



Cabinet Economic Policy Committee

Minute of Decision

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Public Works Act 1981 Review: Further Policy Decisions

Portfolio Land Information

On 5 March 2025, the Cabinet Economic Policy Committee (ECO):

Background

- 1 **noted** that in December 2024, ECO agreed to progress amendments to the Public Works Act 1981 (PWA) to support the efficient and effective delivery of infrastructure projects, and invited the Minister for Land Information to report back on introducing a statutory incentive payment, increases to home-loss and land-loss payments, removing and replacing section 18 notices of desire, and regulatory tools [ECO-24-MIN-0306];
- 2 **noted** that in February 2025, ECO agreed to a new objections process to ensure natural justice and to premium payment entitlements for land taken under an accelerated process [ECO-25-MIN-0010];

Introducing effective, equitable and fair compensation settings

- 3 **noted** that ECO invited the Minister for Land Information to report back on the compensation payments that are available in addition to the value of the land, replacing existing incentive and discretionary payments from section 72A(1)(b) and (c) of the PWA, including proposals to:
 - 3.1 introduce statutory incentive payments if agreement is reached prior to issuing a notice of intention;
 - 3.2 increase additional compensation payments for home-loss (section 72A) and land-loss (section 72C);
 - 3.3 extend home-loss payment eligibility where there are multiple dwellings;
- 4 **agreed** that the incentive payment will be paid to the owner(s) who enters into an agreement, set at 10 percent of land value, with a minimum of \$5,000 and a maximum of \$100,000, where agreement is reached before a notice of intention is served;
- 5 **agreed** that existing conditions on additional compensation payments in the PWA will apply, where relevant, to ensure that the purpose of incentive payments is met;

- 6 **agreed** that the Minister for Land Information or local authority will have discretion, after a notice of intention is served, to pay the incentive payment where the land is protected Māori land, as defined in section 2 of the PWA, whether acquired by agreement or by Proclamation, where for reasons relating to the nature of the landholding it is not practical to acquire the land before a notice of intention is served;
- 7 **agreed** that the discretion in paragraph 6 above be applied to incentive payments for landowners of protected Māori land whose land is acquired for critical infrastructure projects, to be enacted with the accelerated process for critical infrastructure [ECO-25-MIN-0010];
- 8 **agreed** that the percentage and the compensation limits in paragraph 4 above may be increased and decreased by Order in Council on the recommendation of the Minister for Land Information;
- 9 **agreed** to expand the range of matters that the Minister for Land Information must consider in recommending adjustments to the percentage and limits of additional compensation entitlements by Order in Council, to include affordability to the Crown, Crown entities, local authorities, and network utility operators;
- 10 **agreed** to increase existing additional compensation payments to recognise the inconvenience and disruption caused by the loss of a dwelling used as a principal place of residence from \$35,000 to \$50,000;
- 11 **noted** that in December 2024, ECO agreed to extend the additional compensation payment for dwellings used as a principal place of residence to apply to all separately owned dwellings on Māori land, provided there are arrangements in relation to each dwelling [ECO-24-MIN-0306];
- 12 **agreed**, for all land not covered by paragraph 11 above, to extend eligibility for payments for loss of a principal place of residence, so that where there are two or more owners of the land, each owner that has a separate principal place of residence on the land will be eligible for a home-loss payment (paragraph 10 above), provided there will be only one entitlement per dwelling;
- 13 **agreed** to clarify that when properties with separate dwellings are owned under unit title ownership:
- 13.1 each dwelling acquired that is a principal place of residence, qualifies for a home-loss payment;
- 13.2 the body corporate is only eligible for a land-loss payment if no home-loss payment has been made for the development;
- 14 **agreed** to maintain additional compensation payments for loss of land at 10 percent of land value, and increase limits to a minimum of \$350 and a maximum of \$35,000;

Modernising and streamlining acquisition processes

- 15 **noted** that ECO invited the Minister for Land Information to report back on proposals to remove section 18 notices of desire and replace these with minimum requirements that must be met before a notice of intention can be issued [ECO-24-MIN-0306];
- 16 **agreed** to remove the requirement for the Minister for Land Information or local authority to serve a section 18 notice of desire to acquire the land on every person having a registered interest in the land;

- 17 **agreed** that, before issuing a notice of intention to take land, the Minister for Land Information or local authority must be satisfied that:
- 17.1 before the invitation to sell, persons with registered interests in land have been provided with information relating to the nature and purpose of the requirement for the land, PWA processes, and their rights and entitlements under the PWA;
 - 17.2 the owner has received an invitation to sell, which provides information about estimated compensation or betterment liability based on valuation (existing requirement);
 - 17.3 after receipt of an invitation to sell, the Minister or local authority has made every endeavour to negotiate in good faith with landowners for a minimum period of three months (existing requirement); or
 - 17.4 for Māori freehold land, with more than four beneficial owners or which is held by a Māori incorporation (as defined in section 4 of Te Ture Whenua Māori Act 1993), with more than four shareholders, the Minister or local authority has made every endeavour to negotiate in good faith for a minimum period of six months;
- 18 **agreed** to require that the Minister for Land Information or local authority notify, and the Registrar-General of Land lodge, a notice on the affected record of title that summarises their interest in the land when they provide an invitation to sell;
- 19 **agreed** to modernise the definition of ‘public notification’ and service of notice provisions including to enable digital notifications;
- 20 **agreed** that public notification requirements for notices of intention be reduced so that PWA users are only required to publicly notify once;
- 21 **agreed** to expressly require that the Minister for Land Information or local authorities consider matters aligning with what the Environment Court considers (in an objection under the current section 24(7)) before issuing a notice of intention to take land or making a recommendation/request under section 26 of the PWA, and apply the same requirements for the accelerated process for critical infrastructure [ECO-25-MIN-0010];

Enabling timely recovery from emergencies

- 22 **noted** that there is an opportunity to use the PWA to support the restoration of public works following emergencies to enable recovery;
- 23 **agreed** to create an emergency recovery land acquisition regime to support the timely restoration of public works or the functions that they serve;
- 24 **agreed** that the emergency regime should minimise unnecessary impacts on property rights to the extent possible while supporting effective emergency recovery;
- 25 **agreed** that the emergency recovery land acquisition regime will be activated by an Order in Council made by the Governor General on the recommendation of the Minister for Land Information, which:
- 25.1 defines the public works and areas for which the emergency regime could be used, and the timeframe in which it is active;

- 25.2 may only be activated during or within two years following the declaration of a state of emergency or the notice of a transition period under the Civil Defence Emergency Management Act 2002;
- 25.3 may only be issued for the purposes of supporting emergency recovery and must be no broader (including geographically broader in application) than reasonably necessary to address the matters that gave rise to the Order in Council;
- 25.4 must be limited to restoring an existing public work, or the functions it served, including works for network utility operators that are requiring authorities under the authority of the Minister for Land Information acting on their behalf, without needing to apply under section 186 of the Resource Management Act 1991;
- 26 **agreed** that the emergency recovery land acquisition regime will not apply to protected Māori land;
- 27 **agreed** that the emergency recovery land acquisition regime will modify the standard PWA requirements by:
- 27.1 shortening the required negotiation period to one month of reasonable endeavours to reach acquisition by agreement;
- 27.2 amending the requirements for issuing a notice of intention and recommending/requesting a Proclamation to take land, including setting out simplified land depiction requirements, public notification, and service requirements, to recognise emergency circumstances;
- 27.3 providing that the Minister for Land Information or local authority may issue a notice of intention or request or recommend a Proclamation when they consider it reasonably necessary to support the purpose of the Order in Council;
- 27.4 removing the right to object to the Environment Court and replacing it with a right to make submissions within a timeframe specified by the Order in Council of at least ten working days from service of the notice of intention, to the Minister or local authority, who must have regard to any submissions before recommending or requesting a Proclamation;
- 27.5 requiring a payment to landowners, equivalent in value to the proposal in paragraph 4 above (incentive payment), even if land is acquired or taken after a notice of intention has been issued, in recognition of the recovery purpose of acquisition;
- 27.6 for protected Māori land, requiring payments as in paragraph 27.5, if land is acquired or taken after a notice of intention has been issued under standard PWA processes for a public work in an area covered by an Order in Council issued through the emergency recovery land acquisition regime;

Providing Land Information New Zealand (LINZ) with light touch regulatory tools

- 28 **noted** that ECO invited the Minister for Land Information to report back on light touch regulatory tools, and seek any Cabinet decisions if required [ECO-24-MIN-0306];
- 29 **agreed** that the PWA will recognise the Chief Executive of LINZ's responsibility for producing standards and guidance to support PWA users to comply with the PWA;

- 30 **agreed** to introduce a regulation-making power that allows regulations to be made, to prescribe or authorise the provision of information to the Chief Executive of LINZ, to support the monitoring of the PWA system;
- 31 **agreed** that the PWA will recognise the Chief Executive of LINZ's responsibility to report on PWA use and performance, including on trends and data informed by the above monitoring, to the Minister for Land Information, and make this publicly available;

Ensuring transition into the new requirements is swift and effective

- 32 **agreed** to provide transitional provisions for any acquisition process underway where a notice of desire has been served but a notice of intention has not, so that the new process applies;
- 33 **agreed** to provide savings provisions for any acquisition process underway where a notice of intention has been served so that it continues under current provisions (including any objections);
- 34 **agreed** that new compensation entitlements will apply to all acquisitions where the agreement is entered into or the Proclamation is issued after coming into force (regardless of when the process commenced);

Next steps

- 35 **authorised** the Minister for Land Information to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above policy decisions;
- 36 **authorised** the Minister for Land Information to take further decisions on minor and technical matters in line with policy decisions agreed by Cabinet.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Hon Nicola Willis (Chair)
Hon Chris Bishop
Hon Brooke van Velden
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Simon Watts
Hon Chris Penk
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Nicola Grigg
Hon Mark Patterson
Hon James Meager
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of Hon Chris Bishop
Office of Hon Simon Watts
Land Information New Zealand
Officials Committee for ECO