

# Transforming Challenges into Opportunities:

Creating a sustainable  
infrastructure pipeline  
for New Zealand





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# Foreword

The New Zealand Government had its reputation on the line as it gathered together Government Ministers and senior public servants to pitch New Zealand to a group of international investors, infrastructure players and key advisers at the New Zealand Infrastructure Investment Summit in March.

The pitch that they made to the room was clear. And repeated. And repeated.

“New Zealand is open for business. The world is an uncertain and volatile place. New Zealand is a safe, stable haven for your investment.”

Rinse. Repeat. And repeat again.

Those coming hoping for a shiny showcase of investment ready projects would have been a little disappointed. There wasn't much in the way of new announcements (or “announcables” as they are now called) and what was technically new was obvious – that the Government is open to a second Waitemātā Harbour crossing being progressed as a PPP wasn't exactly the surprise of the century.

A number of the sector showcases had the feel of a laundry list of the things that New Zealand needs to get done, and an open invitation to the world to suggest how that might happen.

That's not to say that the Summit wasn't a success.

It was a statement. A starter if you will.

An acknowledgment that New Zealand knows that the only way that its infrastructure gap can be bridged is with the help of the rest of the

world, the rest of the world's knowhow, and most importantly the rest of the world's balance sheet.

Important in the Summit was the presence of the main opposition Labour Party, and the nascent shoots of the possibility of bipartisanship in infrastructure. Whether the decisions were right or wrong (and they are decisions politicians are entitled to make) everyone knows that cancelling ferry orders, stopping offshore oil and gas exploration, and pausing (again) light rail in Auckland both stop us getting things done as a country and give international investors pause. A point made to me many times by international investors present at the Summit was that investment is simply about choices. An investment in New Zealand is an investment not made somewhere else. Resources devoted to spinning up projects in New Zealand are resources not allocated to other projects. And if New Zealand continues to zigzag from one idea to the next as Governments change, and projects don't get carried through to fruition, then maybe we aren't as safe and stable a place for investment as the politicians would have you believe.

Full bipartisan commitment isn't here yet, and both major political parties have to understand that bipartisanship means more than the other side simply agreeing with you. But again, it was a start.

The other force in the New Zealand economy that was on full show at the summit was the significant presence of Iwi Māori leaders. The Māori economy is unique to New Zealand, and

brings an investment approach that is perfectly suited for sustainable investment in our country's infrastructure – long term investment, investment focused on outcomes for people and a care for people and place.

So if the Summit was a start, where do we go from here?

The message to the Government from New Zealand's infrastructure players was clear. Shiny big projects are great, but we need projects off the ground now to ensure that our pipeline of domestic talent stays here. The low hanging fruit is probably our massive deficit in the maintenance of our infrastructure assets. That work needed to start yesterday.

The message to the opposition was equally clear. The commitment to finish what was started is a welcome one. But the extent of your commitment to partnership isn't clear enough. Where are the red lines?

An international investor at the Summit observed to me that if New Zealand really wants the international sector to come with their ideas it needs to be clearer how those ideas will be protected. There is no interest in pitching innovative ideas to the Government if those ideas are simply going to be lifted and put out to competitive tender for all to see. That brings its own challenges of course – how do we take advantage of those ideas while maintaining competitive tension in the projects that eventuate?

Which brings me to the other elephant in the room. If partnerships with the private sector is the way that we choose to fund infrastructure there will need to be a commitment to increasing the quality of the Government as a contracting party. Too frequently in the past, PPPs have descended into a process of risk being pushed heavily to the private sector (\$3 school lunches anyone?). Successfully engaging in a partnership with the private sector requires a partnership approach and requires the ability to engage on a sophisticated level in contracting and allocating risk. Many people in the room queried whether that capability exists yet in the public sector.

A final thought is how we go about ensuring that New Zealand's sovereign capability is retained. Space needs to be carved out for the participation of New Zealand investors, New Zealand contractors (and yes, New Zealand advisers) as we partner with the rest of the world to solve our country's infrastructure challenges.

As New Zealand continues to navigate its infrastructure challenges, the latest developments point to a critical crossroads. The latest publication in our series *'Transforming Challenges into Opportunities'* takes a closer look at the current landscape, highlighting the opportunities and hurdles facing the sector. As the world's largest global law firm, we unashamedly take a global approach to these challenges. What lessons can we learn from other major cities on climate change and congestion charging? What are the observations on the growing support for Early Contractor Involvement (ECI) across the UK and Europe? What significant reforms have occurred locally in various jurisdictions? Additionally, we explore how New Zealand can address project cancellations and build a robust infrastructure pipeline.

Dentons works with the Government, the private sector, and international collaborators on projects that are vital to New Zealand's future. Our aim is for the country to recognise this challenge and take the opportunity to create a resilient and sustainable future for New Zealand. The Infrastructure Summit was a good start, but much more needs to be done, and done quickly. If the Summit was the entrée, the proof really will be in the pudding.



**Hayden Wilson**  
New Zealand Chair & Global Vice Chair



# From stuck in treacle to progress: shifting infrastructure development to an abundance agenda

The latest change in government and resulting legislative reform, combined with existing legislative and regulatory settings and procurement approaches, are working together to create a perfect storm of project cancellations, uncertainty and a slow rebuild. The extent of the change and its impact on the construction sector cannot be underestimated.

The coalition Government quickly repealed legislation the previous Government introduced to replace the RMA, ushering in the first RMA Amendment Bill in early 2024, with the second tranche following in August 2024. National's support of the bipartisan accord for townhouse zoning was also revoked, followed by an announcement that it was getting rid of the KiwiBuild programme, Affordable Housing Fund, and Housing Acceleration Fund to pay for the new "Build-for-Growth" fund.<sup>1</sup>

Then in October 2024, National announced the Residential Development Underwrite in place of KiwiBuild to 'support residential construction activity in the near-term by enabling credible developers to access finance that they otherwise wouldn't have gotten'.<sup>2</sup> Yet, by February 2025, only one housing project had been approved under the scheme.<sup>3</sup>

At the same time, major procuring agencies like New Zealand Transport Agency and Kāinga Ora have had significant shifts in direction, with major roading

and rail projects cancelled and a winding back of social housing development. The Government also cancelled the Cook Strait ferries project, iRex, at an estimated cost of NZ\$300m and took that project back to the drawing board.<sup>4</sup> This is not the first time that has happened. Much like Transmission Gully – a project proposed during WW2 but not opened until March 2022 – the issue of the Cook Strait ferries and the infrastructure to support them has been kicking around for decades and various solutions proposed but ultimately not progressed.

Overall, as a result of all these changes under the new Government, the construction sector estimates it has lost 12 – 18 months of pipeline work.

This impacts professional services firms – design consultants – first, with their work dropping off. It then hits the constructors, as legacy projects finish and the next wave of projects are not yet ready to put spades in the ground. The knock on effect of this approach drives cost escalation and delay.

If we cannot keep a reliable pipeline, we cannot provide steady employment and transition skilled teams from one project to the next. That talent then looks overseas for new opportunities. When we are finally ready to do the next project, that expertise is gone and we need to build back again from scratch and pay a premium for international experts.

As well the direct economic impact on this significant part of New Zealand's economy, there is also the obvious productivity loss in spinning our wheels. That is not just the wasted expenditure on projects that are mothballed but also the loss in not having assets available earlier. The Infometrics Principle Economics October 2022 report to Infrastructure New Zealand found there could have been a minimum seven-year time saving available in relation to the Waikato Expressway that would have secured NZ\$2.3 billion of benefits to New Zealand (which is 1.2 times the total capital cost of the project).

So, what do we need to do to shift infrastructure development from being stuck in treacle, struggling to get any momentum, to one of abundance, where progress to support a growing nation is made?

One of the obvious issues is reducing the amount of change, which points to the need for bipartisan agreement on projects, to provide a consistent pipeline for the industry. That means not just agreement on the projects but also the details. For example, if there is a new road to be built, will it be an expressway with a grade separated cycleway and future proofed for light rail or will it be a 'Toyota Corolla' 2-lane highway with no capacity to accommodate alternative transport. Not only is change costing wasted design and consultancy fees but it also costs us time, as often projects need to go back to the drawing board when they are significantly re-scoped.<sup>5</sup>

However, this can be done. Denmark has a compromise/consensus-based approach to infrastructure planning. With a relatively large number of political parties all infrastructure spending needs political consensus. An example is that the parties' transport representatives meet

1 <https://www.1news.co.nz/2023/05/28/national-u-turns-on-bipartisan-accord-for-townhouse-zoning/>  
2 <https://www.beehive.govt.nz/release/new-government-support-residential-construction-market-announced>  
3 <https://www.thepost.co.nz/nz-news/360554409/just-one-housing-project-approved-government-underwriting-so-far>  
4 <https://www.rnz.co.nz/news/political/543699/government-s-irex-ferry-cancellation-costed-at-300-million-for-now>

5 <https://infrastructure.org.nz/wp-content/uploads/2023/10/Infrastructure-NZ-Estimating-the-Costs-of-an-Uncertain-Infrastructure-Pipeline-Report-SINGLE-PAGES-Media-Release.pdf>, at p 17-18





However, this can be done. Denmark has a compromise/consensus-based approach to infrastructure planning. With a relatively large number of political parties all infrastructure spending needs political consensus. An example is that the parties' transport representatives meet weekly to discuss long-term transport plans through unofficial bipartisan agreement. The result is that transport projects are rarely an election issue.

The Infrastructure Commission's Infrastructure Priorities Programme (IPP) is a step in the right direction. There are also welcome signs that the need for bipartisan agreement is being recognised by New Zealand political parties and they are taking steps to advance that. Even if they cannot agree everything, if they agree a core pipeline of maintenance and new projects, that will assist.

Another is the legislative and regulatory framework currently in place and developed over many years and the extent to which it hinders progress. While various parts of the current framework may individually make sense, they work together to make progress difficult.

This is what the political scientist Francis Fukuyama terms a "vetocracy" – where the system of governance prevents any single entity from acquiring enough power to make, and follow through on, effective decision making.

The Government is currently making changes in this area also. The fast-track legislation is one example. Similarly, recently announced changes to the Public Works Act are clearly intended to speed up that process and avoid the complaint made by the Mayor of Taranaki. The Mayor identified that delays in securing land for the Mt Messenger bypass in Taranaki has delayed the project and cost taxpayers NZ\$83 million in the past two years.<sup>6</sup> However a major challenge lies ahead for the Government with the balance of its RMA reform, the bulk of which has yet to be delivered. That will need to balance legitimate environmental interests while setting a framework that enables progress. It is likely also to be a major challenge to deliver it before the next election.

Achieving political consensus on the pipeline of projects and establishing a legislative framework to support progress are significant macro issues.

However, change is also needed at the micro level. Procurement and the speed with which projects are brought to the market also needs attention. Delays in procurement mean that once a project is announced, it can still take years before a construction contract is signed and there are spades in the ground. That may require more risk to be taken with changes to the procurement frameworks, as well as considering a wider range of procurement models that involve the Government taking and sharing more risk with the industry to get projects moving.

We have shown it is possible. When a slip closed section of State Highway 25A (SH25A), including the Taparahi Bridge in the Coromandel in 2023, New Zealand Transport Agency and the industry collaborated to repair the stretch and replace the bridge significantly faster than under normal circumstances. The accelerated re-opening is estimated to have increased tourism expenditure in the region by NZ\$69.30 million or about 15% compared to a non-accelerated schedule. It also is estimated to have increased GDP in the region by NZ\$85.88 million.<sup>7</sup>

However, we should not have to rely on emergency situations for high performance and critical pace.

It appears the Government is also starting to take action on procurement as well, having announced in March changes to the procurement rules for the Crown, including eliminating 24 rules. However, these appear to mainly be general changes that apply across all procurement and further thought needs to be given to how to speed up procurement in the infrastructure space.

As with any difficult problem, the solutions are not easy ones. The macro solutions will take time. In the meantime, to help the construction industry survive the current lean period, focus is needed on making changes at the micro level to identify any quick wins that may unlock funding and reduce delays in getting projects to market, to keep the construction sector working and talent in New Zealand, ready for the next project and the next project.



6 [Mt Messenger delays: Public Works Act needs overhaul, mayor says | RNZ News](#)

7 <https://infrastructure.org.nz/wp-content/uploads/2024/02/Infrastructure-NZ-SH25A-Taparahi-Bridge-Case-Study-DIGITAL.pdf>, Appendix A.



# Early contractor involvement in UK and European infrastructure Projects: insights and lessons for New Zealand

Dentons, the world largest global law firm, benefits from a wealth of diverse perspectives, allowing us to offer clients invaluable insights and solutions drawn from a broad range of international experiences. With a presence in key markets worldwide, we are uniquely positioned to address complex challenges faced by businesses today. In this context, Mark Macaulay, Partner in our Glasgow Projects practice, provides his observations on the growing support for Early Contractor Involvement (ECI) across the UK and Europe, shedding light on the emerging trends that are transforming construction projects in these regions. Whilst also providing lessons New Zealand can learn from our global perspective.

## What is Early Contractor Involvement ECI?

Early Contractor Involvement (ECI) is a procurement strategy that brings contractors into infrastructure projects during the planning and design stages, rather than after the design is finalised. This approach contrasts with traditional models such as design-bid-build, where contractors are engaged late in the process. ECI enables contractors to contribute their technical expertise early, influencing design decisions, improving constructability, and managing risks proactively.

## Why ECI is being used in the UK and Europe

An ambitious worldwide agenda for renewable energy expansion and energy security has created strong demand across various contractor roles. ECI can be a more attractive proposition for contractors than traditional procurement and given the constraints in finding contractors to deliver projects this has caused, ECI may be critical to some infrastructure projects being constructed. Furthermore, ECI has gained traction in the UK and Europe due to the increasing complexity of infrastructure projects, tight budgets, and the need for faster, more efficient delivery.

Key benefits include:

- Improved risk management through early identification and mitigation of construction challenges.
- Enhanced collaboration between clients, designers, and contractors.
- Greater cost certainty and value engineering opportunities.
- Faster project delivery by overlapping design and procurement phases.

ECI is particularly effective for mega-projects such as ports, highways, and rail infrastructure, where contractor input can significantly influence design feasibility and environmental considerations.

## Issues and Challenges

Despite its advantages, ECI is not without challenges:

- Maintaining competitive tension when the contractor is selected to work on the project before it is able to commit to a price for it.
- Procurement law constraints, particularly in the EU, can limit flexibility in contractor selection and negotiation.
- Unclear contractual boundaries in early stages can lead to disputes or misaligned expectations.
- Risk of sunk costs for developers and/or contractors if the project does not proceed to construction.
- Trust and transparency are essential but not always present, especially in public sector projects.



## Lessons Learned in the UK and Europe

Several lessons have emerged from the UK and European experience:

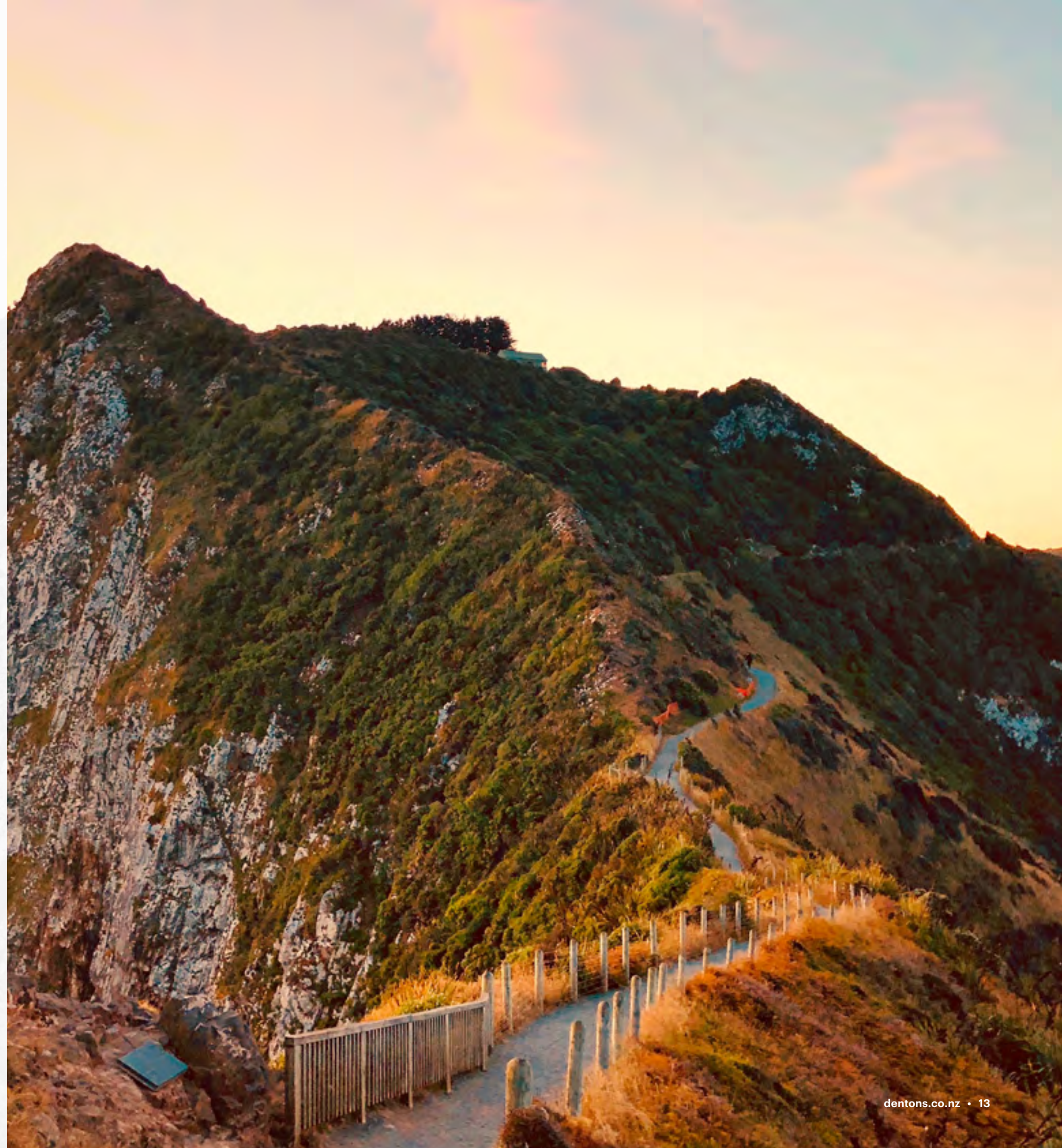
- Clear frameworks and compensation models are vital. Early contributions must be recognised and fairly remunerated to maintain contractor engagement.
- Two-stage procurement models (e.g. pre-construction services agreements followed by main works contracts) help manage uncertainty and build trust.
- Collaborative behaviours and shared objectives between stakeholders are key to realising ECI's benefits.
- Standardisation of ECI processes can reduce ambiguity and improve outcomes across projects.

## How New Zealand can learn from this

New Zealand already uses ECI in various forms, but there is scope to refine and expand its application. Key learnings from the UK and Europe experience to enhance use of ECI in New Zealand include:

- Clarifying procurement guidelines to align with international best practices while remaining compliant with local law.
- Investing in training and capacity-building for public sector clients to manage ECI effectively.

By adopting such an approach to ECI, New Zealand can enhance the efficiency, sustainability, and value of its infrastructure delivery.





# Navigating the tide of water reform in New Zealand

Last year we **reported** on the rollercoaster that has been water reform in New Zealand, focusing on the infrastructure deficit and the estimated NZ\$200 billion worth of deferred work in the water space.

With Three Waters (turned **Affordable Waters**) now firmly in the rearview mirror, our team has been closely following the suite of Local Water Done Well (LWDW) reforms. After repealing Labour's previous efforts, the Coalition Government established preliminary arrangements for local government water services delivery through the Local Government (Water Services Preliminary Arrangements) Act 2024.

## The third instalment of LWDW reforms

The Local Government (Water Services) Bill now marks the third instalment of the Coalition Government's LWDW reforms, which will establish a new regulatory framework for water services delivery. We can expect the Finance and Expenditure Select Committee report in June of this year. As we **discussed** late last year, the Bill aims to "establish a framework for local government to provide water services in a flexible, cost-effective, financially sustainable, and accountable manner", by providing a range of structural and financing tools, and by implementing a new economic regulation regime for water services providers.

The Bill provides for, among other things:

- Arrangements for the new water services delivery system,
- A new economic regulation and consumer protection regime for water services,
- Changes to the water quality regulatory framework and the water services regulator, and
- Singular environmental performance standards and infrastructure design solutions which could substantially streamline consenting processes for wastewater and stormwater infrastructure.

## Key considerations for councils

Councils will be considering the regulatory settings in the Bill closely as they get ready to submit their water services delivery plans (WSDPs) this September. WSDPs will outline a council's proposed future arrangements for water services delivery, and are required to demonstrate the services will be 'financially sustainable' by 2028.

In contrast to the prescriptive nature of the previous Government's reforms, LWDW is deliberately very flexible in terms of the options it makes available to councils. Broadly, councils can opt to either keep water service delivery in-house (the status quo in most cases), or to create new 'water organisations' which may be owned by one or more councils, or consumer trusts, or a combination. The chosen structure will clearly have a bearing on the organisations' ability to borrow and fund its operations and capital expenditure.

After choosing a broad direction of travel from the options above, there will be further design, structuring, funding and governance choices to work through, and (where relevant) further negotiations to be had between partnering councils. We look at some of the more detailed considerations [here](#).

The new regulatory settings will also include an economic regulation regime for water supply and wastewater services, with the potential to include stormwater services at a later date. Water service providers making core decisions about capital and operating expenditure will want to look closely at the new information disclosure requirements, and the potential for revenue threshold regulation, quality regulation, performance requirement regulation and price-quality regulation.



A persistent issue with the provision of water services in New Zealand is the diverse scale of operations across the motu, ranging from small councils acting relatively independently, to large private regional collaborations. This range of community needs and varying quality of existing infrastructure raises strategic, operational, financial, and regulatory challenges.

Now more than ever, experienced and independent governance will be crucial to ensure that water organisations can deliver these complex water services in a safe, reliable, environmentally resilient, and customer-responsive way.

## Proposed Wastewater Environmental Performance Standards

As part of the wider reform package, Taumata Arowai has recently proposed a set of Wastewater Environmental Performance Standards.

The standards (made under the Water Services Act) will dramatically change how wastewater projects are considered under the RMA, and could reshape how wastewater infrastructure is managed in the future.

The standards are intended to reduce consenting costs and drive a greater level of standardisation across the industry. They will cover discharges to water and land, reuse of biosolids, overflows from networks and bypasses from treatment plants. In brief, the standards will:

- Simplify or reduce the consenting requirements in many cases, particularly for larger wastewater treatment plants discharging to 'open ocean' environments.
- Prevent regional councils from imposing more onerous controls on matters to which the standards apply.
- Require resource consent to be sought for discharges from wastewater networks (such as from blockages or due to heavy rain) – but enable this to occur as a controlled activity (so that regional councils can impose conditions, but not decline consent).

We discuss the standards and their implications further [here](#).





# Hate traffic? Congestion charging could be the solution for New Zealand roads

Pick a major city around the world, and sooner or later, the conversation will soon turn to the same daily frustration – rush hour traffic. New Zealand's largest cities, Auckland and Wellington in particular, have not been immune, with rush hour traffic being a reality (and a problem) for a long time.

While the causes leading to this vary, the impacts are the same – lost productivity for businesses and lost time for residents.

Historically, the solution was to build more roads and increase the capacity of the existing road network. Unfortunately, this did not turn out to bring the long term relief sought, as a phenomenon known as induced demand – an increase in traffic generated by the availability of additional road capacity – meant that the initial benefits were soon lost.

Is there another way or is this the fate of every big city? Some cities, like Singapore, London and Stockholm, have shown the world that

there is another option to make roads less busy during peak times. They introduced charges for road users that vary depending on the time of day they use the road. This is known as 'time of use' charging.

Time of use charging is one option to address the very practical need to incentivise users' behaviour (like a driver) to achieve multiple goals:

- Use existing infrastructure more efficiently (by driving less in peak time)
- Reduce carbon emissions (by not sitting idly in traffic with the engine on)
- Generating additional funding for infrastructure.

**Time-of-use charging isn't new—it's been successfully applied to other infrastructure services, for instance electricity pricing and public transport fares, where off-peak discounts encourage people to shift their usage.**

The increased cost of using an infrastructure service in peak times creates the incentive for users to find a cheaper alternative if they can – they can delay the use, find another service or put off the use altogether.

## How would this work for free services – like driving on most public roads in New Zealand?

While the country has over 100,000 km of roads, only three are currently tolled, with another three under consideration to be tolled. Tolls are also different to congestion charging – they apply whatever the time of day or night you use the road. There is also no change in price during quiet times on the roads.

In this case, a time of use charge would become payable when using the roads at rush hour. Over the past few years, the idea of time of use charging started gaining traction in New Zealand, especially in Auckland.

In March this year, the Government introduced time of use charging legislation. Under the proposed legislation, local councils could set up congestion charging schemes tailored to their needs. They would determine the charging zones, pricing, and timeframes. If no council takes action within three years of the law passing, the NZ Transport Agency could step in to initiate a scheme instead. The system would be overseen by a board, chaired by a NZ Transport Agency representative with a casting vote. Revenue from the charges will be reinvested

in local transport improvements in the region where the charges are collected.

Only emergency vehicles, such as ambulances, police or fire and emergency vehicles, are exempt from the scheme at the moment, which makes the system simpler to implement. However, as the legislation still has to go through the parliamentary process and public consultation, changes are expected before it passes.

With congestion clogging up roads in New Zealand's biggest cities, time of use charging offers a pragmatic solution – one that has worked in major cities around the world. While the details of the scheme are still up for debate, the goal is clear: to make better use of our existing infrastructure, reduce emissions and reinvest in transport improvements. As the legislation makes its way through Parliament, the challenge will be striking the right balance – ensuring the system is fair, effective and delivers real benefits to commuters and businesses alike. Will congestion charging finally get New Zealand's traffic moving? That remains to be seen.





# Three-phase approach to resource management reform: key updates for infrastructure

The Government is underway with a three-phase approach to reforming the Resource Management Act 1991 (RMA) and related legislation over this term of Parliament.

## Phase 1

Repeal of the previous Government's RMA replacements, the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023. This was completed in late 2023.

## Phase 2 (this is where we are now)

- The Fast-track Approvals Act 2024. This is discussed in more detail on page 26.
- The Resource Management (Consenting and Other System Changes) Amendment Bill, currently before the Environment Select Committee.
- Changes to national direction instruments under the RMA, including:
  - A new National Policy Statement for Infrastructure;
  - Amendments to the National Policy Statements for Renewable Energy Generation and Electricity Transmission;
  - Amendments to the National Environmental Standard for Telecommunication Facilities; and
  - Amendments to the New Zealand Coastal Policy Statement, which impacts infrastructure in the coast.
- The Resource Management (Freshwater and Other Matters) Amendment Act 2024 (of limited relevance to infrastructure).

## Phase 3

A long-term replacement for the RMA, which is intended to be passed by mid 2026.



## The Resource Management (Consenting and Other System Changes) Amendment Bill

This Bill includes a number of key changes intended to make consenting and designation processes more efficient for infrastructure and energy. These changes primarily focus on lapse periods and consent durations, to provide investment certainty and reduce re-consenting churn, as well as process improvements. Select Committee submissions on the Bill closed on 10 February 2025, and the Committee Report is due on 17 June 2025.



## Changes to national direction

National policy statements and national environmental standards are national direction instruments created by central government under the RMA. These instruments either provide rules and policies which directly apply to new activities regulated by the RMA, or they direct councils how to treat activities regulated by district and regional plans. Over the last 10 years the courts have highlighted the importance of national direction instruments. Their provisions have directly impacted the granting or refusal of consents for infrastructure, as well as regional planning provisions regulating activities such as ports.

The current suite of national direction was developed in an ad hoc manner, lacks consistency of approach, and is not co-ordinated or comprehensive. National direction has the potential to support consistent and efficient treatment of infrastructure across New Zealand, but reconciling conflicts between existing provisions will take careful consideration and engagement with stakeholders. It is also important to ensure that the revised direction does not impose additional requirements or restrictions – trading away supportive provisions in some districts in return for national consistency.

In October 2024, Minister Bishop announced that the Government would consult on national direction in early 2025 and expects the revised package of national direction to be passed into law in mid-2025. In March, Minister Bishop provided an update on the Government’s national direction work. He indicated that the national direction review is being scaled back, so the focus can remain on work required for Phase 3 of resource management reform. The Government expects to release details on the changes to national direction in the next two months, and to have them in place by the end of 2025.



## Long-term replacement for the RMA

While Phase 2 is about fixing what we have, Phase 3 is about building a new resource management system for the future. Phase 3 will also deliver on the Coalition Agreement between the National Party and the ACT Party to “replace the RMA with new resource management laws premised on the enjoyment of property rights as a guiding principle”.

Cabinet has agreed three objectives for the new system, strongly focussed on growth:

1. Unlock development capacity for housing and business growth.
2. Enable delivery of high-quality infrastructure, including doubling renewable energy.
3. Enable primary sector growth and development.

The Government has also developed 10 principles to underpin the long-term replacement for the RMA:

- Narrow the scope of the resource management system and the effects it controls.
- Establish two Acts with clear and distinct purposes – one to manage environmental effects arising from activities, and another to enable urban development and infrastructure.
- Strengthen and clarify the role of environmental limits and their development.
- Provide for greater use of national standards to reduce the need for resource consents and to simplify council plans, such that standard-complying activity cannot be subjected to a consent requirement.
- Shift the system focus from consenting which happens before the event to strengthening compliance, monitoring and enforcement.
- Use spatial planning and a simplified designation process to lower the cost of future infrastructure.
- Realise efficiencies by requiring councils to jointly prepare one regulatory plan for their region.
- Provide for rapid, low-cost resolution of disputes between neighbours and between property owners and councils.



- Uphold Treaty of Waitangi settlements and the Crown’s obligations.
- Provide faster, cheaper and less litigious processes within shorter, less complex and more accessible legislation.

The Government asked an Expert Advisory Group (EAG) to test and refine these principles, and has instructed officials to test the principles with partners and stakeholders. The Government released the EAG’s report on 24 March, together with the Cabinet decisions on the EAG recommendations. Unsurprisingly, the EAG recommendations closely reflect the objectives and principles already developed by the Government. The new system will have a strong focus on property rights, which may prove problematic for infrastructure which often needs to traverse multiple properties, rely on common resources such as freshwater or coastal space, or have noise, odour or visual impacts. However, the suggestion for increased spatial planning could benefit some types of infrastructure by encouraging integrated planning. The EAG report provides a blueprint, but the real work starts now. The Government’s timeframes are ambitious.

## Public works law reform is also relevant to resource management reform

Alongside resource management reform, the Government is also progressing with a review of the Public Works Act. Infrastructure providers often navigate consenting at the same time as, or to lay the foundation for, land acquisition. The two processes currently intersect and overlap in ways that can delay or add costs to projects and uncertainty for landowners. Reviewing both of these processes at the same time provides an opportunity for added efficiencies and integration.



## **Speeding up infrastructure delivery: update on progress under the Fast-track Approvals Act**

The Fast-track Approvals Act was passed at the end of 2024, and since that time the Government and applicants have been working hard to put it into action. The purpose of the Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits. It was designed to both shorten timeframes and provide more certainty of outcome than is provided by the RMA. It also provides a 'one-stop-shop' approach to approvals under a range of legislation.

**There are two ways for applicants to access the Act.**

**149 projects are listed in a schedule to the Act, giving them a right to apply under the Act.**

**43 of the listed projects are infrastructure projects.**



At least three applications have already been lodged and are being processed. These are:

**Bledisloe North Wharf and Fergusson North Berth Extension, by the Port of Auckland.**

**Delamore Housing Project in Auckland, by Vineway Limited.**

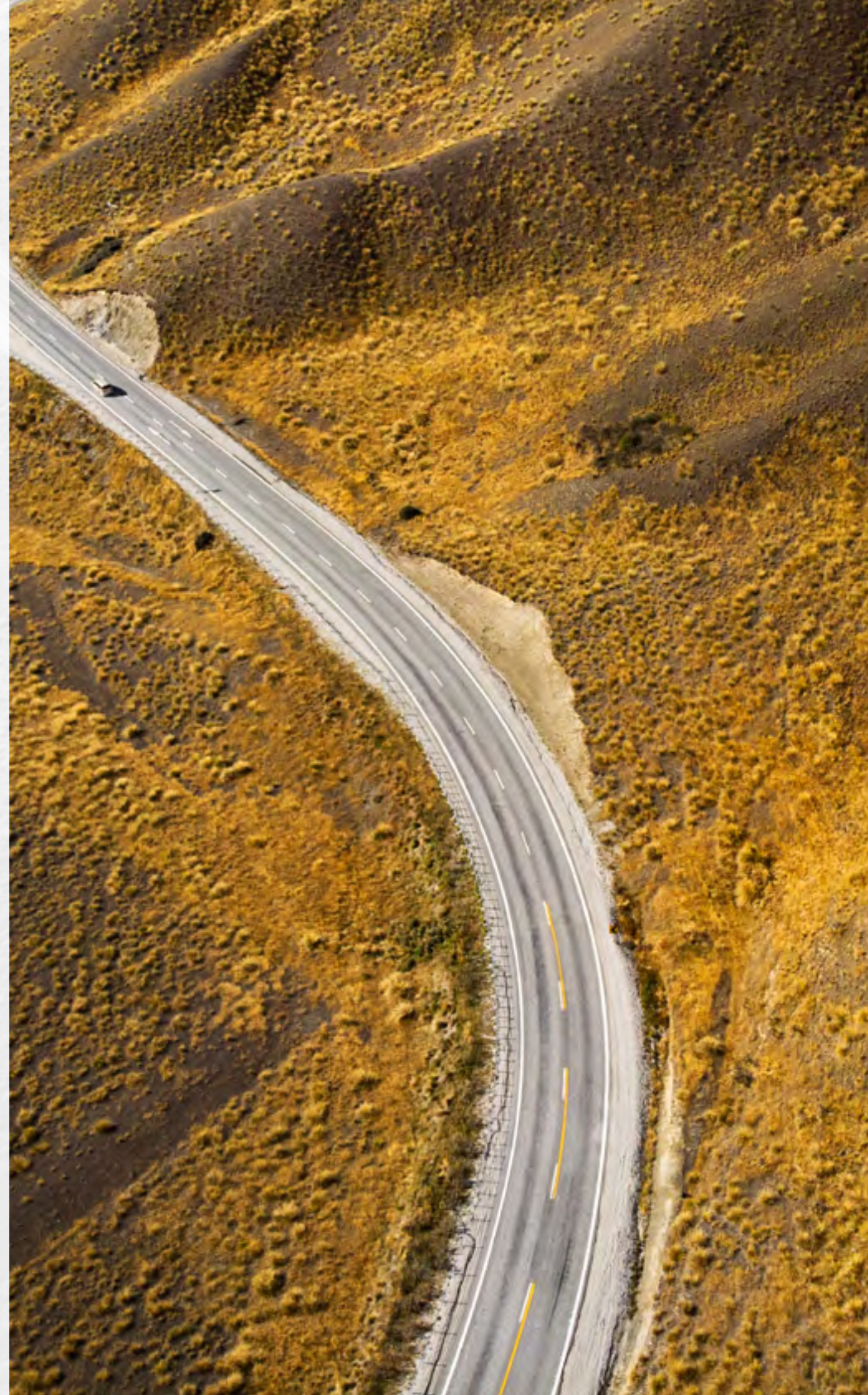
**Maitahi Housing Village in Nelson, by CCKV Maitai Dev Co Limited.**

Additional projects can be 'referred' in to the process by the Minister for Infrastructure. It is not clear whether any referral applications have been lodged yet, but a large number of infrastructure projects are likely to be eligible for referral, as they will readily be able to demonstrate significant regional or national benefits.

The Environmental Protection Authority (EPA) is managing fast-track applications, and has established a dedicated team and website for the process: [www.fasttrack.govt.nz](http://www.fasttrack.govt.nz).

This website shows the status of projects, contains copies of applications, and should be the first 'port-of-call' for applicants and others interested in fast-track applications. The website also contains advice to help navigate procedural issues such as requests for priority, costs, and engaging with other entities such as the Department of Conservation or Heritage New Zealand Pouhere Taonga (when this is required by the Act).

Recent news articles have highlighted the need for applications to be sufficiently robust in order to be accepted as complete. The Port of Auckland application was initially rejected and had to be resubmitted. This attracted criticism by some politicians, worried that the EPA might not be acting in the spirit of the legislation.



**I don't want to hear that finicky, pettifogging decision-makers are hobbling the process and inhibiting the projects from even getting to the start line.**

— Minister Jones, 13 March 2025

The EPA and panel conveners will, however, be mindful of their statutory obligations, and the risk of challenge if processes aren't followed correctly. The fast-track process certainly has a number of supporters, but it also has its critics.

The panellists appointed to determine the applications will be at the frontline of any controversy. The panel convener and associate panel conveners who have been appointed are all very experienced and well-regarded. They have also all worked on infrastructure issues, whether that is as an Environment Court Judge, lawyer for an infrastructure applicant, or lawyer acting for stakeholders and councils. Further panellists will be appointed to determine individual applications, and the EPA is currently calling for expressions of interest from those qualified to undertake the task. But the decision making task will not be easy. The applications lodged to-date are all lengthy and complex. The projects which are listed or likely to be referred are expected to be some of the most challenging in New Zealand. Panels will have their work cut-out for them, processing all of the material within the statutory timeframes.



## Breaking news: Health and Safety reform is coming!

Following public consultation in late 2024, the Government is beginning to announce a suite of 'system-wide' changes to New Zealand's Health and Safety legislation and regulations.

So far the key changes announced include carve outs for small, low-risk businesses and providing clarification on the boundaries of overlapping duties, including the distinction between governance and operational management health and safety responsibilities. In addition, it has become clear that the frequent references to 'orange road cones' was not just a metaphor, with further WorkSafe guidance and a public hotline proposed to reduce the over proliferation of road cones.

There are more details to come before we see an amended bill put before Parliament later this year. We will be commenting on the proposed reform in detail through alerts and articles available on our [Insights](#) page.



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