

HumeLink
Landowner Compensation Webinar
July 2022

Acknowledgement of Country

We begin by acknowledging the Traditional Owners of the land on which we meet today.

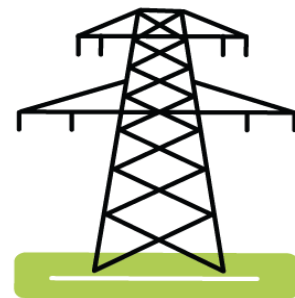
We pay respect to Elders past, present and emerging.



Webinar Agenda

- Acknowledgement of Country
- Introductions
- Project Update and Ongoing Activities
- Offer Letter Package
- Easement Negotiation and Acquisition Process
- Property Management and Access Plans
- Easement Compensation Calculations and Payment
- Connect with us
- Questions

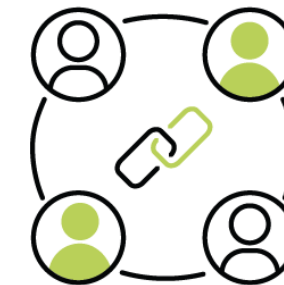
Project Update and Upcoming Activities



Announcement of preferred
200m corridor route



Commencement of negotiations
with landowners for 70m easement
acquisition



Market Sounding
complete and contractor
procurement in planning



Environmental and
Planning approvals

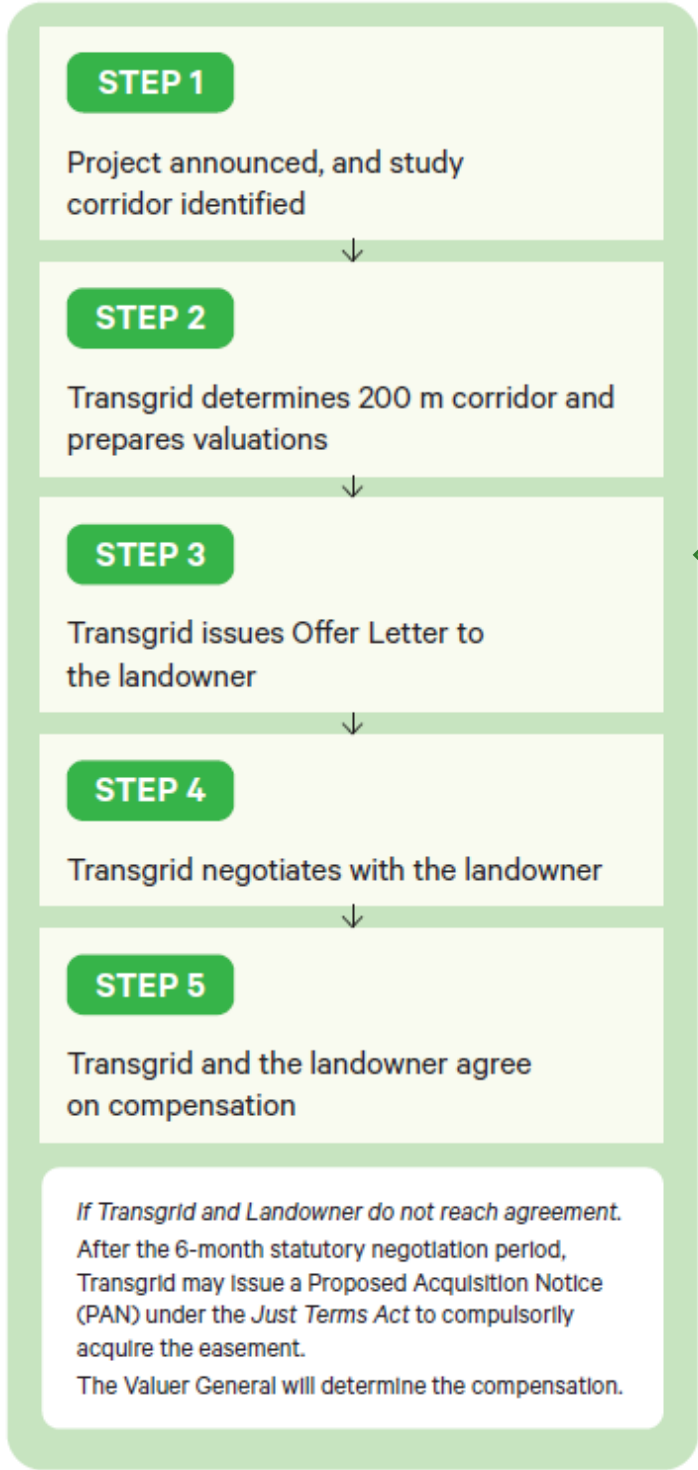


Community and key
stakeholder engagement

Your Offer Letter Package

- Explains how we plan to progress the HumeLink project and how that will affect you
- Notifies that we wish to start negotiations for entry into an Option Deed for the acquisition of the easement on your property
- Makes an offer of compensation for the acquisition of an easement on your property
- Provides you with the documentation required to progress negotiations including:
 - **Map of Indicative Easement Corridor**
 - **Memorandum of Energy Transmission Easement AJ633767**
 - **Certificate of Compensation Assessment**
 - **Option Agreement Deed (Template Only)**
 - **Acceptance Letter**
 - **Taxation Status Form**
 - **Title Search (es)**
 - **Property Acquisition and Compensation Information Guides**

Easement Acquisition and Negotiation Process

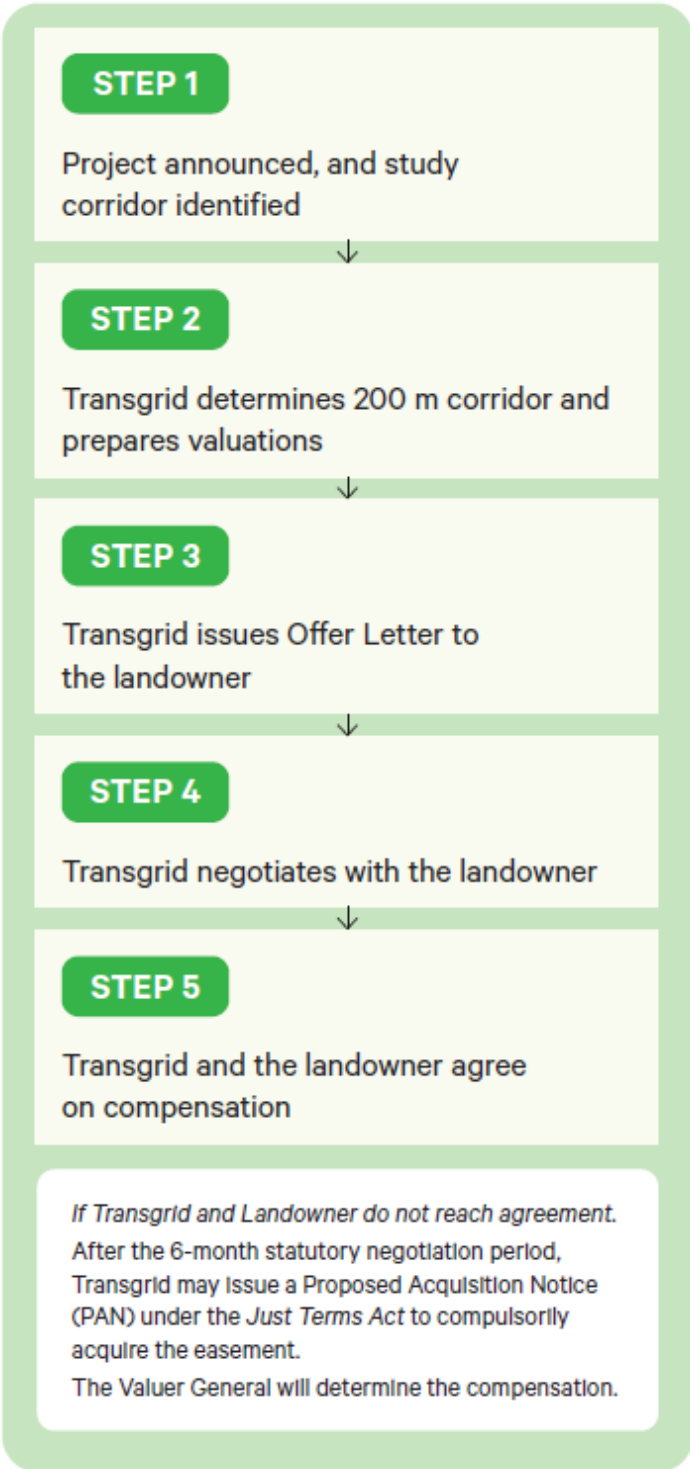


- Offer Letter formally starts the minimum 6-month genuine negotiation period required under Section 10A of the *Land Acquisition (Just Terms) Compensation Act 1991*.
- 70 m wide easement will be acquired within the 200 m corridor with the final easement location confirmed on completion of design assessment field surveys.
- Easement acquisition proposed to be formalised via Option for Easement Agreement.
- Landowners able to obtain their own independent professional advice, which will be reimbursed subject to [Transgrid's guidelines for payment of professional fees in connection with land or easement acquisitions](#).

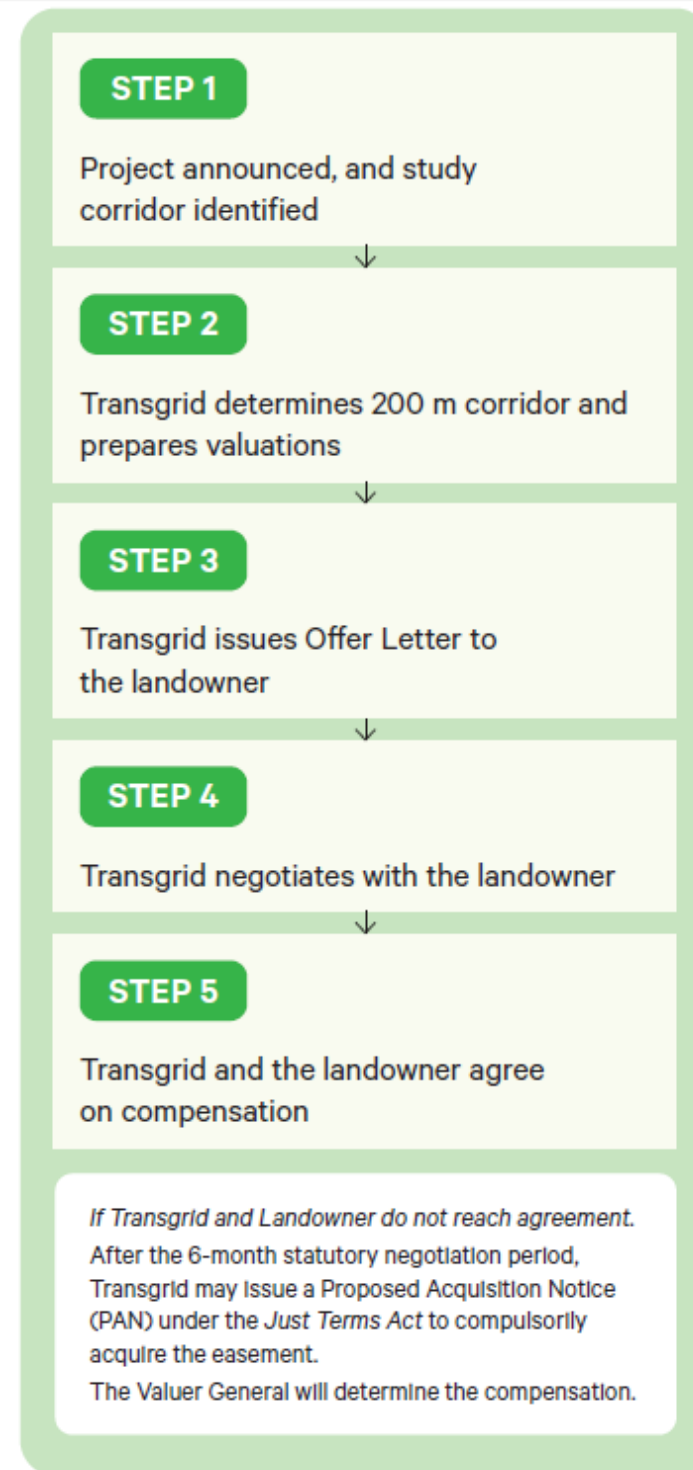


Easement Acquisition and Negotiation Process

- Transgrid aims to reach an agreement on compensation amount with the landowner.
- May involve additional meetings between the landowner, Transgrid and respective professional advisors.
- Opportunity for the landowner to provide and discuss their independent valuation assessment reports with Transgrid for negotiation purposes, and vice versa.
- Opportunity for the landowner to advise Transgrid on any particular requests/requirements for property access.



Easement Acquisition and Negotiation Process



- Agreement formalised by the landowner and Transgrid signing the Option for Easement Agreement.
- 6-months is the legislative minimum negotiation period, however during this time Transgrid will continue to negotiate in good faith to reach a voluntary agreement on compensation with landowners.
- Transgrid is not required to continue negotiations for the full 6 month period where landowners indicate they are not willing to negotiate or cannot be located after the making of reasonable enquiries.
- If compensation agreement looks unlikely, Transgrid may issue a Proposed Acquisition Notice (PAN) under the *Just Terms Act* to compulsorily acquire the easement.



Property Management and Property Access Plans

Property Management Plan (PMP)

Who: land occupier and Transgrid

When: developed during easement acquisition negotiations (Step 4)

What:

- Specific requirements to ensure properties are well maintained and protected during the investigation phase of the project.

- E.g.**
- easement access
 - biosecurity
 - rehabilitation
 - livestock management
 - fencing (temporary or otherwise)
 - protection of water pipelines and fibre optic cables
 - maintenance of water flow in creeks and watercourses

PMP informs PAP as both plans share a similar function at different stages of the project

Property Access Plan (PAP)

Who: land occupier, Transgrid and appointed construction contractor

When: developed prior to commencement of construction activities
**landowners will be provided with an overview of the construction program including major activities, types of activities and equipment likely to be used*

- What:**
- Used when the project is handed over to the contractor to commence construction.
 - Consultation regarding the impact of construction activities given the season and use of land at the time of proposed construction activities.
 - Practical solutions to minimise or mitigate construction access impacts including but not limited to farming activities, remediation activities required post-construction and the location of any new access tracks, where not previously agreed.



Knight Frank: independent expert valuers

- Knight Frank engaged by Transgrid as independent expert valuers
- Review information relating to individual properties and estimated impacts of project infrastructure
- Undertake research and calculate appropriate amount of compensation to be offered for acquisition of the easement
- Report to Transgrid for review and formulation of Compensation Offer Letter
- Compensation assessment aligned with the legal principles and heads of compensation outlined in the [NSW Government's Land Acquisition \(Just Terms\) Compensation Act 1991 No 22](#)
- Aim to put the affected Freehold Interest in the same financial position as it currently exists
- Encourage any additional information that may assist the compensation assessment to be communicated by landowners to Transgrid's to place or land access managers to be passed on to Knight Frank



Easement Compensation Calculation: considerations

'How much do the restrictions on use reduce the value of the land within the easement?'

Limitations on landowner's use of the easement area (including structures to be removed)

Loss of production due to Transgrid accessing the easement

Loss of trees and vegetation along the route of the transmission line

Relevant types of compensation for these restrictions and impacts to land outside of the easement (Just Terms Act):

Market Value of the easement area - Section 55(a)

Injurious Affection - Section 55(f)

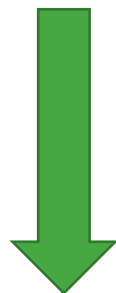
Disturbance Items - Section 55(d)

Special Value - Section 55(b)

Severance - Section 55(c)

Disadvantage resulting from relocation - Section 55(e)

These heads of compensation are rarely engaged in this type of scenario



Easement Compensation Calculation: method

Piecemeal method: assesses individual components of compensation

Market Value of Land - Section 55 (a)

% of total market value representing the easement area (typically, 50% of Freehold Easement Area Land Value and 100% of TLE Tower Sites Area)



Decrease in market value of the remaining property as result of TLE

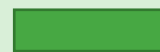
Injurious Affection - Section 55 (f)

A % of this market value, e.g., 5% for depreciation of existing dwelling and 5% for part of the remaining land

Methods sense checked against each other, compensation should equate

'Before and After' Method: difference in market value between 'Before' and 'After' assessments acts as a guide to fair compensation paid

Before value - estimate current market value including land and improvements



After value - estimate current market value including land and improvements assuming proposed TLE and associated infrastructure is in place

Other relevant compensation considerations:

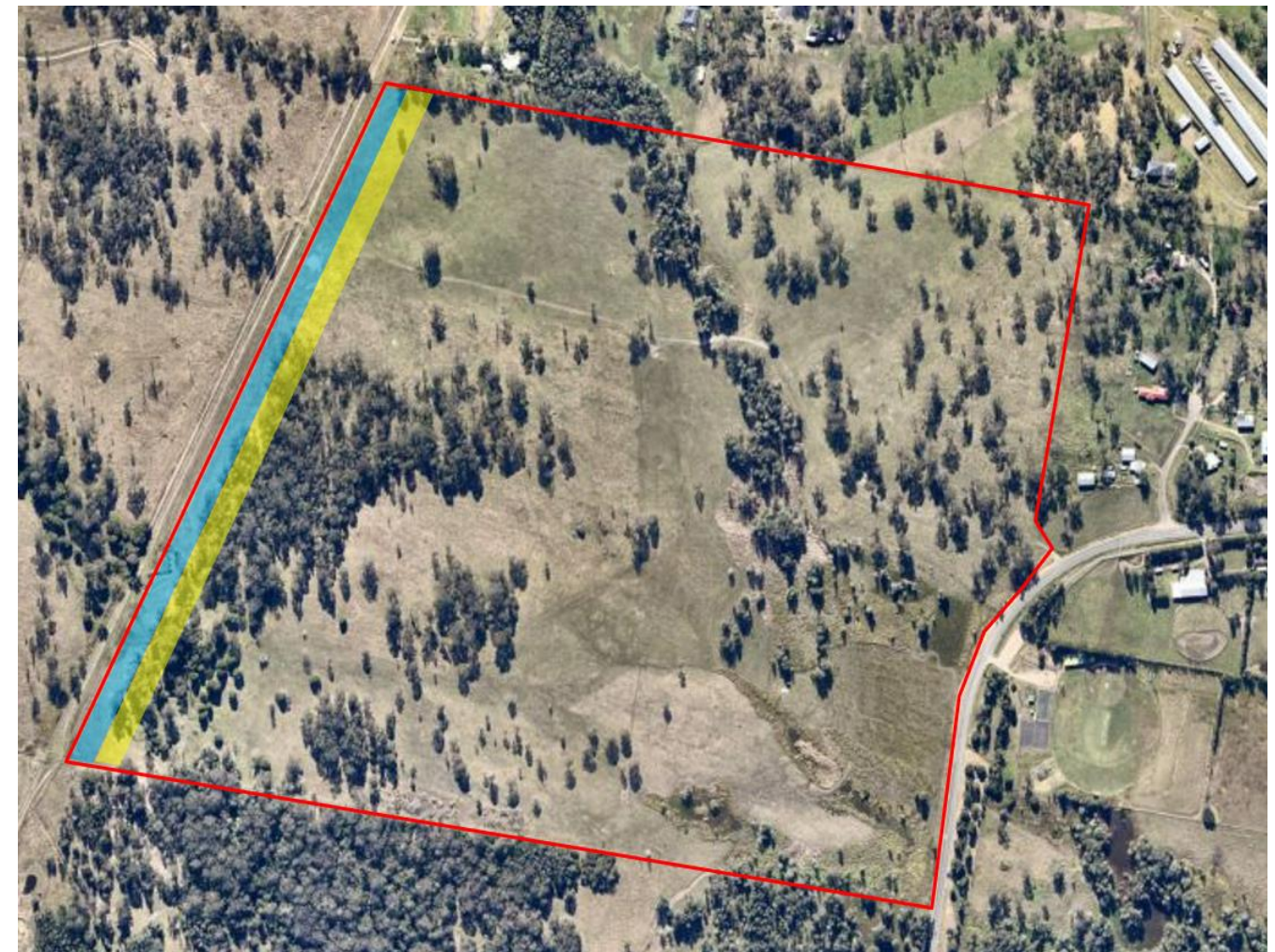
Disturbance Items - Section 55(d)

Where landowners engage professional advisors at reasonable costs, these costs will be re-imbursed by Transgrid as required under the Just Terms Act. Landowners will be reimbursed subject to [Transgrid's guidelines for payment of professional fees in connection with land or easement acquisitions.](#)

*TLE – Transmission Line Easements

Easement Compensation Calculation: hypothetical example

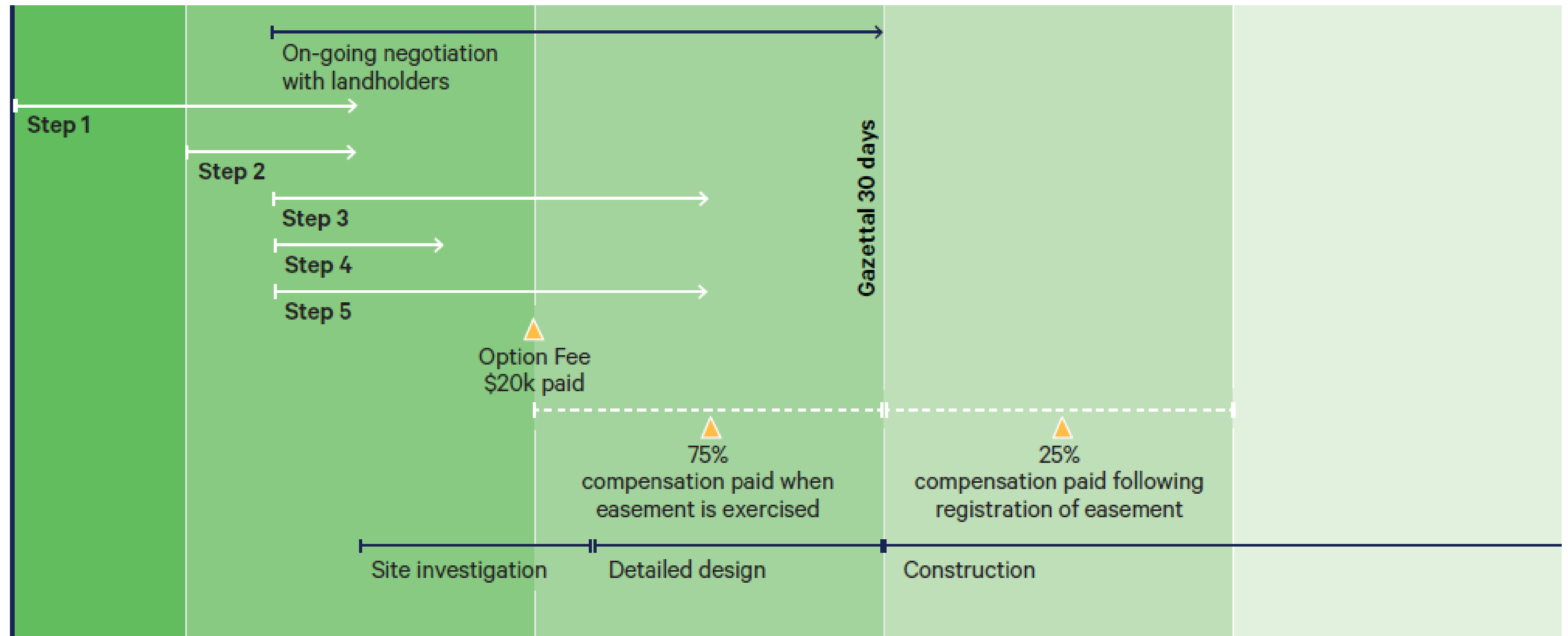
- Land holding of 68 hectares (ha) (outlined in red)
- Acquisition of 70 m wide easement (shaded yellow)
- Affected total land area of 8 ha for new high voltage transmission line
- Easement will include two towers
- Existing 60 m wide easement already crossing the land holding (shaded blue)



Easement Compensation Calculation: hypothetical example

Piecemeal Calculations Method	
Section 55(a) Market Value	
Market Value of Land Directly Affected by Easement	
TLE Tower Sites – 0.18 ha x \$30,000/ha x 100%	\$5,400
TLE (excl. Tower Sites) - 7.82 ha x \$30,000/ha x 50%	\$117,300
	\$122,700
Section 55(f) Injurious Affectation	
Diminution in Market Value of Affected Residue Land & Improvements	
Remaining Land – 62.4 ha x \$30,000/ha x 10%	\$187,200
Total Compensation (Piecemeal Method)	\$309,900
Before and After Method	
Assessed Market Value of the Land 'Before' Easement Acquisition (68 ha x \$30,000 ha)	\$2,040,000
Assessed Market Value of the Land 'After' Easement Acquisition (68 ha x \$26,000 ha)	\$1,768,000
Total Compensation ('Before and After' Method)	\$272,000
Assessed amount of compensation	
Section 55(b) Special Value - No Special Value issues arise as a result of the proposed easement	NA
Section 55(d) Disturbance - General disturbance (in this case legal and valuation fees)	TBA
Section 55(e) Disadvantage from relocation - No relocation required in this instance (this head of compensation is rarely engaged in this type of scenario)	NA
Total compensation calculated for easement acquisition	\$310,000

When will the compensation payments be made?



Easement compensation payment process

Thank you

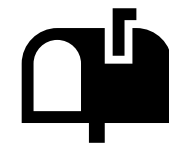
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[Transgrid.com.au/humelink](https://transgrid.com.au/humelink)

Questions?

