

# Liverpool Range Wind Farm

Fact Sheet

10

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## Economic Impact & Regional Housing Demand Fact Sheet



### Why was the assessment undertaken?

Wind farm projects can generate a significant boost to the local, regional and broader economies through the creation of direct jobs on-site and broader jobs in businesses that supply goods and services to the wind farm project.

To construct wind farm projects and realise the full range of economic benefits that can be created there is a need to ensure that there is adequate supply of suitable housing for construction workers in the local area.

The Liverpool Range Wind Farm (the Project) constitutes an approximate \$2 billion investment, and therefore has the potential to generate substantial economic opportunities for local communities and businesses over the approximately 3-year construction period and 25-year operational life.

An Economic Impact Assessment (EIA) was prepared by Hudson Howells Pty Ltd to assess the following:

- The economic impacts (benefits) of the project on the local region and the state of New South Wales (NSW) as measured by the Project's contribution to Gross State/Regional Product and Full Time Equivalent (FTE) jobs.
- The potential impact of the Project on regional housing demand, existing supply and potential strategies to overcome any anticipated worker housing shortages.

The EIA also provides a review of relevant literature that assesses the potential impacts of wind farm developments on property values.

### What was the approach?

The EIA was prepared based on State and Regional Input Output Economic Models using recent Australian Bureau of Statistics (ABS) data, and considered a range of Project-related parameters and assumptions, including the following:

- 223 wind turbines with an assumed 1,300 MW installed capacity
- Total capital cost of \$2 Billion
- Construction period of 161 weeks
- Estimated benefits of the Voluntary Planning Agreement (VPA) entered into with the Warrumbungle Shire Council and Upper Hunter Shire Council to provide them with \$3,000 per annum per turbine to be used for community enhancement (77%) and road maintenance (23%) purposes
- Assumed allocation of construction activity (and associated economic benefits) across the three relevant local government areas, as follows:
  - o Warrumbungle LGA: 85% of construction activity
  - o Upper Hunter LGA: 10% of construction activity
  - o Mid-western LGA: 5% of construction activity
- A range of other assumptions related to source of construction labour and operational costs



## What did we find?

It is estimated that the Project will generate full time employment for up to around 800 staff during the 2.5-year construction phase and up to 47 ongoing jobs during the approximately 25+ year operational life, providing increased employment opportunities and economic benefits for the local community, broader region and the state of NSW.

Wind farm construction can create hundreds of direct jobs on-site and thousands of jobs in businesses that supply the project. The types of jobs created include:

- Domestic scale electricians
- Transport operators
- Competent machine operators
- General labourers
- Quarries
- Concrete businesses

Construction also provides an economic boost for regional communities by increasing demand for local goods and services, such as accommodation, hotels, restaurants and cafes.

The Project will also result in a direct injection of approximately \$6-\$7 million per annum to the local community through payments to landholders, permanent staff and benefit sharing contributions. Additionally, whilst it is difficult to quantify in dollar terms, the Project will contribute to the de-carbonisation and security of Australia's energy supply, and in doing so, the Project will play an important role in reducing the potential impacts of climate change.

## POTENTIAL ECONOMIC BENEFITS

The economic benefits from the Project arise through primary expenditure directly associated with the Project, and then from further 'rounds' of indirect expenditure that this direct expenditure stimulates as it flows to supplying industries and into incomes and consumption.

The key findings of the EIA in terms of the potential economic benefits generated by the Modified Project to the state of NSW and the local region are summarised in the table below:

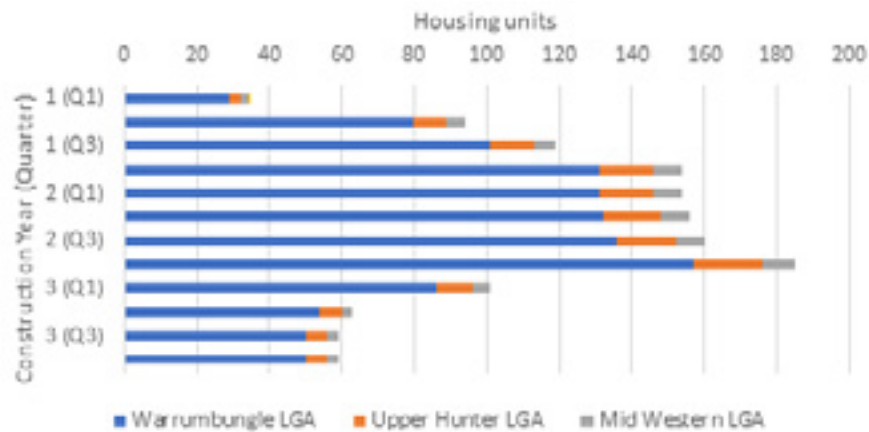
	CONSTRUCTION PHASE (161 WEEKS, 3.1 YEARS)	OPERATIONS PHASE (25 YEARS)
<b>State Level (New South Wales)</b>	<ul style="list-style-type: none"> <li>• \$685.57 million of added value over entire construction period (\$221.4 million per year)</li> <li>• 4,608 person years (FTE) of employment over entire construction period (1,488 jobs per year)</li> </ul>	<ul style="list-style-type: none"> <li>• \$88.89 million of added value per year</li> <li>• 491 direct and indirect jobs per year</li> </ul>
<b>Regional Level (combined Warrumbungle, Upper Hunter and Mid-western LGAs)</b>	<ul style="list-style-type: none"> <li>• \$95.47 million of added value over entire construction period (\$30.83 million per year).</li> <li>• 712 person years (FTE) of employment over entire construction period (230 jobs per year)</li> </ul>	<ul style="list-style-type: none"> <li>• \$33.8 million of added value per year</li> <li>• 190 direct and indirect jobs per year</li> </ul>

## REGIONAL HOUSING SUPPLY AND DEMAND

There is a reasonable opportunity for local residents from the region as a whole to provide some of the workforce needs during construction and operation of the Project. It can be expected that some people from within the region who will take up jobs in the Project will want to temporarily relocate to be closer to construction works. Together, new housing demand is expected to mainly occur in and around the township of Coolah and the village of Cassilis.

## ESTIMATED HOUSING DEMAND

Quarterly housing demand during the construction period is expected to peak at 185 housing units (based on direct employment estimates only) (see table above right).



## HOUSING SUPPLY

According to 2016 ABS Census data, there were 3,282 unoccupied private dwellings in the combined region (see table below). Whilst it is not entirely clear, the large number of unoccupied dwellings in the region may be attributed to declining regional manufacturing, increasing unemployment and rationalisation of rural properties. Depending on the underlying condition of these properties, they potentially represent a pool of housing options to meet the Project housing needs.

REGIONAL HOUSING SUPPLY			
	Number of Occupied Private Dwellings	Number of Unoccupied Private Dwellings	Proportion of Occupied Private Dwellings Rented
Warrumbungle LGA	3,990	762	27.4%
Upper Hunter LGA	5,636	862	29.8%
Mid Western LGA	9,826	1,658	28.7%
Town of Coolah	507	112	31.1%
Village of Cassilis	133	47	33.9%

In addition to this available housing capacity, other accommodation options are available in the region including, for example:

- The Black Stump Motel
- Coolah Valley Hotel
- Bottlemart Express Black Stump Inn
- Homebase Caravan Park
- The Royal Hotel Cassilis
- Brackens Hut
- A range of B&Bs

Housing demand during the construction phase is expected to be approximately 3 times that expected in the operating phase. Temporary accommodation during the construction phase will therefore need to be part of the overall Project accommodation solution.

## WIND FARMS AND PROPERTY VALUES

On occasion, concern is raised in local communities that wind farm developments cause a decline in property values. Many studies by independent organisations around the world have failed to find a clear correlation between wind farm developments and declining property values. The following studies are of particular interest:

- In 2013 the NSW Department of Lands assessed properties located near eight wind farms and found no evidence that wind turbines caused property values to drop.
- In 2016 Urbis Pty Ltd undertook a literature review of Australian and international studies on the impact of wind farms on property values which “revealed that the majority of published reports conclude that there is no impact or a limited definable impact of wind farms on property values.”
- In 2015 Sunak and Madlener concluded that values of properties whose views to the surrounding landscape were strongly affected by visible wind farm turbines decreased marginally, while properties with a minor or marginal view of the turbines experienced no devaluation.

Several studies have found positive property value impacts associated with wind farm developments due to the following factors:

- Improved regional amenities and infrastructure including local roads, firefighting access roads, etc
- Increased regional incomes, jobs and property demand (as assessed in the EIA)
- Additional rental income from hosting towers
- Provision of a drought-proofing income streams
- Provision of post-retirement income for farmers
- Improved biodiversity via less intensive farm activity
- Slowing down the process of productive agricultural land changing to rural residential uses in the short to medium term with the shift caused by the additional income generated from the wind farm making agricultural use more viable.
- Erosion control and passive wind protection for stock from substations and turbine tower structures.

### What does this all mean?

- The Modified Project will result in a noticeable boost to the local and regional economies as the demand for accommodation, food, hotels and other local goods and services significantly increases during construction.
- Benefit sharing contributions, including the Voluntary planning Agreement (VPA) payments, will flow to the community over the operational life of the Project, and in doing so, assist the local community to deliver projects and initiatives that are important to them.
- There are a large number of unoccupied dwellings in the region relative to the expected Project demand.
- The current number of unoccupied dwellings, combined with the existing accommodation providers, offers a commercial opportunity for the regional business community and an important business opportunity for local entrepreneurs, real estate agents, etc. to meet the Project housing needs during construction and operational phases.
- The evidence supports that there is no overall long-term negative impact on property values associated with wind farm developments, and in general the outcomes can be managed by appropriate site selection and design.

#### GOODS AND SERVICES REGISTER

To register interest in providing goods or services for the Project, please visit [www.liverpoolrangewindfarm.com.au](http://www.liverpoolrangewindfarm.com.au) and complete the linked form under the Employment section.



#### SIGN UP & STAY INFORMED

If you haven't already, please subscribe to our newsletter to ensure you receive all Project updates and information. We understand that not everyone uses email, so we will be working with local businesses to host Project information packs such as the newsletter, fact sheets and maps. Subscribe to receive the newsletter by email or post, by contacting us at:



For more information, please visit the website below

or call us anytime to ask questions using: **1800 WE TILT (938 458)**

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