

Strategic Benefit Payments Scheme



October 2022

An overview

What is the Strategic Benefit Payments Scheme?

The NSW Government has committed to a plan to transform NSW's electricity system into one that is cheaper, cleaner, and more reliable. Building new transmission infrastructure is critical to this plan and to NSW's future energy supply, security, and affordability.

To support the delivery of a modern electricity grid for NSW that benefits communities and consumers, the NSW Government is establishing a Strategic Benefit Payments Scheme (SBP Scheme) for new major transmission projects. Under the SBP Scheme, private landowners hosting new high voltage transmission projects critical to the energy transformation and future of the electricity grid will be paid a set rate of \$200,000 per kilometre of transmission hosted, paid out in annual instalments over 20 years.

These payments are an acknowledgement of the important role these landowners will play in hosting critical infrastructure that will power the State into the future. These payments are separate, and in addition to any compensation that is paid to landowners for transmission easements on their land in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991*.

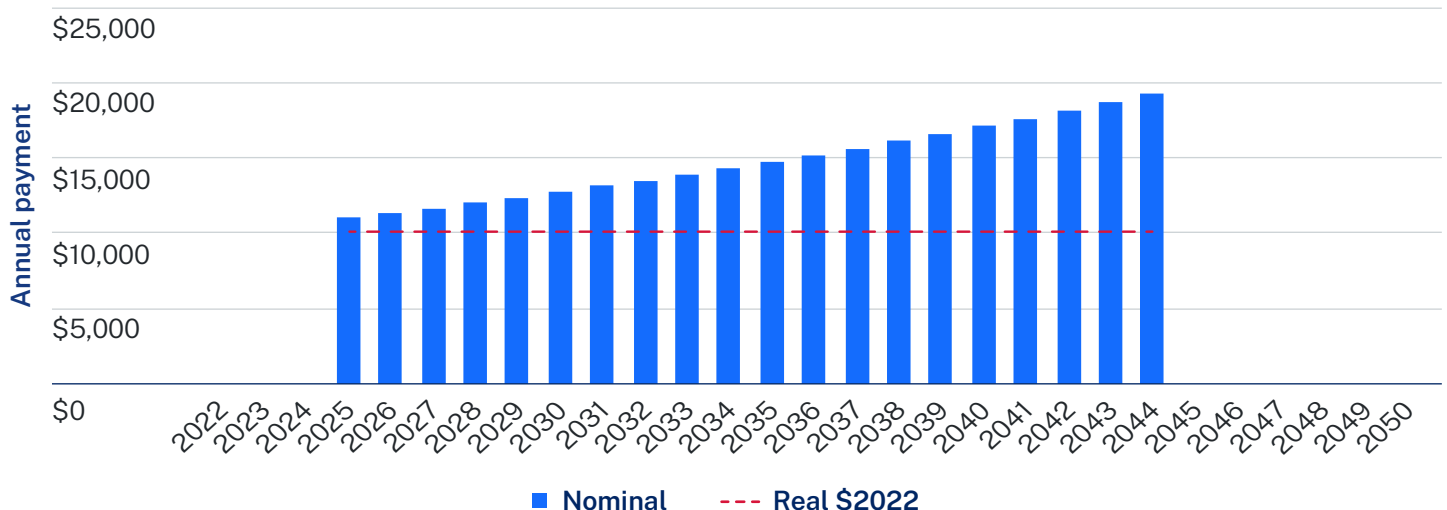
Payment amounts

The total amount paid to landowners is \$200,000 (in real 2022 dollars) per kilometre of transmission hosted, paid out in annual instalments over 20 years, beginning once the applicable project is energised (i.e. operational).

The payments will be indexed to inflation annually (using the CPI published by the Australian Bureau of Statistics).

The rate of the payments is calculated in the same way regardless of location in NSW to ensure all landowners are treated equitably under the scheme.

Example for project commissioned in 2025



(This graph is an example only)

Key criteria

The SBP Scheme applies to all new major transmission projects that are critical to the energy transformation and the future of the energy grid. Projects that meet this definition include Renewable Energy Zone network infrastructure projects, priority transmission infrastructure projects and transmission infrastructure projects identified in the Australian Energy Market Operator's Integrated System Plan that are commissioned after the date of implementation of the SBP Scheme.

Examples of eligible projects that are underway or in early planning and development include Project EnergyConnect, HumeLink, the Central-West Orana REZ Transmission Project, the New England Transmission Project and the Hunter Transmission Project.

For eligible projects, SBPs are required for:

- new major transmission lines with a voltage of at least 330 kV
- increasing the voltage of existing lines that involves significant new works – such as increasing the width of easements to accommodate additional towers.

SBPs are not required for:

- new substations
- rebuilding existing transmission lines that do not involve significant new works, such as replacing existing towers
- augmentations or upgrades to the existing transmission network, including existing substations
- new transmission and distribution lines and any associated works with a voltage less than 330 kV
- existing transmission and distribution lines.

For eligible projects and works, payments are based on the length of line required for a single set of transmission towers for the transmission infrastructure. If the transmission project requires two sets of towers (and subsequently two lines or parallel lines), the landowner will receive a SBP for each set of towers/lines for the project (that is, two payments). There is no difference in payment for different voltages or different tower designs.

Applicable landowners

SBPs will only be made to private landowners and public landowners are not eligible under the Scheme. Private landowners include individual persons and private companies, businesses, or trusts.

Payments under the scheme will be made to the current private landowner of the land. If the land is sold or transferred to a private entity within the 20-year period, payments would be made to the new owner. If the land is sold or transferred to a public entity within the 20-year period, SBPs would no longer be paid.



Image courtesy of iStock. Woman on farm.



Image courtesy of iStock. View to over town in the southern highlands.

Contact us

You can find out more or ask questions about the NSW Government's Strategic Benefit Payments Scheme by getting in touch with the Energy Corporation of NSW (EnergyCo) through the details below.

Website: energyco.nsw.gov.au

Email: contact@energyco.nsw.gov.au

To subscribe to the EnergyCo mailing list for regular updates, please scan the QR code or visit energyco.nsw.gov.au.

