

Understanding your options: Voluntary OFE and compulsory acquisition pathways



Recent changes to the *Electricity Industry Act 2000* allow transmission companies, such as AusNet, to seek approval from the Victorian Government to compulsorily acquire easements in parallel with the environmental planning processes.

Transmission companies have long held powers to seek approval to compulsorily acquire easements for the purposes of erecting, laying and maintaining power lines. These changes allow approval for the powers to be sought while an Environment Effects Statement is still underway.

Despite the legislative change, our focus remains on working to reach voluntary Option for Easement (OFE) agreements with all landowners.

If powers are granted, easements will be compulsorily acquired only for properties that do not have a voluntary OFE agreement in place prior to the Notice of Acquisition being gazetted.

AusNet has applied to the Victorian Government for powers to compulsorily acquire easements for the Western Renewables Link (WRL), however it does not currently have compulsory acquisition powers and this does not mean that compulsory acquisition will take place immediately.

The Victorian Government will decide whether any powers are granted.

We recognise this may raise questions. We are sharing information now so you have clear, early and accurate information and as much time as possible to understand the potential pathways and consider what it means for you.

Engaging now through the voluntary OFE process gives you the opportunity to secure financial certainty, shape agreements to suit your needs and make sure we have as much time as possible to consider your preferences and specific needs as we develop the project. With the project's construction contractor, Acciona Genus Joint Venture, now engaged and the detailed design phase underway, there is still time to work through landholder-specific requirements and practical solutions.

Engaging now helps make sure your property's operations are understood, provides greater certainty and helps secure the best possible outcome for your property.



This landowner guide outlines both the **voluntary OFE pathway** and the **compulsory acquisition pathway**, including the key steps and timeframes to support informed decisions.

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AusNet

Understanding the voluntary OFE pathway

A negotiated and flexible approach that allows landholder-specific matters to be considered and provides greater certainty about easement arrangements while there is more time to influence outcomes.

What a voluntary OFE can provide

- Flexibility to discuss small, property-specific design adjustments where possible.
- Early input into access arrangements to align with your farming or business operations.
- More certainty about compensation amounts, escalation rates to apply to the amounts and timing for payments under the OFE. In addition to compensation for the easement, an option fee is payable under the OFE.
- Eligibility for the Voluntary Hosting Benefit (VHB) until 30 September 2026.
- A negotiated approach to disturbance, based on compensation principles under the *Land Acquisition and Compensation Act 1986* (LAC Act), with the flexibility to discuss impacts supported by your own independent advisers and less prescriptive evidentiary requirements.

A voluntary OFE agreement usually takes between three to five months to negotiate, depending on complexity. Engaging earlier can give you, and any advisers you appoint, time to work through valuation information, property details and access needs at a pace that feels manageable.

This is not about trying to change your views on the project. We want to make clear that engaging in voluntary OFE discussions and signing an OFE does not mean you support the project - you can continue sharing your views and concerns at any time.

Increased landowner benefits

Voluntary Hosting Benefit

- In recognition of the important role landowners play in hosting major energy infrastructure, the Voluntary Hosting Benefit (VHB) has been increased from \$46,000 to \$56,000 per hectare.
- This increase acknowledges the time, consideration and ongoing engagement involved.

Availability and timing

- The Voluntary Hosting Benefit will remain available until 30 September 2026.
- Previously, availability was linked to the approval and gazettal of the project's proposed Planning Scheme Amendment. Some landowners told us that the lack of a fixed date made planning more difficult, so we have introduced a clear timeframe.
- Setting a clear, fixed end date provides greater certainty and supports landowners in planning with confidence.

Overview of the voluntary negotiations pathway



Step 1

Engage professional services

- We encourage you to engage independent professional advisers you trust, based on the support you need. This may include:
 - Legal advice to review the OFE and negotiate legal terms.
 - Agricultural advice to assess farm impacts and biosecurity considerations.
 - Financial, land valuation or tax advice to understand compensation and tax implications.
- The project offers:
 - \$10,000 in funding towards payment of professional services fees.
 - Coverage of additional reasonable professional services fees, subject to prior agreement and itemised invoicing.
 - Information briefings to your independent professional advisers to explain the OFE process, timing and expectations.
- Reaching a voluntary OFE agreement typically takes between three to five months, from the appointment of independent advisers through to execution.
- Engaging advisers sooner allows landholder-specific matters to be considered and provides greater certainty about easement arrangements while there is still scope to influence outcomes.



Step 2

Negotiate your voluntary agreement

- This stage focuses on developing a shared understanding of how your property works and where disturbance may occur, so that compensation can accurately reflect the full extent of impact to your land and operations.
- By visiting your property and discussing day-to-day operations, we can better understand practical considerations such as:
 - Stock movements, cropping cycles or seasonal constraints.
 - Key existing infrastructure, access routes and sensitive areas.
- You can provide information and evidence about potential disturbance, such as:
 - Changes to access or working patterns.
 - Impacts on productivity, land use or property management.
- Where helpful, you may choose to obtain an independent valuation to support these discussions.
- This stage also allows you to discuss practical access arrangements, for example:
 - Preferred or restricted access times to avoid critical farming periods.
 - How tracks, fences, gates or ground conditions are reinstated after works.
- Clarifying these details early supports outcomes that better align with how your property is managed.

If you provide voluntary access to your property during this phase under a Land Access Consent (LAC), you will be entitled to the following:

- A \$20,000 Landholder Participation Fee for the first five days of access.
- If access exceeds five days, \$2,000 per day extra (up to a maximum of \$30,000).



Step 3

Sign your voluntary OFE and VHB deed

- Once you are satisfied with the terms, sign your OFE, along with the VHB deed if you haven't previously done so.
- The \$50,000 Option Fee (\$30,000 of which is an advance of OFE compensation) will be paid within 20 business days of AusNet and landowner signing an OFE.



Step 4

Your OFE is exercised

- Any remaining portions of the Voluntary Hosting Benefit and OFE compensation will be paid if, and when, AusNet exercises the OFE.

Understanding the compulsory acquisition pathway

While voluntary OFE agreements remain the preferred and most flexible option, we want landowners to be informed about the compulsory acquisition process. Our focus remains on working to reach voluntary Option for Easement (OFE) agreements with all landowners.

AusNet has applied to the Victorian Government for powers to compulsorily acquire easements for WRL, however, it does not currently have these powers. The Victorian Government will decide whether any powers are granted.

What the compulsory acquisition process means

If a voluntary agreement is not reached and if compulsory acquisition powers are granted to AusNet, the easement may be acquired through a legislated process set out in the *Land Acquisition and Compensation Act 1986* (LAC Act).

Transmission companies have long held powers to seek approval to compulsorily acquire easements for the purposes of erecting, laying and maintaining power lines.

Even if powers are granted:

- Voluntary negotiations can continue until a Notice of Acquisition has been gazetted.
- The Voluntary Hosting Benefit remains available for those who sign a negotiated agreement until 30 September 2026.

Our priority is to continue negotiations with landowners and early engagement is encouraged to support financial certainty and allow adequate time to work through property-specific requirements and outcomes in a considered way.

Providing this information now is intended to allow you to have the maximum possible time to understand the process and carefully consider the options available to you.

High-level overview of the compulsory acquisition pathway

This process will only progress if AusNet is granted powers to compulsorily acquire easements by the Victorian Government. The pathway includes several stages, each with its own timeframes. Voluntary negotiations remain open and our priority until a Notice of Acquisition has been gazetted.

Overview of the compulsory acquisition pathway



Step 1

Government assessment (current stage)

- AusNet prepares and submits an application to request compulsory acquisition powers.
- The Victorian Government assesses the application.
- This is a two-part process which would first require a decision under the *Electricity Industry Act 2000* (EI Act) followed by a decision under the LAC Act.
- A decision to grant AusNet compulsory acquisition powers is not guaranteed.



Step 2

If powers are granted

If the compulsory acquisition powers are granted:

- Both decisions would be published in the Victorian Government Gazette, with the decision under the EI Act gazetted first, followed separately by gazettal of the decision under the LAC Act.
- The timing of these publications depends on the Government's assessment process and we will provide an update as soon as we become aware of the outcome.
- Following this, AusNet would issue a Notice of Intention to Acquire for the proposed easement.
- We would also share more information and detailed timings about the next steps of the process at this stage.
- You can continue voluntary negotiations during this period.
- Landowners remain eligible for the Voluntary Hosting Benefit until 30 September 2026 and voluntary OFE agreements are possible until a Notice of Acquisition is gazetted.



Step 3

Voluntary negotiation period

Under legislation:

- There is a minimum of two months and a maximum six-month period between issue of the Notice of Intention to Acquire and any Notice of Acquisition.
- During this time you can continue voluntary negotiations.
- The project's priority is to continue good faith negotiations to reach voluntary agreements with landowners.
- Negotiated agreements can still be reached throughout this period.



Step 4

Notice of Acquisition

A Notice of Acquisition would only be gazetted if:

- Compulsory acquisition powers are granted; and
 - No voluntary agreement to the OFE has been reached after the voluntary negotiation period.
- If a Notice of Acquisition is issued and gazetted in the Victorian Government Gazette:
- AusNet immediately obtains the easement and has legal rights to enter and perform works in the easement in accordance with its terms (subject to planning approvals).
 - Under the LAC Act, once a Notice of Acquisition is issued, AusNet is required to make a compensation offer to the affected landowner within 14 days.
 - The landowner then has up to three months to accept the offer by providing AusNet with a notice of acceptance or a notice of claim in accordance with the LAC Act.
 - If agreement regarding compensation cannot be reached, the matter may be referred to the Victorian Civil and Administrative Tribunal (VCAT) or the Supreme Court of Victoria for determination (depending on the value of the compensation claim).
 - The LAC Act process in relation to determining compensation for the easement may occur in parallel to AusNet having access to the easement. The LAC Act provides the process for access once the easement has been compulsorily acquired.
- Further information on this step can be shared by your Land Liaison Officer.

Voluntary OFE Pathway



Negotiated agreement



Early input into access arrangements to align with your farming or business operations



Allows small property-specific design changes to be considered while there is still time for them to be accommodated



Eligibility for Voluntary Hosting Benefit until 30 September 2026



Certainty regarding the compensation amount, alongside the ability for VHB payment timeframes and compensation arrangements to be structured to meet individual needs, including staged or annualised payments



Typically negotiated over 3–5 months



Opportunity to work together to understand in detail how the project impacts your property and agree appropriate disturbance (based on the LAC Act principles) including reasonable upfront estimates of future impacts, allowing disturbance payments to be made earlier

Compulsory Acquisition Pathway

(only if powers are granted)



Legislated process with specific timeframes and procedural requirements that both parties must follow



While access requirements will always be considered, the earlier these can be discussed, the more opportunity there is to work together to achieve better outcomes



Easement area is set out in the Notice of Intention to Acquire and is finalised once the Notice of Acquisition is gazetted. Any property-specific design changes outside the area notified in NOITAs and NOAs (respectively) may not be capable of accommodation (subject to approvals)



Compensation determined in accordance with the LAC Act



Compensation paid in accordance with legislative requirements



AusNet is the registered beneficiary of the easement once the Notice of Acquisition is gazetted and can exercise the easement rights from then. The LAC Act process in relation to determining compensation for the easement may occur in parallel with the project having access to the easement. Compensation for the easement under the LAC Act may take some time to resolve as there are specific timeframes and procedural requirements that need to be followed for the compensation process by both parties



Disturbance is a category of compensation payable under the LAC Act. As the LAC Act is compensatory in nature, disturbance costs must be reasonably demonstrated by the claimant as having been incurred or to be incurred*

* Disturbance is a category of loss under the LAC Act which must be a natural, direct and reasonable consequence of the easement acquisition. A statutory claim to compensation by a claimant under the LAC Act needs to be established and include evidence to demonstrate the loss claimed and there needs to be a relationship between the loss claimed and the easement acquisition.

Reasonable costs associated with establishing a claim for compensation, such as legal fees or other professional advice fees, are largely recoverable by a claimant where they have been necessarily incurred by reason of the acquisition of the easement. This is usually evidenced by invoices and sometimes, although not always, production of the professional reports or the scope of the reports received by the claimant to establish a claim for compensation.



Tax considerations

Tax outcomes vary depending on individual circumstances and the project cannot provide tax advice.

We understand there may be differing views on whether compulsory acquisition payments would result in a better tax outcome. We strongly recommend that landowners seek independent, personalised tax advice.

Under the voluntary OFE and Voluntary Hosting Benefit deed, payment timeframes can be structured to suit individual circumstances including, where appropriate, options such as staged or annualised payments. This can provide additional flexibility when considering cash flow and tax planning, subject to independent advice.



To make sure landowners can access advice relevant to their own situation, the project will cover all reasonable tax advice costs, provided they are agreed in advance and an itemised invoice is provided.

Complaints

If you have a query, a compliment or a complaint, you can let us know by using the online enquiry form on www.westernrenewableslink.com.au.

Or you can let us know by:

- ☎ 1800 WRL WRL (975 975)
- ✉ info@westernrenewableslink.com.au
- ✉ PO Box 638, Ballarat VIC 3353

You can also lodge a complaint or provide feedback directly to your Land Liaison Officer.

Complaint handling steps:

1. You can lodge a complaint with AusNet as outlined above.
2. We will acknowledge receipt of a complaint in writing and will provide a unique complaint reference number within two working days.

3. We aim to resolve the complaint within ten working days.

4. Where we cannot reach a resolution within ten working days, we will keep you informed of the progress being made with handling the complaint by providing regular updates on the investigation and a revised timeframe for resolving the complaint.

5. At any time, you may request to have your complaint escalated to the senior management team by sending an email to GeneralManager@westernrenewableslink.com.au

If your complaint or question relates to the RIT-T process, you can raise it with VicGrid by emailing enquiries@vicgrid.com.au.

If your complaint or question relates to the Environment Effects Statement process, you can raise it with the Department of Transport and Planning by emailing environment.assessment@transport.vic.gov.au.

The Office of the Australian Energy Infrastructure Commissioner (AEIC) supports community members who have concerns about new major transmission projects. For information on how the AEIC can assist, or to lodge a complaint, visit aeic.gov.au or call 1800 656 395.

The information in this document is for reference only – it is not designed to be, nor should it be regarded, as professional or legal advice. You should seek appropriate independent professional and/or legal advice where appropriate and before making any decisions based on material in this document. The information is an overview (in summary form) and does not purport to be complete. This document, and the information in this document, will not form the basis of any contract or commitment. AusNet does not guarantee or warrant the accuracy, completeness, or currency of the information provided and AusNet, its directors, officers, employees, agents and advisers disclaim all liability and responsibility (including for negligence) for any direct or indirect loss or damage which may be suffered by any recipient through use or reliance on anything contained in or omitted from this document.

More information

Visit the project website westernrenewableslink.com.au for the latest project information.

Need assistance to contact us?



If you need an interpreter, please call 13 14 50.



If you are deaf and/or find hearing or speaking with people on the phone difficult, please contact the National Relay Service on voice relay number 1300 555 727, TTY number 133 677 or SMS relay number 0423 677 767.

Contact us

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