

## Modernisation of the Public Works Act 1981 – A necessary shake up?

**The Minister for Land Information, Chris Penk, has confirmed that an independent panel will review the Public Works Act 1981 (the Act) with a view to recommending pragmatic changes to modernise the Act. Mr Penk confirmed that the intention of the review is to facilitate faster and more cost-effective construction of essential public works.**

The Act provides the Crown (and/or local acquiring authorities) with the ability to acquire land from private landowners, to facilitate the construction of public works such as roading and schools. The Act sets out the process for acquisition of private land for public works, and land owners' entitlements to compensation for the acquisition of, and disturbance to, their land as a result of public works.

Amongst other things, the Act promises land owners' whose land has been acquired or taken for a public work "full compensation", pursuant to section 60 of the Act. This means that the landowner should be placed in the same financial situation as they would have been, but for the acquisition or taking of their land.

Despite the well-meaning intent of the Act, in practice, landowners are often left to pursue lengthy and costly litigation to obtain their entitlement to compensation.

Modernisation of the Act is greatly needed. The existing statutory framework is outdated (noting that the Act has not been substantially amended since 1988) and cumbersome which leads to greater delays and costs for land owners. Accordingly, the appointment of an

independent panel to review the Act is likely to be welcomed. The panel will be convened in July, and will include "individuals with diverse expertise related to [the Act] such as land and property law, local government, infrastructure, and Māori land."<sup>1</sup>

We hope to see the independent panel recommend changes to the Act that will clarify and streamline processes for applying for compensation (and for seeking final determination of the compensation payable by the Land Valuation Tribunal).

Legislation giving effect to any changes to the Act is expected to be introduced into Parliament in mid-2025.

We will await the findings of the independent committee's review and provide a further update in due course.

### Want to know more?

In the meantime, if you have any questions about the Public Works Act 1981, please contact our specialist Litigation Team.

<sup>1</sup> <https://www.lin.govt.nz/our-work/projects/public-works-act-review>