

Property matters and compensation

Background

To build a new transmission line between Whakamaru and South Auckland, Transpower needs to secure an appropriate interest in all properties directly affected by the transmission line. Transpower will pay fair compensation in accordance with the principles of the Public Works Act 1981 for any property rights secured.

As part of the original North Island Grid Upgrade Proposal, a final centreline for the overhead line, and final route for the underground cable were confirmed in January 2006. Under the amended proposal, Transpower has reconfirmed the final centreline and route for the overhead line, with small changes at the northern end to accommodate a newly located transition station.

For the underground cable route from the South Auckland transition station, Transpower has selected a new termination point - Pakuranga substation. The underground route to Otahuhu substation will now be used as part of a later stage of the project (probably after 2020).

Acquisition of the necessary property rights

Since January 2006, Transpower's representatives have been proceeding with 'good faith' negotiations with all directly affected landowners to acquire an appropriate interest in the land crossed by the proposed line. As the overhead line section for the amended proposal follows the same centreline as the original proposal, these negotiations will continue. Transpower will start negotiations on securing an easement if the Electricity Commission releases a positive Draft Decision on the amended proposal.

For properties that may become directly affected by a new underground cable into Pakuranga, Transpower will begin consultation shortly on route options, together with consultation on the upgrade of the substation at Pakuranga, and the new transition/substation in the vicinity of the South Auckland urban boundary.

EASEMENTS

Finalising the centre-line and confirming the easement

The process that Transpower followed to determine the position of the overhead centre-line, the tower locations and extent of the easement is outlined below.

The Easement stage took place between July 2005 and January 2006 when Transpower contacted landowners and occupiers whose properties were crossed by the indicative centre-line to explain the principles behind the indicative centre-line and preliminary tower locations. Transpower listened to their concerns and suggestions, and gathered information about any factors that could affect the final alignment of the transmission line. Transpower also contacted the owners of other properties within the route as they could have been affected by any changes to the indicative alignment.

Outcomes from these discussions and further work assisted Transpower in refining the positions of both the centre-line and the transmission towers. In some cases, as a result of consultation and further investigations, the position of the centre-line moved from the indicative centreline position to the final tower position.

Transpower confirmed the final position of the centre-line in January 2006. The centre-line is the mid-point of the final easement that will run the length of the transmission line. Transpower will ultimately require a 65 to 120 metre-wide easement.

As the overhead line section for the amended proposal follows the same centre-line as the original proposal, these negotiations will continue.

Acquisition of property rights

Transpower intends to secure an appropriate interest in all the properties that would be crossed by the transmission line. This will be achieved through the negotiation of easements or, where Transpower considers it appropriate, through the purchase of property on a case-by-case, willing buyer-seller basis. Transpower is part way through this process.

What is an easement?

An easement is an interest in a property that is registered against the freehold title to the land and remains on the title.

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The easement for the overhead section of the proposed transmission line would have a minimum defined width of 65 metres. In some cases it may be wider. An easement is considered the most appropriate property right for a transmission line because it provides legal protection for all parties and has the minimum affect on a property.

The easement would allow Transpower to construct, operate and maintain a high-voltage transmission line in accordance with the terms and conditions of the easement documentation. Transpower has developed a standard easement document and a copy can be found on the www.gridupgrade.co.nz website. Alternatively, a copy can be requested from your Transpower case manager or from the call centre on 0800 33 88 66.

Who would own the land within an easement?

Landowners would continue to own the land over which the easement is registered and would retain most rights and responsibilities of ownership. However, to ensure safety and security of electricity supply, there would be some limits on how owners and occupiers can use the land. These would be detailed in the easement documentation.

How will Transpower operate within an easement?

Transpower has developed a charter that would be followed by any of its staff and contractors carrying out inspection or maintenance work. A copy of the commitment to landowners can be found on the www.gridupgrade.co.nz website.

What happens if an agreement can't be reached to secure a property right?

If an agreement can't be reached, Transpower (as a Requiring Authority under s.167 of the Resource Management Act 1991) can use the compulsory acquisition process contained in the Public Works Act 1981 to secure an appropriate property right. Transpower intends to negotiate the required easements "in good faith". However - as a last resort - it may use the compulsory acquisition powers contained in the Public Works Act.

Acquisition of a freehold interest

A number of landowners have indicated that they would prefer to sell their property to Transpower rather than grant an easement. Transpower has listened to the feedback received and considers such requests on a case-by-case, willing seller-willing buyer basis.

COMPENSATION

Transpower's policy is to ensure that property owners are not financially disadvantaged by granting the required property rights. Further, the Public Works Act 1981 provides for the payment of compensation to landowners arising from the acquisition of land (including interests in land such as an easement) by "Requiring Authorities" (including network utility operators such as Transpower).

The Public Works Act compensation provisions are designed to ensure that affected landowners are placed in a financial position that is neither better nor worse than before the works were carried out (in this case a transmission line and associated easement).

Transpower prefers to negotiate in good faith with directly affected land owners and pay fair compensation, in accordance with the principles of the Public Works Act 1981, for any property rights secured.

How will compensation be determined for property rights?

Transpower commissioned professional valuers to provide market valuations and easement compensation assessments. These assessments prepared in accordance with the provisions and principles of the Public Works Act 1981. The assessments provide a starting point for negotiations with landowners to secure the necessary property rights and to ensure compensation payments are fair and reasonable.

Landowners are entitled to obtain their own independent valuation advice if they wish. Transpower will meet the reasonable cost of this advice, provided it is approved by Transpower prior to the valuation being commissioned. It is important that owners' valuers have all the appropriate information about the line and towers before starting work.

In the event that Transpower and the landowner are unable to reach agreement, and the easement has been compulsorily taken, there is provision within the Public Works Act 1981 for the Land Valuation Tribunal to determine the appropriate amount of compensation.

When will landowners receive compensation?

Compensation payments for easements will only be made if and when the Electricity Commission gives its approval for the North Island Grid Upgrade project to proceed.

When will negotiations to secure property rights commence?

With the centre-line and underground cable route finalised, Transpower's case managers have made and will continue to make contact with directly affected landowners to progress negotiations in securing appropriate property rights.

NEXT STEPS

If you are a directly affected landowner, please contact your Transpower case manager directly. For further information on issues raised in this document, please call the call centre on 0800 33 88 66 or check out our website (www.gridupgrade.co.nz).