

ECONOMIC BENEFITS

ECONOMIC ASSESSMENT OF WIND FARMS

AGL Energy Ltd (AGL) own and have constructed several wind farms in the mid-north region of South Australia. In July 2010 AGL engaged Sinclair Knight Merz (SKM) to undertake an Economic Impact Assessment into the benefits that their Hallett Wind Farm projects have had on the economy in the region.

The Hallett Wind Farm projects were all developed by Wind Prospect, and comprise 350 MegaWatts (MW) of installed, operating capacity in 2011, with a further 60 MW still to be constructed.

The assessment indicates that the Hallett Wind Farm projects have had an overall positive economic effect on the Mid-North region of South Australia, through increases in income and employment and their follow-on effects, and through the community fund invested in local projects. Key quantitative findings are summarised below:

- . Regional development and construction expenditure:
 - . To June 2010 - \$88 million;
 - . To completion of Hallett 1, 2, 4 & 5 - \$111 million; and,
 - . To completion of Hallett 1, 2, 3, 4 & 5 - \$132 million.
- . Regional operations expenditure:
 - . To June 2010 - \$3.2 million;
 - . To completion of Hallett 1, 2, 4 & 5 - \$12.5 million; and,
 - . To completion of Hallett 1, 2, 3, 4 & 5 - \$15 million.
- . Regional employment:
 - . To June 2010, total direct employment of 450 Full Time Equivalent (FTE) construction job years plus 15 in operations with an average annual employment of 98;
 - . To completion of Hallett 1, 2, 4 & 5 total direct construction employment would increase to 540 job years at an average annual employment of 90 plus 36 operations jobs over the life of the projects; and,
 - . To completion of Hallett 1, 2, 3, 4 & 5 total direct construction employment numbers would increase to 640 job years at an average of 80 per annum plus 42 operations jobs over the life of the projects.



In addition to these raw figures, key qualitative highlights of the report include:

- . Evidence of strong local business support for the Hallett projects;
- . Accommodation and food service providers had a significant increase in sales over the construction period;
- . Local contractors were employed directly in the construction of the wind farms;
- . Other businesses benefitted from additional people and increased expenditure in the region;
- . Local businesses that benefitted from contracts with the wind farms include:
 - . Domestic-scale electricians;
 - . Transport operators;
 - . Competent machine operators;
 - . Quarries; and,
 - . Concrete businesses.

Furthermore, there was evidence that the Community Fund had been serving its role with the following projects initiated as a result:

- . Shade structure for the community swimming pool;
- . Contribution to the purchase of a tractor for the local Progress Association;
- . IT for the Hallett historical society;
- . Funding for public building maintenance and upgrades; and,
- . Sponsorship of local events.

