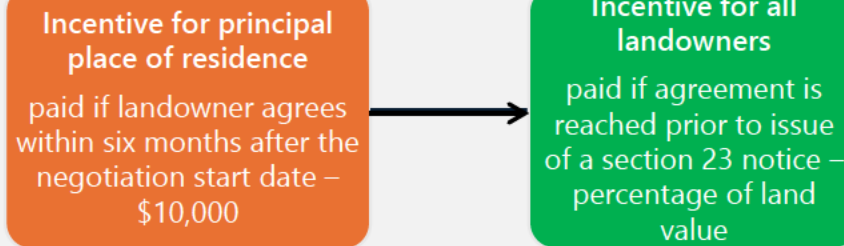


BRF 25-200 Appendix 2: Incentive payments

Decisions so far



Implications for acquiring agencies

There is significant variation between projects in the value of land interests required, even for the same type of public works.

Factors include the scale and location of the public work, the existing use of the land and the type of land interest required for the public work.

The projects below are examples of project either recently completed or currently under way.

They illustrate the financial implications for a range of public works. They are not representative of all public works but provide some context for the policy options.

Implications for landowners

This table shows the value of land interest at which the incentive payment cap applies for the different options.

Maximum incentive payment	Maximum land value to get the full percentage incentive payment		
	5%	8%	10%
\$80,000	\$1,600,000	\$1,000,000	\$800,000
\$100,000	\$2,000,000	\$1,250,000	\$1,000,000
\$150,000	\$3,000,000	\$1,875,000	\$1,500,000

Options for **minimum payments (\$1,000, \$5,000 or \$10,000)** are to encourage early agreement for even the smallest or lowest valued acquisitions.

In some cases, landowners will receive a **disproportionate incentive payment**.

However, the basic avoided costs for acquiring agencies in not issuing a section 23 notice are similar regardless of land value.

Key risks and limitations to analysis

- Implications, including affordability, have **yet to be tested with local government**. Local government will be responsible for an increased portion of acquisitions using the standard PWA process once the accelerated process for critical infrastructure is enacted.
- There is a **high level of uncertainty** about what level of payment will be most effective to influence landowner behaviour. There is a risk of payments being either more or less than what is required to encourage early agreement.