

**STANDING COMMITTEE ON PUBLIC  
ADMINISTRATION  
AND FINANCE**

**TRANSCRIPT OF EVIDENCE TAKEN  
AT MANDURAH  
ON TUESDAY, 27 AUGUST 2002**

**SESSION 5**

**Members**

**Hon Barry House (Chairman  
Hon Ed Dermer (Deputy Chairman)  
Hon Murray Criddle  
Hon John Fischer  
Hon Dee Margetts  
Hon Ken Travers  
Hon Sue Ellery**

**DILLEY, MRS MARIE**  
**Partner/Business Manager,**  
**examined:**

**The CHAIRMAN:** Welcome to today's committee hearing. Four of the seven members of the committee are present - Hon Murray Criddle, Hon Sue Ellery, Hon Ed Dermer and me. The members not present are Hon John Fischer, Hon Ken Travers and Hon Dee Margetts. They are unable to be here today, but they will be present in other hearings. You will have signed the document entitled "Information for Witnesses". Have you read and understood that document?

**Mrs Dilley:** Yes, I have.

**The CHAIRMAN:** These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to, and please be aware of the microphones in front of you. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that, until such time as the transcript of your public evidence is finalised, it should not be made public. Premature publication or disclosure of public evidence may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege. Would you like to make an opening statement?

**Mrs Dilley:** First of all, I have no objection to my evidence being public knowledge, because the airing of some of these problems in the public arena is long overdue. Secondly, I put in a submission to this committee because of the title, about the use and enjoyment of freehold land in Western Australia.

**The CHAIRMAN:** We have a copy of that submission.

**Mrs Dilley:** Yes. It seemed to me that, for the first time, some of the concerns my husband, Kevin, and I have, as a business and as two people, about our ongoing problems with Western Power could be addressed. In 1985, we reconstituted an old family partnership into a couple of new ones. In the course of that reconstitution, a particular block of land, Murray location 1222, was divided. We retained half of it, free of mortgage and all encumbrances, with the intent of using it as a retirement block for my husband and me. It is five kilometres south of our farm, so it was close enough for Kevin to go back to the farm to lend a hand at busy times, with calves or whatever. It was also far enough away to allow us to begin, in a very gentle manner, the process of handing over the farm to our children. It was part of a whole succession planning strategy for our farm.

We were fairly dismayed, then, in 1987, when the preliminary notification came from Western Power, that a whopping great powerline was to be built right down the middle of this block. We attended various public meetings, during which various statements were made by Western Power representatives - at that time it was called SECWA - that unfortunately were not minuted. If they were minuted by the Shire of Murray, I have not been able to locate those minutes. Some statements were made

during that meeting that, quite frankly, have not come to pass. We have had ongoing negotiations with Western Power since 1987. Quite a bit of this negotiation has been fairly acrimonious. Western Power has been saying to us that it would like to do all these lovely things, that it knew the compensation was, in our view, inadequate, but that it is limited by the Act. I do not know whether Western Power is limited by the Act to the extent that its representatives say. Lot 101 of Murray location 1222, which is the real bone of contention, is 89 hectares. It is a very long block; well over a kilometre long. The powerline easement goes straight through the centre of that block, and is in excess of 17 hectares. Nobody in his or her right mind would build a house there.

We decided that we would sell the block. At a meeting in December 2000 with a representative of Western Power, we were informed that Western Power had had the block revalued, at \$5 200 a hectare. Using the magic formula, the compensation worked out at something like \$18 000, which we believe is totally and utterly inadequate. To test the water, we said we were not happy with that, and Western Power knew we were not happy, because we had been fighting over it for many years. We suggested that the representative take a proposition back to the board of Western Power, offering this block of land for \$5 200 a hectare. The land could then be put up for auction, and we would buy it back, at auction, which would be the market value. That way we would get the true compensation for the impact of the five power pylons. This offer was taken to the board, which refused it on the grounds that it would create a precedent. So we decided to put the land on the market. People looked at it and, once they saw the powerlines, they did not even bother driving in through the gate. We then got another estate agent out and told him we wished to sell this block of land and asked what it was worth. He told us it was worth \$355 000. This compares to the \$460 000, which was the value that Western Power and Sandy Hay from the Valuer General's Office put on it. However, this agent was not interested in even trying to sell the block for us. In fact, he refused to, because he said that he did not think he could sell it, so it was not worth investing any time or money in advertising, and he did not want to be caught up in a wrangle with Western Power about compensation. We are still stuck with a block that we cannot use for its intended purpose, and Western Power is not prepared to pay adequate compensation. Nobody else wants the land anyway. Therein is our dilemma.

We have been overseas recently for several months, and when we returned there was a letter waiting from Western Power saying that only a few people were still holding out on the compensation issue, and asking those people to consult Western Power. A man came down a fortnight ago. We agreed to another valuation on the property, and we were told that the valuer would contact us within a week. Two weeks later we have heard nothing, so still the matter drags on. However, I believe we eventually come back to the same basic problem. Western Power says it is limited by legislation on what compensation it can pay, and that it must use its own magic formula. If that is the case, the legislation clearly needs to be looked at very carefully.

Many years ago - and I guess Hon Murray Criddle is as old as I am, so he would remember, because he also comes from a country area - when we all had generators in the back shed, or DC power and all the rest of it, it was almost regarded as a privilege to have a powerline going through your property, because at the same time, it meant access to power that did not exist before. The compensation paid related to the benefit obtained by not only the community, but also the person on whose land the powerlines ran. That is not the case today. We have a lousy power supply, quite

frankly. It is single phase, and tends to drop out quite frequently. This huge powerline traverses all our property. It is a real eyesore, and a blot on one in particular. We cannot access that power. There is no personal benefit; only personal liability, because we have a block of land that has been devalued by somewhere between \$120 000 and \$150 000. The community that benefits from that powerline is 100 kilometres away. The compensation formula that is being applied, as has been explained to me by Western Power, in no way compensates for that intrusion on our land.

The final point I would like to make relates to safety. Part of the easement conditions say that, apart from the fact that no vegetation more than three metres high can be grown underneath the powerline, the land can be used for normal agricultural practices. Quite frankly, that is a lie. Where there are pylons with the standard wire, at the bottom of that span when the wire is hot, which I presume is all the time, because it makes a beaut sizzling sound, the wire is 8.5 metres from the ground. That complies with Australian standards. However, WorkSafe says that, with a powerline of that voltage, there must be nothing underneath it when the clearance is less than six metres. That allows a two-and-a-half-metre maximum height for any agricultural implement used underneath the powerline. In fact, I think we cannot even drive the utility underneath it, because the radio antenna would make it too high. Western Power tell us not to worry about it, that there is an arrangement with WorkSafe. If that is the case, it stinks. The committee will excuse the way I said that, but that is a polite way of saying it. As it stands at the moment, with WorkSafe, we cannot, and we dare not, even with workers compensation and public liability insurance, put employed staff on that land to drive tractors underneath those powerlines. If anything happened, we would not have a leg to stand on.

These are the concerns we have. I do not know how much of that is actually relevant to this particular committee, but from my point of view, it is a mess. It has been dragging on since 1987. I am a fairly busy person, in that I work full time on our farm, and part time in my own business as well, so I hold down one and a half jobs. I do not have time to fiddle around with this sort of nonsense. It almost seems to me that Western Power, over the period since 1987, has gradually worn down the people involved, so that they have reached the stage at which they cannot be bothered with any more of this, and have signed the piece of paper. We will not do that. We will see them in court first. I guess that is it.

**The CHAIRMAN:** Thank you Mrs Dilley. Everything you are saying is relevant to the terms of reference of the committee's inquiry. Those terms are very broad, but you have raised a few issues that are particularly relevant. I particularly refer to your evidence about the conflict between WorkSafe requirements and Western Power's conditions. The committee will have a good look at that, I can assure you. Do other committee members have any questions?

**Hon ED DERMER:** I want to make sure that I have my head around the arithmetic. When did you buy the property?

**Mrs Dilley:** Years and years and years ago. We inherited from A.F. and J. Dilley and sons. I am not quite sure when it was purchased, but it was more than 35 years ago.

**Hon ED DERMER:** It would have been purchased so far back that the purchase price would not be at all relevant?

**Mrs Dilley:** No it is not. It already had a little powerline on it - one of those notorious ones that was caught up in the pesticide residue problem in export beef. However, that is just two wooden poles with a line across the top. It is not intrusive. The new powerlines are huge steel pylons, and they are not nice.

**Hon ED DERMER:** What would be the estimated value of the property, but for the proposed powerlines?

**Mrs Dilley:** Around about \$450 000.

**Hon ED DERMER:** At the moment it is virtually unsaleable at anywhere near a reasonable price.

**Mrs Dilley:** The local estate agent will not handle it at \$355 000, which is the value he put on it.

**Hon MURRAY CRIDDLE:** You spoke about compensation. Were you really talking about the purchase price?

**Mrs Dilley:** No, the original compensation we were offered for that 17.819 hectares was around about \$12 000

**Hon MURRAY CRIDDLE:** That was compensation for what?

**Mrs Dilley:** That was comp for the easement because we were told we could still use the land underneath for our normal agriculture. All that would happen would be that Western Power would put across these powerlines.

**Hon MURRAY CRIDDLE:** Same as with a gas pipeline, or whatever.

**Mrs Dilley:** Yes, but the reality is that we cannot use the land for normal agricultural practices because we do not dare put employed labour underneath that powerline.

**Hon ED DERMER:** Western Power argued there was minimal impact and, therefore, minimal compensation.

**Mrs Dilley:** Exactly.

**Hon ED DERMER:** You would say that the real impact was substantially more than what Western Power is suggesting.

**Mrs Dilley:** It also has a formula for setting the value and, on the basis that we can use it for normal practices underneath, there are subtractions, additions, divisions and all the rest of it. However, that formula is a very traditional formula and dates back to the days I was talking about when powerlines going through farmers' properties were a wonderful thing for farmers as well as the end community. That is not the case today.

**Hon MURRAY CRIDDLE:** It is certainly better than the old 32-volt plan, I will give you that. We will have to find out the exact limits in the Electricity Act, because I am not aware of them, unless some wiser heads here know the issue.

**Mrs Dilley:** We talked to the man who came a fortnight ago about the things we were prepared to do. We do not believe we are being unreasonable. We want either proper compensation so that we can afford to sell that block of land or to replace it with something similar that will fit into that succession planning scheme. How to go about it is the problem. We can think of half a dozen different ways to address the issue but the comeback from Western Power always is the same: it is limited by the Act.

**Hon MURRAY CRIDDLE:** The other issue you raised was the time frame. We have been discussing that for a while. How do you think we should go about a

dispute-settling mechanism and the time line that might take, because time and money go hand-in-hand in this case?

**Mrs Dilley:** If I were cynical and nasty, which of course I am not, I would say that it has taken this amount of time because every time Western Power goes back to the landholders who have not signed the compensation and easement agreement, another couple weaken and give in. In other words, I think it has been a process of picking us all off one by one. If I was nasty and cynical I would say that. Because of that process, and that is the way it appears to me it has been done, it has taken a long time because Western Power goes through and upsets everyone all over again but a couple weaken and sign. It gives us six or 12 months to cool down and then it has another bash. Twelve months later it will have another go. For example, until this man came and saw us the other day, we had had no contact with Western Power since the meeting in Brunswick in December 2000.

**The CHAIRMAN:** How many are outstanding on this particular line?

**Mrs Dilley:** I do not know, and I have no way of knowing. There were 11 in the small group who met at Brunswick with the Western Australian Farmers Federation's lawyer - because we decided we needed some help in all this - and I think there are nine of us left. However, I understand that there are only 20 or 30 people all up. It is quite interesting because just up the road from us is a block of land that has been on the market for a long time now. The sign has been on the fence for so long that it has fallen off and been put back several times. That is not selling. The reality is that the land that does sell around the district is land that does not have powerlines. Even if the fellows go along and say, "This is a nice-looking grazing block, the fencing is good, the infrastructure is good and it has obviously been well-fertilised and looked after", as soon as their wives drive up to the front gate, they say, "No way, mate. If you want this, that's fine, but count me out, I'm off doing other things." You cannot blame them because it is a blot and an eyesore, and there is a health concern. I think Western Power acknowledged that health concern in those very early meetings because it stated that quite clearly. Old Mr Brooks, who has since died, was the one who really hammered Western Power about how close to existing buildings the lines would be. He was told nothing would be closer than 250 metres to existing buildings. That is a nonsense. This powerline is about 160 metres from my bedroom window. It has therefore been a very messy and very badly handled affair. I think at the beginning I put in a submission to the EPA on it. I am not sure whether I included it in documents given to the committee. The very early pamphlet that has been lost over time that Western Power - or SECWA - put out said that it would traverse freehold and mainly agricultural land under pasture, which would experience only minimal loss of production over a short period during production. Ethnographic and archaeological investigations identified sites, areas of remnant vegetation and areas of closer, rural population. All of that has been avoided and Western Power put the powerline straight down the middle of farmland. I believe that was because it thought it would be easy to do.

**The CHAIRMAN:** Do you believe that cleared, privately owned agricultural land was given a lower priority than virtually every other land use and almost a negative value in the way in which Western Power assessed it?

**Mrs Dilley:** Exactly, because the easy thing to do would have been to put it along the scarp, where there is already a ruddy great powerline and a big easement. However, the conservation movement would not like that and it has a fairly powerful voice.

That is the first thing. The second thing is that it may be easy to put it along the railway line or even, dare I say it, the highway. However, then all the people could see it and that is not a good thing either. Therefore, what Western Power did was stuff it away and shove it through farmland, where individual farm businesses would most likely not give it too much worry at all. In 90 per cent of the cases that has proved to be the case.

**Hon SUE ELLERY:** Thank you for your submission. You have laid out the issues really clearly for us. Hon Murray Criddle touched on some of the issues that I wanted to ask about. Obviously, we need to think about recommendations that we can make on the views that have been put to us. The core of your submission goes to compensation but if we put that issue aside for a moment, you make reference in your document to cooperation from the field officer of Western Power. I am interested in other suggestions you could make to us that would make the system more user-friendly to people who find themselves in your situation so that they can work out where to take their concerns and how to work their way through the various levels of bureaucracy.

**Mrs Dilley:** Western Power needs to have the ability to negotiate. That is the crux of the problem. As it stands, Western Power says, "This is the Act, this is the formula we must use." That is not negotiation. In fact, it is very confrontationalist because it says literally that this is what we can have, take it or leave it, end of story. I presume that it is correct in that attitude. However, if it is correct in that attitude, it means there is no flexibility on the part of Western Power to negotiate at all. We are prepared to negotiate. We are prepared to compromise. There is a raft of ways, and I have referred to a couple, in which we could get a mechanism to identify the financial impact on a particular property. However, if Western Power is constrained by the Act, it means that we are just bashing our heads against a brick wall, and that is what we find frustrating. Therefore, when there is compulsory acquisition of land, which is really what it is, and in the course of that acquisition a huge impact on the owners of that land, there must be far more flexibility in the way of negotiating a way through. We have reached a stage where we have three options. We can go to court, we can go to arbitration or we can go to mediation. The problem with mediation is that if we do not like the view at the end of the day, I understand there is no resort to appeal. If we go to arbitration, also I understand there is no right of appeal. We have heard of a couple of people who have done so, and the arbitrator or mediator has stuck to the letter of the law to the Western Power formula, and that has been that. Therefore, I believe there needs to be flexibility in the system now because the reality is that the public benefit is not in any way connected with landholders, who are disadvantaged for the public good. The benefit in this instance is the public in metropolitan area, certainly not the farmers. That, incidentally, is quite different to the new, big pipeline that has just gone through, because there has been a public benefit in that. Farmers whose land that pipeline went through can access the water supply. However, Western Power is very different.

**Hon ED DERMER:** If, for argument's sake, you were able to access the powerline, would that be an advantage to you in your personal circumstances?

**Mrs Dilley:** Not on that block because it is all electric fencing through solar power. The power supply where we live is fairly poor. In fact, I have just done some work for the South West Development Commission -

**Hon ED DERMER:** Was that on the farm rather than on the block in question?

**Mrs Dilley:** Yes. We have to put in a 10 000 litre bulk milk vat and I cannot run that on single-phase electricity. The cost of three-phase electricity is horrific; it is about \$60 000 a kilometre and the closest connection is about four kilometres away, so that is not an option. We therefore go for things like converters. However, there is no way that that huge powerline could be tapped for local consumption. Even I can see that that would be ridiculous.

**Hon ED DERMER:** It would have to be something available on more modest infrastructure, as was in place in former times

**Mrs Dilley:** Yes.

**The CHAIRMAN:** I know it has been 15 years since 1987, and knowing that the issue of powerlines, access and easements will come before our committee again, I am interested in the process that Western Power used. Can you outline what your reservations were at the time and since then about how Western Power went about determining the alignment, negotiating with landholders and so on?

**Mrs Dilley:** I guess we were not overly concerned at the beginning because we met these two guys at the Pinjarra Civic Centre who had lovely grey suits on. They said, "We are here from SECWA to make this as easy as possible for everybody." I guess like fools we believed them. We raised our concerns at a couple of public meetings. Those concerns included: proximity to dwellings, and we were told 250 metres, which has not been the case; remnant vegetation, and we were told there were a couple of doglegs in our area; the impact on our land, and we were told that adequate compensation would be paid; it would be an easement only, it would not be a very big easement to start off with, but it seemed to expand over time; and normal agricultural practices would not be any different from what we have now. We did not want it there and we said so - quite strongly - at several public meetings. We were basically told it could not go along the scarp because the conservationists would not allow it; it could not go along rail or road reserves because the public could see it, which would not be a nice thing; and it had to go through farmland, but do not worry because we would still be able to farm underneath it. However, it was not until after it was up that I said to Kevin, "I don't like the look of those spans; they are awfully low." They looked so low it was almost as though - if you were a bit younger - you could jump up and touch them. It was 8.5 metres. In those days in 1987, dare I say it, WorkSafe was not the organisation that it is today and there was not the concern about legal liability or worker injury. A whole lot of things have changed. After those original meetings I would never have anticipated in a million light years that this would have dragged on the way it has. From the way it was presented by the State Electricity Commission of Western Australia, we assumed, in our ignorance, that we would sit down around a table and work out something that was quite reasonable and that would be the end of it - not so. Since then, meetings have been few and far between. I do not think the people from Western Power like talking to us any more than we like talking to them. There is nothing personal in it; it is just that we have an impasse. They say, "This is all we can do", and we say, "That is not good enough."

**The CHAIRMAN:** Thank you for putting it so clearly. Do you wish to say anything else in closing?

**Mrs Dilley:** No, I do not think so, except that it is a hassle that we can do without. Sanity has to prevail and at the end of the day Western Power has to acknowledge that there is a huge capital loss involved for land holders who have these big lines on their property. At the moment that loss is not acknowledged.



**The CHAIRMAN:** Have you found any difference in attitude since Western Power became a corporatised government entity, as opposed to SECWA?

**Mrs Dilley:** When the same people are doing the same job under a different name, nothing changes. Many privatised government instrumentalities fail because they take the baggage of the government ethos with them and try to put it into a commercial environment; it does not work. I am not being derogatory in saying that. I am just saying that the two sectors - private and public - work in very different ways. From our point of view, Western Power is no different from SECWA, except for the stationery and the letterhead. The people are basically the same, and certainly the rules and regulations under which they operate are the same. Nothing has changed.

**The CHAIRMAN:** Thank you.