

Government's Proposal to Amend the Public Works Act 1981: A Strategic Move to Address Infrastructure Challenges

The New Zealand Government has proposed a suite of amendments to the Public Works Act 1981 to expedite the acquisition of land for critical infrastructure projects.

This initiative is stated to be driven by the need to address the nation's infrastructure deficit, enhance economic productivity, and streamline the land acquisition process.

What is the Public Works Act 1981?

The Public Works Act 1981 (**PWA**) provides powers to the Crown and local authorities (acquiring authorities) to acquire land for delivering public works, such as roads, schools, and water services. It sets out a process that must be followed to ensure the rights of private landowners are considered and protected, including the payment of compensation for any land acquired.

Rationale Behind the Proposed Amendments

The PWA has not undergone substantial amendments since 1988, leading to inefficiencies and delays in acquiring land for public works. Currently, the acquisition process can take up to a year on average, and if compulsory acquisition is required, the process generally extends up to two years. Objections to the Environment Court can further prolong development timelines. These delays contribute to increased costs and hinder the timely delivery of essential infrastructure projects. Uncertainty for landowners who are potentially subject to the PWA is also an important consideration.

A targeted review by the New Zealand government identified unnecessary duplication in the system, outdated negotiation processes, and disjointed government agency practices. To address these issues, the government aims to modernise the PWA, making it more fit-for-purpose and capable of supporting critical infrastructure development.

Proposed Amendments to the PWA

The government has proposed a two-stage process to amend the PWA.

Stage 1: Public Works Act (Critical Infrastructure) Bill 2025

The Public Works Act (Critical Infrastructure) Bill 2025 (**Critical Infrastructure Bill**) was publicly released on 13 May 2025, had its first reading in Parliament on 15 May 2025, and represents stage one of a two-stage process to amend the PWA.

The Critical Infrastructure Bill represents a targeted amendment to the PWA and is intended to accelerate the acquisition of land needed for the public projects listed in [Schedule 2](#) of the Fast-track Approvals Act 2024 and the Roads of National Significance identified in the [2024 Government Policy Statement on Land Transport](#).

The proposed amendments focus on several key areas to achieve this goal, while also focusing on improved fairness for landowners. The Critical Infrastructure Bill, if passed would introduce the following amendments:

- (a) **Incentive and Recognition Payments:** Landowners who voluntarily agree to sell their land before receiving a formal notice of intention under section 23 of the PWA (the first step towards a compulsory acquisition) will receive an upfront incentive payment of 15% of the land's value, capped at \$150,000. Additionally, all affected landowners will

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receive a recognition payment of up to \$92,000 to acknowledge their contribution to public infrastructure development.

- (b) Streamlined Objection Process: The Critical Infrastructure Bill proposes removing the Environment Court's involvement in land acquisition objections. Instead, disputes will be addressed by the original decision-making authority (i.e the Crown agency or local authority seeking to acquire the land for public works), with the option for landowners to seek judicial review in court.
- (c) Targeted Application: The amendments in the Critical Infrastructure Bill apply solely to projects listed in Schedule 2 of the Fast-track Approvals Act and the Roads of National Significance identified in the 2024 Government Policy Statement on Land Transport.
- (d) Exclusions for Māori land: protected for Māori land will be excluded from the accelerated process under the Critical Infrastructure Bill. However, owners of protected Māori land that is acquired for critical infrastructure projects through the standard PWA process will be eligible for the incentive and recognition payments.

Stage 2: General PWA Amendments

A second Bill is expected to be introduced into Parliament later this year, and will deal with general amendments such as:

- (a) Streamlining land acquisition for public infrastructure by empowering the NZ Transport Agency Waka Kotahi (**NZTA**) to enter into land acquisitions agreements with owners direct. Currently, while NZTA and its advisors lead negotiations with landowners, agreements are entered into with the Crown (via Land Information New Zealand).

- (b) Enhancing inter-agency collaboration by encouraging government agencies to work together under the PWA. One means of achieving this is by encouraging agencies to act in a coordinated manner to acquire land together, rather than separately.
- (c) Requiring mandatory mediation for compensation disputes.
- (d) Introducing new incentive payments and increasing existing home-loss and land-loss compensation payments.
- (e) Establishing new emergency powers to allow faster land acquisition following natural disasters to support recovery.

Implementation Timeline

The Critical Infrastructure Bill is expected to come into force six months prior to the stage 2 PWA amendments, with Cabinet briefing papers proposing implementation of Bill in late 2025. If passed the Critical Infrastructure Bill will retrospectively apply to land acquisitions for critical infrastructure projects where a section 18 notice of desire has been served and negotiations have started before the enactment of the Bill.

Want to know more?

If you have any questions about the Public Works Act 1981 or how the amendments might affect you, please contact one a member of our specialist [Property](#) and [Local Government](#) teams.