

HumeLink

Landowner Easement and
Compensation Guide

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This guide provides landowners with information on Transgrid's process for acquiring easements and how compensation is calculated and paid. Transgrid operates and manages the high voltage electricity transmission network in NSW and the ACT, connecting generators, distributors and major end users. It also delivers projects to improve the transmission network.



Acknowledgement to landowners and community

Transgrid acknowledges the time and effort landowners and community take to engage with HumeLink to provide feedback that helps shape the project and improve how we work with them.

Transgrid is providing this Landowner Easement and Compensation Guide to explain the process and assist landowners and community.

We are committed to fair, transparent and meaningful engagement that minimises disruption for people and to resolving concerns and complaints in a timely manner.

Support for landowners

Land Access Officers

Transgrid has dedicated Place Managers and Land Access Officers to assist landowners throughout this process, however we encourage landowners to seek their own independent legal and valuation advice.

Transgrid will pay reasonable costs for landowners to obtain this advice.

Property Acquisition

The NSW Centre for Property Acquisition is an independent Government organisation which provides information about the acquisition process and support services. For more information visit <https://www.nsw.gov.au/housing-and-construction/property-acquisition> or call 1300 029 146.

The Centre also offers a Property Acquisition Support Line which has counsellors available 24 hours a day, 7 days a week to support landowners' mental and emotional welfare. The number for the support line is 1300 089 551.

Legal Advice

For advice on which lawyer to choose, you may want to contact the NSW Law Society on 02 9926 0333 or visit <https://www.lawsociety.com.au>.

Australian Property Institute

For advice on which valuer to choose, you may want to contact the Australian Property Institute on 02 9299 1811 or visit <https://www.api.org.au>.

Dispute resolution

If the landowner has a concern or complaint during the negotiation and compensation process, they can lodge a complaint with Transgrid by calling 02 9284 3000 or emailing humelink@transgrid.com.au. If the landowner is not satisfied with the outcome, they can escalate their concern or complaint to the Energy and Water Ombudsman NSW at <https://www.ewon.com.au/page/making-a-complaint>.

Support for landowners and community

Transgrid's support services

We recognise that the HumeLink project may increase levels of stress and anxiety for some landowners and community members. We are committed to supporting the wellbeing of landowners and community, and have engaged an external service provider, Assure Programs to assist.

The service is anonymous and Transgrid does not receive any information about who uses these services. To access this service dial 1800 808 374 and advise them you are a landowner from a Transgrid project.

For more information on how we engage with communities, and landowners support and advocacy, visit Transgrid's website (www.transgrid.com.au/customers-community/how-we-engage#How-We-Engage).

For information in another format or language contact:

The HumeLink Community Engagement Team

Phone 1800 31 73 67

Email humelink@transgrid.com.au

Mail PO BOX A1000,
Sydney South, NSW 1235



500 kV double circuit transmission lines

How Transgrid selects transmission line routes

Transgrid carries out extensive studies and engagement in taking a staged approach to deciding the final transmission line easement.

More information on this process is provided in our Corridor Refinement Factsheet which is available on the Transgrid website https://www.transgrid.com.au/media/j3ee5dlz/01-transgrid_a4_factsheet_humelink-route-refinement-decisions-march-2022.pdf.

To find detailed geographic information about the route corridor and constraints mapping, visit the HumeLink interactive map <https://humelink.mycommunityengine.com>. Feedback is welcomed by using the 'Make a comment' tool.

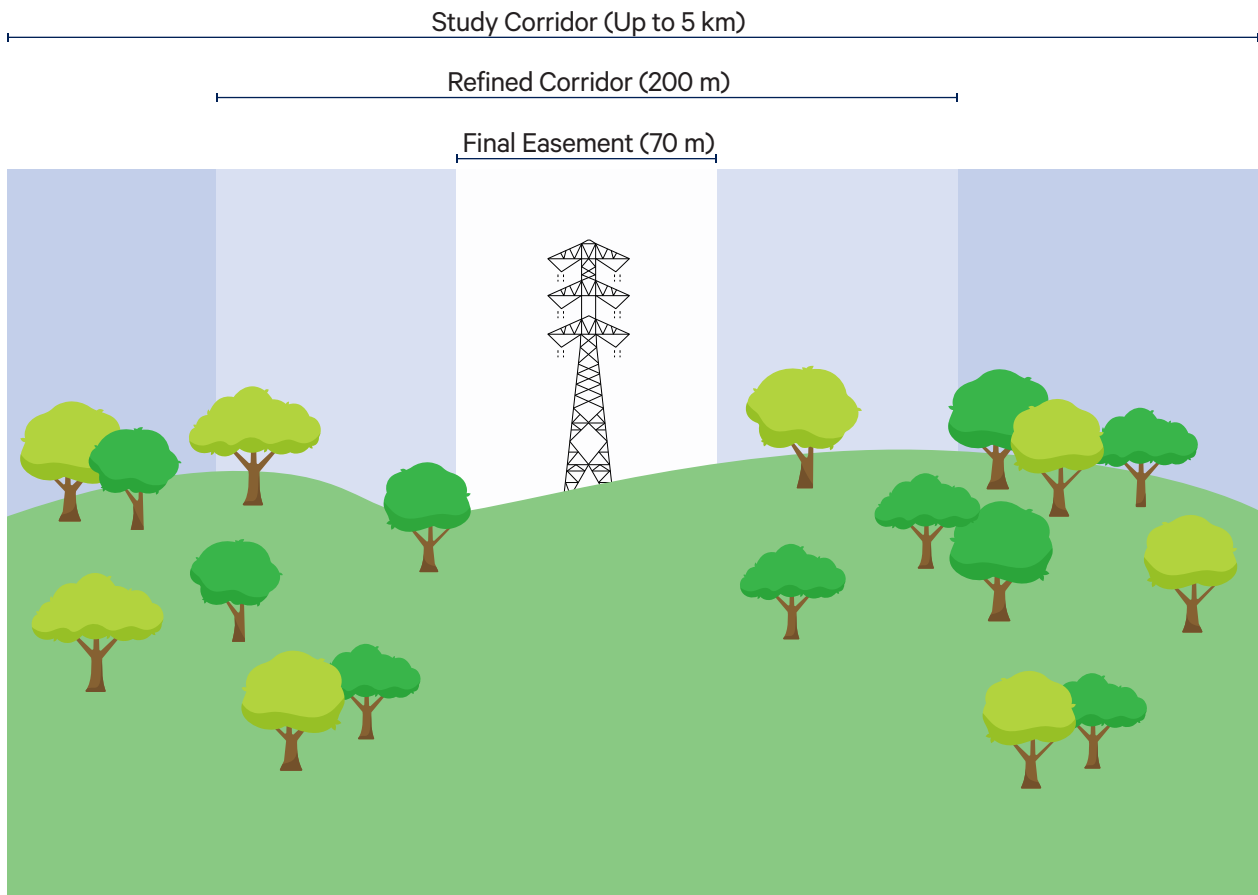


Figure 1 Transmission Line Route Selection Approach

What is the easement negotiation and acquisition process?

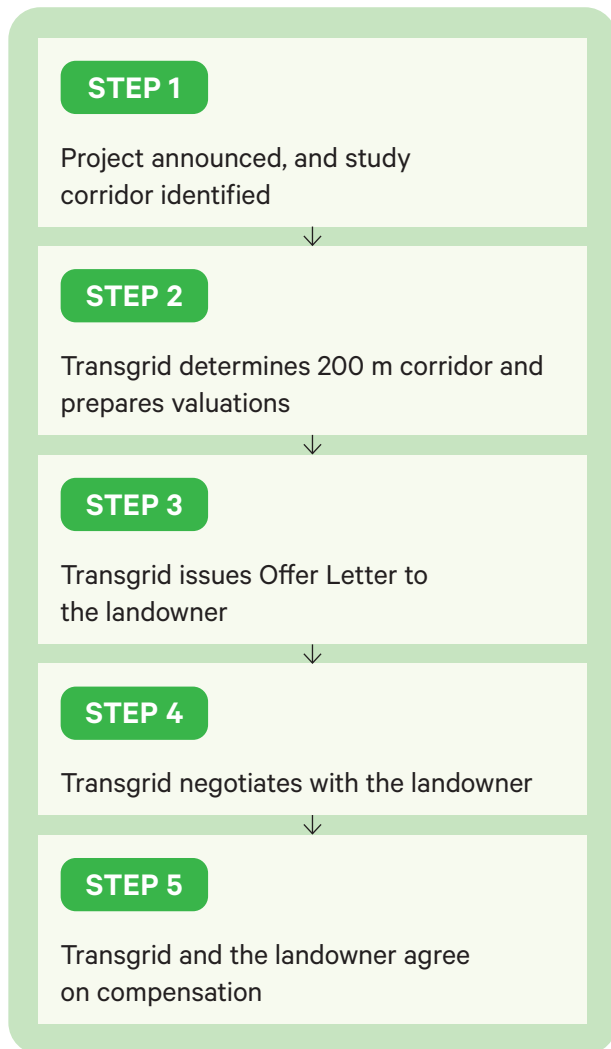


Figure 2 Transgrid acquisition of the easement and associated compensation process

Transgrid’s easement negotiation and acquisition process aligns to the *NSW Government’s Land Acquisition (Just Terms Compensation) Act 1991 (Just Terms Act)*. Information about the steps and timeline are provided in this section.

STEP 1

Project announced, and study corridor identified

After a project is announced, Transgrid establishes a study corridor and tries to contact all impacted landowners to discuss the project and seek initial feedback. It also starts evaluating potential corridor options based on the environment and land use, including locations of townships within the broad study corridor area.

For landowners within the study corridor, Transgrid will require consent to enter the property to carry out preliminary field work including environmental surveys and to gain a better understanding of land use and existing structures in the area.

Before we access the landowner’s property, Transgrid will work with the landowner to document access, biosecurity, safety and other protocols, which will form part of an access agreement with the landowner.

When Transgrid enters the landowner’s property, we will comply with the consent to enter conditions including limiting disruption as far as possible and repairing any damage we might inadvertently cause.

STEP 2

Transgrid determines 200 m corridor and prepares valuations

After Transgrid carries out preliminary site investigations and landowner engagement, an indicative 200 m corridor for the transmission line easement is determined.

Transgrid will notify study corridor impacted landowners to confirm whether they are inside or outside of the 200 m corridor. If the landowner is outside of the 200 m corridor, this means we will not need an easement on their property.

If the landowner is within the 200 m refined corridor, Transgrid will:

- Seek to arrange a meeting with the landowner to discuss next steps and provide any additional information requested to help the landowner better understand the acquisition process
- Instruct our valuers to prepare a compensation assessment of the easement interest on the property, which will form the basis of the offer we make to the landowner.



STEP 3

Transgrid issues Offer Letter to the landowner

Transgrid will issue an Offer Letter to formally start the easement negotiation process with landowners within the preferred 200 m corridor. Transgrid will acquire a 70 m easement within the 200 m corridor.

Easements for the HumeLink project will be 70 m wide with the exception of very limited number of locations where an easement of up to 110 m will be required.

Landowners impacted by the 110 m easement will be advised directly.

For the HumeLink project, Transgrid will be acquiring easements by way of an Option Agreement. The Offer Letter will formally start the negotiation process as set out in the *Just Terms Act*.

The landowner will receive the Offer Letter with the assessed compensation amount in a package containing information about the negotiation and compensation process, title searches for the property, a taxation status form and terms of the proposed easement.

As part of this process, Transgrid encourages landowners to obtain independent legal and valuation advice for which we will reimburse reasonable costs. However, there is no requirement for the landowner to seek independent advice and they may choose to accept the first offer made by Transgrid.

STEP 4

Transgrid negotiates with the landowner

After Transgrid issues the Offer Letter to the landowner, the negotiation process starts. Transgrid aims to reach agreement with landowners on the compensation amount. This may involve additional meetings between the parties, our respective valuers and legal representatives. Landowners may choose to provide a copy of their independent advice to Transgrid for negotiation purposes.

Transgrid and the construction contractor will work with the landowner to establish a Property Management Plan (PMP), for the construction period of the transmission line. The PMP will include requirements, for example, fencing, construction access, biosecurity, and rehabilitation. Any short-term impacts or damages arising from the PMP or related to construction activities will be assessed and compensated during or post construction of the project.

Property Management Plan or **PMP** means the property management plans for each area of the Site containing the property details, contact details of the landholder(s) of that area, general principles for dealing with the landholder(s) and specific requirements of the area.

STEP 5

Transgrid and the landowner agree on compensation

Once Transgrid and the landowner agree on the compensation amount, the acquisition will be formalised by both parties signing the Option Agreement.

What makes up compensation

- Option agreement payments
- + payment for easement
- + payment for impact to business
- + reimbursement for legal and valuations advice
- + property management plan

Compensation

If Transgrid and the landowner do not reach agreement:

After the minimum six-month statutory genuine negotiation period, Transgrid may issue a Proposed Acquisition Notice (PAN) under the *Just Terms Act* to compulsorily acquire the easement.

For compulsory acquisition, the NSW Valuer-General determines the compensation. The NSW Government will often grant the easement before compensation has been determined by the Valuer-General.

For more information on the compulsory acquisition process, see page 10.

When will payments be made?

The Option Agreement for the easement outlines payments to the landowner and is explained in this section and Figure 3:

Milestone

When the Option Agreement is signed

This means Transgrid and the landowner have reached agreement on the compensation, and that an easement will be located on the landowner's property.

First payment: \$20,000 per individual holding option agreement in addition to the compensation offer.

When: Transgrid pays this amount after the Option Agreement for the easement is signed. The Option Fee is non-refundable even if the option is not exercised.

Milestone

Before construction

Transgrid will exercise the option in the agreement.

Second payment: Transgrid will pay 75% of the compensation when it exercises the option to acquire the easement.

When: Before construction starts.

Milestone

On registration of easement

Transgrid pays the remaining compensation amount once the easement is registered on title.

Third payment: 25% of agreed easement compensation.

When: Typically, after construction is completed or upon registration of the easement on title whichever is earliest.

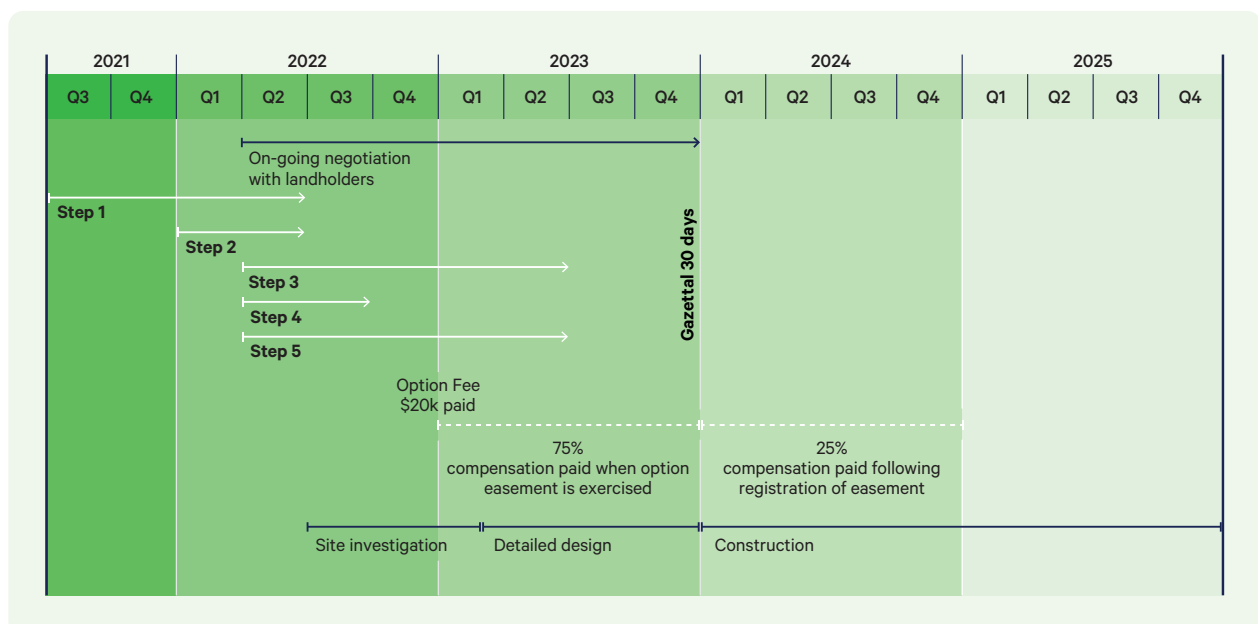


Figure 3 Indicative timeline for easement acquisition and compensation as of May 2020

How is easement compensation calculated?

To help landowners better understand how easement compensation is calculated, we have provided an example in this section. This is a general guide only and each property will be assessed on a case-by-case basis.

The landowner owns a 100-hectare rural property, and the 200 m wide indicative easement corridor traverses part of the property.

Transgrid will make an offer to acquire a 70 m wide easement within that corridor (typically preferring to locate adjacent to any existing Transgrid infrastructure to minimise impacts).

In this example, the main residence is located at the front of the property and will not be directly affected by construction nor impacted visually from the proposed transmission line. Three transmission structures will be built on the easement as shown in Table 1.

An independent valuer assesses the market value of the easement land based on the transmission lines and structures being on this land and the rights and restrictions for both parties as outlined in an Easement Memorandum. This amount is referred to as compensation for Market Value **(\$X)**.

Secondly, the valuer also assesses any potential impact to the remainder of the property which is not directly impacted by the easement. This includes any reduction in the value of the remaining land within the same property and any residential or significant improvements. This amount is referred to as **(\$Y)**.

The total compensation offered to the landowner will comprise the sum of **\$X + \$Y (compensation amount)**.

The valuer will always check the compensation amount arrived at from the above calculations, by carrying out a 'Before and After' assessment whereby the property's estimated Market Value, unaffected by the proposed infrastructure, is compared to the estimated Market Value assuming creation of the easement and construction of the infrastructure.

Note: landowner's costs for legal, valuation and other professional advice relating to the acquisition and the easement option deed also form part of the compensation and will be specifically listed so it is clear for the landowner. As costs are unknown when the offer is made, the cost amount will be audited at the conclusion of the acquisition negotiation.

Upon the landowner's acceptance of the Transgrid offer and entering into the accompanying Option Agreement, Transgrid will release payment of the Option Fee within 42 days. The Option Fee does not form part of the assessed compensation amount offered.

At a later date, when Transgrid exercises the Option, the compensation will be paid according to the following structure:

- 75% when Transgrid exercises the option
- The balance once the easement is registered.

Holding Number	Line length within land holding	Proposed easement width	Proposed easement area	Indicative number of structures	Indicative structure footprint
XX001	1,096 m	70 m	7.67 ha	3	30 m x 30 m

Table 1 Calculation of Easement Option

Goods and Services Tax (GST) explained

Transgrid will pay the Goods and Services Tax (GST), depending on the landowner's advice of whether they are registered for GST or not.

To assist us on GST status, Transgrid will ask the landowner to fill out and return a Taxation Status Form. If the easement grant is a taxable supply, the landowner will need to either issue Transgrid with a tax invoice or agree for Transgrid to raise a recipient created tax invoice for the easement consideration and for professional costs to be reimbursed.

Capital Gains Tax (CGT) explained

Transgrid recommends the landowner seeks independent financial advice on Capital Gains Tax.



What happens if the landowner doesn't accept the offer?

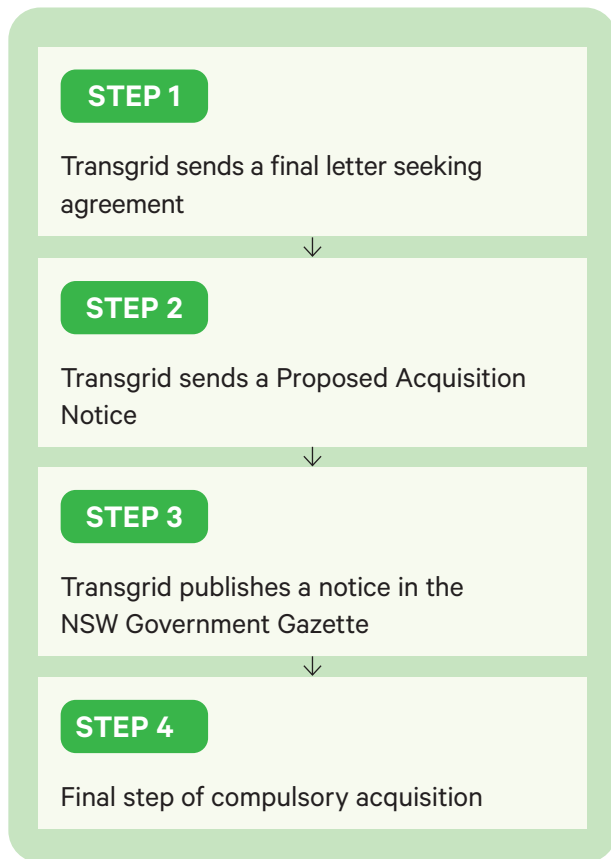


Figure 4 Compulsory Acquisition Process

Transgrid's compulsory acquisition process for HumeLink, is aligned to the requirements of the *Just Terms Act*. Information on the steps and timeline for compulsory acquisition are provided in this section.

Transgrid prefers to reach agreement on compensation with landowners but will compulsorily acquire an easement if necessary. Transgrid will continue negotiations with the landowner throughout this process to try and reach an agreement.

STEP 1

Transgrid sends a final letter seeking agreement

Before Transgrid starts a compulsory acquisition process with the landowner, we will send a final letter seeking the landowner's agreement to the easement acquisition.

STEP 2

Transgrid sends a Proposed Acquisition Notice

If agreement cannot be reached, Transgrid will send the landowner a Proposed Acquisition Notice (PAN) which starts a formal 90-day acquisition process under the *Just Terms Act*.

The landowner may lodge a claim for compensation with Transgrid or the Valuer-General. This claim should be lodged within 60 days of the landowner receiving the PAN.

Transgrid's offer to acquire the easement will remain open until a notice is published in the NSW Government Gazette between 90 days and 120 days after the landowner is sent the PAN.

STEP 3

Transgrid publishes a notice in the NSW Government Gazette

If an agreement isn't reached within 90 days of receiving the PAN, the easement will be compulsorily acquired.

Transgrid will publish a notice in the NSW Government Gazette, meaning:

- The Governor has approved the acquisition
- The Valuer-General has been instructed to assess the easement compensation for the required land.

Following publication of the notice, Transgrid will own the easement interest on the required land.

As part of this process, the Valuer-General will appoint an independent valuer to do an assessment of easement compensation for the required land. This assessment may be different from the amount of compensation Transgrid has offered.

Within 45 days (which can be extended to 60 days) of the NSW Government Gazette publication, Transgrid will send the landowner a Compensation Notice. This will include notice of the compulsory acquisition, information about your entitlement to compensation and the amount of compensation as assessed by the Valuer-General. The Compensation Notice will also include an offer to pay the compensation, and a Deed of Release for the landowner to sign if they accept the offer.

STEP 4

Final step of compulsory acquisition

If the landowner accepts the Valuer-General's assessment, the compensation will be paid within 28 days, following receipt of the Deed of Release. The landowner will also be paid interest earned on the compensation calculated from the date of the NSW Government Gazette notice.

If the landowner does not agree with the compensation amount determined by the Valuer-General, they can lodge an objection with the NSW Land and Environment Court. The landowner must lodge this objection within 90 days of receiving the Compensation Notice.

Note, the NSW Government will often grant the easement before compensation has been determined by the Valuer-General.

Information from the *Just Terms Act*

Transgrid will engage qualified valuers to value the impact of the easement on your land in accordance with the *Just Terms Act*.

The compensation offer will take into account your particular land and circumstances, including:

Section 55 (a) *the market value of the land on the date of its acquisition.* Market value of the 70 m easement area – taking into account things like land value, the size, location, use, and zoning

Section 55 (b) *any special value of the land to the person on the date of its acquisition.* Special value – in limited circumstances ‘special value’ as defined by the *Just Terms Act* may also apply. In this Act, special value of land means the financial value of any advantage, in addition to market value, to the person entitled to compensation which is incidental to the person’s use of the land

Section 55 (c) *any loss attributable to severance.* Severance – this happens when part of a property is acquired and a landowner’s ability to access or manage the rest of their property is impacted

Section 55 (d) *any loss attributable to disturbance.* Disturbance – Payment for disturbance items such as reasonable legal and valuation fees, stamp duty costs and actual use of the land as a consequence of the acquisition

Section 55 (e) *the disadvantage resulting from relocation.* Relocation – Costs associated with disadvantage resulting from the necessity of the person entitled to compensation to relocate the person’s principal place of residence as a result of the acquisition (not usually applicable for easements)

Section 55 (f) *any increase or decrease in the value of any other land of the person at the date of acquisition which adjoins or is severed from the acquired land by reason of the carrying out of, or the proposal to carry out, the public purpose for which the land was acquired.*

“Injurious affection” – which is any decrease in value of the landowner’s other land or improvements which adjoins the easement, at the date of acquisition.







Contact the HumeLink team

1800 31 73 67 (free call)
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