

Value and Risk Advisory

Agribusiness

North West Transmission Developments
Tasmania

Instructed by

Tasmanian Networks Pty Limited

Estimate purpose

Project Budgeting

Estimate date

17 July 2025

Job number



Executive summary

Instructions

Instructing party	<i>Tasmanian Networks Pty Limited.</i>
Reliant party and purpose	<i>Tasmanian Networks Pty Limited</i> for Project Budgeting purposes only.
Interest Assessed	Partial acquisition of property rights by way of easements to be applied to the identified land to facilitate the construction and operation of overhead powerlines associated with the <i>TasNetworks</i> North West Transmission Developments (NWTD) project.
Basis of Estimates	Estimate of Compensation.
Estimates Approach	Piecemeal Estimates with regard to the Land Acquisition Act 1993 (Tas).
Title Details	We have relied on land lot and ownership information within a schedule provided to us by <i>Tasmanian Networks Pty Limited</i> and have not reconciled copies of Certificates of Titles as part of our assessment. Should actual Title areas materially vary from areas displayed within this report we reserve the right to amend our assessment. We have assumed no material impact on Market Value from encumbrances which may appear on Title. If this is found not to be the case, we reserve the right to amend our assessment.

Property & Project Summary

Brief description	The NWTD project is associated with the proposed development of a high voltage powerline (aboveground) that traverses the northern part of Tasmania, between the districts of Palmerston and Burnie. Broadly, we understand infrastructure associated with the project will include: ▪ Erection of transmission towers and high voltage powerline/s across both existing easements and greenfield sites; ▪ Upgrades to substations located throughout the transmission line network; and ▪ Establishment of a convertor station at Heybridge on the northern coastline of Tasmania. The properties assessed within this report range from small rural lifestyle holdings, to large scale farming properties and commercial forestry holdings. For the purposes of assessment, we have divided the alignment into 2 parts as summarised below. ▪ Part A (Palmerston to Sheffield); and ▪ Part B (Sheffield to Burnie, including Heybridge Spur). We understand the easement and construction type varies throughout the proposed alignment, with proposed works either comprising, new powerlines being installed, existing powerlines being replaced, or a combination of both. The properties along the proposed alignment will be impacted by way of: ▪ A blot on Title by way of notification corridor required under the Major Infrastructure Development Approvals Act (1999); ▪ A blot on Title by way of easements applied to the land to facilitate the initial construction and long-term operation of the project; ▪ Further blight to the surrounding land by way of the existence of either transmission towers or overhead powerlines on the subject land; and ▪ Short term disturbance by way of works to facilitate the construction of the powerlines. Our estimates of compensation have been undertaken in line with the <i>Land Acquisition Act 1993 (Tas)</i> (LAA) and indicate a range of compensation payable by alignment and for each landholder. This work has been undertaken to assist <i>Tasmanian Networks Pty Limited</i> with project due diligence and planning. We provide below a summary of the properties assessed within each Part of the alignment.
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Assessment

Assessment approach Piecemeal Estimates of Compensation in accordance with the *Land Acquisition Act 1993 (Tas) (LAA)*.

Basis of assessment Market Value, Injurious Affection and Disturbance in accordance with the Land Acquisition Act 1993 (Tas) (LAA).

Important dates

Date of assessment

30 June 2023.

Date of report

17 July 2025

This estimate is a combination completed assessments and desktop estimates. In the majority of cases, the total estimate is derived from completed assessments in which the affected properties have been inspected (in full or by kerbside) and in most cases, we have met with the affected landholders to understand their specific concerns regarding the proposed easement.

Where desktop estimates have been undertaken it is on the assumption that there is nothing that would be discovered upon inspection that would have an adverse effect upon our opinion of compensation. Consequently, whilst we have undertaken our due diligence carefully and professionally, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

An estimate of this nature is provided on an 'all care, no liability' basis. As such, no liability is accepted to *Tasmanian Networks Pty Limited* or any other party in relation to this advice.

The date of assessment is consistent with all assessments undertaken on the project to date. We have maintained a consistent date of assessment to ensure market consistency across compensation for all affected landholders.

Estimate of Compensation Summary	Low	High	Adopted
Total Compensation Estimate - Palmerston to Sheffield (Part A)			
Total Compensation Estimate - Sheffield to Burnie (Part B)			
Total Compensation Estimate - Heybridge Spur (Part B)			
Total Compensation - Other Areas (Access, Distribution & Temporary Occupation)			
Total Compensation			\$61,866,000
Project Related Costs			\$11,890,163
Total Compensation, Project Related Costs			\$73,756,163

William Gurry
(Primary Valuer)
Head of Agribusiness (API No. 63601)
Value and Risk Advisory
Certified Practising Valuer, Agribusiness

Date of Issuance

Final - 17 July 2025

Job Number:

The opinion of value expressed in this report is that of the valuer who undertook the valuation and who is the primary signatory on the report. That valuer is William Gurry. Whilst not having inspected the subject property, Jack Payne the countersignatory, acting in the capacity as a Supervising Member, has reviewed the draft Valuation Report and working papers, and based upon that review and questioning of the Primary Valuer (as appropriate), is satisfied there is a reasonable basis for the valuation process undertaken and the methodology adopted by the Primary Valuer.

"This executive summary is an abstract of the contents of the following valuation report. The valuation assessment and report is contingent upon a number of conditions, qualifications and critical assumptions which are fully described and set out in the body of the report.

It is essential that before the addressee relies on this valuation, they read the report in its entirety, including any Annexures. Should the addressee be or become aware of any issue or issues that cast doubt on or are in conflict with the conditions, qualifications or assumptions contained within this report, they must notify JLL in writing so that any conflicts may be considered and if appropriate, an amended report issued.

Liability limited by a scheme approved under Professional Standards Legislation.

Critical assumptions, conditions and limitations

In addition to any other assumptions, conditions and limitations contained within this report, our valuation is based on the following:

Assumptions	
1. Market movement	
1a.	This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). We do not accept liability for the losses arising from such subsequent changes in value.
1b.	Without limiting the generality of the above and the following statement, we do not assume any responsibility or accept any liability for losses arising from such subsequent changes in value in circumstances where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. However, it should be recognised that the 90 day reliance period does not guarantee the value for that period; it always remains a valuation at the date of valuation only.
1c.	This report is relevant at the date of valuation and to the circumstances prevailing at that time. However, within a changing economic environment experiencing fluctuations in interest rates, inflation levels, rents and global economic circumstances, acceptable returns on investment may, as a consequence, be susceptible to future variation. We therefore strongly recommend that before any action is taken involving an acquisition, disposal, shareholding restructure or other transaction more than 90 days after the date of this report, you consult the Valuer.
2. Market conditions	
2a.	As at the date of valuation and at the time this report was drafted, there are several negative factors recognised as influencing real estate markets, exerting downward pressure on asset values and reducing liquidity. These include:
2b. Global economy	The wider global economy continues to face challenges that cumulatively contribute to cost inflation, interest rate changes and consumer confidence thereby resulting in a more volatile transactional market. Issues in the banking and financial services sectors may prove to exacerbate an already volatile situation.
2c. Market activity	Real estate markets can mostly be described as functioning but there is reduced transaction activity and the sentiment of buyers and sellers across some markets has been impacted. These factors have led to softer pricing across all sectors. There is a general perception and expectation of continued changes, and there is a risk that continued volatility, coupled with changes in debt costs, will have a direct impact on pricing as yields continue to evolve. There remains evidence of wide bid spreads, price renegotiations and transactions taking a long time to complete, which all add to the market dynamics.
2d. Ukraine crisis	On 24 February 2022, Russian forces entered Ukraine and a war is continuing in the country. At the time this report was drafted the full extent of the conflict and its wider long-term implications were unknown. The war has contributed to significant volatility in global stock markets and to cost inflation and supply chain delays, particularly within Europe. Significant sanctions have been imposed against Russia and there remains a potential risk that the war could escalate and directly involve NATO countries.
2e. Wider global economy	At the same time, the wider global economy is facing a number of additional negative factors, including the continuation of disruption caused by the COVID-19 pandemic that has contributed to significant cost inflation and caused interest rates to increase. There is some evidence that transaction activity and the sentiment of buyers or sellers has changed in a number of markets and property sectors, and a general perception of a changing real estate market. The market can be described as functioning, however, there is a risk that continued volatility plus rising interest rates, will have an impact on pricing as yields are forced to increase. For the avoidance of doubt, due to the functioning nature of the market, our valuation is NOT reported as being subject to 'material valuation uncertainty' as defined by Valuation Protocol – Significant Valuation Uncertainty of the Australian Property Institute (API). This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly, especially if the situation in Ukraine escalates, we highlight the importance of the valuation date and advise to keep the valuation under short term review.
3. Information	
3a.	We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. JLL accepts no liability for any inaccuracies contained in the information provided by <i>Tasmanian Networks Pty Limited</i> , or for conclusions which are drawn either wholly or partially from that information. Should inaccuracies be subsequently discovered, we reserve the right to amend our valuation assessment.
3b.	We have relied on acquisition areas as provided by the instructing party or its agents and made specified adjustments where necessary.
3c.	If any pre-purchase building audit/report indicates any adverse issues relating to the building, the report should be returned to the valuer for comment.
4. Certificate of Title	
4a.	We have not viewed Title documents, nor have we considered any dealings on the Certificate(s) of Title. In arriving at our opinion of Compensation, we have not fully searched the notifications on title and our assessment assumes good and marketable titles and that the Property is free of encumbrances, restrictions, mortgages, charges and other financial liens or other impediments of an onerous nature, which would affect value. Given the foregoing we politely recommend a current search and reconciliation of all Certificates of Title and accompanying Survey Plans to ensure that all reported Title details are correct including: - Accurate Title areas for each individual property; - There are no detrimental easements or other encumbrances in any way affecting the properties; and - Legal access is available to all properties (unless otherwise noted in the Individual Property Reports).

5.	Site
5a.	We have relied on the land dimensions and areas as provided by TasNetworks. Due to the desktop nature of a portion of our assessment we have been unable to perform physical checks of the land dimensions and area. JLL accepts no responsibility if any of the land dimensions or the area shown on titles is found to be incorrect.
5b.	As the building improvements appear to lie within the title boundaries, it is unlikely that any encroachments would exist. A Licensed Surveyor would need to confirm that the building improvements lie on or within the title curtilage. This valuation is made on the assumption that there are no encroachments by or upon the property.
5c.	Our valuation assumes that there are no archaeological entitlements with the land holding.
5d.	Our assessment also assumes that the property is not affected by any road alteration or resumption proposals.
6.	Asbestos
6a.	Other than stated within this report, we have not undertaken any formal searches regarding the existence of asbestos in or on the properties. We are not experts in this area and therefore in the absence of an environmental consultant's report concerning the presence of any asbestos fibre in or on the property, our valuation is made on the assumption that there are no health risks from asbestos. If any asbestos related health risk is found to exist on or within the property, we reserve the right to review our valuation.
7.	Environmental/contamination
7a.	Our assessment has been made assuming an audit would be available which would satisfy all relevant environmental and occupational health & safety legislation. If the property's current status needs to be clarified, an Environmental Audit should be undertaken and should any subsequent investigation show that the site is contaminated, this valuation may require revision. Our valuation excludes the cost to rectify and make good the property, which may have become contaminated as a result of past and present uses. Our valuation therefore assumes that there are no environmental issues with the land holding.
8.	Climate change
8a.	Real estate and construction sectors have started to take action to not only mitigate the impact of climate change on the sector but proactively develop solutions, focusing on energy production and consumption of resources.
8b.	As the sector continues to focus on the above, climate change considerations form part of active participants management processes, generally via sustainability initiatives.
8c.	Our assessment has general regard to climate change initiatives that have been identified or advised as they relate to the asset, relative to the assets which form the basket of rental and sales evidence considered.
9.	Native title
9a.	We have not undertaken any formal native title searches, and our valuation is made on the assumption that there are no Native Title Claim issues relating to the properties. If any Native Title Claim issues are found to relate to the properties, we reserve the right to review our valuation.
10.	Environmental, Social and Governance (ESG)
10a.	Environmental, Social and Governance (ESG) is becoming increasingly important in the real estate world and is expected to evolve and become more influential over time. Accounting for ESG in a property valuation is complex and is not yet a definitive assessment given that some components and their impact are not easily quantified. Our valuation has had due regard to the importance of evolving ESG principles, however, we were not instructed to carry out an ESG audit and where possible we have overall assessed the extent to which the subject property currently meets the sustainability and ESG criteria typically expected within the context of its market sector.
11.	GST
11a.	In relation to our GST calculations, we are not taxation or legal experts and we recommend competent and qualified advice be obtained. Should this advice vary from our interpretation of the legislation and Australian Taxation Office rulings current as at the date of this valuation, we reserve the right to review and amend our valuation accordingly.
12.	Assignment
12a.	This clause applies upon any request that this valuation be assigned to a party other than the intended recipients named herein. Notwithstanding anything else, including any agreement by JLL subsequent to this report's date that it will assign this valuation: (i) This valuation is deemed not to be assigned unless the request for the assignment, confirmation, reissue or other act occurred within 90 days of the date of this valuation. (ii) Any assignment is deemed to be in reliance upon, and is conditional upon, the assignee's acknowledgement that JLL: - o has not re-inspected the Property prior to the assignment occurring; - o has not undertaken further investigation or analysis as to any changes since the initial valuation; and - o accepts no responsibility for reliance upon the initial valuation other than as a valuation of the Property as at the date of the initial valuation.
13.	Limited Liability Scheme
13a.	JLL are participants in the Australian Property Institute (API) limited liability scheme. This scheme has been approved under Professional Standards legislation and is compulsory for all API members.
14.	Reliance
14a.	Reliance on this valuation report is permitted only: (i) by a party expressly identified by the report as being permitted to rely on it; (ii) when the given party has received the report directly from JLL; and (iii) for a purpose expressly identified by the report as being a permitted use of the report.
15.	Currency
15a.	All amounts stated in this report are in Australian dollars unless otherwise indicated.
16.	Conflict of interest
16a.	The valuer/firm (in addition to the principal valuer) has no potential conflict of interest or pecuniary interest (real or perceived) relating to the Subject Property.

Specific assumptions and limitations

Limitation of Desktop Estimates

- A portion of the assessments forming the total compensation stated in this report have been provided for the exclusive use of TasNetworks. We have explained, and you have agreed, that an estimate of this nature is provided on an 'all care, no liability' basis. As such, no liability is accepted to TasNetworks or any other party in relation to this advice.

Land Acquisition Act 1993 (Tas)

- Our Compensation Estimates are limited to compensation assessable under the Heads of Compensation and guidelines provided within the act. We specifically note our assessments do not include any commercial allowances that may be made by an acquiring party during a process of negotiations with a landholder.
- Commercial allowances are common practice where an acquiring party is seeking to reach agreement with a landholder albeit are seen as allowances made outside the guidelines of the act and not requiring specific recommendations from a valuer.

Asbestos

- Areas upon which this assessment has been based are calculated in consultation with a schedule of land provided by TasNetworks and with reference to Google Earth software systems. Given the project remains in a planning phase, the exact acquisition areas or dimensions are not known.
- We politely recommend the areas of acquisition or easements are confirmed by a suitably qualified surveyor. If areas of acquisition / easements are found to be materially different from those included within our assessment we reserve the right to amend this report.

Dwelling Compensation

- Where Compensation Assessments are yet to be completed, we have assessed compensation on a desktop basis only. In these situations we are not able to inspect or accurately assess the added value of dwellings on the subject properties. In order to consider the impact the project has on dwellings and include that impact in our estimates, we have assumed an added value for all dwellings of \$150,000. The formal assessment of compensation will consider the value of each dwelling based on observations gathered on inspection.
- Within the valuation methodology adopted, the requirement for a new easement is the trigger for the full application of the heads of compensation in the Act, including diminution in the value to nearby dwellings and balance land. This has a material impact on the quantum of the compensation assessment.
- We note the GIS and Excel information provided by *Tasmanian Networks Pty Limited* contains a large number of very small proposed easements and we therefore recommend *Tasmanian Networks Pty Limited* critically review the technical and safety requirement for these minor easements as a means to optimise the forecast compensation.

Exclusion of Other Buildings

- Our assessments are based on the assumption that buildings other than dwellings are not impacted by way of visual blight or audible noise that may be caused by the proposed transmission line. We have therefore not made any allowance within our assessment for compensation relating to non-dwelling structures.

Commercial Timber Not Included

- Our Estimates of Compensation are limited to real assets only. As a result, the estimates do not make any allowances for the value of standing timber that may be removed from the land to facilitate the installation of the powerline.
- Should the reliant party wish to gain an understanding of the compensation that may be payable for the removal of commercial timber from affected properties, we recommend they engage a suitably qualified forestry valuer. JLL may be able to assist in this regard.
- We note the compensation for the loss of commercial timber is likely to be substantial (more than \$1 million).

Irrigation Infrastructure and Water Entitlements

- Our Estimates of Compensation have been undertaken under the specific assumption that powerline infrastructure will be located and designed in a way that it does not interfere with existing on-property irrigation infrastructure. We have therefore not made allowances within our estimates for the loss of irrigation areas, replacement / reconfiguration of irrigation infrastructure or loss of water entitlements.
- Should it not be the case that powerline infrastructure cannot be located and designed in a way that avoids interruption to irrigation systems, this assessment should be return to the valuer for reconsideration.

Major Infrastructure Development Approvals Act (1999)

- We understand *Tasmanian Networks Pty Limited* intend register a notified corridor on the affected Certificates to Title to meet obligations under the Major Infrastructure Development Approvals Act (1999) (MIDAA) and it is the intention of *Tasmanian Networks Pty Limited* to pay landholders Injurious Affection compensation upon this registration.
- It is our understanding that Clause 14, Paragraph 17 of the MIDAA indicates compensation is not payable under the MIDAA where compensation is awarded under the LAA. More simply put, the provisions of the MIDAA prevent 'double dipping' of compensation payments.
- We expressly note that compensation estimated within this report deals with the MIDAA impacts as follows:
 - Compensation for land within the notified corridor but not impacted by the eventual easement has been estimated by way of a rental allowance for the defined area; and
 - No additional allowances have been made for compensation relating to the easement area under the MIDAA to avoid 'double dipping' of compensation already estimated under the LAA.

Title Areas

- We have relied upon a schedule land Titles provided to us by TasNetworks and have not reconciled copies of Certificates of Titles as part of our assessment.
- Should actual Title and / or lot areas materially vary from the areas displayed within this report we reserve the right to amend our assessment.
- We have assumed no material impact on Market Value from encumbrances which may appear on Title. If this is found not to be the case we reserve the right to amend our assessment.

Title Notifications

- We have not fully searched the notifications on each Title and our assessment disregards any encumbrances, restrictions, mortgages, charges, and other financial liens or other impediments of an onerous nature, which would affect value.
- We have also assumed that there are no other easements, rights of way or notations other than those referred to in this valuation or on the Certificate(s) of Title. If this is found to be incorrect we reserve the right to amend our valuation.

Leases & Other Third Party Rights Not Considered

- In accordance with the relevant act, our assessments are undertaken on the assumption that the properties are available for sale or transfer on an unencumbered basis free of lease, mortgage or charge.

Exclusion of Supply Agreements & Goodwill

- Our assessments do not account for any value that may be attributed to business brands, goodwill and / or supply agreements.

Heritage

- We have not considered structures on the land and have therefore not undertaken any searches to determine the Heritage status of structures on the land.

Contamination

- Unless otherwise noted, no obvious environmental problems have been made apparent to JLL. However, no soil tests nor environmental studies or reports have been made available to us.
- Accordingly, the assessment is made on the assumption that there are no environmental problems in any way affecting the properties. This includes surface or below ground conditions, toxic or hazardous wastes or other building material hazards. Any such matters may adversely affect any property or its use and our assessment of value. Should any such matters be known or discovered no reliance should be placed on our assessment of value unless we have been advised of these matters and we have confirmed that our assessment is not affected.
- We note the possible existence of chemical stores, above and below ground fuel tanks and cattle and sheep spraying areas, but advise that these facilities are common on rural properties and present localised contamination risk only.

Asbestos

- We have not undertaken any formal searches regarding the existence of asbestos in or on any of the properties within this assessment. We are not experts in this area and therefore, in the absence of an environmental consultant's report concerning the presence of any asbestos fibre within any of the properties, our valuation is made on the assumption that there are no health risks from asbestos. If any asbestos related health risk is found to exist on any properties within the proposed alignments, we reserve the right to review our valuation.

Underground Storage Tanks

- We have assumed all subject properties do not include any underground storage tanks. Should our assumption be found to be incorrect we reserve the right to amend our assessments.

Sales Evidence

- Whilst the sales analysed in this report have been obtained from reliable sources including third party commercial providers and industry sources, we cannot warrant 100% accuracy in this regard. Every effort has been made to verify the accuracy, however, should any details be found to be incorrect, we reserve the right to amend the valuation.
- In our efforts to provide the most recent sales data, there may be occasions where we utilise sales that have not settled, have delayed settlement, or are not registered on third party databases. Separate enquiries are made of the parties to the transaction or their agents to verify this data.
- In situations where there is a lack of comparable sales data in a particular locality, we draw upon sales evidence from other agricultural regions and make necessary adjustments for comparability considerations.
- Given that each State's respective Land Titles Office does not differentiate whether a transaction is GST inclusive or exclusive, we attempt to verify the status. Should we be unable to verify the GST status, we have assumed the sale price is exclusive of GST.

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1 Introduction

1.1 Instructions

Instructions	Instructions coordinated by [REDACTED] [REDACTED] <i>Tasmanian Networks Pty Limited</i>. Instructions request the estimation of compensation payable for proposed acquisitions of easement interests on the identified subject alignments to facilitate the construction and operation of overhead powerlines associated with the NWTD project.
Basis of assessment	Piecemeal Estimates of Compensation in accordance with the Land Acquisition Act 1993 (Tas) (LAA).
Date of Estimate	17 July 2025.
Reliant party and purpose	<i>Tasmanian Networks Pty Limited</i> for Project Budgeting purposes only. Reliance on this report is permitted only: ▪ By a party expressly identified by the report as being permitted to rely on it; ▪ When the given party has received the report directly from JLL; and ▪ For a purpose expressly identified by the report as being a permitted use of the report. We confirm that insofar as any service agreement exists between the parties, any warranties that agreement requires be given at the time of the provision of this report are hereby given. Our report is confidential to the party or parties to which it is addressed, for the specific purpose to which it refers. No responsibility is accepted to any third parties. Neither the whole of the report or any part of it or any reference to it, may be published in any document, statement or circular or in any communication with third parties without our prior written approval of the form and context in which it will appear. This report is strictly and only for the use of the Reliant Party and for the Purpose specifically stated above. We have prepared the Estimates of Compensation exclusively for the use of <i>Tasmanian Networks Pty Limited</i>. They are intended for project planning and budgeting purposes only. In the event that <i>Tasmanian Networks Pty Limited</i> are required to undertake formal compensation discussions with any of the affected parties, JLL requests to be instructed to prepare a formal Assessment of Compensation.

1.2 Assessment date

All assessments have been undertaken at the assessment date of 30 June 2023. Our assessments reflect the valuer's view of the market at this date, and do not purport to predict the future.

1.3 Basis of valuation

"Our valuation has been prepared in accordance with the current International Valuation Standards, the Australian Property Institute (API) and the Property Institute of New Zealand (PINZ) current Professional Standards and *Land Acquisition Act 1993 (Tas)* as applicable at the date of valuation."

We confirm that this assessment has been undertaken on the basis of the price that might reasonably be expected if the property was sold at the date of valuation assuming:

- A willing, but not anxious, buyer and seller;
- A reasonable period within which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
- That the property was reasonably exposed to that market;
- That no account is taken of the value of other advantages or benefits additional to market value, to the buyer incidental to ownership of the property being valued;
- That the current proprietor has sufficient resources to allow a reasonable period for the exposure of the property for sale; and
- That the current proprietor has sufficient resources to negotiate an agreement for the sale of the property.

1.4 Market movement

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). We do not accept liability for the losses arising from such subsequent changes in value. Without limiting the generality of the above, we do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. However, it should be recognised that the 90 day reliance period does not guarantee the value for that period; it always remains a valuation at the date of valuation only.

1.5 Information sources

The information reviewed or previously provided includes, but is not limited to, the following:

- The information reviewed or previously provided includes, but is not limited to, the following:
- Ownership details and affected areas associated with the acquisition as provided by *Tasmanian Networks Pty Limited*;
- Easement areas as supplied by *Tasmanian Networks Pty Limited* in GIS and Microsoft Excel formats;
- Remaining lot areas as supplied by *Tasmanian Networks Pty Limited* in GIS and Microsoft Excel formats; and
- Sales data sourced via available databases and industry participants including by not limited to real estate agents, vendors and purchasers;
- Research and forecasts from Jones Lang LaSalle Research.

Our valuation is based on a significant amount of information which is sourced from the instructing party and other third parties. We may have used artificial intelligence, including generative artificial intelligence, when providing the Report. We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. Jones Lang LaSalle accepts no liability for any inaccuracies contained in the information disclosed by the Client or other parties, or for conclusions which are drawn either wholly or partially from that information. Should inaccuracies be subsequently discovered, we reserve the right to amend our valuation assessment.

2 Relevant legislation

Part 3, Division 2, Section 27 – Basis of Compensation

- 1) In determining compensation under this Act, regard is to be had to the following matters:
 - a) the market value of the estate of the claimant in the subject land
 - b) any special value the estate in the subject may have to the claimant which is –
 - i) a financial advantage incidental to the claimant's ownership of that estate; and
 - ii) in addition to this market value
 - c) the damage caused by the severance of the subject land from the other land belonging to the claimant
 - d) the betterment of other land belonging to the claimant which is caused by the carrying out of, or proposal to carry out, the authorised purpose
 - e) whether other land belonging to the claimant is injuriously affected by the carrying out of, or the proposal to carry out, the authorised purpose
 - f) any disturbance relating to any loss or damage suffered, or loss reasonably incurred, by the claimant as a consequence of the taking of the subject land
 - g) whether, under any other Act, the claimant or a former owner of the subject land has been paid or awarded any compensation or compensatory costs in connection with the authorised purposes for which it is being acquired
- 2) In determining compensation under this Act in relation to the subject land, regard is not to be had to any infrastructure or structure, situated on or in the subject land, that has been, under an Act, lawfully installed by or on behalf of the Crown, a public authority, a local authority or a promoter .
- 3) Subject to subsection (3), the betterment of other land referred to in subsection (1)(d) is set off against the amount of compensation determined under subsection (1)(a),(b),(c),(e),(f) and (g)
- 4) Where an amount is set off in respect of the determination of compensation where the claimant was, on the day on which the notice to treat or the first notice to treat in relation to the land was severed, a tenant at will of the subject land who ordinarily used the land as a principal residence
- 5) Subsection (1) does not apply in respect of the determination of the compensation where the claimant was, on the day on which the notice to treat or the first to treat in relation to the land was served, a tenant at will of the subject land who ordinarily used the land as a principal residence.

The Land Acquisition Act does not define Market Value. This assessment has been prepared in accordance with the definition of Market Value adopted by the Australian Property Institute (API) and International Valuation Standards Committee (IVSC), and endorsed by the API and PINZ, which is as follows:

Market value

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

3 Property particulars

3.1 Location

The properties assessed within this report are located within the northern part of Tasmania between the districts of Poatina and Burnie.

3.2 Property use and development

The properties affected by the proposed easements are noted to be put for a variety of uses including:

- Broad hectare cropping and grazing;
- Irrigated cropping and grazing;
- Horticultural;
- Recreation; and
- Rural lifestyle.

3.3 Water entitlements

Our Estimates of Compensation do not include any allowances for water entitlements that may be associated with the properties.

Our Estimates of Compensation are provided on the express assumption that reticulated water is available to all subject properties.

4 Market commentary

4.1 Australian agricultural sector

Cash rate

Cash rate remains at 3.60% in April 2023

The Reserve Bank of Australia Board (RBA) announced that it would keep the cash rate at 3.60% on 4 April 2023. This is the first time since May 2022 that the RBA has not increased the cash rate, noting that the RBA does not meet in December.

Inflation has likely peaked and is expected to return to long-term target during 2023

The RBA reports that Australia's inflation rate is high. For the 12-month period to 31 December 2022, the Consumer Price Index (CPI) was 7.80% - the highest since 1990. The February CPI indicator is 6.8% which suggests that inflation has peaked.

The high rate of inflation can be explained by an imbalance between supply and demand where strong demand is not met by current global supply. The driving factors of this imbalance include strong domestic demand and global economic factors such as the war in Ukraine and global supply chain disruptions.

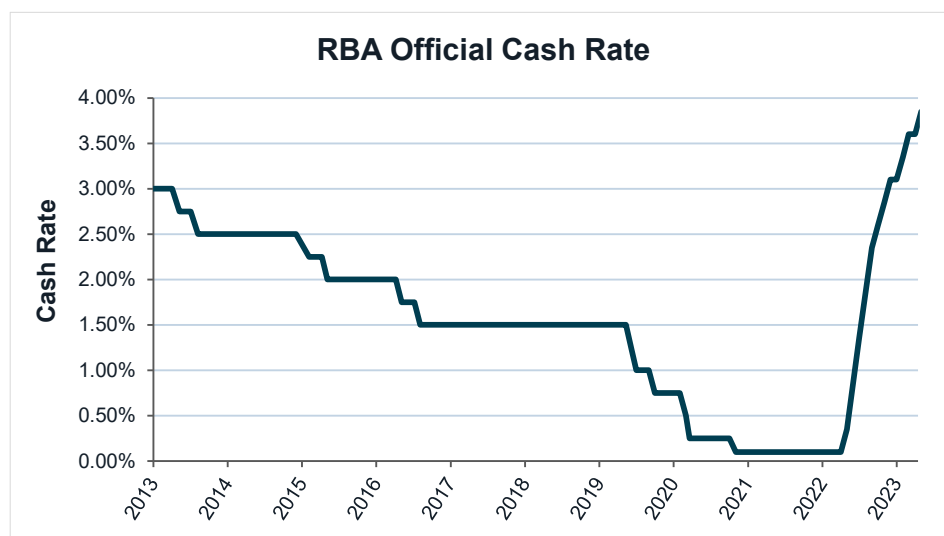
Inflation is expected to decline to 4.75% during 2023 due to slowing domestic and global demand. Medium-term inflation remains well-anchored around 3.00%.

Inflation and high interest rates are slowing spending, however further rate increases expected

The Australian economy is continuing to grow, although growth is slowing. Australia's GDP is forecast to grow around 1.5% during 2023. The recovery in spending following the lifting of COVID restrictions is dissipating and tightening financial conditions are expected to constrain spending.

Labour markets remain very tight, with the unemployment rate sitting at 3.4% as of January 2023 – the lowest rate since 1974. The current increase in wage growth follows several years of low growth. The tight labour market and high inflation rate is expected to support wage growth in the coming months, however the RBA is cognisant of avoiding a prices-wages spiral.

The RBA expects further interest rate increases. Delicately balancing price stability, wage growth and long-term inflation sustainably at 2-3% remains a priority for the RBA. The RBA's assessment of these factors along with the outlook for the global economy and household consumption will play a key role in determining the magnitude and timing of future cash rate changes.



Source: RBA (2023)

Cost of finance, loan serviceability and property markets

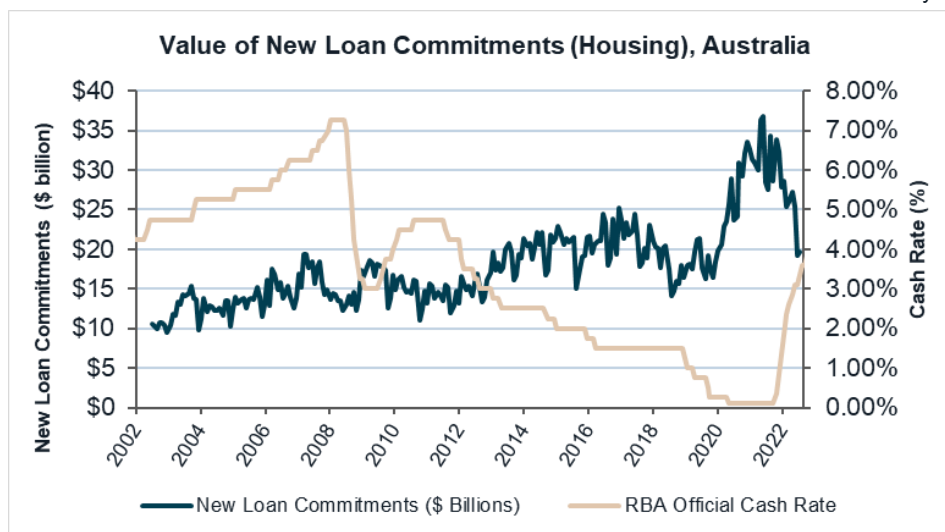
Value of housing loans increases during 2020 due to cheap finance

The cost of finance and loan serviceability influences demand for property – as the cost of finance becomes cheaper, property demand increases, and the inverse is also true. Increasing the cost of finance (i.e. increasing the cash rate) is a key lever used by the RBA to manage economic activity and inflation. There exists a time lag between cash rate increases and borrower's response to increased financing costs. The timing and extent of the economy's response is influenced by borrower's savings buffers, proportion of variable interest to fixed interest loans and interest rates.

As shown in the following graph, the value of new loan commitments for houses increased from \$17.5 billion in January 2020 to \$36.8 billion in December 2021. Property markets observed significant growth in capital values over the same period due to strong demand driven by the low cost of finance and lack of relative supply due to construction slowdowns.

The cost of finance increased, and the value of new loans decreased during 2021

The value of new loan commitments decreased from a maximum of \$36.8 billion in December 2021 to \$19.2 billion in January 2023. The decrease in new loan commitments coincided with the RBA's cash rate increases which commenced in May 2022.



Source: RBA and ABS (2023)

Expect loan serviceability squeeze as borrowers roll off fixed-interest loans

The RBA's October 2022 Financial Stability Review noted that interest rates have increased, and many households have less capacity to service their debts, despite a strong labour market. The report also noted that around 35% of outstanding housing credit are on fixed rate terms, of these around 33% are expected to expire during 2023. This means that fixed-rate borrowers will face a large increase in their repayments when their fixed terms expire.

Savings buffers are unevenly spread across households

RBA Governor Philip Lowe addressed the National Press Club in April 2023. In his address he noted that saving buffers are unevenly spread across households; on the one hand the median owner-occupier with a variable-rate mortgage is more than a year ahead on their mortgage payments. On the other hand, around 30% of owner-occupiers with variable-rate loans have an offset or redraw balance of less than 3 month's repayments.

Farm profitability remains high, so loan serviceability remains strong

Agricultural property markets are considered generally less exposed to the recent interest rate increases compared to residential property markets. This is because loan serviceability remains strong due to favourable commodity prices and seasonal conditions, strong balance sheets and general profitability of agricultural operations.

Exchange rate

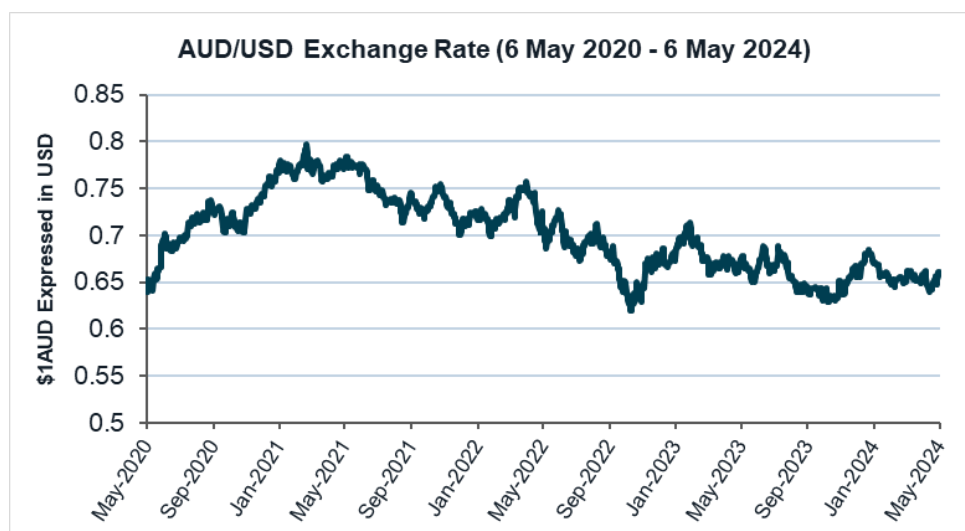
The Australian Dollar (AUD) was trading at 0.6751 United States Dollars (USD) on 5 April 2023.

The AUD plunged to 0.55 USD in March 2020 due to global economic uncertainty associated with the COVID-19 pandemic. The AUD appreciated 40% between March 2020 and March 2021. Despite an 8% drop throughout 2021, the AUD rose above US \$0.74 (for the first time since November 2021) in April 2022. Since then however, the AUD has tightened as the RBA continues to raise the Cash Rate, along with geopolitical and recession concerns stemming from the US.

The RBA has expressed concerns about the ongoing weakness of the USD as it has implications for Australia's export competitiveness. The weakness in the USD is being driven by a number of factors including:

- Aggressive monetary policy aimed at inducing economic activity (which has led to negative real interest rates); and
- Debt and trade deficit at record levels.

A weakened AUD is generally considered favourable for agricultural industries as it improves the competitiveness of Australian produce in export markets.



Source: Refinitiv (2024)

Free trade agreements

Australia is a net exporter of agricultural commodities making Free Trade Agreements (FTAs) an essential part of the supply chain. To date Australia has entered into FTAs with 17 countries, or groups of countries. FTAs in-force and those under negotiation are presented below.

In-Force	Date
Australia-NZ (ANZCERTA or CER)	January 1983
Singapore-Australia (SAFTA)	July 2003
Australia-US (AUSFTA)	January 2005
Thailand-Australia (TAFTA)	January 2005
Australia-Chile (ACIFTA)	March 2009
ASEAN-Australia-New Zealand (AANZFTA)	January 2010
Malaysia-Australia (MAFTA)	May 2012
Korea-Australia (KAFTA)	January 2013
Japan-Australia (JAEPA)	January 2015
China-Australia (ChAFTA)	December 2015
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	December 2018
Australia-Hong Kong (A-HKFTA)	January 2020
Peru-Australia (PAFTA)	February 2020
Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)	July 2020
Pacific Agreement on Closer Economic Relations (PACER)	December 2020
Regional Comprehensive Economic Partnership Agreement (RCEP)	January 2022
Australia-India Economic Cooperation and Trade Agreement (ECTA)	December 2022
Under negotiation, not yet in-force and under consideration	
Australia-United Kingdom Free Trade Agreement (A-UKFTA)	
Trans-Pacific Partnership (TPP)	
Australia-European Union Free Trade Agreement	
Australia-India Comprehensive Economic Cooperation Agreement (CECA)	
Australia-Gulf Cooperation Council (GCC) Free Trade Agreement	
Australia-UAE Comprehensive Economic Partnership Agreement	

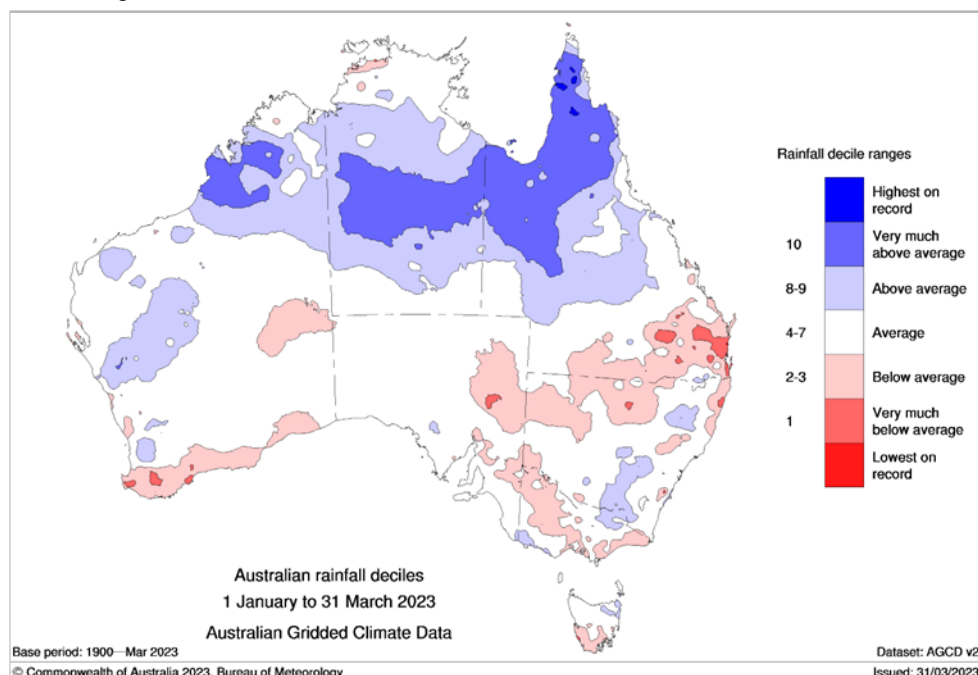
Source: DFAT (2023)

4.2 Seasonal conditions

Recent conditions

The Australian Bureau of Meteorology rainfall deciles for 1 January 2023 to 31 March 2023 are shown in the map below. Key observations include:

- Rainfall was varied across Australia. Very much above average to highest on record rainfall was recorded in northern Australia due to severe weather associated with ex-Tropical Cyclone Ellie. Parts of south-eastern Queensland and south-western Western Australia recorded very much below average rainfall during the same period.
- Heavy rainfall between November and January can reduce the yield and quality of cereal crops in southern Australia that are generally harvested during this period.
- Mean maximum and minimum temperatures were varied across Australia; mean maximum and minimum temperatures in northern Australia were around 2 degrees below average while mean maximum and minimum temperatures were around 2 degrees above average in central Australia.

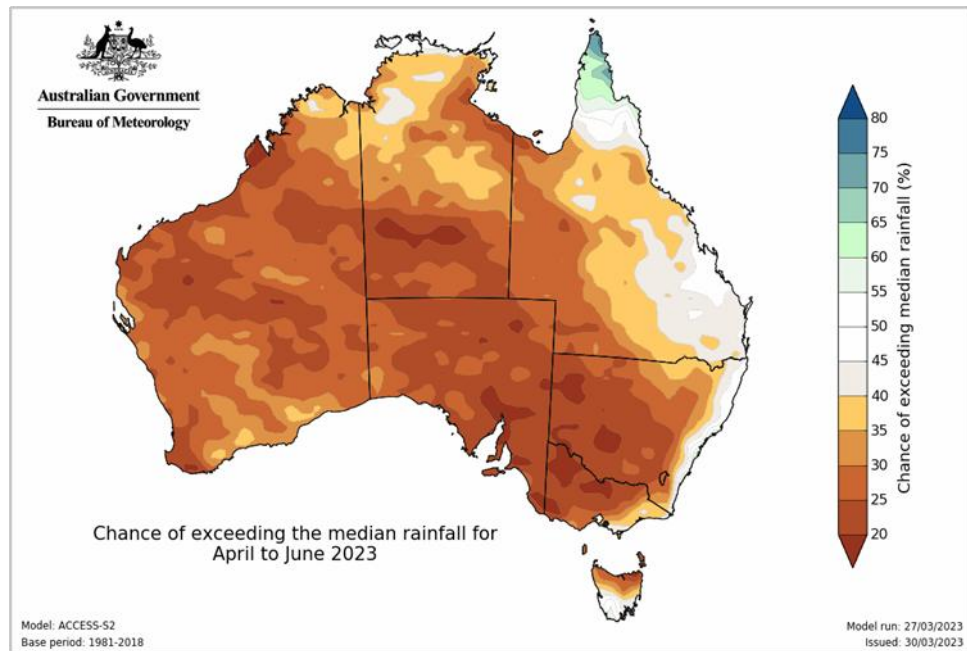


Source: Bureau of Meteorology (2023)

Climate outlook

The Australian Bureau of Meteorology's three-month rainfall outlook for April 2023 to June 2023 is shown in the following map. Key forecasts include:

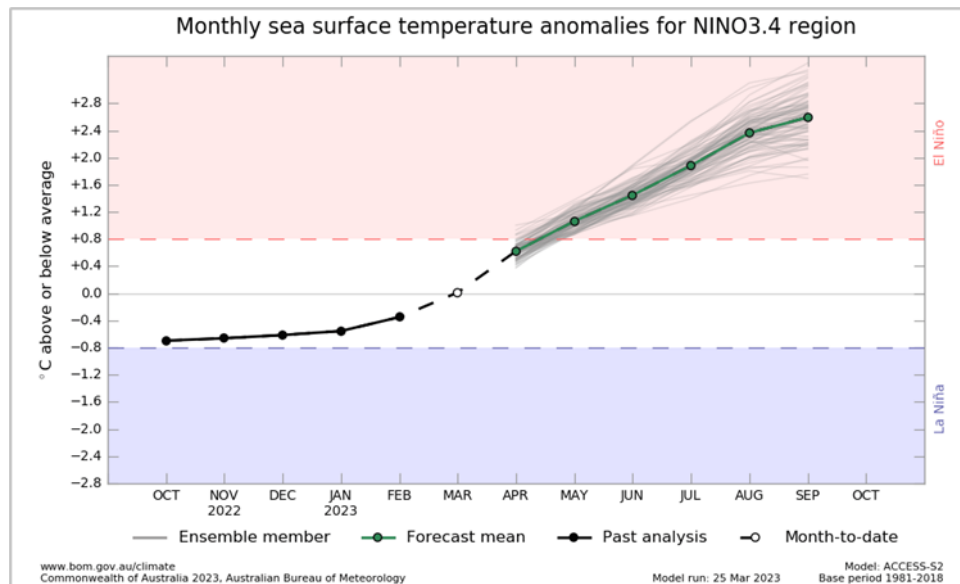
- The rainfall outlook suggests below median rainfall for most of Australia. South-eastern Queensland and southern Tasmania are expected to receive median rainfall, while the chance of exceeding median rainfall is less than 35% for the balance of Australia.
- High and consistent rainfall during 2022 resulted in average to above average root zone soil moisture.
- It is highly likely that median maximum temperatures will be exceeded across Australia between April and June. Forecast minimum temperatures are varied; minimum temperatures in Western Australia, Tasmania and south-eastern Australia are expected to be exceeded, while minimum temperatures are expected to be cooler than usual in Central Australia and Queensland.



Source: Bureau of Meteorology (2023)

The Bureau of Meteorology's NINO3.4 model is shown below. Key observations include:

- Oceanic and atmospheric indicators of the El Niño-Southern Oscillation (ENSO) outlook are in transition. Both atmospheric and oceanic indicators have weakened to ENSO-neutral values. The Bureau of Meteorology has adjusted their outlook to 'El Niño Watch'.
- All seven of the international climate models surveyed by the Bureau of Meteorology anticipate sea-surface temperatures to remain ENSO-neutral into May 2023. While models suggest a reversion to El Niño by June 2023, model accuracy is low.
- The Indian Ocean Dipole (IOD) is currently neutral. Although, the IOD typically has little influence on the Australian climate between December and April. A negative IOD coupled with a La Niña phase typically increases the chance of above average spring rainfall across eastern Australia, filling major storages in the southern Murray Darling Basin.
- The long-term ENSO outlook suggests that Pacific sea-surface temperatures will be close to the El Niño threshold by May 2023, suggesting dry conditions in eastern Australia. Also, the IOD suggests a reversion towards positive values. Both the ENSO and IOD outlooks suggests a relatively rapid reversion to below average rainfall conditions in mid-2023. However, we note the high degree of uncertainty associated with long-term climatic forecasts.



Source: Bureau of Meteorology (2023)

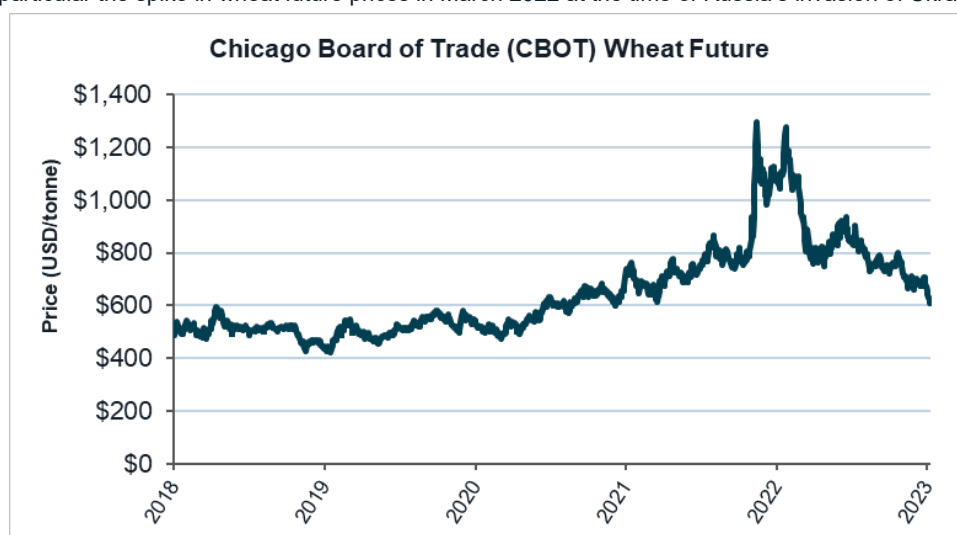
4.3 Commodity price movements

Wheat

Russian-Ukraine War a major cause of uncertainty in global wheat markets

Ukraine is one of the world's largest grain producers and since the beginning of the Russian invasion of Ukraine in February 2022, Ukrainian exports of grain have been severely disrupted. Initially, Russian forces blocked Ukrainian ports which fuelled fears of worldwide shortages and price hikes. The introduction of "solidarity lanes" (routes created by the EU to support Ukraine export its agricultural products) and the Black Sea Grain Initiative have since helped lower global wheat prices.

The tenuousness of Ukrainian export corridors, access to inputs which support Ukrainian grain production and ability to harvest Ukrainian crops are major contributors to global wheat market uncertainty. The graph below shows Chicago Board of Trade (CBOT) Wheat Futures, in particular the spike in wheat future prices in March 2022 at the time of Russia's invasion of Ukraine.



Source: NASDAQ (2023)

Global wheat production to fall from record high in 2021/22

The global wheat outlook for 2022/23 is for increased supplies, consumption, trade and stocks. Higher production in Australia and Russia raised total wheat supplies by 2.4 million tonnes to 1,060.5 million tonnes. Global consumption increased by 1.4 million tonnes to 791.2 million tonnes, mainly on higher feed and residual use by Canada, the EU and Russia. Stocks are forecast to be slightly higher than 2021/22, but still at the lowest in 6 years.

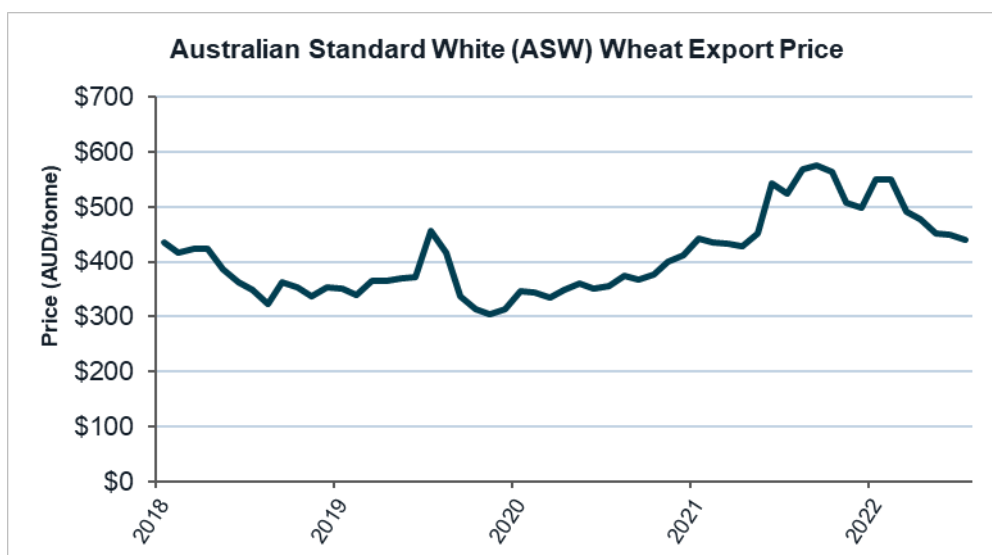
High Australian production driving increased global production

Australian wheat production is forecast to be 38 million tonnes in 2022/23, the third consecutive year of record-breaking production. Most of Australia's production is expected to be exported, with large wheat consuming and proximal markets such as Indonesia, China, Japan, South Korea and the Philippines absorbing most of the additional production.

Rainfall during eastern Australia's wheat harvest downgraded quality

Increased rainfall during eastern Australia's harvest led to more feed-quality wheat in 2022/23 compared to previous years. The high availability of global feed-quality wheat and tight global corn supplies has meant many markets have substituted corn for wheat for feed use.

The following graph shows the historic export price for Australian Standard White (ASW) Wheat.



Source: FAO (2023)

Sorghum

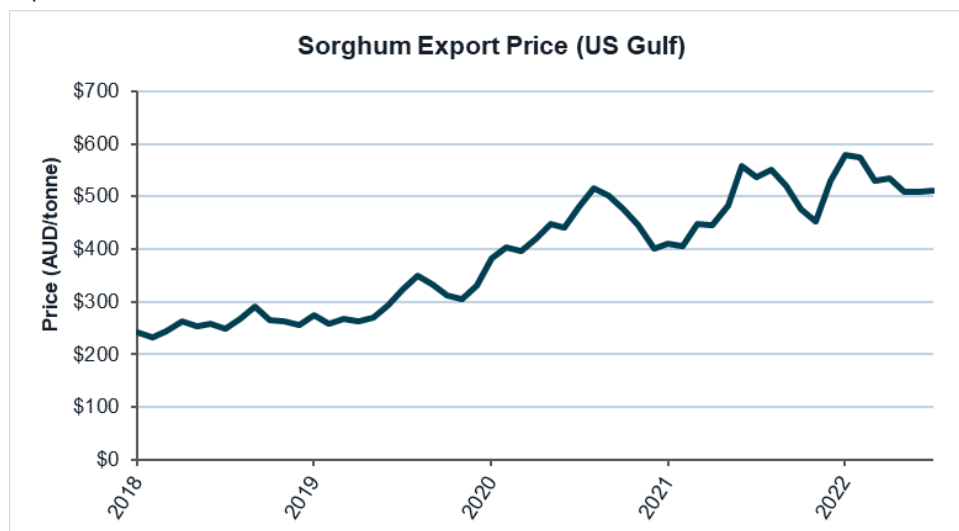
Australian sorghum production during 2022/23 forecast to be second highest on record

Australian sorghum production is forecast to be 2.9 million tonnes for the 2022/23 marketing year (the sorghum marketing year begins in March each year). If realised, the 2022/23 harvest will be the second consecutive year of high production – with 2021/22 recording 2.7 million tonnes. However, both 2021/22 and 2022/23 estimates are still well below the record production of 3.8 million tonnes in the 2007/08 marketing year.

Sorghum production is concentrated around the Queensland and New South Wales border. Good subsoil moisture and above average rainfall during the planting period (September to October 2022) has supported crop growth and grain fill. However, wet conditions delayed or prevented planting in some regions.

Strong sorghum export prices are supported by tight global feed grain production and strong Chinese demand

The sorghum export price (US Gulf) is at around \$AU507 per tonne as of March 2023 and has been at near-record highs since 2021. Tight supply of feed grains, particularly reduced US corn and US sorghum production combined with strong demand from China are supporting the strong global export price. China is a major global importer of sorghum, particularly Australian and US sorghum. Chinese consumption of feed grains is forecast to increase in 2022-23, given rising pig herd numbers. Also, the Russia-Ukrainian war is hampering grain exports from Ukraine to China.



Source: FAO (2023)

Barley

Increase in global canola prices driving reduced Australian barley production

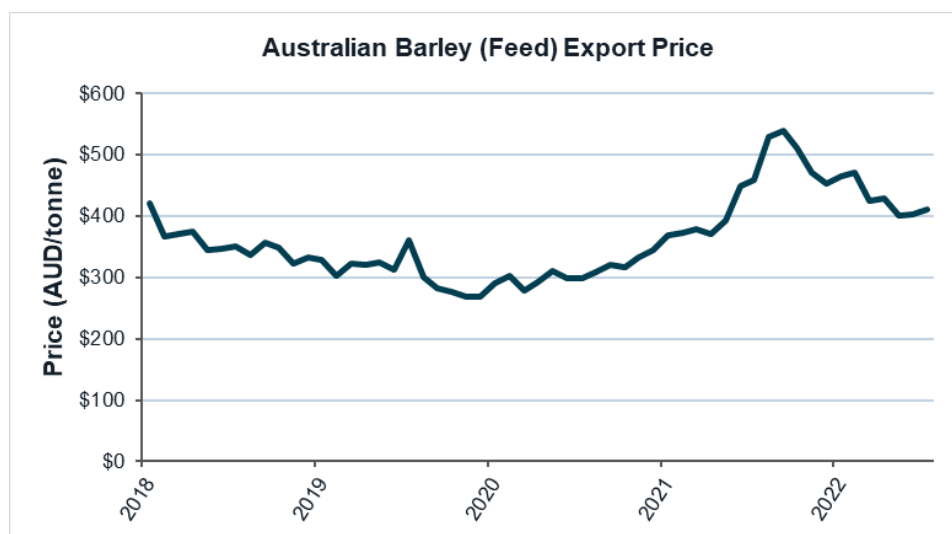
The rise in canola prices over the past two years combined with good subsoil moisture during planting has supported increases to the area planted to canola, at the expense of barley production. Also, wheat is generally considered the preferred winter grain crop as it is seen to be the best 'reward for risk' crop compared to barley. The area planted to wheat over the past two years has been 3 to 4 times that for barley and canola.

Chinese import duty on barley appears to have little impact of production decisions

China imposed an 80.5% import duty on Australian barley imports commencing on 18 May 2020 for a period of 5 years. Despite this, Australian barley production since the duty imposition has been among the highest on record. It appears that farmers continue to use barley in their crop rotations, and if not for high canola prices, barley production may have been higher.

Australia diversified barley export destinations following Chinese import duty

Following the imposition of the Chinese duty on Australian barley imports, Australia diversified its barley export destinations. Saudi Arabia remains a large importer of Australian barley (around 40% of Australia's total export volume in 2021/22) followed by Japan, Vietnam, Kuwait and Jordan.



Source: FAO (2023)

Canola

Canadian drought and war in Ukraine restricting global supply, causing market uncertainty

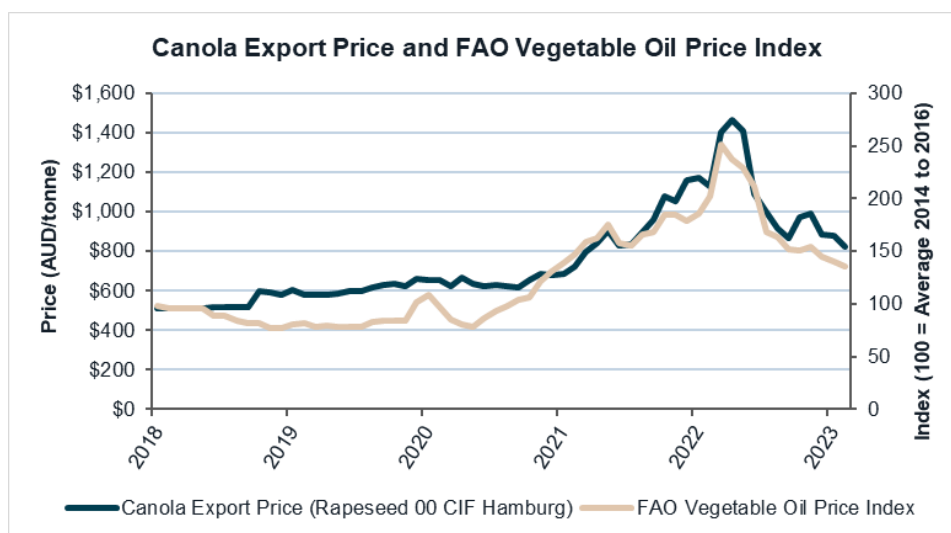
Severe drought in the Alberta and Saskatchewan reduced canola production in 2021/22. Canadian production in 2021/22 was also affected by supply chain issues such as the Canadian Pacific railroad stop-work protests, Russia and China fertiliser export bans and glyphosate production issues. The export price of canola (measured at Hamburg Port) responded to these production challenges faced by Canada and increased from around \$AUD 830 per tonne in July 2021 to a peak of \$AUD 1,468 per tonne in March 2022.

Australian production breaks records during 2021/22 and 2022/23

Australian canola production is forecast to be 4.7 million tonnes in the 2022/23 marketing year (Australia's marketing year is 1 December to 30 November). If realised, this will be the second-largest production on record, second to 2021/22 production which was 6.35 million tonnes.

The estimated reduction in planted area in 2022/23 is due to farmers having less suitable area available in their crop rotations for canola after the previous two years of large planted areas. Also, the cost and availability of major inputs such as fertiliser, chemicals and diesel have challenged production.

The following graph shows the price of European rapeseed exports (type '00') at Hamburg and the Food and Agriculture Organisation of the United Nations (FAO) vegetable oil price index.



Source: FAO (2023)

Wool

High rainfall across Australia leading to highest head of sheep shorn since 2017/18

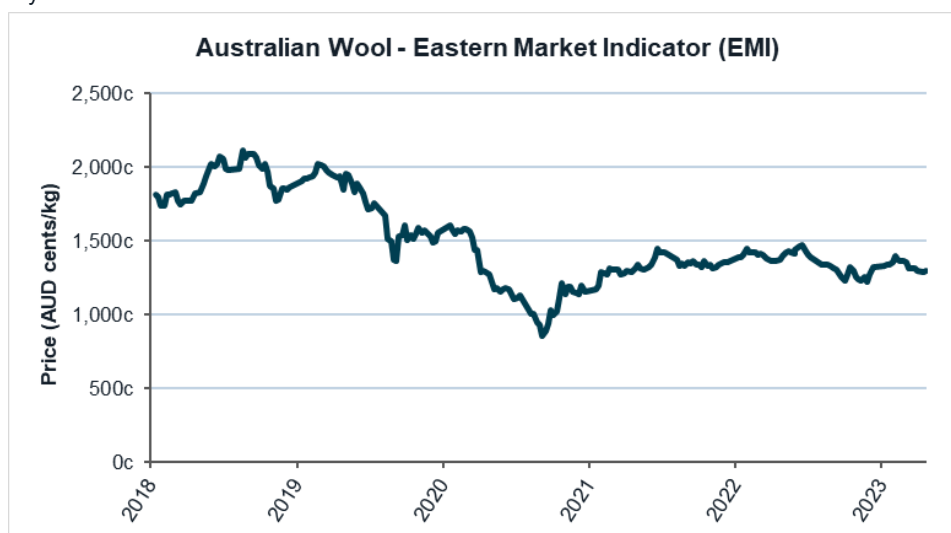
Above average to highest on record rainfalls throughout most wool producing regions in Australia has led to abundant pasture feed. The abundance of feed has supported the rebuilding of the Australian sheep flock and high fleece weights. Australian flock numbers are forecast to increase by 4.6% year-on-year, with the number of sheep shorn rising to 74.9 million head during 2022/23 – the highest since 2017/18.

However, continued wet and cool conditions have negatively impacted feed quality and have caused waterlogging or flooding which creates challenges for herd management. For example, the incidence of internal and external sheep parasites has increased with the wetter weather and shearing programs have been delayed or prolonged across southern Australia.

Non-merino, high micron count wools continue to trade at a discount

Non-merino wools of 28 micron and broader continue to trade at extremely low levels. This is largely due to a global oversupply of these wools post the pandemic. Fortunately, Australia's exports are dominated by fine wools of 18.5 micron and finer.

The Eastern Market Indicator (EMI) price for wool is a weighted average price across different wool types. The following graph shows the EMI as reported by Australian Wool Innovation.



Source: Australian Wool Innovation (2023)

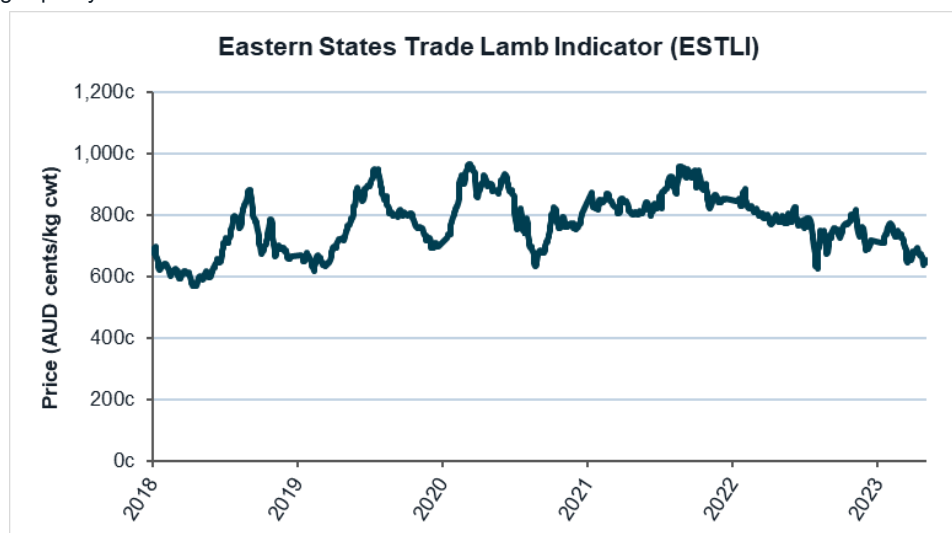
Lamb

Australian sheep flock rebuilding following 100-year low in 2020

Continued favourable seasonal conditions are underpinning the increase in Australia's sheep flock. Meat and Livestock Australia (MLA) expect the national flock to reach 78.75 million in 2023, which is 23% higher than the 100-year low flock size recorded in 2020. Also, carcass weights are at historic highs, largely due to favourable seasonal conditions, improved genetics and good on-farm management.

Australian lamb and mutton markets remain export-orientated

Australia produces 5% of the world's sheepmeat, but accounts for 35% of exports and is the largest supplier in the global market. China and the US are major export markets for Australia with China importing a significant volume of mutton and the US emerging as a large importer of high-quality lamb.



Source: MLA (2023)

Beef

Australia beef production remains export-orientated

Australia accounts for around 4% of global beef production, but accounted for 13% of global exports in 2021 and has consistently been one of the top three global exports for decades. The US and Brazil are the other top 3 beef exporters.

Australia in a herd rebuilding phase: beef inventory expected to reach highest level since 1970 during 2024

The cattle herd in 2024 could surpass the inventory in 2013 and be the highest since late 1970. The increase in the national cattle herd is underpinned by favourable seasonal conditions, low female slaughter rates and positive market sentiment. Also, high beef prices along with labour shortages have resulted in some farms (particularly dairy farms in the southern states) entirely or partially converting to beef production.

The increased retention of female calves since 2020 and the continued low female slaughter rates in 2022 is indicative of a strong ongoing herd rebuild momentum and industry confidence.

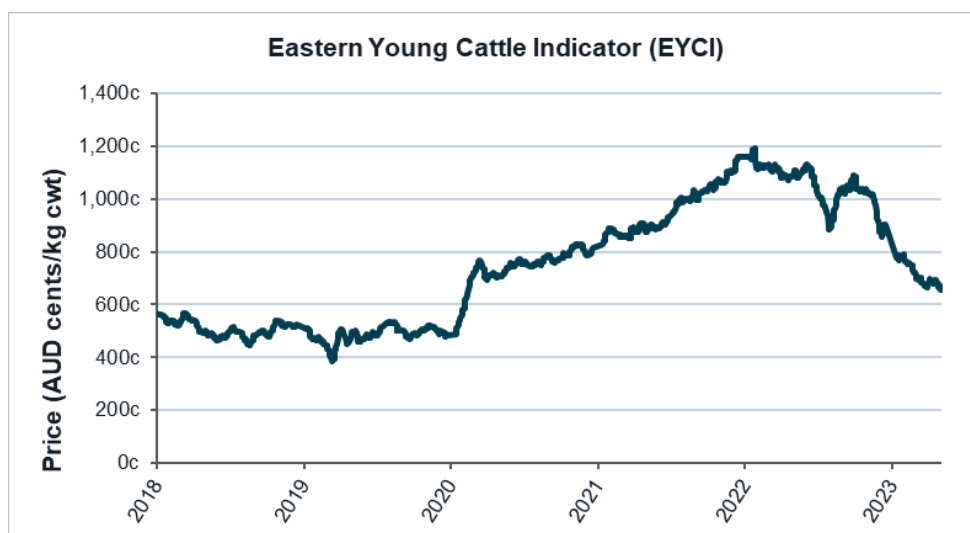
Labour shortages restricting slaughter capacity

Processors are reporting that labour retention is a major issue due to the strong competition from other sectors. The majority of labour in the meat processing sector is from overseas sources and travel restrictions during recent years have reduced the volume of migrants entering Australia.

Biosecurity threats remain a concern for Australian cattle production

In May 2022, an outbreak of Foot and Mouth Disease (FMD) was reported in cattle in Indonesia and notably on the popular tourist island of Bali. If an FMD outbreak were to occur on Australian shores, it would likely transmit to the wild pig, goat and deer populations rendering control and eradication of the disease very difficult.

Outbreaks of Lumpy Skin Disease (LSD) were confirmed in Indonesia in March 2022. Current vaccines against LSD are not particularly effective which makes the management of the disease difficult and limiting the spread challenging. The disease is currently not present in Australia.



Source: MLA (2023)

Production Input Costs

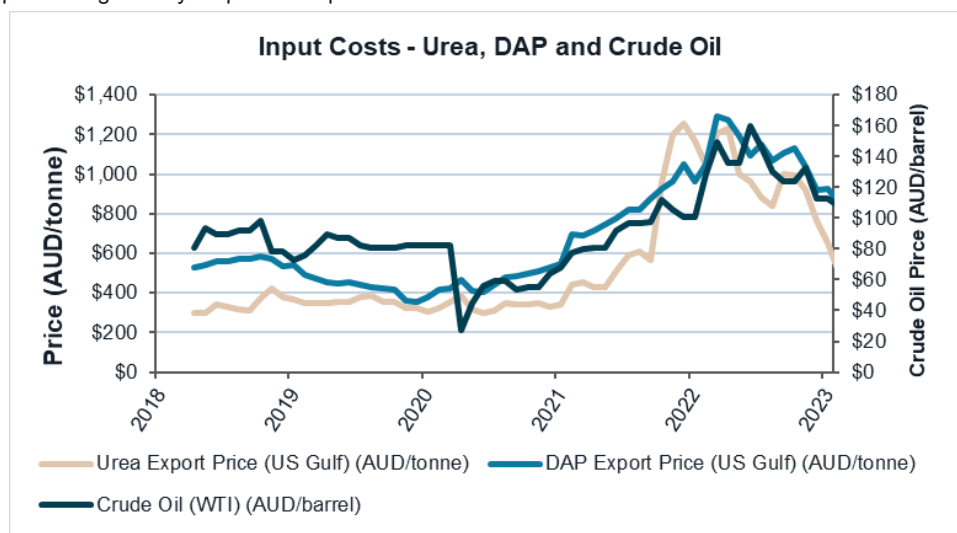
Rising inputs costs are underpinning inflation

Fertilisers such as urea (nitrogen) and diammonium phosphate (DAP) increased from around \$AUD 400 per tonne in January 2021 to a peak of around \$AUD 1,200 in April 2022. Crude oil prices also observed a high degree of variability between 2020 and 2023, collapsing from around \$AUD 80 per barrel in early 2020 to \$AUD 30 per barrel in April 2020. The collapse in crude oil prices was associated with the global COVID-19 pandemic and general market uncertainty. Since April 2020, the crude oil price has steadily increased to around \$AUD 130 per barrel.

The increase in key production input costs is a major driver of global inflation. Shipping constraints and supply chain disruptions are both drivers and consequence of high input costs.

High input costs have the potential to erode farm profit margins

Farm profit margins have the potential to be eroded should the increase in input costs outpace any increase in commodity prices. As the global economy stabilises, most major commodity markets return to 'normal' conditions and the onset of a global inflationary environment, farm profit margins may be put under pressure.



Source: FAO (2023)

4.4 Market sentiment

Overview

Australian agriculture forecast to grow, despite global economic slowdown

The forecasted growth in value of the Australian Agriculture, Fisheries and Forestry sector is somewhat at odds with global growth expectations. While the value of Australian agricultural exports are forecasted to reach record heights in 2022-23 (driven largely by crop exports), international growth forecasts have been downgraded since the first half of 2022 as a result of high inflation rates worldwide and a worse-than-expected economic slowdown in China.

Factors such as the ongoing unrest between Russia and Ukraine continue to contribute to tight global supply of cereal crops, thus high crop prices are predicted to persist. Livestock prices are starting to ease from high levels, while livestock production grows after successive good seasons.

Record production for most commodities, despite wet conditions during 2022

Many Australian agricultural commodities recorded record high production at a time of generally high commodity prices. However, wet conditions across eastern Australia have resulted in yield losses, quality deterioration and an increase in costs.

Inflation and interest rates may squeeze profitability

Inflation accelerated during 2022, dampening growth prospects by eroding the spending power of consumers and prompting central banks to raise cash rates. Increases to production inputs, notably fertiliser and diesel, shipping constraints, supply chain disruption and the Russia-Ukrainian War are among the many causes of the onset of the global inflationary environment. On-farm profit margins may be eroded should input costs outpace commodity price increases.

Fundamentals of Australian agriculture remain strong and rural property market demand remains high

Despite the global economic slowdown, the strong long-term fundamentals of Australian agricultural property markets continue to underpin a relatively strong level of activity. Investors and producers are cautiously optimistic with sentiment buoyed by strong commodity prices, an advantageous exchange rate and low, albeit rising interest rates.

Overall, robust demand has been observed from family, corporates and institutions for quality assets across all sectors. Foreign parties remain a dominant source of capital inflows, particularly foreign investment funds.

5 Sales evidence

5.1 Introduction

In assessing value we have considered a range of sales evidence, the most relevant of which we have included below. These sales demonstrate market activity over recent years. Given changing market conditions and variances between properties, not all of the sales are considered to be directly comparable, however they do provide a range of evidence upon which we have based our assessment of value.

In our efforts to provide the most recent sales data, there may be occasions where we utilise sales that have not settled, have delayed settlement, or are not registered on third party databases. To the best of our abilities we have made separate enquiries with the parties to the transaction or their agents to verify the data displayed.

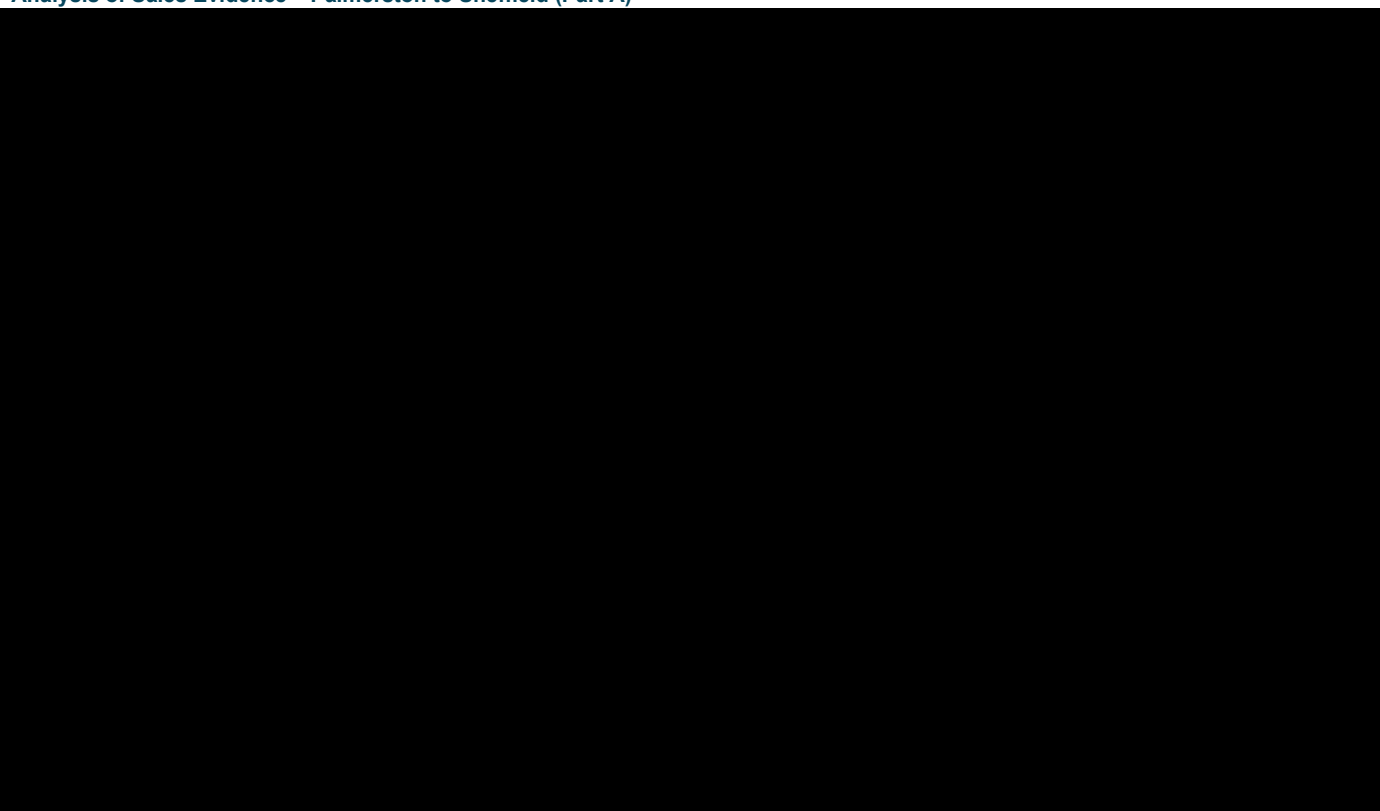
Whilst the sales evidence displayed within this report has been obtained from reliable sources including third party commercial databases, we cannot warrant its total accuracy. JLL Agribusiness has taken reasonable steps to ensure the accuracy of sales evidence provided however, should material errors be discovered in the sales evidence we reserve the right to amend our valuation.

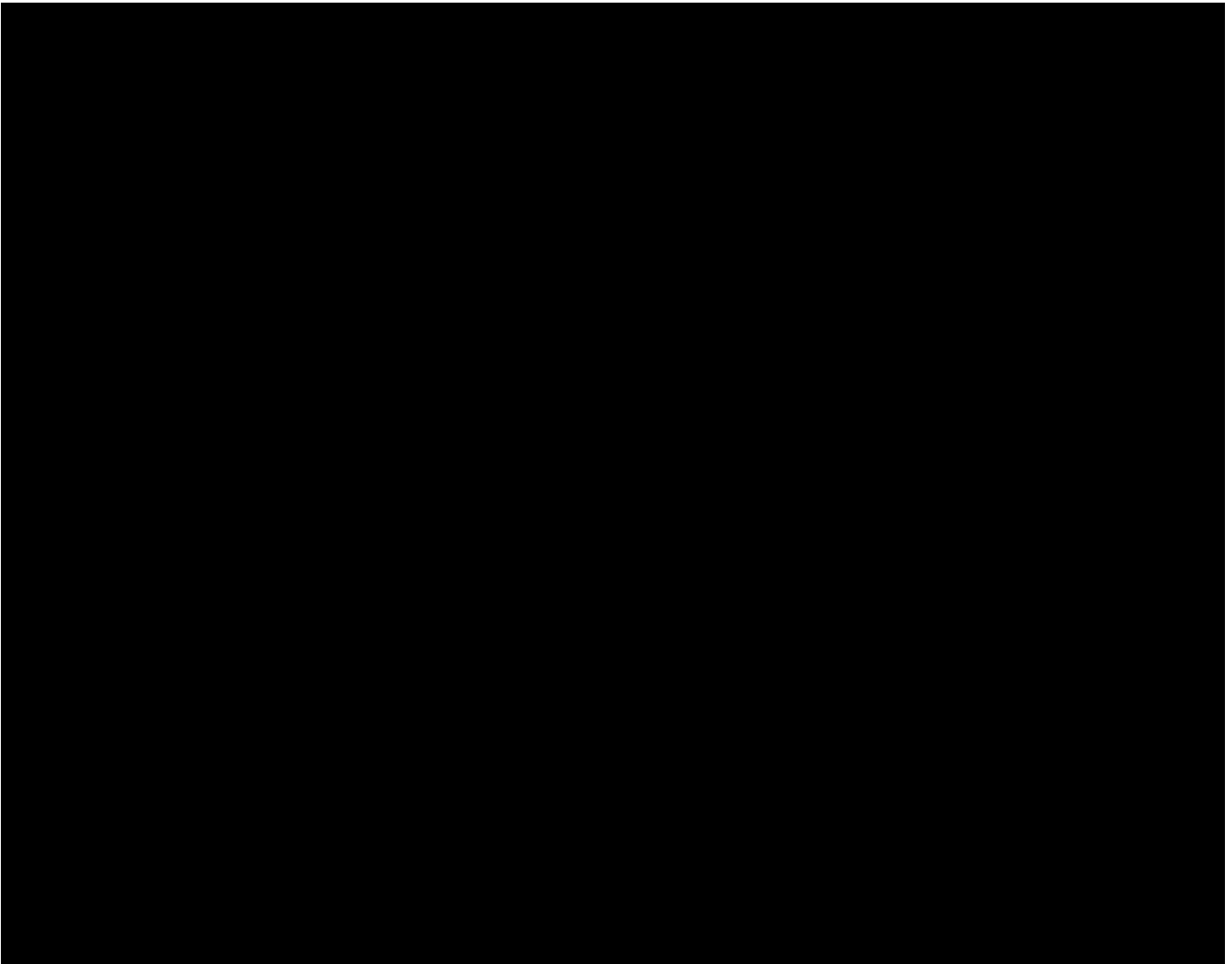
Third party databases do not specify transactions as GST inclusive or exclusive, and where we have been unable to verify the GST status we have assumed the sale price is GST exclusive. Should further enquiries reveal the status to be incorrect, we reserve the right to adjust our analysis and if necessary our valuation.

In situations where there is a lack of sales evidence in a particular region we have considered sales from other like regions and made adjustments where necessary.

5.2 Sales evidence

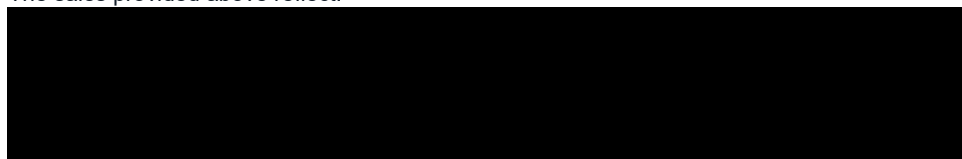
Analysis of Sales Evidence – Palmerston to Sheffield (Part A)



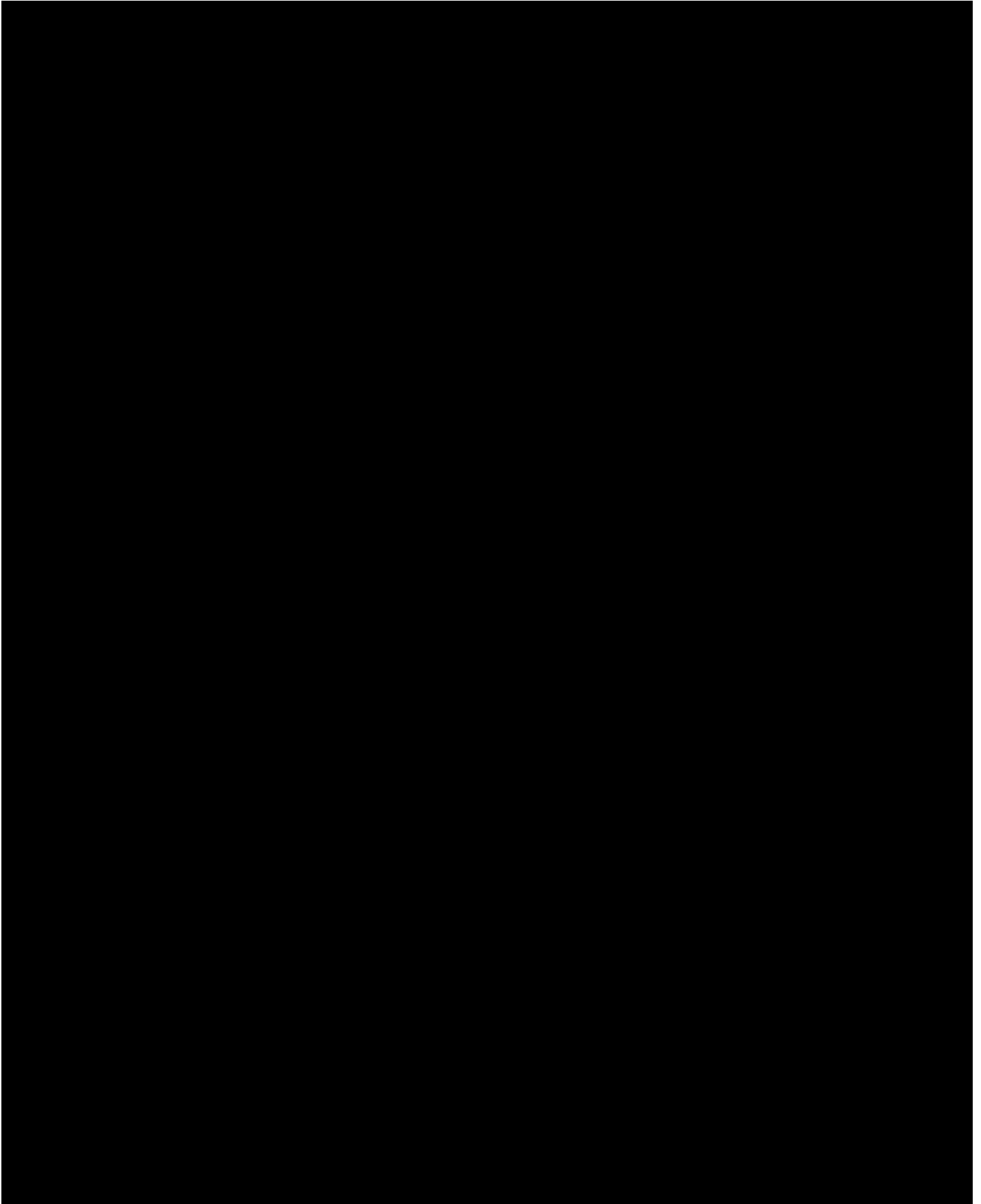


Summary of Sales Evidence – Palmerston to Sheffield (Part A)

The sales provided above reflect:



Analysis of Sales Evidence – Sheffield to Burnie & Heybridge Spur (Part B)



Summary of Sales Evidence – Sheffield to Burnie & Heybridge Spur (Part B)

The sales provided above reflect:



6 Compensation estimates

6.1 Estimate Methodology

Overview	In undertaking our assessments, we have adopted the Piecemeal methodology as it is the most practical way to isolate all of the impacts of the acquisition. In arriving at our opinion of value and compensation, we have considered relevant general and economic factors and in particular have investigated recent sales of comparable properties (as previously detailed).
Approach	Individual Piecemeal estimates with regard to the principles of the <i>Land Acquisition Act 1993 (Tas)</i> .
Methodology	The market evidence detailed in this report, amongst other evidence, has been compared with the subject properties in order to assess market based compensation. This valuation methodology is commonly known as the “Direct Comparison Approach”. We have analysed the sales evidence by apportioning the total sale price as follows: ▪ Land – various land classes on an “as is” cleared, fenced and watered basis. ▪ Water – irrigation water entitlements (i.e. groundwater and/or surface water assets). ▪ Structures – the structural improvements on the land (i.e. dwellings, sheds, yards). ▪ Inclusions – most commonly plant & equipment, livestock and standing crops.
Key Comparability Factors	Given the comparability of each of the analysed sale properties is likely to vary, a high degree of value judgement is required by the valuer. The valuer has considered a range of variables which may include: ▪ The nature, condition and market appeal of the property. ▪ The price category of the property. ▪ The location, aspect, topography, mix of soil types, land area, access and level of land development. ▪ The reputation of the property in the marketplace. ▪ The circumstances of the vendor or purchaser. ▪ The productive capacity, scale and diversity of the property together with its development potential. ▪ The type and reliability of water entitlements (if applicable).
Market Value - Easement Areas	Market Value of the easement area has been calculated with reference to comparable sales data by applying the relevant agricultural land rate to the defined easement area. Given the acquisition is partial in nature, we modelled the partial rights assumed by the acquiring party by: ▪ Applying the diminution of value at the rate of [REDACTED] of the unaffected agricultural land rate for all farming and rural lifestyle land; and ▪ Applying the diminution of value at the rate of [REDACTED] for all commercial forestry land which takes in to account the reality that the enterprise of commercial forestry will not be able to be undertaken within the easement area after the easement is applied, ie; the property will not be able to be put to its Highest and Best Use.
Market Value - Tower Allowance	Where towers footprint and exclusion areas are known, compensation has been assessed as described above albeit adopting a diminution of value at the rate of [REDACTED] Where footprint and exclusion areas are not known, we have applied a consistent rate of [REDACTED] per tower for all new transmission towers constructed on existing or proposed easement land. This allowances accounts for: ▪ The physical blight created on the property by way of visual impact and audible noise; ▪ Ongoing management and maintenance issues caused by the tower footprint, its interruptions to property and enterprise management.
Market Value – Diminution of Surrounding Land	We have assessed loss attributable to the increase or decrease in the value of the remaining land by applying an allowance to resolve all reasonable doubts in favour of the land holder. This allowance has been calculated within the rate range of [REDACTED] and [REDACTED] of the “Before” value of the subject lot area that is not otherwise included within the calculations applied to the easement area. The range is altered depending on: ▪ The characteristics of the property, most particularly rural lifestyle or larger, commercial agricultural properties; ▪ Existing powerline infrastructure on the property that already represents a ‘blight’ of similar characteristics than that of the proposed project.

**Market Value –
Diminution of Dwellings**

Powerlines are perceived to have a diminishing effect on the use and enjoyment of dwellings most commonly by way of visual blight and audible noise.

In order to account for this diminishing impact, we have applied a discount to the added value of the dwelling in accordance with the below assumptions.

- Where inspections of properties have been undertaken, rates of diminution have been applied to the assessed added value of the dwelling as follows:
 - [REDACTED] for dwellings located [REDACTED] from the proposed;
 - [REDACTED] for dwellings located [REDACTED] from the proposed powerline; and
 - [REDACTED] for dwellings located [REDACTED] from the proposed powerline.
- In some cases where dwellings are considered to be particularly severely impacted by the proposed powerline, rates have been altered from the above range.
- Where assessments have been undertaken on a desktop basis, it is not possible to assess the quality and standard of dwellings. We have therefore made the assumption of a modest dwelling of [REDACTED] added value and applied diminution rates as defined above.

It is a critical assumption to this report that the added value of all dwellings has been assumed at [REDACTED] – refer Specific assumptions and limitations.

**Allowances for
Disturbance**

We have applied disturbance allowances to our assessments in the form of Project Related Administration Disturbance and Physical Disturbance as follows:

- A Project Related Administration Disturbance allowance of [REDACTED] per landholder has been applied to our calculations to recognise the time and effort required of landholders to attend meetings and deal with other project related matters; and
- A physical disturbance allowance by way of a Construction Licence calculated at a nominal rent rate of [REDACTED] of the Market Value of the easement area for the period of [REDACTED] occupation. Where the hypothetical lease calculation results in a relatively low amount, it is rounded to a minimum of [REDACTED]. This allowance has been applied to our calculations to recognise the disruption to business operations and enterprise earnings within the easement and adjoining areas during the period of powerline construction.

From our experience, compensation for business disruption is often a heavily contested matter with landowners considering the transmission line will have significant and material impacts on business operations. [REDACTED]

**Allowance for MIDAA Act
Disturbance**

We are advised the MIDAA notified corridor will be approximately twice the width of the eventual easement. In order to provide compensation for the impacts of the MIDAA notified corridor, we have calculated Disturbance at a nominal rent rate of [REDACTED] of the Market Value of the land for the period of [REDACTED] occupation. Where the hypothetical lease calculation results in a relatively low amount, it is rounded to a minimum of [REDACTED]. At the time of reporting, the alignment for the transmission lines has not been finalised. We have therefore calculated our allowance for MIDAA compensation as follows:

- 120 metre wide notified corridor; and
- 60 metre wide eventual easement.

The MIDAA allowance has been applied to our calculations to recognise the disruption to business operations and enterprise earnings from the area within the notified corridor but not impacted by the eventual easement. We also note it is a requirement of the MIDAA to register the notified corridor on all affected Certificates of Title. We consider this registration to be a 'blot on Title' negatively impacting marketability of the land.

Other Allowances

Within our estimates of compensation we have not made any allowances for:

- Special Value; and
- Severance.

These items would need to be assessed with greater input from the landholder and an inspection of the affected property.

**Affected Properties
Without New Easements**

In order to provide adequate compensation for parties who are affected by the proposed replacement of powerlines but not impacted by a new easement, we have made allowances by way of:

- Tower Allowance by way of application of [REDACTED] per tower for all towers constructed on existing easements on the affected land;
- Project Related Administration Disturbance allowance of [REDACTED] per landholder;
- Physical Disturbance allowance of [REDACTED] per landholder; and
- MIDAA notified corridor allowance of [REDACTED].

Conclusion

After application of the methodology above, we have calculated an estimate of the appropriate compensation payable for the acquisitions by the addition of:

- The Market Value of the partial property rights acquired; and
- Loss on Remaining Land; and
- Disturbance.

We note our assessment includes the recommended compensation landholders identified as affected by the proposed project but not impacted by new easements. It is our recommendation that these owners are allowed compensation however we note that given they are not impacted by new easements, any awarding of compensation to these lot owners is at the discretion of *Tasmanian Networks Pty Limited*.

Actual and Budget Assessments**Overview**

The majority of properties within the project have been fully assessed (including in most cases a property inspection and meeting with the affected landholder) for compensation as part of our ongoing work on the project.

Where properties have been assessed, we have included in our budget estimate the result of that assessment.

Where properties are yet to be assessed within the Palmerston to Sheffield alignment, we have undertaken a desktop estimate in line with the above methodology for budgeting purposes.

6.2 Project Related Costs**Allowances for Costs**

Project related costs have been assessed on an individual property basis as:

- Reimbursement of professional fees to landholders as required by the Act calculated at [REDACTED] for landholders being affected by new easements and [REDACTED] for landholders impacted by the project but not incurring new easements;
- [REDACTED] per landholder for Title registration;
- [REDACTED] per landholder for option fees; and
- Stamp Duty estimated at [REDACTED] of Total Compensation.

6.3 Distribution Assessments**Allowances**

Under instruction from *Tasmanian Networks Pty Limited* we have undertaken assessments for impacts caused by the realignment (and in many cases, undergrounding) of existing distribution infrastructure:

- Applying the diminution of value at the rate of [REDACTED] of the unaffected agricultural land rate for all farming and rural lifestyle land on new ('Greenfield') easement areas only;
- A physical disturbance allowance by way of a Construction Licence calculated at a nominal rent rate of [REDACTED] of the Market Value of the easement area for the period of [REDACTED] occupation.
- A Project Related Administration Disturbance allowance of [REDACTED] per landholder.
- [REDACTED] per landholder for Title registration;
- Stamp Duty estimated at [REDACTED] of Total Compensation; and
- [REDACTED] per landholder for Professional Fees.

6.4 Right of Way Assessments**Allowances**

Under instruction from *Tasmanian Networks Pty Limited* we have undertaken assessments for impacts caused by the access rights required for the construction and ongoing maintenance of the proposed powerline. In most cases, these rights are required over neighbouring landholders not directly affected by the project. These allowances have been assessed as follows:

- [REDACTED] affected owners;
- Assumed length of access of [REDACTED] kilometres;
- Assumed track width of [REDACTED];
- Market value of land at [REDACTED] per hectare;
- Injurious affection allowance of [REDACTED] per landholder;
- A Project Related Administration Disturbance allowance of [REDACTED] per landholder.
- [REDACTED] per landholder for Title registration;
- Stamp Duty estimated at [REDACTED] of Total Compensation; and
- [REDACTED] per landholder for Professional Fees.

6.5 Break & Winch Sites

Allowances

Under instruction from *Tasmanian Networks Pty Limited* we have undertaken assessments for impacts caused by the temporary occupation of Break & Winch Sites during construction. These allowances have been assessed as follows:

- [REDACTED] individual sites;
- Assumed area of [REDACTED];
- Market value of land at [REDACTED] per hectare;
- Annual rent at [REDACTED] of Market Value of the affected area;
- Occupation period of [REDACTED];
- Minimum rent of [REDACTED] where assessed rent falls below [REDACTED];
- General Disturbance allowances of [REDACTED] per landholder; and
- [REDACTED] per landholder for Professional Fees.

6.6 Laydown Sites

Allowances

Under instruction from *Tasmanian Networks Pty Limited* we have undertaken assessments for impacts caused by the temporary occupation of Laydown Sites during construction. These allowances have been assessed as follows:

- [REDACTED] individual sites;
- Assumed area of [REDACTED];
- Market value of land at [REDACTED] per hectare;
- Annual rent at [REDACTED] of Market Value of the affected area;
- Occupation period of [REDACTED];
- Minimum rent of [REDACTED] where assessed rent falls below [REDACTED];
- General Disturbance allowances of [REDACTED] per landholder; and
- [REDACTED] per landholder for Professional Fees.

6.7 Other Project Costs

Allowances

Under instruction from *Tasmanian Networks Pty Limited* we have made allowances for other projects costs. These allowances have been assessed as follows:

[REDACTED]

Valuation Costs

- Assumed [REDACTED] and support work at a unit cost of [REDACTED] each;
- Additional assessments required due to powerline realignment and other changes at [REDACTED] and [REDACTED] per assessment;
- [REDACTED] freehold land acquisition assessment at [REDACTED]; and
- [REDACTED]

Value and Risk Advisory

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