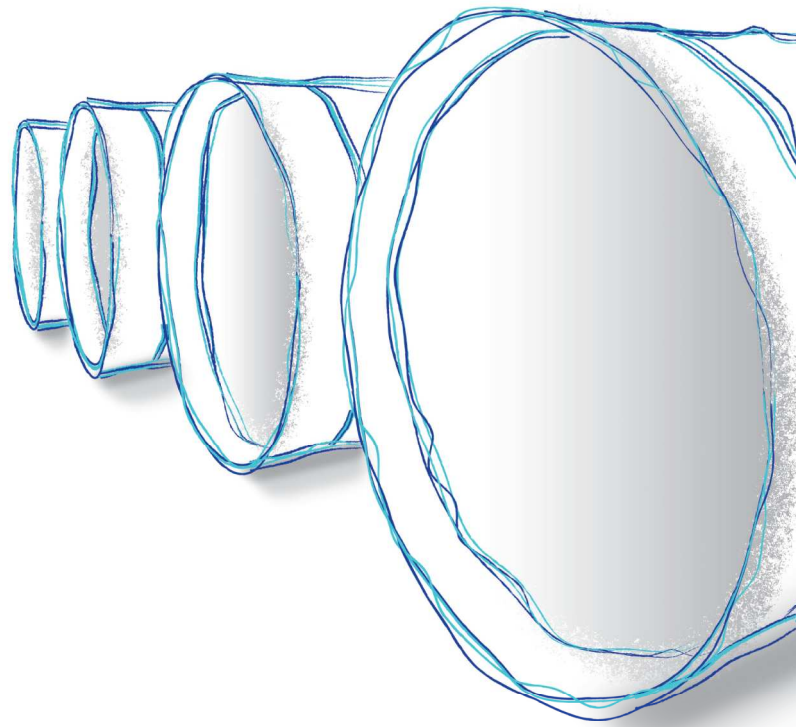




project factsheet



May 2009

Compensation

Background

The Sugarloaf Pipeline Alliance recognises the importance of working closely with the local community in the delivery of the Sugarloaf Pipeline and in trying to produce outcomes that best suit the needs of individual property owners and occupiers, the community and the project.

The Alliance brings together considerable experience and expertise in the management of similar construction projects, including the construction of pipelines along major arterial roads and through environmentally sensitive areas. These projects are managed in strict accordance with comprehensive environmental and community policies and procedures.

The exact alignment of the Sugarloaf Pipeline has been finalised in close consultation with the owners and

occupiers of land along the proposed route. Initial entry to land will be in accordance with the provisions of the *Water Act 1989 (Vic)*. Where an easement for the pipeline is required, it will be acquired in accordance with the *Land Acquisition and Compensation Act 1986 (Vic)*. The fact sheet provides information and detail about this process and the relevant legislation.

What is an easement?

An easement is a legal right to use another's land in a particular manner and may restrict the owner from using that part of their land in some way.

The Sugarloaf Pipeline will be protected by an easement. This is necessary to allow the pipeline to be accessed for future maintenance.

When finished the easement will be approximately 15 metres wide, however, a strip of land approximately

30 metres wide will be required for construction purposes.

The easement will be registered on title. It will restrict the construction of significant buildings or structures on the easement, but is unlikely to affect land uses such as grazing. We will work with affected landowners to minimise disruption to the current and future use of their land as a result of the pipeline and easement.

The easement will generally be unencumbered. The only exception to this is for above-ground structures such as valves. Such structures are designed to minimise impact on landowners.

Process for compensation

Melbourne Water is liable for two types of compensation for direct impacts of the Sugarloaf Pipeline:

1. Under the *Land Acquisition and Compensation Act 1986 (Vic)*, where an interest in your land is compulsorily



acquired for an easement for the Sugarloaf Pipeline; and

2. Under the *Water Act 1989* (Vic; hereafter, the *Water Act*), where your land is being entered or occupied for the purposes of constructing the Sugarloaf Pipeline. You may be entitled to claim this type of compensation regardless of whether part of your land is being acquired for an easement.

Land Acquisition and Compensation Act

If an easement for the pipeline is acquired over part of your land you will be entitled to claim compensation under the *Land Acquisition and Compensation Act 1986* (Vic). That Act sets out the processes for making a claim for compensation and the basis on which any compensation claim will be assessed.

If an interest in your land is to be acquired for an easement you will receive a Notice of Intention to Acquire together with a statement setting out information about the Notice of Intention.

In accordance with the Act, a Notice of Acquisition may be published in the *Government Gazette* and served on landowners two months after the Notice of Intention. The Notice of Acquisition will include a statement containing information about the acquisition. The compulsory acquisition takes effect when the Notice of Acquisition is published in the *Government Gazette*.

A written offer of compensation for acquisition under this Act must then be made by Melbourne Water within 14 days of the Notice of Acquisition being published in the *Government Gazette*, unless further time is given.

When the offer is received you have three options:

1. Accept the offer in full,
2. Accept the offer and make an additional claim, or
3. Reject the offer.

Your rights are detailed in the *Land Acquisition and Compensation Act 1986* (Vic). You are advised to seek legal advice if you receive a Notice of Intention to Acquire. Under the *Land Acquisition and Compensation Act 1986* (Vic), any reasonable legal, valuation and other professional expenses necessarily incurred by the claimant by reason of the acquisition of the interest will be paid by Melbourne Water.

It is possible to shorten these time frames by agreement between the parties involved.

Water Act

Melbourne Water is also liable to compensate you for pecuniary (financial) loss and expenses that are a direct, natural and reasonable consequence of Melbourne Water entering and occupying your land for the construction of the Sugarloaf Pipeline.

Under the *Water Act*, Melbourne Water has the power to enter land to carry out its functions. Entry onto land for construction of the Sugarloaf Pipeline will be in accordance with the provisions of the *Water Act*.

When entering land under the *Water Act*, Melbourne Water must comply with notification requirements and must also:

- Cause as little harm and inconvenience as possible;
- Not stay on the land for any longer than is reasonably necessary;
- Remove plant, machinery and equipment, etc, from the land on completing works; and
- Leave the land as nearly as possible in the condition in which it was found.

Generally, a person may make a claim for this type of compensation within two years of Melbourne Water ceasing to occupy the land. For properties where the land affected by construction is used for

agricultural purposes, an advance payment of *Water Act* compensation will be made by Melbourne Water to the occupier. This advance payment is for expected agricultural pecuniary loss, and is assessed by an Independent Agricultural Advisor.

Once construction and reinstatement have been completed, if you feel you have not been adequately compensated you may make a claim for compensation to Melbourne Water. Claims must be made and dealt with under the *Land Acquisition and Compensation Act 1986* (Vic).