at the cost of local communities, the environment and landscape.

Firstly, let's join some dots. Some dates have been left out but are available if it would help

- 1999 VCAT determines that to put wind turbines on Cape Bridgewater would set an unacceptable precedent and declines an application.
- Hastings Funds Management, a major shareholder in Pacific Hydro Ltd, makes a \$20,000 donation to Steve Bracks' successful 1999 campaign.
- Pacific Hydro applies for a planning permit for around 120 turbines for the Portland Wind Energy Project, including turbines on Cape Bridgewater. A key argument is job creation.
- Pacific Hydro shareholder (2.7 million shares) Mike Fitzpatrick is appointed chair of the Infrastructure Planning Council in May 2000. See:
<http://www.theage.com.au/articles/2003/05/04/1051987607568.html>
- Premier Steve Bracks denies knowledge of Fitzpatrick's interest in wind despite being photographed together at the Codrington wind facility.

- Bracks' government commissions a report from Ernst & Young in 2002 that contains analysis of the economics of wind energy. The report has never been made public and is believed to contain damning conclusions on the economics of wind.
- 2002, Mary Delahunty MP, Planning Minister, gives approval to PWEF, dismissing Panel requests for a desktop analysis of the economic benefits. NEG Micon, a turbine maker, has mentioned a \$70m investment in a blade factory at Portland despite being (publicly) on it's financial knees at the time.
- 2002, the Policy and Planning Guidelines for the Development of Wind Energy Facilities in Victoria is released on the same day of the PWEF approval. Industry was consulted on the policy and guidelines. There was no community input.
- A panel member of the PWEF report, who sat through the entire process, resigned shortly before publication citing a conflict of interest.
- PWEF panel members were involved in the development of the policy and guidelines while sitting in judgement on PWEF.
- Biosis Research changed their evidence on the Orange Bellied Parrot from Cape Bridgewater Mark 1 to their PWEF submission.
- The policy and guidelines excluded local government from decisions on facilities of over 30MW. To quote Mary Delahunty's Chief of Staff, Matthew Boland, in a discussion with Mr Ian Tuck *"We had to exclude local councils otherwise none of these things would ever get built."*
- Through 2002-2004 protests on the proliferation of planning applications across the Victorian coastline spawn numerous community groups including, Bay of Islands, Wonthaggi, Tarwin Lower and Dollar.
- In August 2003 Deputy Premier, Jon Thwaites, stated to Mick Fendley of the Victorian National Parks Association *"We got it wrong on wind"*. (He has subsequently invoked the Alan Bond defence on this statement.)
- At the planning panel hearings for the Yaloak application by Pacific Hydro DSE officials openly advise Mr Kevin Ramholt that they came under significant pressure *"from above"* to amend their submission in relation to impacts on wedge-tailed eagles.
- At the Bald Hills panel hearings the head of SEAV, and chair of the 'guidelines' David Young states to the panel and audience that *"wind is an experiment, we won't know if it works unless we build them."*
- At the Pacific Hydro Christmas party a toast is raised to the Bracks' Government.
- Pacific Hydro is sold to Industry Funds Management Renewable Energy, chaired by Garry Weaven, a close friend to and fundraiser for the Victorian ALP. Mr Weaven is now chair of Pacific Hydro. Shares were worth \$5 on the day, the maths on who benefited is easy.
- Things go a bit slow at PWEF, the blade factory is to be built by Vestas who picked up the carcass that was NEG Micon. Vestas gets a handout from the Vic government to assist, as well as around \$10m in tax breaks from the Howard Government. The blade factory closes very soon after final approvals are given.
- The Bald Hills facility is approved by the panel whose chair, Rynd Smith, was involved in the development of the guidelines. No conflict? Mr Smith rules arbitrarily that some members of the public, Mr Don Argus in particular, may not make a submission at the hearings.

- Victorian Energy Minister, The Honourable Theo Theophanous, travels to Germany during the Bald Hills panel hearings. Coincidentally the MD of the applicant for the Bald Hills facility, Stephen Buckle, is on the same trip. See:
http://www.legislation.vic.gov.au/domino/Web_Notes/newmedia.nsf/955cbeae7df9460dca256c8c00152d2b/bcedebfe56fe3dd2ca256e65007ff68c!OpenDocument
- The Victorian Government legislates to facilitate access to the grid by renewable projects.
- The Victorian Government legislates to create the Victorian Renewable Energy Target (VRET), creating a massive subsidy scheme of which the primary beneficiary will be.....
- Victorian Government refuses to release a business impact assessment on the VRET produced by its very own VCEC. Bad news or what.....?
- Wind Power Pty Ltd, the makers of Waubra, Wonthaggi, Bald Hills and Stockyard Hills, plus other acts of misery at Clarkes Hill, Bo-Peep, Korumburra and a few others is sold to Origin Energy for a reported price of between \$30-40 million. All this, for a company run by a lawyer, an ex-old age home operator and property developer that in the end managed to erect only 6 turbines at Wonthaggi, with the help of the Regional Infrastructure Funds, supported byyou guessed it. Industry Funds.

In this journey on the wind we have also:

- Seen how Planning Panels Victoria and the Planning Ministers happily accept expert testimony from Brett Lane and Associates despite their work being criticised intensely at almost every occasion. See:
<http://www.environment.gov.au/epbc/notices/assessments/2008/4128/reconsideration-request.pdf>
- Seen also in the Bald Hills Panel report that criticises Brett Lane and Associates.
- Seen also how at Yaloak the landscape consultant for Pacific Hydro, Alan Wyatt, gave commentary on an area he had not visited.
- Seen how at Bald Hills, Mary Delahunty MP, and the Panel accepted the expert testimony of the proponent's landscape consultant despite him never having visited adjoining properties or having any formal qualifications in landscape assessment.
- Seen how Sustainability Victoria and the Victorian Government steadfastly refuse to revisit their calculation of the environmental benefits of wind energy despite the claimed figure of 1.3 tonnes of CO₂e per megawatt being avoided being nearly 200% in excess of other figures.

What a river of gold has been created! Is it pure coincidence that a person called Ken McAlpine is now government relations person for Vestas? There was a Ken McAlpine who was the Honourable Theo Theophanous' chief of staff.

Is it coincidence that a Megan Wheatley sells turbines for Repower? There was a Megan Wheatley who was general manager of renewables at SEAV who made the incredible statement at the Yaloak hearing "*We have no way of measuring the impact wind energy has on the La Trobe Valley generators*".

Ministers, the wind industry in Victoria has been given everything they ever asked for. Soft planning approvals, access to the coastal winds, generous subsidies, endless assistance from DSE, media releases from the Honourable Theo Theophanous and others. Pacific Hydro got the planning permit for PWEF and has destroyed one of our most treasured landscapes whilst the whole reason for giving the permit, economic benefits, has never been subject to government scrutiny.

There have been so many announcements of a 'green collar' jobs revolution, starting with a blade factory in the La Trobe Valley, to a blade factory at Portland, to a blade factory at Ararat and yet this study from Spain suggests it is all in vain: See

"Study of the effects on employment of public aid to renewable energy sources" by Gabriel Calzada Álvarez PhD of Universidad Rey Juan Carlos.

See: <http://www.juandemariana.org/pdf/090327-employment-public-aid-renewable.pdf>

The executive summary makes some strong observations on monetary and employment impacts of the Spanish experience for policy makers to consider. Briefly, in the context of this study they are:

- The study calculates that since 2000 Spain spent €571,138 to create each "green job", including subsidies of more than €1 million per wind industry job.
- Each "green" megawatt installed destroys 5.28 jobs on average elsewhere in the economy: 8.99 by photovoltaics, 4.27 by wind energy, 5.05 by mini-hydro.
- The study calculates that the programs creating those jobs also resulted in the destruction of nearly 110,500 jobs elsewhere in the economy, or 2.2 jobs destroyed for every "green job" created.

We now know that VRET will create long-term jobs at a subsidy cost of \$1 million each. We also know that even industry advocates like Origin Energy question the cost and effectiveness of wind energy see:

[http://www.dpi.vic.gov.au/dpi/dpinenergy.nsf/93a98744f6ec41bd4a256c8e00013aa9/cc46dd20c48e3f78ca2572b900041109/\\$FILE/Origin_Energy.pdf](http://www.dpi.vic.gov.au/dpi/dpinenergy.nsf/93a98744f6ec41bd4a256c8e00013aa9/cc46dd20c48e3f78ca2572b900041109/$FILE/Origin_Energy.pdf)

So this inquiry is an opportunity to right the wrongs of the past. To make good on the broken promises of green jobs. To restore democracy to local government. To restore accountability to state government.

I urge the Inquiry members to do the following:

1. Revisit all the planning submissions from Pacific Hydro, Wind Power and their like and see what promises were made, innuendo offered. Did it really happen that way? Compare their photo montages with the reality at Cape Bridgewater.
2. Break out the Ernst & Young report and the VCEC business impact assessment. Test their conclusions against reality and publish so that the industry might gain tangible credibility.
3. Do a proper evaluation of the economics of wind energy, a public examination subject to no claims of bias or self interest.
4. Undertake an empirical study on the effects of wind energy on the most polluting sources of electricity. Look again at Sustainability Victoria's claims of 1.3 tonnes of CO₂e avoided per megawatt.

5. Set up a well-qualified panel of experts, available to all sides of the debate, so that those with the deepest pockets cannot employ those who have little interest in defying their paymasters.

Ministers, I am happy to have my day in your court and take your questions. I have many witnesses who can attest to my observations above and they will have many hours of similar evidence to present.

This is an opportunity for honesty and accountability.

Yours faithfully,

Tim Le Roy

