

Regulatory Impact Statement

2013 RESOURCE MANAGEMENT REFORMS - PUBLIC WORKS ACT AMENDMENTS

AGENCY DISCLOSURE STATEMENT

This Regulatory Impact Statement (RIS) was prepared by Land Information New Zealand (LINZ) in close consultation with the Ministry for the Environment (MfE). It provides an analysis of options to improve the efficiency and fairness of the process when land is acquired for public works.

This RIS forms part of the work on Resource Management Reforms Phase II (RMII). The policy proposals assessed in this RIS relate to the RMII work on the administration of the processes for infrastructure development. This work was jointly led by MfE and LINZ in collaboration with New Zealand Transport Authority (NZTA), as the major crown user of the Public Works Act 1981 (PWA).

The analysis of options in this RIS has been undertaken to address problems identified through comprehensive consultation as part of the RMII review process.

Those problems are:

- Landowner compensation for the acquisition of their land for a public work
- Negotiation and timeframes for land acquisition
- Alignment of PWA and Resource Management Act 1991 (RMA) provisions for objections to public works land acquisition.

Options are therefore proposed to:

- Increase compensation and make it available to more landowners
- Reduce the time taken to start the land acquisition process
- Streamline Environment Court proceedings for land acquisition cases by enabling the Environment Court to accept evidence already presented in RMA hearings.

The analysis covers the full range of feasible options that are available to address the above problems. The analysis of the costs and benefits in relation to the status quo is a mix of qualitative and quantitative analysis. In particular, there are gaps around quantifying the scale and magnitude of the problems and the benefits of many of the options. However, there is substantial qualitative analysis and anecdotal evidence from users of the system to support the evaluation of the problems and options.

There has been consultation on the issues analysed in this RIS. Some of the policy options identified will impose costs on agencies engaged in land acquisitions for public works. These effects are identified in the relevant options analysis.

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Date -----

BACKGROUND

Resource Management Reforms

1. In late 2008, the Government initiated a two-phase programme of reform of the resource management system in New Zealand [CAB Min (09) 24/7 refers].
2. Phase One of the programme resulted in the Resource Management (Simplifying and Streamlining) Amendment Act 2009. This delivered operational changes to the RMA including reform of the aquaculture regime; a new penalties regime related to the processing of resource consents and establishing the Environmental Protection Authority.
3. Phase Two focuses on improved institutional arrangements, improving some key processes and achieving better interaction between the RMA and other statutes. The proposals to amend the PWA assessed in this RIS were developed as part of Phase Two.

Public Works Act

4. The PWA provides a process for the Crown and local authorities to acquire land for public works. Section 186 of the RMA enables a network utility operator that is a requiring authority to apply to the Minister for Land Information to have land acquired or taken compulsorily, under the provisions of the PWA with the consent of the Minister for Land Information.
5. A founding principle of the PWA is that land owners are placed in no better and no worse position than they would have been in had the acquisition not taken place. In addition to the market value of the land acquired the PWA provides a process for determining other forms of compensation that may be payable to an owner.
6. Acquiring authorities must attempt to reach agreement with affected landowners for the purchase of their land before compulsory acquisition proceedings can be started. While agreement is reached with landowners on the acquisition and level of compensation in approximately 95 percent of all cases, the process can be unnecessarily long and drawn out.
7. Between 1 July 1998 and 30 June 2009, the Crown acquired approximately 4,000 properties under the PWA. The NZTA is the largest Crown acquirer of land under the PWA.

OBJECTIVES

8. Cabinet agreed that the primary objective for reform of the resource management system is to achieve the least cost of good environmental outcomes including:
 - Providing greater central government direction on resource management
 - Improving economic efficiency of implementation without compromising underlying environmental integrity
 - Avoiding duplication of processes under the RMA and other statutes
 - Achieving efficient and improved participation of Maori in resource management processes.¹

9. An additional regulatory review objective has been developed as follows:
 - Ensuring that principles of good regulatory practice are met. This reflects the expectations set out in the Government Statement on Regulation (17 August 2009).

APPROACH TO ANALYSIS

10. For consistency, the objectives and assessment criteria have been used for the analysis of all the policy problems identified. The objectives are equally weighted. Criteria associated with each objective are also given equal weight in relation to that objective. Each policy option has been scored against each criterion compared to the status quo.

11. Where possible, quantitative analysis was used to determine the order of magnitude of the score. Where this was not possible judgement was used instead. This judgement has been informed where possible by consultation with experienced stakeholders or resource management practitioners.

12. The assessment against objectives has involved detailed multicriteria analysis which is not published with this RIS. In the interest of brevity, this RIS presents a summary assessment against the broad objectives rather than each of the underlying criteria. Summary assessment tables are provided for each of the options assessed.

PROBLEM DEFINITION AND STATUS QUO

13. The compulsory acquisition process can take between six months and two years in addition to the time spent negotiating to try and reach agreement on

¹ CAB Min (09) 13/2 refers.

acquisition, imposing time delays and financial costs on acquiring authorities. A long acquisition process also imposes interference and stress on owners.

14. Some Infrastructure providers consider that land acquisition takes longer than it needs to and involves unnecessary time and financial costs. Landowners consider that a long acquisition process also imposes interference and stress on landowners. During the RMII review, officials identified that the current acquisition process and compensation provisions laid out in the PWA are generally robust and align with other jurisdictions and international recommended best practice.
15. However, there are unnecessary costs and delays. There are three problem areas in this regard. The problem definition and status quo for each of these areas are discussed below.

Compensation for non-land related costs is too low to encourage early agreement and vacant possession

16. Section 72 of the PWA provides for 'solatium' compensation for the acquisition of the primary residence of the land owner (i.e. the landowner's home: solatium is not paid when the property is not the primary residence, e.g. rental properties and holiday houses).
17. The current solatium payment is \$2,000, which was approximately 5 per cent of the national average house price when the amount was introduced in 1975. This compensation is in addition to the current market value being paid for the property. The solatium is paid for non-land related costs in recognition of the inconvenience and disturbance when a landowner's home is acquired for a public work. The solatium also seeks to incentivise the owner to provide the acquiring authority access to the land as quickly as possible (vacant possession). The \$2,000 is now too low to incentivise timely acquisition and vacant possession by affected landowners.
18. Where land is acquired that does not involve the landowner's home, there is no payment equivalent to the solatium. The absence of this payment can reduce the efficiency of land acquisition negotiations in these cases. It is also unfair as the landowners in those situations are still subject to disturbance, interference and other forms of inconvenience.

Misalignment of Environment Court processes

19. The Environment Court is not currently able to accept evidence that has already been presented in an RMA hearing or a related Environment Court inquiry or appeal in land acquisition cases. Instead the Environment Court must hear the evidence as if it were new and give it fresh consideration. This leads to additional time for matters to be considered a second time, and additional cost to both landowners and acquiring authorities.

The inability for the Minister for Land Information to delegate the power to issue 'notices of desire'

20. Section 4C(2)(a) of the PWA stipulates that the Minister for Land Information may not delegate the power to issue notices of desire regarding the acquisition of land. Requiring the Minister, rather than the LINZ Chief Executive to issue the notice of desire adds two weeks to the acquisition process. As a notice of desire is merely the start of the land acquisition process, and not a decision to acquire property, it is appropriate to delegate this function to the LINZ Chief Executive.

REGULATORY IMPACT ANALYSIS

21. The following tables set out the analysis of the options identified for addressing the above problems:

- Table 1 – Policy options: identifies the key features of each option considered in relation to each of the three issues.
- Table 2 – Summary impact assessment: summarises the impacts of each option, who bears the impacts and the likely magnitude of these.
- Table 3 – Assessment of options against objections: identifies how each option delivers on the objectives.

Policy Options

Issue	Option	Key features
Current solatium payment level and limitation does not enable vacant possession and recognise disturbance	1. Increase solatium payment to \$20,000	Amend the PWA to increase the solatium payment for the acquisition of the landowners home from \$2,000 to \$20,000, and enable the Minister for Land Information to update this amount in the future by Order in Council
	2. Increase solatium payment to \$40,000	Amend the PWA to increase the solatium payment for the acquisition of the landowners home from \$2,000 to \$40,000, and enable the Minister for Land Information to update this amount in the future by Order in Council
	3. Create new land-loss payment, fixed at 10% of acquired land value with minimum payment of \$250 and maximum payment of \$10,000	Amend the PWA to introduce a new land-loss payment for landowners who do not currently qualify for solatium payments. Payment would be fixed at 10 per cent of the value of the land acquired, from a minimum of \$250 up to a maximum of \$10,000, and the Minister for Land Information will be enabled to update this amount in the future by Order in Council .
	4. Create new land-loss payment, fixed at 20% of acquired land value and capped at \$20,000	The PWA is amended to introduce a new land-loss payment for landowners who do not currently qualify for solatium payments. Payment would be fixed at 10 per cent of the value of the land acquired, from a minimum of \$250 up to a maximum of \$20,000, and the Minister for Land Information will be enabled to update this amount in the future by Order in Council .
	5. Link the value of the solatium to the length of occupancy	The PWA is amended to allow additional solatium payment for years of occupancy over an agreed level.
	6. Enable acquiring authority to pay a premium (up to 10% of current market value) for early settlement where there is demonstrable benefit in securing early settlement	The PWA is amended to enable the payment of a premium of up to 10 per cent of the agreed current market value where there is a demonstrable benefit to the acquiring authority in securing early settlement.
Land acquisition hearings in the Environment Court cannot accept relevant evidence already provided in related cases.	7. Streamline land acquisition hearing processes with regards to evidence already heard in related cases.	The PWA is amended to allow the Environment Court to accept evidence from related RMA cases in land acquisition cases.
The Minister for Land Information is not able to delegate issuing of notice of desire	8. Allow delegation of notices of desire issuing to the Chief Executive of LINZ	The PWA is amended to enable the Minister for Land Information to delegate authority to the Chief Executive of Land Information New Zealand (LINZ) to issue s18(1) PWA notice of desire, starting the land acquisition process.

Table 2: Summary impact assessment

Option	Impact	Incidence	Magnitude/Likelihood ²
1. Increase solatium payment to \$20,000	COSTS		
	Increased direct cost for land acquisition	Acquiring authorities who acquire land under the PWA	Low amount, High likelihood because the solatium is a statutory requirement. Additional costs in the millions per annum (for NZTA in 2009/10: approx. \$1.57 million p.a., 1.04% of total acquisitions cost)
	BENEFITS		
	Faster and more efficient land acquisition process, and therefore reduced compliance costs	Acquiring Authorities and eligible land owners	Low – Medium. The amount is expected to be sufficient to enable vacant possession, by an unknown number of working days, with cost savings greater than the increased direct costs above.
	Streamlined compensation negotiations and fairer solatium compensation for land owners in accordance with the PWA compensation principle (no better or worse off)	Eligible Landowners and acquiring authorities	Medium. Considered more fair and efficient because it restores value and private benefit of solatium to a contemporary level sufficient to recognise landowner disturbance and assist with vacant possession, without imposing unnecessary cost on acquiring authorities. Amount informed by international practice, national average house prices and considered fair.
	RISKS		
Does not contribute to more efficient process as the payment is simply perceived as a right	Requiring Authorities	Low. Solatium is paid where there is vacant possession	
NET IMPACT: e.g. Better than the out-dated status quo for both acquiring authorities and landowners, The costs (to acquiring authorities) of the increased solatium payment is expected to be offset by reduced costs –of more efficient and shorter compensation and land acquisition negotiations, to benefit landowners and requiring authorities. Restores value and private benefit of solatium to landowners.			

² Key for costs and benefits: High indicates the monetary impact is likely to be \$1,000,000 or greater; Medium indicates the monetary impact is likely to be between \$100,000 and \$1,000,000; Low indicates the monetary impact is likely to be less than \$100,000.

Key for risks: High, medium, low indicates the likelihood of the risk occurring.

Option	Impact	Incidence	Magnitude/Likelihood
2. increase solatium payment to \$40,000	COSTS		
	Increased direct cost of acquisition of land	Requiring authorities who acquire land under the PWA	Medium-high amount, High likelihood because the solatium is a statutory requirement. Any amount above \$20,000 is not necessary for achieving the purpose of solatium and would be unnecessary cost to the acquiring authority. This is because negotiations over other, more significant aspects of compensation (e.g. Current Market Value) are unlikely to be resolved by a higher solatium. Additional costs in the millions per annum (for NZTA in 2009/10 approx. \$3.3 million p.a., 2.2% of total acquisitions cost)
	BENEFITS		
	Faster and more efficient land acquisition process, and therefore reduced compliance costs	Acquiring Authorities and affected land owners and eligible landowners	Medium. Solatium is a minor element of the compensation to individual landowners when their home or land respectively is acquired for a public work. Landowners and the acquiring authority negotiate on the necessity of the acquisition and /or the other substantive compensation elements. A solatium payment above the recommended amount of \$20k is unlikely to be a factor that resolves such negotiations more quickly to reach settlement and vacant possession.
	Streamlined compensation negotiations and Fairer solatium compensation for land owners in accordance with the PWA compensation principle (no better or worse off)	Landowners who are eligible for solatium payments and acquiring authorities	Low- Medium. A solatium payment above the recommended amount of \$20k would be inconsistent with the PWA principle that the landowner is left no better or worse financially than before the acquisition.
RISKS			
Does not contribute to more efficient process as the payment is simply perceived as a right, therefore the acquiring authority bears the cost for no benefit to it	Acquiring Authorities	Medium due to higher level of payment above that necessary to achieve the solatium purpose. Solatium is paid where there is vacant possession.	

NET IMPACT: Better than status quo as the costs of increasing the solatium payment are expected to be offset by reduced costs resulting from shorter acquisition processes overall. Benefits both landowners and requiring authorities. Unlikely that it will produce additional time/cost savings over that provided by option 1 and could contravene PW compensation principle.

Option	Impact	Incidence	Magnitude/Likelihood
3. Create new land-loss payment, fixed at 10% of acquired land value, with minimum payment of \$250 and maximum payment of \$10,000	COSTS		
	Increased direct cost for acquisition of land	Acquiring authorities who acquire land through the PWA	Medium. Additional costs in the millions per annum (for NZTA approx. \$2.08 million per annum, 1.39% of total acquisition costs).
	BENEFITS		
	Faster and more efficient land acquisition process, and therefore reduced compliance/ implementation costs	Acquiring Authorities and all affected land owners who are not eligible for solatium payments	High. Anticipated to facilitate faster acquisition in all cases, by an unknown number of working days. ,
	Streamlined compensation negotiations and Fairer compensation for land owners in accordance with the PWA compensation principle (no better or worse off)	Acquiring Authorities and affected land owners who are not eligible for solatium payments	Medium. It provides acquiring authorities with a payment to recognise landowner disturbance when land that does not involve a home is being acquired, thereby assisting with compensation negotiations. Provides consistency with the solatium payment thereby treating all affected landowners fairly to compensate for disturbance and enable vacant possession. It recognises the lesser disturbance when a home is not acquired. Consistent with PWA compensation principle.
RISKS			
Confusion around new payment	Landowners and acquiring authorities	Low. Likely to be easily understood.	

NET IMPACT: Better than status quo. The additional costs accrued through the creation of a land-loss payment are expected to be offset by reduced costs resulting from shorter acquisition processes overall. Benefits both landowners and requiring authorities.

Option	Impact	Incidence	Magnitude/Likelihood
4. Create new land-loss payment, fixed at 20% of land value and capped at \$20,000	COSTS		
	Increased direct cost for acquisition of land	Requiring authorities who acquire land through the PWA	Medium. Additional costs in the millions per annum (for NZTA approx. \$4.16 million per annum, 2.8% of total acquisition costs).
	BENEFITS		
	Reduced timeframes for overall acquisition processes. Faster and more efficient land acquisition process, and therefore reduced compliance/ implementation costs	Requiring Authorities and affected land owners	Medium –Low. The presence of the land-loss payment is Anticipated to facilitate faster acquisition, by an unknown number of working days. But the amount above the \$10,000 payment (option 3) will not necessarily speed up land acquisition further but will be an extra cost for the acquiring authority. Landowners and the acquiring authority negotiate on the necessity of the acquisition and /or the other substantive compensation elements. A land-loss payment above the recommended amount of \$10k maximum is unlikely to be a factor that resolves such negotiations more quickly to reach settlement and vacant possession.
Streamlined compensation negotiations and Fairer compensation for land owners in accordance with the PWA compensation principle (no better or worse off)	Acquiring authorities and Landowners who are not otherwise eligible for solatium payments	Medium – Low. Provides consistency with the solatium payment thereby treating all affected landowners fairly to compensate for disturbance and enable vacant possession. It recognises the lesser disturbance when a home is not acquired. But the amount above the \$10,000 payment (option 3) may not be consistent with PWA compensation principle	

	RISKS		
	Confusion around new payment	Landowners and acquiring authority	Low. Likely to be easily understood
	NET IMPACT: Better than status quo as the additional costs accrued through the creation of a land-loss payment are expected to be offset by reduced costs resulting from shorter acquisition processes overall. Benefits both landowners and requiring authorities. But the amount above the \$10,000 payment (option 3) may not be consistent with PWA compensation principle of landowner being no better or worse off.		

Option	Impact	Incidence	Magnitude/Likelihood
5. Link value of the solatium to length of occupancy	COSTS		
	Increase direct costs for solatium	Requiring authorities	Medium. Actual amount depends on the range of compensation that is set
	Inefficient and slower compensation and land acquisition process. Increased administrative costs to collect and evaluate additional ownership information, with increased compliance costs for landowners	Requiring authorities and affected landowners	High. Implementing this solatium option for a payment that is a small element of the overall PWA compensation does not streamline compensation negotiations and could result in slowing down the land acquisition process, adding to overall infrastructure project cost. Implementation would be complex and subject to gaming and landowner holdout to qualify for higher amounts. May be difficult (high compliance burden) for landowners to provide evidence of occupation time and for acquiring authorities to verify this.
	BENEFITS		
	Better recognition of landowner disturbance	Affected land owners who have lived in their properties for longer	Very Low. Will meet the purpose of solatium for minority of landowners, and may provide little more than the status quo solatium for the majority of landowners.
RISKS			

	<p>Inequitable compensation for land owners. Inconsistent with the PWA compensation principle (no better or worse off).</p>	<p>Affected landowners and acquiring authorities</p>	<p>High. Does not treat all landowners equally – creates higher compliance burden and lower solatium amount for some landowners. Inconsistent with the purpose of the solatium payment or PWA compensation principles and is unlikely to facilitate vacant possession. Disturbance created by the acquisition may have little to do with the Length of occupancy</p>
<p>NET IMPACT: e.g. Worse than status quo. Has increased compliance and implementation costs and difficulties. Is inequitable. Could slow down compensation negotiations and land acquisition.</p>			

Option	Impact	Incidence	Magnitude/Likelihood
6. Enable acquiring authority to pay a premium (up to 10% of current market value) for early settlement where there is demonstrable benefit in securing early settlement	COSTS		
	Increased direct acquisition costs	Territorial Authorities	High. Not quantified, but would be significantly more costly than other options if the maximum premium was paid in all cases. (e.g. for NZTA in 20009/10 it would have been \$15m).
	BENEFITS		
	Potentially reduced timeframe for overall acquisition process.	Requiring authorities and landowners	Low. There is little evidence that this option would be effective in incentivising early settlement. It would be difficult to develop criteria for ' demonstrable benefit in securing early settlement ' to apply consistently across all types of public works. LINZ does not regulate all acquiring authorities. The discretion of the acquiring authority to pay the premium and or not, could increase the time spent negotiating with landowners and slow down the land acquisition.
	RISKS		
	Does not ensure noticeably reduced acquisition times	Requiring Authorities	Medium
	Incentive for landowners to hold out until this payment is made available, thereby prolonging land acquisition	Requiring Authorities	High
Provision is inequitable and inconsistent with PWA compensation principle (no better or worse off)	Requiring Authorities and landowners	Medium – High. The basis for the premium does not have regard to the PWA compensation principle. The amount of the premium would be at the discretion of the acquiring authority, but overall this option could favour landowners with higher-value properties.	
NET IMPACT: Much worse than status quo. Potentially significant increase in costs and difficulties in implementation. Is inequitable. Could slow down compensation negotiations and land acquisition.			

Option	Impact	Incidence	Magnitude/Likelihood
7. Streamline land acquisition hearing process with regard to evidence already heard in related cases	COSTS		
	Updating administrative guidance and procedures	Requiring Authorities, LINZ, Environment Court	Low. Small, one-off cost
	BENEFITS		
	More efficient hearings through not having to hear evidence that has already been presented. Cost savings due to not having to pay for technical experts for a second hearing.	Accrue to all hearing parties (landowners and requiring authorities)	Low. Low incidence, but where occurs of medium magnitude as savings could be in \$10,000s per case
	RISKS		
May be perceived as a less rigorous process	Requiring Authorities and landowners	Low as the Court has discretion to determine process here	
NET IMPACT: Better than status quo as the more streamlined process will create cost and time savings for both landowners and requiring authorities.			

Option	Impact	Incidence	Magnitude/Likelihood
8. Allow delegation of Minister for Land Information function for issuing notices of desire to the	COSTS		
	Updating operational manuals	LINZ	Low. Small, one-off cost
	BENEFITS		
	Time savings of approximately two working weeks	Requiring Authorities, landowners, LINZ	Medium. Will impact all acquisitions where notice of desire issued
RISKS			
Could be seen as inappropriate role for Chief Executive of LINZ	Landowners	Low. Technical step in process, not key decision-point	

Chief Executive of LINZ	NET IMPACT: Better than status quo, as will reduce timeframe by approximately two weeks with negligible costs and risks.
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Table 3: Assessment against objectives (Key: ✓✓✓ indicates substantially better than status quo; ✓✓ better than status quo; ✓ slightly better than status quo; ~ no change compared to status quo; x slightly worse than status quo ; xx worse than the status quo; xxx substantially worse than the status quo)

Assessment against objectives					
Greater central government direction on resource management	Economic efficiency of implementation and environmental integrity	Avoid duplication of processes under the RMA and other statutes	Efficient and improved participation of Māori in resource management	Ensure that principles of good regulatory practice are met	Overall weighted score
Option 1) Increase solatium payment to \$20,000					
~	✓x2 Minimises transaction costs for requiring authorities through faster acquisitions.	✓ Streamlines processes.	~	✓✓ Proportional to the scale of issue. Provides an appropriate balance of rights and obligations	✓✓
Option 2) Increase solatium payment to \$40,000					
~	✓ Minimises transaction costs for requiring authorities through faster acquisitions.	✓ Streamlines processes.	~	✓ Provides an appropriate balance of rights and obligations.	✓
Option 3) Create new land-loss payment, fixed at 10% and capped at \$10,000					
~	✓x2 Minimises transaction costs for requiring authorities through faster acquisitions.	✓ Streamlines processes.	~	✓✓ Proportional to the scale of the issue. Provides an appropriate balance of rights and obligations.	✓✓
Option 4) Create new land-loss payment, fixed at 20% and capped at \$20,000					
~	✓ Minimises transaction costs for requiring authorities through faster acquisitions.	✓ Streamlines processes.	~	✓ Provides an appropriate balance of rights and obligations.	✓
Option 5) Link the value of the solatium to the length of occupancy					
~	x Minimises transaction costs for requiring authorities through faster acquisitions	x Will create additional processes and complexity.	~	x Cannot be readily and cost effectively implemented.	x

Option 6) Enable payment of a premium for early settlement					
~	X Minimises transaction costs for requiring authorities through faster acquisitions	X Will create additional processes and complexity.	~	X Cannot be readily and cost effectively implemented	X

Option 7) Streamline land acquisition hearing processes with regards to evidence already heard in related cases					
~	✓ Minimises costs for Court hearings.	✓ Reduces duplication of evidential processes across related hearings.	~	~	✓

Option 8) Allow delegation of notices of desire function to the Chief Executive of LINZ					
~	✓✓ Minimises time taken for decisions and increases economic efficiency of processes.	✓ Streamlines approvals processes.	~	✓ Proportional to the scale of the issue.	✓✓

CONSULTATION

22. In January 2010 the Minister for the Environment established an Infrastructure Technical Advisory Group (ITAG) to investigate major infrastructure consenting issues under both the Resource Management Act 1991 (RMA) and the Public Works Act 1981 (PWA). The ITAG recommended increasing the solatium. Their recommendations informed the content of a Government discussion document titled *Building Competitive Cities – reform of the urban and infrastructure planning system*. This discussion document was released in October 2010 for an eight week submission period. Alongside consultation on the discussion document, the Ministry undertook targeted consultation with infrastructure providers across industry and local and central government.

23. The majority of submitters supported increasing the solatium as they considered the current solatium outdated. A majority of submitters supported introducing a land-loss payment, although some considered the need for objective criteria and guidelines around when such a payment should be made, and exclusion of residential rental properties from the payments. These points were considered in the development of the land-loss payment policy, and considered to be likely to add complexity to the acquisition process with no benefit.

24. Crown agencies and targeted local authorities were also consulted. LINZ and MfE have worked closely with the NZ Transport Agency in the development of these proposals because NZTA is largest user of the land acquisition powers under the PWA and RMA. All proposed amendments have been agreed between LINZ, MfE, and NZTA.

CONCLUSION AND RECOMMENDATIONS

25. The following four options are recommended, as they all offer net gains over the status quo and balance the rights and obligations of all affected parties:

- Increase solatium payment to \$20,000 and enable the Minister for Land Information to update the amount in future through Order in Council
- Create new land-loss payment for those not otherwise eligible for solatium, set at 10% of the value of the acquired land (with a minimum payment of \$250 and maximum payment of \$10,000) and enable the Minister for Land Information to update the amount in future through Order in Council
- Streamline compulsory land acquisition hearing processes
- Allow the Minister for Land Information to delegate the issuing notices of desire function to the Chief Executive of LINZ.

IMPLEMENTATION

26. Implementation of these options will require legislative amendments to the PWA, to be effected through the proposed 2013 Resource Management Reform Bill. This Bill currently has a Category 2 priority (must be passed this year) in the 2013 legislative programme.
27. As a part of the wider process to enhance the standards and guidance that LINZ provides to acquiring authorities and affected landowners, information will be updated to ensure that all parties understand the amendments.
28. LINZ will work with the Ministry of Justice to ensure that amendments to the Public Works Act to increase discretion to accept evidence in the Environment Court already presented at a hearing listed in s39(1) are implemented as necessary.

MONITORING, EVALUATION AND REVIEW

29. LINZ already gathers data on the application of the PWA by the Crown and the related administrative processes. Data and anecdotal evidence will be collected from acquiring authorities as part of this process to identify the impact that the updated solatium and the new land-loss payment have on the efficiency and relative degree of ease of land acquisition.