



WIND POWER 29 May 2003

Mrs PENFOLD (Flinders): Will the Minister for Energy advise the house if he has read or been briefed, in writing or orally, on the report by Deloitte Touche Tohmatsu, 'Wind generation developments on the Eyre Peninsula—Economic Impact Analysis'? This report outlines, in scenario five, a total economic impact of local manufacturing activity during the construction phase of \$4.72 billion to this state. It is dated December 2002, but has not yet been publicly released by the government and is apparently being ignored.

The Hon. P.F. CONLON (Minister for Infrastructure): I have read a great deal on wind farms, both on Eyre Peninsula and elsewhere. I will not risk my memory. I will bring back a detailed report back to the member. This is something that may have escaped the member for Flinders, who is a great supporter of wind farms in her own electorate, but I think she will have to realise that the previous government privatised the electricity industry. Over and over the member for Flinders has asked this government to go out and invest the money to overcome the shortcomings in a privatised industry. If that is what the member for Flinders wanted, she should have had the courage to oppose the privatisation of electricity.

Members interjecting: **The SPEAKER:** Order!

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Mrs PENFOLD (Flinders): Wind energy is the world's fastest growing energy fuel and an abundant and inexhaustible resource. Since 1995, generating capacity has grown 487 per cent world wide, yet South Australia has not embraced this valuable energy resource with the enthusiasm I believe it should have.

Technological advances make the large-scale production of electricity from wind turbines one of the most attractive forms of producing energy from renewable resources. Using fossil fuels to generate electricity is becoming a thing of the past in other Australian states. We should ensure that South Australia is not left behind the other states, particularly through its insistence on taking up the regulated SNI interconnector providing dirty coal power from New South Wales. Instead of investing in jobs in New South Wales, we should be investing in the new wind industry in South

Australia and encouraging companies to build wind farms and their components here. The same funding as is proposed for the building of the SNI interconnector put into a regulated line on Eyre Peninsula would encourage 1 000 megawatts of wind power and \$1 billion in private enterprise venture capital expenditure.

A report by Deloitte Touche Tohmatsu completed in December 2002, and still not officially released by the state Labor government, provides an insight into what South Australia could be doing. The economic impact analysis on wind generation developments on the Eyre Peninsula undertaken by Deloitte Touche Tohmatsu found that wind farms in that region could have a total economic impact of billions of dollars for this state. This is a far cry from the perceived benefits of the Labor government's so-called key initiative, the SNI interconnector. The study found that Eyre Peninsula had a consistent wind pattern and abundant land that were both ideal conditions for efficient wind supply. However, severe limitations were found with the transmission infrastructure servicing the area.

The region currently contributes more than \$1 billion into the state's economy. Economic output will continue to increase, and I estimate that it could double to more than \$2 billion within 10 years, with the further upgrading of the electricity infrastructure and the provision of desalinated water. The investment in infrastructure would create a substantial demand for goods and services throughout South Australia and significant induced activity.

The report analysed a number of scenarios for the configuration of wind energy on Eyre Peninsula, with the minimum installation of 175 megawatts, rising to a maximum installed capacity of 1 000 megawatts on Eyre Peninsula and 500 megawatts in the rest of the state. It outlines in scenario five a total economic impact of local manufacturing activity during the construction phase of \$4.72 billion to this state. I understand that the potential to build a minimum of 100 turbines could entice an overseas turbine manufacturing company to build a factory in Australia. Let us make that South Australia. Already we are hearing that South Australia is being left behind, with Tasmania and Victoria gaining foreign investment to build these manufacturing plants in their states. Applications for 50 jobs at the new Tasmanian Wynyard Vestas factory for nacelle assembly and fibreglass components have now closed. It may be too late already for South Australia.

The potential of such developments would add to the region's economic prospect. Hundreds of new jobs would be created in the region during construction and operation, with local manufacturing industry being boosted. The \$65 million Starfish Hill wind farm has been estimated to generate 160 new jobs and contracts awarded to South Australian based companies of \$25 million. Other industries will benefit. For example, expansion of the fishing and aquaculture industry and an increase in the availability of electricity could have an estimated economic impact of \$67.5 million per annum and provide over 800 new jobs.

Wind power would remove the constraint on many potential developments in this state, particularly on Eyre Peninsula, in industries such as mining, fishing, aquaculture and agriculture. Recently, I asked AusMalt executives why they were not considering Port Lincoln as a site for expansion of their malting activity, as the region produces much of the state's malting barley. Their immediate response was lack of power. The environmental benefits from wind farms have been well documented and demonstrated throughout the world. The wind farms planned on Eyre Peninsula could significantly contribute towards achieving the federal government's mandatory

renewable energy target, unlike the SNI interconnector, which has a capacity to produce about 2.1 million tonnes of carbon dioxide emissions. The Premier was quoted on 30 April as saying that the Starfish Hill wind farm will prevent 2.5 million tonnes of CO₂ being released into the atmosphere. I know which energy I would prefer to have powering my home. The Minister for Energy himself acknowledged in parliament that SNI provides no benefit to South Australian consumers when he stated that if Heywood and MurrayLink were fully despatched 'you would not be despatching any down SNI'.

Another Labor MP recently said that she resents getting petitions on energy price hikes but feels she has no options. Again, I think the Premier has already given her the option in his recent speech on the Starfish Hill wind farm. Action is now needed to assist the six other wind farms already approved by government or councils and promoting those that are on their way. The Deloitte Touche Tomatsu report also states that development of this magnitude would have the potential to create a downward pressure on electricity prices in South Australia, reduce the reliance on interstate coal powered generators and lead to additional export of wind energy, technology and components. Overall, the study concluded that the investment in wind farms and the upgrade of the transmission network has a substantial economic benefit for Eyre Peninsula, South Australia and the country of potentially more than \$4 million combined, without taking into account the other industries that may be stimulated.

The current government of South Australia needs to grasp this opportunity to lead the rest of the country in renewable energy. They need to hear that the electors in South Australia do not want dirty power from another state that will keep costs up. They need to recognise that this fantastic opportunity is about to pass them by. The proposed regulated \$110 million SNI interconnector, which has been independently estimated to actually cost about \$200 million, utilises an outmoded method of power generation. The government must ensure support for the powerlines required on Eyre Peninsula and the rest of this state to bring South Australia to lead in wind power energy generation in Australia and, indeed, in the world.

Motion carried.