

17 August 2005

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Independent Pricing and Regulatory Tribunal  
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**(By Fax and Post – 4 pages 02 9290 2061)**

Dear Sir

**Re: Review of Rental Arrangements for Crown Land Communication Tower Sites – Draft Report**

Thank you for the opportunity to respond to your Review of Rental Arrangements for Crown Land Communication Tower Sites – Draft Report.

We were informed that this matter was under review, however, as we have only four small sites within New South Wales, each being on remote locations away from the normal types of communication tower sites, we decided to respond to your draft report once published to ensure that we understood the direction being taken by your Tribunal concerning this review.

Alinta Limited owns a number of natural gas, high pressure, transmission pipelines, one of which commences near Longford in Victoria and is located near New South Wales towns such as Bombala, Cooma, Queanbeyan, Nerriga, Nowra, Kiama, Wollongong and Wilton before concluding in Horsley Park, Western Sydney.

To operate this pipeline safely while providing competitive energy resources to industry within New South Wales, we require a communication system which will allow our field staff to maintain contact with our pipeline control centre from any location along the pipeline. As mobile telephone coverage is very limited along our pipeline corridor, we have had to establish a chain of radio links to ensure that any point, be it in the deepest accessible gully or on the road network leading to the pipeline, communications are always available.

The establishment of this network in New South Wales required a chain of some 13 towers to provide the appropriate coverage for safe working and emergency response purposes.

From Nowra to Western Sydney our network was co-located on existing towers and all of these towers are on private land with commercial rentals commensurate with the usage and purpose of our radio network.

From Nowra to the NSW Victorian Border all of our sites are on remote hill tops using our own radio masts. Of these seven sites, four are located close to survey trig stations on hills, three being owned by the Department of Lands and one owned by Forests NSW.

Under the NSW Pipelines Act, the Act administering our high pressure natural gas pipeline, the pipeline and all associated works and apparatus are to be covered by easements which are acquired by the State of NSW. The radio tower sites also fall under this easement structure where our sites are not co-located with other communication carriers. All of the seven sites between Nowra and the Border fit this category. Under this arrangement, we are required to compensate the landowner for the easement with a one off payment. This arrangement has been entered into with all of the sites on private land, but because of some administration problems with the Crown land, we agreed to a licence over our sites on the Department of Lands and Forests NSW properties.

As noted above, all of these sites are remote, do not have good access roads nor is power available at any of the sites.

It is our understanding that under the categories listed in your Draft Report, Table 5.1, even the lowest proposed site rentals enjoy fairly good all weather access and most would have power.

The trig stations occupied for our needs have a paper road or road reserve, all of which have no track and the topography of the land within the road reserve would not allow access due in most cases to the steep terrain as well dense vegetation. Hence we have had to negotiate with private landowners for access across their lands to visit our sites. In all cases we have to pay a yearly rental to these landowners as well as undertake work on the tracks we establish to some sites at our expense.

Most of these sites are for all practical purposes inaccessible during periods of wet weather and after snow falls at the southern most sites. Also, during winter, access along Forest NSW tracks is restricted especially after snow fall or rain periods until the roads dry out. Hence should we have a failure at one of these sites during such a period we cannot maintain communications along the route, leading to safety being compromised.

To overcome this issue, a back up to the radio network has been installed linking the radio network to telephone landlines to maintain a link throughout the system.

When we undertook negotiations with the NSW Government Departments for our sites the above was taken into consideration in arriving at yearly rentals for the sites. All present rentals are much less than what is presently being suggested in your Draft Report even for the lowest rental category (\$2,000.00 pa).

Hence, in response to your published Draft Report, we seek your review of our sites to have them not included in the categories as listed in Table 5.1 but omitted from the review given the following:

- The locations are all remote and do not fit the definition of the communication sites being reviewed;
- All sites do not have adequate access as would be the case for the communication towers being reviewed;
- We are responsible for upkeep of any tracks to our sites at our expense;

- We pay the private landowners involved a yearly rental to cross their property for access;
- On our sites, we pay yearly rates to the local council;
- Although the governing Act applying to our pipeline assets allows an easement for our works and apparatus (including radio towers) we have worked in with the requirements of the NSW Government authorities to minimise their administration costs and agreed to a licence over these lands; and
- On our private landowner sites, a one off payment was made for the site and no yearly rentals are paid.

We further advise that we have six similar sites in Victoria, three on private land and three on Crown lands. No yearly rentals are paid on any of these sites even though the Crown sites are a licence.

We would be pleased to provide further information regarding the actual sites within NSW should you wish to compare our sites with those presently being reviewed so that a comparison can be made.

In regards to the Tribunal's recommendations we would further respond as follows:

Part 3.8 Draft Recommendations Report page 21 –

- 1) As noted earlier our preference is for an easement as this would then align with all of our other single tower sites in NSW.
- 2) If licences are used then it should be with the primary user but the rentals should be transparent to all.
- 3) to 9) generally agree to all if a licence is to be used.
- 10) With sites such as Alinta's, market rates would not apply as these Alinta sites do not fit the category of the sites generally referred to in this review.

Part 4.6 Draft Recommendations Report page 29 –

- 11) With Alinta's sites a conservative review is needed together with a reductions due to remoteness, access problems and other rentals to be paid to use the sites.
- 12) At present we are the only user of our sites but we have been approached by the local bush fire brigades to allow repeaters to be located on our masts for their fire fighting communications. This would be based on community benefit arrangements and hence no rental was to be paid. On this basis no increased site rental should also be paid.
- 13) Given the reason for our network, should we be occupying such a tower and the rent was substantially increased, we would be forced to move locations as all costs have to be passed to customers and this could result in our pipeline not being as competitive.
- 14) Disagree for reasons stated above.

Part 5.5 Draft Recommendations Report page 40 –

- 15) to 17) generally agree.
- 18) The factors should also include the points raised by Alinta above such as access costs and rentals, other fees being paid, comparison of sites regarding remoteness, etc.
- 19) Opportunities should be given to the primary licence holder to submit a valuation of the site and if so then an independent valuer may be required to adjudicate.
- 20) The Low density category definition in the table does not take into consideration matters referred to above. There should be a further discounting for these issues.
- 21) This should be applied only if the subsequent user is being charged for their use of the tower, otherwise no extra rental should be charged.
- 22) to 24) Generally agree.

Yours sincerely

Barry Milliken  
**Lands Coordinator**