



NTT Tower
Level 13, 157 Lambton Quay
Wellington
PO Box 7244
Victoria St West
Auckland 1141
New Zealand

Email: info@infrastructure.org.nz

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Infrastructure New Zealand's Submission to the Education and Workforce Committee on the – Public Works (Critical Infrastructure) Amendment Bill

1. Introduction

- 1.1 Infrastructure New Zealand (INZ) welcomes this opportunity to submit to the Transport and Infrastructure Committee on the Public Works (Critical Infrastructure) Amendment Bill.
- 1.2 INZ is Aotearoa's peak membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy, and public and private sector collaboration. Our membership is comprised of around 150 organisations, including government agencies, consultants, contractors, financiers, utilities, and academics. These organisations employ approximately 150,000 people in infrastructure-related roles and are united in their commitment to creating a better New Zealand through outstanding infrastructure.

2. General Remarks

- 2.1 INZ strongly supports the intent of the Bill to streamline land acquisition processes for critical public infrastructure. We consider this a pragmatic step toward unlocking much-needed infrastructure investment.
- 2.2 We also reiterate our longstanding view that the Public Works Act 1981 is no longer fit for purpose. It does not reflect the complexity of today's infrastructure environment, contributes to project delays, and fails to provide sufficient clarity or fairness for affected property owners
- 2.3 INZ contributed to the Government's Expert Advisory Panel supporting the review of the Public Works Act 1981. We are pleased to see a number of the issues raised have been addressed through this Bill, albeit with limited application to those projects listed in Schedule 2 of the Fast-track Approvals Act 2024 and the Roads of National Significance (RONS).

Land Acquisition: Balancing Efficiency and Fairness

- 2.4 INZ recognises the deeply personal and financial impact of compulsory acquisition. While infrastructure delivery must be efficient, acquisition processes should be fair, transparent, and provide affected property owners with meaningful opportunities for input and recourse.
- 2.5 In practice, land acquisition for critical infrastructure is not a conventional negotiation. Many property owners are unwilling sellers, and prolonged negotiations can delay projects and increase public costs. A more flexible and timely framework is essential.
- 2.6 This Bill is a step forward. However, INZ maintains that a comprehensive overhaul of the Public Works Act is urgently required to align acquisition processes with contemporary planning, investment, and delivery frameworks.

3. Specific Comments

Streamline Objection Process

- 3.1 **INZ supports the proposal to replace the Environment Court objection process with a streamlined, written process administered by the Minister for Land Information or the relevant local authority.**
- 3.2 The Bill preserves key considerations previously assessed by the Court, maintaining fairness while reducing procedural delays. This change will reduce opportunities to re-litigate projects already subject to robust consenting or designation processes under the RMA.
- 3.3 Appeals cause significant delays and uncertainty—particularly for large transport projects involving multiple landowners. The proposed reforms will enable more timely and predictable project delivery. INZ supports proposed process as it will also streamlines the acquisition

process and should enable quicker decision making and not be impacted by delays due to an overstretched Environment Court.

Treatment of Māori land (New section 72F & 72G)

- 3.4 **INZ supports the exclusion of protected Māori land from this accelerated process.** Where a critical infrastructure project is unable to avoid protected Māori land, there is a need for enhanced engagement, cultural recognition, and protections that reflect whenua attachment, not just financial compensation. A longer timeframe and a process which supports this is necessary in this situation.
- 3.5 **INZ supports the eligibility of owners of protected Māori land that is acquired for critical infrastructure projects through the standard PWA process for the incentive and recognition payments.**

Enhance Compensation

- 3.6 **INZ supports enhanced compensation for landowners who voluntarily sell their land before a Notice of Intension is issued.** This is a positive step towards encouraging early agreement, accelerating land acquisition processes and reducing delays for landowners. There are also tangible savings for the Crown or local authority.
- 3.7 We also support the principle of higher compensation in light of reduced appeal rights and the reality that some landowners place significant non-financial value on their property. There is justification for increasing the amount of compensation for property taken under the Public Works Act beyond that provided in the Bill, given reduced rights for appeal through the Courts and the fact that some individuals will have attachment to property which arguably well exceeds the market value in some cases.
- 3.8 We understand that other submitters have suggested having no cap for the enhanced compensation measures. While we do not support removing compensation caps entirely—due to budgetary and precedent concerns—we recommend indexing the caps annually to reflect inflation and land value trends.

Statutory Review Period (New section 39AAP)

- 3.9 INZ supports the proposed statutory review period which will require the Minister to review the process 3 years after enactment of the Bill to ensure that the amendments are still fit for purpose and are achieving the streamlining of the acquisition process that has been sought.
- 3.10 It would be useful to monitor the implementation of this Amendment Bill with performance metrics covering timeliness of the process (compared to the standard process), landowner satisfaction, and reporting on the compensation actually paid.

Other Issues that need addressing

Property Owner Time Delays

- 3.11 A persistent challenge in land acquisition is delayed engagement by affected owners, particularly during periods of rising property values. An obvious incentive exists for affected property owners to be slow to engage or hold out as long as possible to maximise their property market valuation. The introduction of the incentive payment and the increased compensation on top of the market value for their property should go some of the way to addressing this issue.
- 3.12 The proposed incentives are a useful step but should be complemented by clear statutory timeframes once a s18 notice is issued.
- 3.13 Greater coordination and prioritisation across government agencies involved in acquisition is also essential.

Assistance and guidance for affected property owners

- 3.14 Many property owners who are affected by a critical infrastructure project may have limited understanding and experience of the Public Works Act process. INZ recommends proponents to provide clear information, accessible engagement channels, and access to independent advice.
- 3.15 The Fair Way land acquisition resolution pilot provides a good model for wraparound support and mediation. We recommend expanding and formalising such services.

Flexibility for Urban Development

- 3.16 The Public Works Act 1981 lacks flexibility to support modern, integrated urban development.
- 3.17 We recommend enabling acquiring authorities to repurpose surplus land for other public uses, such as housing or open space, where this aligns with broader development objectives.
- 3.18 Consolidating acquiring powers within a single agency, where appropriate, could also improve efficiency and accountability. Urban development is very complicated so it would be useful to have all acquiring powers sitting with the main agency.

4. Conclusion

- 4.1 We thank the Transport and Infrastructure Committee for the opportunity to submit on the Public Works (Critical Infrastructure) Bill.
- 4.2 INZ supports the Bill but urges the Select Committee to also support a more comprehensive review of the Public Works Act 1981 to ensure that land acquisition processes align fully with the new planning environment and support Aotearoa's world class infrastructure development.

- 4.3 We would welcome the opportunity to appear before the Committee to expand on this submission and provide further insight from the infrastructure sector.

Michelle McCormick
Policy Director
Infrastructure New Zealand