



TRANSPOWER

23 June 2025

Committee Secretariat
Finance and Expenditure Committee
Parliament Buildings
Wellington

Regulatory Standards Bill

Transpower New Zealand Limited (**Transpower**) appreciates the opportunity to make a submission on the Regulatory Standards Bill (**Bill**), that was introduced to Parliament on 19 May 2025.

Transpower is concerned about the implications of clause 8(c) of the Bill on the statutory rights provided by the Electricity Act 1992 (**Electricity Act**) and the rules and regulations about safety that stem from that Act. We are also concerned about the implications on the protections afforded to the national grid via the Resource Management Act 1991 (**RMA**), and its replacement.

Background

Transpower does not have formal property rights for ~93% of our overhead line assets. Instead, we rely on statutory rights under the Electricity Act. The Electricity Act confers rights to access and operate assets existing at 1 January 1988, and allows maintenance, replacement and upgrade works to occur as of right, provided no injurious affection is caused to the land. Should injurious affection be caused, compensation is paid and/or property rights obtained.

These overhead lines assets are protected by rules in district plans, which are required by policies 10 and 11 of the National Policy Statement for Electricity Transmission (**NPSET**). The NPSET is national direction under the RMA. These rules restrict the activities of landowners and occupiers that could compromise the operation, maintenance, development and upgrade of the Grid and could result in reverse sensitivity effects (where the operation of the Grid is constrained). Importantly, these rules have prevented the ongoing building of housing under transmission lines around the country.

Figure 1: Houses under the Henderson - Hepburn Road A Line



In addition, codes of practice and regulations under the Electricity Act provide restrictions on landowner activities, due to the risks to people, property and electricity assets:

- the New Zealand Electrical Code of Practice for Electrical Safe Distances (**NZEC34**), a code of practice under the Electricity Act, provides additional restrictions on landowner activities, due to safety implications. These restrictions apply to buildings, structures, earthworks and mobile plant;
- the Electricity (Hazards from Trees) Regulations 2003 (**Trees Regulations**) provide a regime for trimming vegetation that has grown too close to transmission lines.

In addition to the existing regulatory restrictions referred to above, the resource management reforms and proposed amendments to the Trees Regulations could result in the existing restrictions being contained in new regulations and/or expanding the restrictions beyond those that currently exist.

Concerns about undermining statutory rights and safety protections for existing lines

Transpower is concerned that the Bill will require a review of the Electricity Act, resulting in officials reporting on a misalignment with clause 8(c). We are concerned that the review could result in amendment to the Electricity Act, and a requirement to pay compensation to authorise the occupation of land by our lines assets and ongoing maintenance, irrespective of whether injurious affection is caused. Any requirement of this kind could have significant cost implications.

Compensation associated with existing overhead lines would be unaffordable, for Transpower and electricity consumers. Transpower has ~11,000km of transmission lines, crossing 30,000 properties, with most being lines with statutory rights under the Electricity Act. Any compensation for existing lines would need to be passed onto electricity consumers which would materially impact on the affordability of electricity for households and businesses. We also note that the bulk of our assets were constructed in the 1920s/1930s and more recently in the 1950s. Compensation would have been available at the time the lines were constructed, and subsequent owners have acquired the property knowing the lines are present.

We are similarly concerned about the implications for the safety protections afforded by NZECP34 and the Trees Regulations. Transpower could end up in a situation where we must pay increased compensation for restrictions on use of land for buildings, structures and vegetation. We would be concerned if the Bill undermined the safety of our assets and people and property around it.

Approach to Resource Management reform differs from approach in clause 8(c)

The *Blueprint for resource management reform (EAG report)* states the presumption that a restriction on the use of land identified by a national methodology, would not trigger a claim for compensation for takings (paragraph 111). In this regard, regulatory takings would be justifiable if contained in the National Policy Direction (NPD). If the takings were unjustifiable compensation would be payable by the Crown. Transpower anticipates that the rules to protect the national grid will be contained in the NPD (and would therefore be justifiable, with no compensation being payable by either the Crown or Transpower). The EAG report notes that any takings provisions in the new planning system would need to carefully consider the interface with the provision in the Bill, should it become law. Transpower is concerned that clause 8(c) of the Bill could result in a situation where the RM reform does not progress as indicated in the EAG report, and compensation for rules that protect the national grid will be required to be paid.

As with any requirement to pay compensation for occupation of land, costs associated with any requirement to pay compensation for protections to existing overhead lines would be unaffordable.

Changes requested

Given our concerns, Transpower seeks that:

- the Electricity Act is an excluded Act under clause 10 of the Bill. Any exclusion could be limited to the application of clause 8(c), with the remainder of the Bill applying;
- the protections afforded to existing infrastructure by the RMA, or its replacement, are also excluded from the application of clause 8(c); and
- secondary legislation related to the above is excluded under clause 12 of the Bill.

Appearance before the Select Committee

Transpower wishes to be heard by the Select Committee.

Other matters

Our submission does not contain any confidential information.

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