



Fact sheet: Easement and Compensation for Landholders

TasNetworks owns, operates, and maintains the electricity transmission network in Tasmania. TasNetworks delivers safe, cost-effective, and reliable electricity supply to more than 295,000 residential, commercial, and industrial customers.

This fact sheet has been prepared to provide landholders with an overview of the process for TasNetworks to acquire land and easements for transmission projects. This fact sheet outlines why land and easements are needed as well as the compensation arrangements for such.

TasNetworks is committed to working with landholders and the community to progress transmission projects in a positive way that delivers the best outcomes possible for all impacted.

Why is land needed?

TasNetworks needs to own land freehold to build and maintain the necessary network infrastructure to meet network requirements like a substation.

What are easements and why are they needed?

An easement is a property right granted by a landholder that permits TasNetworks to install, safely access and maintain its electricity infrastructure which is situated on a landholder's property.

As part of our planning approach, TasNetworks look to install new infrastructure in areas that overall have the least impact on surrounding neighbours and the broader community, while meeting other considerations such as the most feasible direct route, environmental factors, constructability, and cost.

Where TasNetworks is constructing a new transmission line or other associated infrastructure, usual practice will be to seek an easement from the landholder to ensure that the electricity infrastructure can be installed and maintained safely.

Generally, the terms of the easement will provide rights for TasNetworks to access the land and to install, operate, maintain, repair, modify and replace electricity infrastructure and protective structures on the land.

To ensure that landholders, our workers, and the network itself remains safe, easements provide rights for TasNetworks to be able to meet safety obligations by controlling how this land is used.

Under an easement agreement, the landholder agrees not to do anything that compromises or interferes with the safe operation of the electricity infrastructure that has been installed on their land in the easement area.

This means that certain farming activities may need to be limited within the easement, but TasNetworks do try to enable low risk activities to continue, such as cropping.

More information on what landholders can and cannot do within easements can be found in TasNetworks' Transmission Line Easements booklet on the TasNetworks website.

What do easements look like?

Easements can vary in width and will depend on the infrastructure design, voltage and circuits contained within the easement. For TasNetworks' transmission easements, the typical width of a 110 kV transmission line easement is 50 metres and for a 220 kV transmission line, the easement is 60 metres, but these dimensions may vary depending on the infrastructure, location, technical considerations and time of installation.

TasNetworks regularly clear the easement area to minimise the chance of a bushfire affecting the network as part of our broader safety requirements.

When TasNetworks acquire an easement, TasNetworks is obliged to meet certain conditions such as repairing any damage to the area and retuning it to its previous state.

TasNetworks' engagement approach

TasNetworks' approach to engaging with landholders either in the process of acquiring land, an easement, or maintaining these areas is the same; TasNetworks will treat landholders with respect and work to minimise impacts as much as possible.

This approach is in line with TasNetworks' customer charter. This means TasNetworks will:

- listen and understand landholder needs;
- keep landholders informed and do what we say; and
- communicate clearly, consistently, and simply.

Compensation obligations

TasNetworks' objective is to work co-operatively with landholders to reach a mutually acceptable negotiated agreement for TasNetworks to obtain land or an easement over the landholders land for the required electricity infrastructure.

The amount of compensation that TasNetworks can pay to a landholder and recover from electricity consumers is regulated by the National Electricity Rules and is subject to approval by the Australian Energy Regulator (AER).

To satisfy the AER and to meet our commitments to the broader community, TasNetworks must be able to demonstrate that the compensation payments have been prudently and efficiently incurred.

Valuation and compensation considerations

TasNetworks engages suitably qualified valuers to value the land and the easement interest. The valuation is prepared by the valuer in accordance with the requirements as set out under the Land Acquisition Act 1993 (Tas) (LAA).

The LAA stipulates the factors that are to be considered when assessing compensation. These factors are:

- **market value** – the actual value of the land impacted by the easement.
- **any special value** – any additional financial value to the specific landholder for the affected land.
- **injurious affection** – consideration of any limitation of the activities that can be carried out on the land because of the easement, such as the loss of the use of an irrigator.

- **damage caused by severance of the land** – this considers any reduction in market value of land due to the land being severed from other land because of the easement. For example, an easement on agricultural land may be located so that it effectively ‘quarantines’ a part of the land, limiting its use for farming activities. Compensation is payable for the depreciation in the value of the land associated with the severing of that land.
- **betterment** – where the remaining land becomes more valuable because of the granting of an easement or acquisition of land.
- **disturbance** – any financial loss or costs reasonably incurred by the landholder due to the acquisition of the easement. For example, if timing of the acquisition means that the landholder cannot harvest a sown crop, they will be compensated for the value of crop lost. This head of damage also includes legal fees, valuation fees and business administration costs of dealing with the acquisition.

Additional payments

While TasNetworks and landholders are required to work within the regulatory requirements when negotiating landholder compensation payments, TasNetworks recognises the disruption and cost to landholders.

In recognition of these impacts and to further minimise impacts on landholders, TasNetworks has introduced supplementary payments to landholders. These payments are in addition to the compensation for an easement or land and are listed below.

Land Access Licence Agreement fee

On signing the agreement, TasNetworks can access a landholder’s property to perform surveys and investigation activities as part of the project planning process. Please note TasNetworks will always contact landholders in advance of any visit. This fee is payable following the signing the Land Access Licence Agreement.

Participation fee

In addition to the above, TasNetworks will pay a participation fee. This fee is a payment “on account” of the LAA’s “disturbance” consideration and covers the landholder’s time and reasonable costs associated with the easement acquisition process. This is also payable on signing the Land Access Licence Agreement.

Option fee

The option agreement gives TasNetworks the right to call for the transfer of land or the grant of an easement within an agreed period of time and the payment of the option fee secures these rights for TasNetworks. This fee is payable following the signing the Option Agreement.

Strategic Benefit Payment

Payment of a “Strategic Benefit Payment” to landholders is being explored with the principles and amount to be worked through with TasNetworks’ owners and the AER. This will not be a retrospective payment.

Community feedback

Some landholders have asked TasNetworks to adopt a compensation payment model that is in line with financial payments made to landholders by developers of renewable energy projects.

It is important to note that these developers lease the land where the assets are located and are not subject to the same AER regulation and approvals requiring them to establish spending is prudent and efficient.

TasNetworks has listened and is currently exploring the possibility of a Strategic Benefit Payment and is committed to working with landholders to provide flexibility around timing of compensation payments, including potentially making annual payments over an extended period.

While TasNetworks is required to meet the obligations as set out under the LAA, TasNetworks is also committed to minimising the impact on landholders. This means providing clear information about the process, providing support through the process, and taking on community feedback.

Easement acquisition process

TasNetworks strives to make the easement acquisition process as accessible and streamlined as possible and is committed to supporting landholders throughout the process. TasNetworks seek to obtain easements through a co-operative and negotiated framework and will only consider other avenues if all genuine and reasonable attempts to reach agreement have not been successful.

TasNetworks seek to obtain voluntary landholder agreement and will meaningfully engage and work with landholders to reach mutually acceptable outcomes. The following sets out the steps TasNetworks will take to reach voluntary agreement.



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:

www.tasnetworks.com.au

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