



Fact sheet: Land Access, Land and Easement Acquisition and Compensation Process

Overview and TasNetworks' commitment

Tasmanian Networks Pty Ltd (TasNetworks) is required to obtain land access and acquire land or easements over properties in order to progress transmission line development and major projects to support the electricity network and transition to a greater mix of renewable energy sources.

This document outlines the steps to be followed by TasNetworks to acquire land or easements from project commencement through to project completion which includes the payment of compensation. Further, this document covers both the voluntary and compulsory processes with respect to land access, land and easement acquisition and compensation.

TasNetworks is committed to achieving positive social licence within communities and is working with landholders and other relevant authorities to ensure TasNetworks' land access and acquisition practices and the compensation framework is contemporary, fair and equitable.

It is critical to note that TasNetworks' preferred approach is to obtain both land access and land and easement acquisitions by voluntary landholder agreement and will meaningfully engage and work with landholders to reach mutually acceptable outcomes. It should further be noted that TasNetworks' position is that it will only exercise statutory powers as a last resort. This option will only be considered where all alternative options have been exhausted and it is necessary to allow the timely progress of transmission projects.



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1 Project commencement

A project will be initiated when a business or network need has been identified, and TasNetworks has made the decision to proceed with the project. Large scale projects will be staged which will require certain steps to be performed and met throughout the timeline of the project.

From commencement of the project, TasNetworks will work to identify all steps required in the project process including whether or not private landholders will be impacted and whether or not acquisition of their land or an easement will be required. As the project progresses, additional information will be obtained to which landholders will be updated accordingly.

2 Initial route identified

One of the first steps in any transmission project for TasNetworks is identifying the route. The final route will be subject to a number of factors including land surveys, engineering design and landholder and community consultation. This means a route cannot always be confirmed within the early stages of a project.

When it comes to the initial route identification, TasNetworks will work with directly affected landholders to determine the most appropriate route for the proposed transmission line that considers a range of social, environmental and technical factors.

Engaging with landholders is critical to enable TasNetworks to understand their property operations and locate the proposed transmission line to avoid or mitigate impacts where possible. TasNetworks will work with landholders to facilitate a range of technical studies as part of this process.

3 Landholder and community engagement

3.1 Initial landholder notification and engagement

Landholders will be notified prior to the community and general public where their property has been identified as being impacted by a TasNetworks project. TasNetworks will provide the landholders with as much information as possible about the project and what it means for them and their property. At the stage of initial notification, TasNetworks does not have all the information as the site surveys, landholder engagement and detailed technical design necessary to reach final decisions still need to be completed.

3.2 Community engagement

In addition to affected landholder notification and consultation, TasNetworks will also engage with and consult with the community with respect to the project. This is an important step and TasNetworks will always respectfully and meaningfully engage with affected communities regarding large scale projects to understand the impacts and how the community can influence project outcomes.



4 Land access

Prior to the construction of any transmission assets, access to land is required by TasNetworks for the purpose of undertaking initial land surveys, undertaking valuations and assessing the initial proposed route to inform the final route. TasNetworks' preference is always to work with landholders to obtain this access to their land voluntarily.

By agreeing to provide TasNetworks with access, landholders are not agreeing to an acquisition of their land or an easement. This access process is separate to the acquisition process and is required to inform suitability of the proposed route.

4.1 Voluntary land access process

TasNetworks' preferred approach is always to obtain access to private land by way of voluntary agreement. TasNetworks will work with landholders to secure access to their land for the purpose of conducting initial land surveys and valuations to inform the final route.

TasNetworks will communicate with landholders and will assist with any queries they may have with respect to TasNetworks' access to their land. TasNetworks will provide landholders with land access requirements and will provide land access engagement packs.

If the landholder is agreeable to providing TasNetworks with access, TasNetworks will prepare a land access licence (Licence) and then present this to the landholder for their review and signing.

Landholders will have the opportunity to have the Licence reviewed by an independent legal practitioner with TasNetworks meeting the costs of reasonable legal fees up to a set amount.

The Licence will cover matters such as the licence area, when TasNetworks is able to access the land, any specific access requirements such as opening and closing gates, as well as obligations with respect to any damage that may occur.

A licence fee will be payable by TasNetworks upon entering into the Licence.

4.2 Statutory land access process

If TasNetworks is unable to secure access to the property after reasonable attempts have been made to enter into a Licence voluntarily, TasNetworks may seek to use statutory access powers to obtain access to the property where access is critical and as an absolute last resort.

The *Land Acquisition Act 1993 (Tas) (LAA)* and the *Electricity Supply Industry Act 1995 (Tas) (ESIA)* contain prescribed approaches to exercising statutory access (including notice requirements). To exercise this statutory access power, TasNetworks' Board must provide approval.

Where approval is provided, landholders will be advised by TasNetworks if and when TasNetworks decide to take this option. It should be noted, TasNetworks already possesses access rights in existing electricity easements and may enter these for operational and maintenance requirements. Where new projects occur in existing easements, TasNetworks will work with landholders to establish access arrangements.

5 Land surveys

Land surveys are conducted to inform TasNetworks of any conditions present on the land that may prevent or impact on the project. Land surveys can differ from property to property but can include, cultural heritage, karst survey, geotechnical survey and ecology. Landholders will be informed as to what surveys will be undertaken on their property. The survey results will be used to determine final route and tower placement but are not the only factor that inform the final route determination.

Land surveys are one of the primary reasons TasNetworks need to enter into access arrangements with landholders prior to the finalisation of the route and construction of assets.

6 Final route confirmed

As mentioned in section 5, the land surveys are one factor that inform the final route determination. Engineering factors, cost, current infrastructure as well as landholder and community inputs also inform the final route determination. Landholders will be advised when the final route is confirmed.

7 Desktop compensation assessments

Once the final route has been confirmed, TasNetworks will be able to engage land valuers to undertake an initial desktop valuation of the affected property. The initial desktop valuation is to be calculated in accordance with the requirements of the LAA and any other relevant factors applicable to that parcel of land.

The initial desktop valuation will primarily be used to inform TasNetworks' project costs and options. Access to a landholder's property is not required to undertake the desktop assessments but will be required to undertake final on ground land valuations to ensure all factors are considered.

7.1 Land Acquisition Act compensation

The LAA sets out under section 27, the relevant compensation components TasNetworks will need to take into account and compensate landholders against with respect to any land or easement acquisition.

These "heads of compensation" and applicable examples are set out below.

7.1.1 Market value

The LAA requires that landholder compensation takes into account market value. The market value of the land will be assessed at the amount that would have been paid for the land, or interest in the land, had it had been sold at that time by a willing but not anxious seller to a willing but not anxious buyer.

The market value takes into account the actual value of the land (including any value attributable to it being fertile land for crops or timber reserves) which a valuer will ordinarily determine by conducting market research within the area at which the property is located and arriving at market rate.

7.1.2 Special value

The LAA requires that landholder compensation takes into account special value. Special value considers any specific value in the land to the landholder and can include financial value of any advantage, which is in addition to market value which is incidental to the person's actual use of the land. The advantage must be specific to the landholder only.

Special value does not include unique features of the site which enhance the value of the property since these are reflected in the market value.

7.1.3 Severance

The LAA requires that landholder compensation takes into account severance. Severance considers the amount of any reduction in the market value of any other land of the person entitled to compensation which is caused by that other land being severed from other land of that person.

7.1.4 Betterment

The LAA requires that the valuation has regard to any increase in the value of land held by the landholder which adjoins or is severed from the acquired land due to the purpose for which the land was acquired.

An example of where this may apply is where the landholder intends to construct a windfarm on their property which requires a connection into the transmission network. The construction of the transmission line on the property will likely reduce the costs of connection for this landholder and such, will need to be taken into account.

7.1.5 Injurious affection

The LAA requires that landholder compensation takes into account injurious affection. Injurious affection considers the negative consequences to any other land owned by the landholders which is impacted by the carrying out of the purpose for which the land was acquired.

This head of compensation can consider any limitation of the activities that can be carried out on the land including loss of the use of an irrigator. It can also consider visual impact of the transmission line on the property and the home.

7.1.6 Disturbance

The LAA requires that landholder compensation takes into account disturbance. Disturbance refers to costs reasonably incurred by the landholder due to the acquisition, including legal fees, valuation fees and business administration costs of dealing with the acquisition. It also includes compensation for the actual physical disturbance of the construction works.

7.2 Commercial forestry

Where property is used for commercial forestry, it will be necessary for a separate valuation to be undertaken by an independent and qualified commercial forestry valuer. This will be used to inform the overall market value of the property and will inform the compensation for the land or easement.

8 Voluntary land and easement acquisition process

8.1 Overview

The LAA sets out three options of acquisition open to TasNetworks in order to acquire land. One of the options is the opportunity to purchase the land by way of voluntary agreement outside of LAA. This will always be TasNetworks' preferred method of acquisition.

Where a landholder is agreeable to a voluntary acquisition of their land or an easement over their land, TasNetworks will seek to enter into an agreement for such land or easement (purchase or option agreement). The process for this is negotiated, with the relevant steps being:

- Contact and consultation with landholder
- Obtaining final land valuations
- Offer presented to landholder
- Supporting landholder to consider offer
- Negotiations including regarding compensation with landholder
- Entry into a land or easement acquisition agreement
- Entry into a land access licence including the property management plan
- TasNetworks pay purchase price or option fee



8.2 Process

8.2.1 Landholder engagement

TasNetworks will write to all affected landholders advising that their property will be affected by the project and land or an easement will be required. The affected landholders will be advised that an offer package will be forwarded through to them for their consideration.

TasNetworks will meet with affected landholders regarding requirement for the land or easement and will discuss what this means for the landholder. In parallel with land or easement acquisition discussions, negotiations with the landholder commence with respect to compensation with landholders being advised that they can obtain their own valuation, legal advice and tax advice.

Landholders will be advised that TasNetworks will cover reasonable costs with respect to these advices up to a set fee.

8.2.2 Final land valuation obtained

Once the final location of the proposed transmission line has been determined (including positioning of towers and access tracks), information is provided to TasNetworks' registered valuer to independently assess compensation in accordance with the LAA.

This valuation applies the same heads of compensation to that of the initial desktop valuation (heads of compensation set out under section 7.1 of this framework), however there are less assumptions and the valuer will physically inspect the property and meet with the landholder. This valuation is a more accurate and reflective and takes into account all factors present on the land. An on ground valuation will allow the valuer to gain a full understanding of the impact of the project on the land.

Landholders are strongly encouraged to participate in this process.

8.2.3 Offer presented to landholder

TasNetworks will prepare and present to the landholder an offer package which will include:

- Letter of offer
- Compensation summary
- Land acquisition and compensation guideline
- Acquisition agreement (purchase or option agreement)
- Land Access Agreement
- Indicative easement plan
- Property management plan
- Easement terms and conditions
- Taxation status form
- Property title

The offer package is issued to landholders directly affected by the project for their consideration.

8.2.4 Supporting landholders to consider the offer

TasNetworks will work with directly affected landholders to explain the documents, the process and timeframes to be followed and to facilitate negotiations. An important initial activity for landholders is to engage their professional advisors quickly so they can assess the offer package and provide advice to the landholder on its suitability and assist them to negotiate an acceptable outcome with TasNetworks.

TasNetworks will pay the landholder's reasonable costs associated with this professional advice up to a set fee. To assist professional advisors to understand the acquisition documents, process and timeframes, TasNetworks plans to brief advisors on a voluntary basis prior to or shortly after issue of the offer package.

8.2.5 Purchase agreement negotiation

Where TasNetworks consider a full acquisition is necessary, TasNetworks will work with the landholder to reach a voluntary agreement for the purchase of the property. A purchase agreement will be prepared and compensation will be negotiated based on the valuation provided by the registered valuer.

8.2.6 Option agreement negotiation

Entering into an option agreement is a negotiated process and TasNetworks will work with the landholder to reach agreement. The starting point will be TasNetworks' standard form option agreements with the set out. TasNetworks will require that the easement or portion of land be a certain width and that such easement or land is obtained on certain terms primarily due to safety.

Where TasNetworks and the landholder enter into voluntary acquisition discussions, compensation will be negotiable noting that TasNetworks' offer will be based on the valuation undertaken by an independent valuer.

8.2.7 Enter into agreement

Once all matters are agreed between the landholder and TasNetworks including compensation, TasNetworks and the landholder will enter into the agreement.

Where a full acquisition is required, TasNetworks and the landholder will enter into a purchase agreement. This purchase agreement will set out the compensation payable for the property, the time of acquisition as well as any other relevant matters.

Where TasNetworks is obtaining an easement, TasNetworks and the landholder will enter into an option agreement which will provide TasNetworks with the right to exercise an easement option within a certain timeframe.

8.2.8 Payment of option agreement fee

In the case of easement acquisition, where the landholder and TasNetworks reach agreement and enter into an option agreement, TasNetworks will pay to the landholder a one off option agreement fee which is in addition to the compensation payable.

The option agreement fee is a lump sum payment, which is payable direct to the landholder upon execution of the option agreement and is non-refundable.

8.2.9 Dispute

If a dispute arises with respect to the option agreement or access licence that is not able to be resolved by the TasNetworks representative and the landholder then the matter will be escalated to a senior officer within TasNetworks to meet and seek to resolve with the landholder. If the dispute is still not able to be resolved, then the dispute will be referred to the Tasmanian Energy Ombudsman or the Australian Energy Infrastructure Commissioner to make a determination on the dispute.

9 FID Achieved

The financial investment decision (FID) will be made once TasNetworks has carried out all the required activities to inform this decision. The decision will either result in the project proceeding or stopping.



10 Statutory land and easement acquisition process

10.1 Overview

In most cases, TasNetworks will not seek to acquire any land or easements by way of statutory acquisition until after FID is achieved. Once FID is achieved, and TasNetworks require either land or an easement in order to proceed with the project, and TasNetworks has made all efforts and exhausted all options to acquire such land or easement voluntarily, then TasNetworks may choose to exercise statutory rights and compulsorily acquire the land or easement as an absolute last resort.

Section 51 of the ESIA provides that TasNetworks is an acquiring authority and has the power to compulsorily acquire property in accordance with the LAA.

The *Conveyancing and Law of Property Act 1883 (Tas)* provides for TasNetworks to be able to acquire an easement in gross.

10.2 Process

10.2.1 All options exhausted

TasNetworks will make all attempts to negotiate a voluntary acquisition of land or easement with a landholder prior to proceeding to statutory acquisition. If voluntary agreement cannot be reached and the landholder continues to refuse to participate and/or provide the land or easement, TasNetworks may commence the statutory process to acquire the land or easement in line with the requirements as set out under the LAA.

The landholder will be advised where TasNetworks will be acquiring the land or easement under its statutory powers.

10.2.2 Ministerial approval

The LAA contains a prescribed process for exercising statutory compulsory acquisition rights (including both purchase of the land or an easement). The ESIA contains a further overlaying requirement that any such acquisition must be approved by the Minister for Energy in writing. If TasNetworks' intention is to proceed with compulsory acquisition, TasNetworks will seek to obtain Ministerial approval for the acquisition.

10.2.3 Notice to treat served

If Ministerial approval is provided, TasNetworks will serve a notice to treat on the landholder in the approved form set out under the LAA. The notice to treat must be lodged with the Recorder of Titles in accordance with either the *Land Titles Act 1980 (Tas) (LTA)* or the *Registration of Deeds Act 1935* (depending on whether the land is Torrens Title of General Law Title).

10.2.4 Estate in the subject land

Where no agreement to sell the land is reached within 30 days of the service of the notice to treat, TasNetworks may take an estate in the subject land pursuant to the LAA.

10.2.5 Notice of acquisition gazetted

TasNetworks takes the land by causing a 'Notice of Acquisition' to be published within the Tasmanian Government Gazette after the expiration of 30 days and before the expiration of 6 months when the last notice to treat was served.

10.2.6 Notice of acquisition tabled

It is required that a 'Notice of Acquisition' is laid on the table of each house of Parliament within the first 21 sitting days of the House after the notice is gazetted, unless the acquisition has been consented to under the LAA.

10.2.7 Lodgement

Within 30 days after the notice of acquisition is gazetted, TasNetworks must lodge with the Recorder of Titles the documentation specified in the LTA and the LAA.

10.2.8 Service

TasNetworks must serve on every former owner of the land taken a notice in accordance with section LAA that within 6 days of the service, they are entitled to lodge a claim for compensation with TasNetworks.

10.2.9 Compensation

Within 60 days of the claim for compensation being served on TasNetworks, TasNetworks must notify the claimant in writing that the claim is either accepted, rejected or needs to be evidenced by further information within 30 days after the receipt of the notification. Further details of compensation are set out under section 11 of this framework.

11 Compensation

Regardless of whether TasNetworks acquires land or easement by way of voluntary acquisition or compulsory acquisition, TasNetworks must pay compensation to landholders which will be assessed and determined in line with the requirements as set out under the LAA.

The below outlines the compensation payment process for both the voluntary and compulsory acquisition of land or easements.

11.1 Voluntary acquisition

The LAA provides that TasNetworks is able to reach a voluntary agreement for the acquisition outside of the LAA. Where TasNetworks and the landholder reach voluntary agreement for the land or easement acquisition, a negotiated final compensation sum will be agreed based on the valuation provided by the register valuer which is prepared in accordance with the heads of compensation under the LAA (and set out under section 7.1 of this framework).

The landholder is also entitled to seek their own independent valuation which with reasonable costs being covered by TasNetworks.

TasNetworks will pay the option fee upon entry into the option agreement. TasNetworks will then pay a percentage of the negotiated compensation payment on exercise of the easement option or commencement of construction to be agreed, with the balance being paid upon the registration of easement.

11.2 Statutory acquisition

Where TasNetworks acquires the land or easement by way of the statutory compulsory acquisition process, TasNetworks will follow the requirements and assess compensation in accordance with the requirements as set out under the LAA. The LAA provides that compensation will be assessed and determined in line with the heads of compensation and these have been set out under section 7.1 of this framework.

TasNetworks will obtain a valuation from an independent valuer who will deal to each compensation head payable. The landholder will then be required to submit a claim for compensation by which TasNetworks will be required to assess. TasNetworks' assessment of this claim will be guided by the independent valuation provided by TasNetworks' registered valuer. TasNetworks will either accept

the claim or request additional information from the landholder. If TasNetworks requests additional information in order to support the claim, the landholder will need to provide this information in order for TasNetworks to properly assess the claim.

If the parties are unable to resolve the claim for compensation then the claim can be referred to the Supreme Court for determination. If the landholder fails to lodge a claim for compensation, TasNetworks is obligated to refer the matter to the Supreme Court for determination. Once a matter is referred to the Supreme Court, then timeframes as stated in the *Supreme Court Civil Procedures Act 1932* (Tas) will apply.

12 Additional matters

12.1 Strategic benefit payments

TasNetworks has committed to undertake a review of the existing compensation framework. TasNetworks is now in the process of co-designing a new strategic benefit payment scheme which will include compensation additional to that prescribed by the LAA. TasNetworks is also working with its shareholders, the AER and other government bodies regarding the revised compensation principles and approach and will share the outcome with landholders once finalised.

12.2 Community benefits

TasNetworks acknowledges the importance of community benefit sharing in large scale transmission projects. For example, with respect to the North West Transmission Development (NWT) project, TasNetworks recently formed a Youth Panel made up of young people from the six local government areas impacted by the NWT project, including Burnie, Waratah/Wynyard, Central Coast, Kentish, Meander Valley and Northern Midlands. The panel worked together to co-design a community benefits sharing program framework for the NWT project. The framework was approved by the TasNetworks board in March 2023 and is available to view on the TasNetworks website: [Community Benefits Sharing Program - TasNetworks](#).

Our commitment to landholders

TasNetworks is committed to collaborating with all affected landholders and will work to minimise impacts of easement acquisition as much as possible.

TasNetworks believe that by working together, providing clear and timely information and understanding landholders' specific requirements, it is possible to reach voluntary agreements that are mutually acceptable.

TasNetworks is further committed to achieving positive social licence within communities and is working with landholders and other relevant authorities to ensure TasNetworks' easement acquisition practices and compensation framework is contemporary and fair.

For more information

To find out more visit our website:

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